

Cardiac Biotech Solutions Inc.

10845 Griffith Peak Drive, Ste. 200
Las Vegas, NV 89135

(888) 225-0870

<https://cardiacbiotech.com/>

info@cardiacbiotech.com

Quarterly Report

For the period ending June 30, 2025 (the “Reporting Period”)

Outstanding Shares

The number of shares outstanding of our Common Stock was:

164,021,103 as of June 30, 2025 (Current Reporting Period Date or More Recent Date)

162,173,702 as of March 31, 2025 (Most Recent Completed Fiscal Year End)

Shell Status

Indicate by check mark whether the company is a shell company (as defined in Rule 405 of the Securities Act of 1933, Rule 12b-2 of the Exchange Act of 1934 and Rule 15c2-11 of the Exchange Act of 1934):

Yes: No:

Indicate by check mark whether the company’s shell status has changed since the previous reporting period:

Yes: No:

Change in Control

Indicate by check mark whether a Change in Control⁴ of the company has occurred during this reporting period:

Yes: No:

⁴ “Change in Control” shall mean any events resulting in:

- (i) Any “person” (as such term is used in Sections 13(d) and 14(d) of the Exchange Act) becoming the “beneficial owner” (as defined in Rule 13d-3 of the Exchange Act), directly or indirectly, of securities of the Company representing fifty percent (50%) or more of the total voting power represented by the Company’s then outstanding voting securities;
- (ii) The consummation of the sale or disposition by the Company of all or substantially all of the Company’s assets;
- (iii) A change in the composition of the Board occurring within a two (2)-year period, as a result of which fewer than a majority of the directors are directors immediately prior to such change; or
- (iv) The consummation of a merger or consolidation of the Company with any other corporation, other than a merger or consolidation which would result in the voting securities of the Company outstanding immediately prior thereto continuing to represent (either by remaining outstanding or by being converted into voting securities of the surviving entity or its parent) at least fifty percent (50%) of the total voting power represented by the voting securities of the Company or such surviving entity or its parent outstanding immediately after such merger or consolidation.

1) Name and address(es) of the issuer and its predecessors (if any)

In answering this item, provide the current name of the issuer and names used by predecessor entities, along with the dates of the name changes.

The Company was originally incorporated in the State of Oregon as WESTAQ NETWORK, INC. in June of 1987. In June of 1996 its name was changed to NET:X AMERICA INC., remaining an Oregon corporation. On December 14, 2015 it changed its name to CB SCIENTIFIC, INC. On May 7, 2025, the Company changed its name to Cardiac Biotech Solutions Inc. On July 14, 2022 the Company filed articles of dissolution with the State of Oregon after changing its domicile to the State of Nevada and was officially dissolved as an Oregon corporation on August 8, 2022. It is currently in good standing with the State of Nevada.

Current State and Date of Incorporation or Registration: Nevada, July 14, 2022
Standing in this jurisdiction: (e.g. active, default, inactive): Active

Prior Incorporation Information for the issuer and any predecessors during the past five years:
Oregon from June 1987 to August 8, 2022

Describe any trading suspension or halt orders issued by the SEC or FINRA concerning the issuer or its predecessors since inception:

None

List any stock split, dividend, recapitalization, merger, acquisition, spin-off, or reorganization either currently anticipated or that occurred within the past 12 months:

None

Address of the issuer's principal executive office:

10845 Griffith Peak Drive, Ste. 200, Las Vegas, NV 89135

Address of the issuer's principal place of business:

Check if principal executive office and principal place of business are the same address:

Has the issuer or any of its predecessors been in bankruptcy, receivership, or any similar proceeding in the past five years?

No: Yes: If Yes, provide additional details below:

2) Security Information

Transfer Agent

Name: ClearTrust, LLC
Phone: 813.235.4490
Email: inbox@cleartrusttransfer.com
Address: 16540 Pointe Village Dr. Suite 206, Lutz, FL 33558

Publicly Quoted or Traded Securities:

The goal of this section is to provide a clear understanding of the share information for its publicly quoted or traded equity securities. Use the fields below to provide the information, as applicable, for all outstanding classes of securities that are publicly traded/quoted.

Trading symbol:	<u>CBSC</u>	
Exact title and class of securities outstanding:	<u>Common</u>	
CUSIP:	<u>12506E103</u>	
Par or stated value:	<u>0.001</u>	
Total shares authorized:	<u>250,000,000</u>	<u>as of date: 06/30/25</u>
Total shares outstanding:	<u>164,021,103</u>	<u>as of date: 06/30/25</u>
Total number of shareholders of record:	<u>235</u>	<u>as of date: 06/30/25</u>

Please provide the above-referenced information for all other publicly quoted or traded securities of the issuer.

n/a

Other classes of authorized or outstanding equity securities that do not have a trading symbol:

The goal of this section is to provide a clear understanding of the share information for its other classes of authorized or outstanding equity securities (e.g., preferred shares that do not have a trading symbol). Use the fields below to provide the information, as applicable, for all other authorized or outstanding equity securities.

Exact title and class of the security:	<u>Preferred</u>	
Par or stated value:	<u>0.001</u>	
Total shares authorized:	<u>10,000,000</u>	<u>as of date: 06/30/25</u>
Total shares outstanding:	<u>0</u>	<u>as of date: 06/30/25</u>
Total number of shareholders of record:	<u>0</u>	<u>as of date: 06/30/25</u>

Please provide the above-referenced information for all other classes of authorized or outstanding equity securities.

n/a

Security Description:

The goal of this section is to provide a clear understanding of the material rights and privileges of the securities issued by the company. Please provide the below information for each class of the company's equity securities, as applicable:

1. For common equity, describe any dividend, voting and preemption rights.

None

2. For preferred stock, describe the dividend, voting, conversion, and liquidation rights as well as redemption or sinking fund provisions.

None

3. Describe any other material rights of common or preferred stockholders.

None

4. Describe any material modifications to rights of holders of the company's securities that have occurred over the reporting period covered by this report.

None

3) Issuance History

The goal of this section is to provide disclosure with respect to each event that resulted in any changes to the total shares outstanding of any class of the issuer's securities in the past two completed fiscal years and any subsequent interim period.

Disclosure under this item shall include, in chronological order, all offerings and issuances of securities, including debt convertible into equity securities, whether private or public, and all shares, or any other securities or options to acquire such securities, issued for services. Using the tabular format below, please describe these events.

A. Changes to the Number of Outstanding Shares for the two most recently completed fiscal years and any subsequent period.

Indicate by check mark whether there were any changes to the number of outstanding shares within the past two completed fiscal years:

No: Yes: (If yes, you must complete the table below)

Shares Outstanding as of Second Most Recent Fiscal Year End:			*Right-click the rows below and select "Insert" to add rows as needed.						
Opening Balance									
Date <u>3/31/23</u>	Common: <u>129,517,431</u>								
Preferred: <u>0</u>									
Transaction Date	Transaction type	Number of Shares Issued	Class of Securities	Value of shares issued (\$/per share) at Issuance	Were the shares issued at a discount to market price at the time of issuance?	Individual/ Entity Shares were issued to (entities must have individual with voting / investment control disclosed).	Reason for share issuance	Restricted or Unrestricted as of this filing.	Exemption or Registration Type.
6/4/2023	New	500,000.00	Common	\$0.05	Yes	Nick Spears	Sale of Common Stock	Restricted	4(a)(2)
6/6/2023	New	500,000.00	Common	\$0.05	Yes	Booth Ventures LTD	Sale of Common Stock	Restricted	4(a)(2)
6/6/2023	New	600,000.00	Common	\$0.05	Yes	Carl Miller	Sale of Common Stock	Restricted	4(a)(2)
6/7/2023	New	600,000.00	Common	\$0.05	Yes	Kelvin Isert	Sale of Common Stock	Restricted	4(a)(2)
6/23/2023	New	500,000.00	Common	\$0.05	Yes	Sirius Marketing Partners	Sale of Common Stock	Restricted	4(a)(2)
7/14/2023	New	1,100,000.00	Common	\$0.05	Yes	Kelvin Isert	Sale of Common Stock	Restricted	4(a)(2)
8/15/2023	New	600,000.00	Common	\$0.05	Yes	Vermont Lee	Sale of Common Stock	Restricted	4(a)(2)
8/15/2023	New	600,000.00	Common	\$0.05	Yes	Winnie Sit	Sale of Common Stock	Restricted	4(a)(2)
8/15/2023	New	1,000,000.00	Common	\$0.05	Yes	John Lee	Sale of Common Stock	Restricted	4(a)(2)
8/15/2023	New	3,600,000.00	Common	\$0.05	Yes	Zhang DeBiao	Sale of Common Stock	Restricted	4(a)(2)
8/22/2023	New	250,000.00	Common	\$0.12	Yes	Quick Capital - Eilon Natan	Conversion of notes payable	Restricted	4(a)(2)
10/3/2023	New	500,000.00	Common	\$0.05	Yes	Mark Erb	Sale of Common Stock	Restricted	4(a)(2)
9/27/2023	New	600,000.00	Common	\$0.05	Yes	Scott Johnson	Sale of Common Stock	Restricted	4(a)(2)
10/26/2023	New	364,810.00	Common	\$0.05	Yes	Quick Capital - Eilon Natan	Conversion of notes payable	Restricted	4(a)(2)
11/8/2023	New	360,000.00	Common	\$0.05	Yes	Quick Capital - Eilon Natan	Conversion of notes payable	Restricted	4(a)(2)
12/6/2023	New	360,000.00	Common	\$0.05	Yes	Quick Capital - Eilon Natan	Conversion of notes payable	Restricted	4(a)(2)
12/17/2023	New	8,000,000.00	Common	\$0.05	Yes	Zhang DeBiao	Sale of Common Stock	Restricted	4(a)(2)
1/5/2024	New	360,000.00	Common	\$0.05	Yes	Quick Capital - Eilon Natan	Conversion of notes payable	Restricted	4(a)(2)
1/26/2024	New	1,000,000.00	Common	\$0.05	Yes	John Lee	Sale of Common Stock	Restricted	4(a)(2)
1/26/2024	New	1,000,000.00	Common	\$0.05	Yes	Vermont Lee	Sale of Common Stock	Restricted	4(a)(2)
2/22/2024	New	360,000.00	Common	\$0.05	Yes	Quick Capital - Eilon Natan	Conversion of notes payable	Restricted	4(a)(2)
2/26/2024	New	2,000,000.00	Common	\$0.05	Yes	Zhang DeBiao	Sale of Common Stock	Restricted	4(a)(2)
4/3/2024	New	2,000,000.00	Common	\$0.05	Yes	Fu Kae Fung	Sale of Common Stock	Restricted	4(a)(2)
4/4/2024	New	420,986.00	Common	\$0.05	Yes	Quick Capital - Eilon Natan	Conversion of notes payable	Restricted	4(a)(2)

5/9/2024	New	90,000.00	Common	\$0.05	Yes	John Lee	Stock Issued for Services	Restricted	4(a)(2)
7/9/2024	New	600,000.00	Common	\$0.035	Yes	Carl Miller	Sale of Common Stock	Restricted	4(a)(2)
8/14/2024	New	700,000.00	Common	\$0.035	Yes	Carl Miller	Sale of Common Stock	Restricted	4(a)(2)
8/31/2024	New	285,715.00	Common	\$0.035	Yes	Maria Figueredo	Sale of Common Stock	Restricted	4(a)(2)
9/4/2024	New	35,000.00	Common	\$0.035	Yes	WB Skyline (Warrant Booth)	Stock Issued for Services	Restricted	4(a)(2)
9/19/2024	New	206,197.00	Common	\$0.035	Yes	Sonia Dolar	Sale of Common Stock	Restricted	4(a)(2)
12/18/2024	New	2,763,563.00	Common	\$0.04	Yes	Darren Johnson	Conversion of notes payable	Restricted	4(a)(2)
02/21/2025	New	300,000.00	Common	\$0.05	Yes	Karla Tritten	Sale of Common Stock	Restricted	4(a)(2)
02/21/2025	New	500,000.00	Common	\$0.05	Yes	Mark Erb	Sale of Common Stock	Restricted	4(a)(2)
04/30/2025	New	1,500,000.00	Common	\$0.00187	Yes	Carl Miller	Sale of Common Stock	Restricted	4(a)(2)
06/12/2025	New	347,401.00	Common	\$0.04	Yes	Zig Lambo	Conversion of notes payable	Restricted	4(a)(2)
Shares Outstanding on Date of This Report:									
Ending Balance:									
Date <u>06/30/25</u> Common: 164,021,103 Preferred: None									

Example: A company with a fiscal year end of December 31st 2023, in addressing this item for its Annual Report, would include any events that resulted in changes to any class of its outstanding shares from the period beginning on January 1, 2022 through December 31, 2023 pursuant to the tabular format above.

***Control persons for any entities in the table above must be disclosed in the table or in a footnote here.

Use the space below to provide any additional details, including footnotes to the table above:

n/a

B. Promissory and Convertible Notes

Indicate by check mark whether there are any outstanding promissory, convertible notes, convertible debentures, or any other debt instruments that may be converted into a class of the issuer's equity securities:

No: Yes: (If yes, you must complete the table below)

Date of Note Issuance	Outstanding Balance (\$) as of June 30, 2025	Principal Amount at Issuance (\$)	Interest Accrued (\$) as of June 30, 2025	Maturity Date	Conversion Terms (e.g. pricing mechanism for determining conversion of instrument to shares)	Name of Noteholder (entities must have individual with voting / investment control disclosed).	Reason for Issuance (e.g. Loan, Services, etc.)
10/18/2024	\$300,000	\$300,000	\$35,137	10/18/2025	300000 / \$.03383 = 8,869,180 Shares*	April Pitts	Loan

12/11/2024	\$50,000	\$50,000	\$4,130	12/11/2025	50000 / \$.02255 = 2,400,443 Shares*	MSB Managem ent LLC / Jonathan Blumentha l	Loan
03/26/2025	\$50,000	\$50,000	\$1,972	03/26/2026	50000 / \$.03383 = 1,536,497 Shares*	Elmer Johnson	Loan
05/09/2025	\$35,000	\$35,000	\$748	05/09/2026	35000 / \$.04 = 893,700 Shares	Bradley Mann	Loan
05/19/2025	\$50,000	\$50,000	\$863	05/19/2026	50000 / \$.03383 = 1,503,710 Shares*	Elmer Johnson	Loan

**The conversion price shall be based on a 25% discount off of a 20-day moving trading average per share divided into any portion of the principal amount owed to the Investor at the time of conversion.*

*****Control persons for any entities in the table above must be disclosed in the table or in a footnote here.**

Use the space below to provide any additional details, including footnotes to the table above:

n/a

4) Issuer's Business, Products and Services

The purpose of this section is to provide a clear description of the issuer's current operations. Ensure that these descriptions are updated on the Company's Profile on www.OTCMarkets.com.

A. Summarize the issuer's business operations (If the issuer does not have current operations, state "no operations")

Cardiac Biotech Solutions Inc., through its international distributors, provides innovative products and services in the ambulatory non-invasive cardiac monitoring space. Our FDA cleared My-Cardia devices, interactive cloud-based acquisition software, and smartphone apps for both iOS and Android platforms, provide improved compliance for patients at risk of abnormal heart rhythms as well as more accurate information for physicians.

Cardiac Biotech's wholly owned U.S. subsidiary, My-Cardia (USA), Inc., develops ECG recording device worn by patients in an ambulatory setting for up to 30 days. Our monitors can record both patient-activated ECGs, as well as asymptomatic events by the on-board analysis algorithm in certain models. Recorded ECGs are easy to transmit acoustically over a phone. ECG reports can be reviewed and/or printed using our cloud-based software which can be accessed from computers, tablets, or smartphones.

Cardiac Biotech Solutions Inc. has authorized distributors in Thailand, Singapore, Malaysia, Indonesia, Hong Kong, Macau, and Canada.

B. List any subsidiaries, parent company, or affiliated companies.

My-Cardia (USA)

C. Describe the issuers' principal products or services.

The Company is a U.S.-based company with Remote Cardiac "telehealth" monitoring operations in Thailand. Malaysia, Indonesia, Singapore, Hong Kong and Canada are not yet operational.

5) Issuer's Facilities

The goal of this section is to provide investors with a clear understanding of all assets, properties or facilities owned, used or leased by the issuer and the extent in which the facilities are utilized.

In responding to this item, please clearly describe the assets, properties or facilities of the issuer. Describe the location of office space, data centers, principal plants, and other property of the issuer and describe the condition of the properties. Specify if the assets, properties, or facilities are owned or leased and the terms of their leases. If the issuer does not have complete ownership or control of the property, describe the limitations on the ownership.

Current facilities for the company include our main corporate location at a WeWork office facility located at 10845 Griffith Peak Drive, Suite 200, Las Vegas, NV 89135 on a monthly rental. We also utilize manufacturing space in connection with our business relationship with Datrix, LLC at 382 State Place in Escondido, California 92029. We remain in the negotiating process towards acquiring Datrix, LLC. We believe that this facility adequately meets our current manufacturing needs, including providing the space and infrastructure to accommodate our future development work based on our current operating plan. Currently we do not own any real estate.

6) All Officers, Directors, and Control Persons of the Company

Using the table below, please provide information, as of the period end date of this report, regarding all officers and directors of the company, or any person that performs a similar function, regardless of the number of shares they own.

In addition, list all individuals or entities controlling 5% or more of any class of the issuer's securities.

If any insiders listed are corporate shareholders or entities, provide the name and address of the person(s) beneficially owning or controlling such corporate shareholders, or the name and contact information (City, State) of an individual representing the corporation or entity. Include Company Insiders who own any outstanding units or shares of any class of any equity security of the issuer.

The goal of this section is to provide investors with a clear understanding of the identity of all the persons or entities that are involved in managing, controlling or advising the operations, business development and disclosure of the issuer, as well as the identity of any significant or beneficial owners.

Confirm that the information in this table matches your public company profile on www.OTCMarkets.com. If any updates are needed to your public company profile, log in to www.OTCIQ.com to update your company profile.

7)

Names of All Officers, Directors, and Control Persons	Affiliation with Company (e.g. Officer Title /Director/Owner of 5% or more)	Residential Address (City / State Only)	Number of shares owned at 03/31/2025	Share type/class	Ownership Percentage of Class Outstanding	Names of control person(s) if a corporate entity
Charles K. Martin III	Officer/Director	Blacklick, OH	4,068,018	Common	2.60%	n/a
Zbigniew Lambo	Director	Portland, OR	1,239,552	Common	0.79%	n/a
Fortuna Minerals Corp.	Company partly controlled by Zbigniew Lambo	Vancouver, WA				
James E. Ott	Officer/Director	Kirkwood, MO	951,870	Common	0.61%	n/a
Paul K. Danner	Director	Norton, MA	0	n/a	0%	n/a
William G. Thomas ("Trip")	Officer	Tampa, FL	0	n/a	0%	n/a
Zhang DeBiao	Owner of more than 5%	Guangdong Province, China	13,600,000	Common	8.67%	n/a
Mong Yuen Chong	Owner of more than 5%	Kuala Lumpur, Malaysia	9,760,000	Common	6.02%	n/a

Legal/Disciplinary History

A. Identify and provide a brief explanation as to whether any of the persons or entities listed above in Section 6 have, in the past 10 years:

1. Been the subject of an indictment or conviction in a criminal proceeding or plea agreement or named as a defendant in a pending criminal proceeding (excluding minor traffic violations);

None

2. Been the subject of the entry of an order, judgment, or decree, not subsequently reversed, suspended or vacated, by a court of competent jurisdiction that permanently or temporarily enjoined, barred, suspended or otherwise limited such person's involvement in any type of business, securities, commodities, financial- or investment-related, insurance or banking activities;

None

3. Been the subject of a finding, disciplinary order or judgment by a court of competent jurisdiction (in a civil action), the Securities and Exchange Commission, the Commodity Futures Trading Commission, a state securities regulator of a violation of federal or state securities or commodities law, or a foreign regulatory body or court, which finding or judgment has not been reversed, suspended, or vacated;

None

4. Named as a defendant or a respondent in a regulatory complaint or proceeding that could result in a "yes" answer to part 3 above; or

None

Been the subject of an order by a self-regulatory organization that permanently or temporarily barred, suspended, or otherwise limited such person's involvement in any type of business or securities activities.

None

5. Been the subject of a U.S Postal Service false representation order, or a temporary restraining order, or preliminary injunction with respect to conduct alleged to have violated the false representation statute that applies to U.S mail.

None

- B. Describe briefly any material pending legal proceedings, other than ordinary routine litigation incidental to the business, to which the issuer or any of its subsidiaries is a party to or of which any of their property is the subject. Include the name of the court or agency in which the proceedings are pending, the date instituted, the principal parties thereto, a description of the factual basis alleged to underlie the proceeding and the relief sought. Include similar information as to any such proceedings known to be contemplated by governmental authorities.

None

8) Third Party Service Providers

Provide the name, address, telephone number and email address of each of the following outside providers. You may add additional space as needed.

Confirm that the information in this table matches your public company profile on www.OTCMarkets.com. If any updates are needed to your public company profile, update your company profile.

Securities Counsel (must include Counsel preparing Attorney Letters).

Name: Ernest M. Stern
Firm: CM Law PLLC
Address 1: 1701 Pennsylvania Ave., N.W., Suite 200
Address 2: Washington, D.C. 20006
Phone: 844.285.4263 Ext. 758
Email: estern@cm.law

Accountant or Auditor

Name:
Firm:
Address 1:
Address 2:
Phone:
Email:

Investor Relations

NONE

All other means of Investor Communication:

NONE

Other Service Providers

Provide the name of any other service provider(s) that **that assisted, advised, prepared, or provided information with respect to this disclosure statement**. This includes counsel, broker-dealer(s), advisor(s), consultant(s) or any entity/individual that provided assistance or services to the issuer during the reporting period.

NONE

9) Disclosure & Financial Information

A. This Disclosure Statement was prepared by (name of individual):

Name: **William G Thomas (“Trip”)**
Title: **Fractional CFO of Cardiac Biotech Solutions Inc.**
Relationship to Issuer: **Contractor**

B. The following financial statements were prepared in accordance with:

- IFRS
 U.S. GAAP

C. The following financial statements were prepared by (name of individual):

Name: **William G Thomas (“Trip”)**
Title: **Fractional CFO of Cardiac Biotech Solutions Inc.**
Relationship to Issuer: **Contractor**

Describe the qualifications of the person or persons who prepared the financial statements:⁵ **CPA**

Provide the following qualifying financial statements:

- Audit letter, if audited;
- Balance Sheet;
- Statement of Income;
- Statement of Cash Flows;
- Statement of Retained Earnings (Statement of Changes in Stockholders' Equity)
- Financial Notes

Financial Statement Requirements:

- Financial statements must be published together with this disclosure statement as one document.
- Financial statements must be “machine readable”. Do not publish images/scans of financial statements.
- Financial statements must be presented with comparative financials against the prior FYE or period, as applicable.
- Financial statements must be prepared in accordance with U.S. GAAP or International Financial Reporting Standards (IFRS) but are not required to be audited.

⁵ The financial statements requested pursuant to this item must be prepared in accordance with US GAAP or IFRS and by persons with sufficient financial skills.

10) Issuer Certification

Principal Executive Officer:

The issuer shall include certifications by the chief executive officer and chief financial officer of the issuer (or any other persons with different titles but having the same responsibilities) in each Quarterly Report or Annual Report.

The certifications shall follow the format below:

I, Charles K. Martin III certify that:

1. I have reviewed this Disclosure Statement for Cardiac Biotech Solutions Inc.;
2. Based on my knowledge, this disclosure statement does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this disclosure statement; and
3. Based on my knowledge, the financial statements, and other financial information included or incorporated by reference in this disclosure statement, fairly present in all material respects the financial condition, results of operations and cash flows of the issuer as of, and for, the periods presented in this disclosure statement.

08/13/25

/s/ CHARLES K. MARTIN III

Principal Financial Officer:

I, William G. Thomas (“Trip”) certify that:

1. I have reviewed this Disclosure Statement for Cardiac Biotech Solutions Inc.;
2. Based on my knowledge, this disclosure statement does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this disclosure statement; and
3. Based on my knowledge, the financial statements, and other financial information included or incorporated by reference in this disclosure statement, fairly present in all material respects the financial condition, results of operations and cash flows of the issuer as of, and for, the periods presented in this disclosure statement.

08/13/25

/s/ WILLIAM G. THOMAS

FOR THE THREE MONTHS ENDED JUNE 30, 2025

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CARDIAC BIOTECH SOLUTIONS INC. AND SUBSIDIARIES
(FORMERLY CB SCIENTIFIC, INC.)
CONSOLIDATED BALANCE SHEETS
UNAUDITED

	<u>June 30,</u> <u>2025</u>	<u>March 31,</u> <u>2025</u>
ASSETS		
Current assets		
Cash	\$ 21,993	\$ 50,008
Accounts receivable	42,158	6,505
Inventory	27,890	27,890
Prepays	5,007	6,882
Deposits , current	1,150	1,150
Total current assets	98,198	92,435
Deposits	75,000	75,000
Total assets	\$ 173,198	\$ 167,435
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Accounts payable	\$ 51,528	\$ 73,839
Accrued liabilities	1,219,629	1,077,778
Deferred revenue, current	125,000	134,973
Convertible notes payable, net of discount	358,126	263,092
Derivative liabilities	417,413	467,459
Total liabilities	2,171,696	2,017,141
Deferred revenue	107,397	107,397
Total Liabilities	2,279,093	2,124,538
Commitments and contingencies		
Stockholder's deficit		
Preferred stock, \$0.001 par value, 50,000,000 shares authorized; 0 shares issued and outstanding	—	—
Common stock, \$0.001 par value; 250,000,000 shares authorized 164,021,103 and 162,173,702 issued and outstanding at June 30, 2025 and March 31, 2025, respectively	164,016	162,169
Additional paid in capital	15,931,464	15,891,365
Accumulated deficit	(18,201,375)	(18,010,637)
Total stockholders' deficit	(2,105,895)	(1,957,103)
Total liabilities and stockholders' deficit	\$ 173,198	\$ 167,435

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

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CARDIAC BIOTECH SOLUTIONS INC. AND SUBSIDIARIES
(FORMERLY CB SCIENTIFIC, INC.)
CONSOLIDATED STATEMENTS OF OPERATIONS
UNAUDITED

	For the three months ended	
	June 30,	
	2025	2024
Revenues		
Revenues	\$ 45,072	\$ 11,578
Cost of goods sold	—	—
Gross profit	45,072	11,578
Operating expenses		
General and administrative	211,029	253,476
Research and development	35,321	22,165
Total operating expenses	246,350	275,641
Net operating loss	(201,278)	(264,063)
Other income (expenses):		
Interest expense	(16,866)	(349)
Loss on extinguishment of debt	(2,605)	—
Amortization of debt discount	(68,969)	—
Loss on extinguishment of debt	98,980	—
Total other expenses	10,540	(349)
Net income (loss)	\$ (190,738)	\$ (264,412)
Basic and diluted loss per share	\$ (0.00)	\$ (0.00)
Weighted average number of shares outstanding, basic and diluted	163,280,376	156,714,650

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

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CARDIAC BIOTECH SOLUTIONS INC. AND SUBSIDIARIES
(FORMERLY CB SCIENTIFIC, INC.)
CONSOLIDATED STATEMENTS OF STOCKHOLDERS' DEFICIT
FOR THE THREE MONTHS ENDED JUNE 30, 2025 AND 2024
UNAUDITED

	<u>Common Stock</u>		<u>Common Stock to be Issued</u>		<u>Additional Paid-In Capital</u>	<u>Accumulated Deficit</u>	<u>Total</u>
	<u>Shares</u>	<u>Amount</u>	<u>Shares</u>	<u>Amount</u>			
Balance, March 31, 2025	162,173,702	\$ 162,169	—	\$ —	\$ 15,891,365	\$ (18,010,637)	\$ (1,957,103)
Sale of common stock	1,500,000	1,500	—	—	26,550	—	28,050
Stock issued for conversion of principal and interest	347,401	347	—	—	13,549	—	13,896
Net loss	—	—	—	—	—	(190,738)	(190,738)
Balance, June 30, 2025	<u>164,021,103</u>	<u>164,016</u>	<u>—</u>	<u>—</u>	<u>15,931,464</u>	<u>(18,201,375)</u>	<u>(2,105,895)</u>
Balance, March 31, 2024	154,272,241	\$ 154,267	2,000,000	\$ 2,000	\$ 15,530,864	\$ (16,329,941)	\$ (642,810)
Sale of common stock	2,000,000	2,000	(1,400,000)	(1,400)	20,400	—	21,000
Stock issued for services	90,000	90	—	—	4,410	—	4,500
Stock issued for conversion of principal and interest	420,986	421	—	—	20,628	—	21,049
Net loss	—	—	—	—	—	(264,412)	(264,412)
Balance, June 30, 2024	<u>156,783,227</u>	<u>\$ 156,778</u>	<u>600,000</u>	<u>\$ 600</u>	<u>\$ 15,576,302</u>	<u>\$ (16,594,353)</u>	<u>\$ (860,673)</u>

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

CARDIAC BIOTECH SOLUTIONS INC. AND SUBSIDIARIES
(FORMERLY CB SCIENTIFIC, INC.)
CONSOLIDATED STATEMENTS OF CASH FLOWS
UNAUDITED

	For the three months ended	
	June 30,	
	2025	2024
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net income (loss)	\$ (190,738)	\$ (264,412)
Adjustments to reconcile net loss to net cash used in operating activities:		
Common stock issued for services	—	4,500
Loss on extinguishment of debt	2,605	—
Amortization of debt discount	68,969	—
Gain/loss on change in fair value of derivative liability	(98,980)	—
Changes in operating assets and liabilities:		
Accounts receivable	(35,653)	(2,613)
Prepaid expenses	1,875	3,750
Accounts payable	(22,312)	(11,237)
Accrued liabilities	143,142	118,695
Deferred revenue	(9,973)	(9,973)
Net cash used in operating activities	(141,065)	(161,290)
CASH FLOWS FROM INVESTING ACTIVITIES:		
Net cash (used in) provided by investing activities	—	—
CASH FLOWS FROM FINANCING ACTIVITIES:		
Sale of common stock	28,050	21,000
Proceeds from convertible notes payable	85,000	25,000
Net cash provided by financing activities	113,050	46,000
NET INCREASE IN CASH	(28,015)	(115,290)
CASH, BEGINNING OF PERIOD	50,008	126,037
CASH, END OF PERIOD	\$ 21,993	\$ 10,747
Supplemental disclosure of cash flow information		
Cash paid for interest expense	\$ 5,000	\$ —
Cash paid for income taxes	\$ —	\$ —
Non-cash operating and financing activities:		
Conversion of notes and accrued interest	\$ 13,896	\$ 90,241

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

CARDIAC BIOTECH SOLUTIONS INC. AND SUBSIDIARIES

(FORMERLY CB SCIENTIFIC, INC.)

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

1. Nature of operations

Cardiac Biotech Solutions Inc. ("Cardiac Biotech", "we", "us", "our", or the "Company") was originally incorporated in the state of Oregon as WESTAQ NETWORK, INC. on June 22, 1987. WESTAQ NETWORK, INC. changed its name to NET:X AMERICA INC. on June 20, 1996. There was no change of control in connection with the name change. NET:X AMERICA INC. changed its name to CB SCIENTIFIC, INC. on December 14, 2015. There was a change of control in connection with the name change. The Company changed its name to Cardiac Biotech Solutions Inc. on May 7, 2025. Cardiac Biotech trades on OTC Markets under the symbol "CBSC".

On June 22, 2020, the Company completed an acquisition of the assets of Prevent Health Care International Corporation ("PHCIC"), a private British Columbia, Canada corporation involved in the development, sale and service of an innovative arrhythmia diagnostic and heart-monitoring intellectual property, and related products. The transaction was accounted for as reverse merger with MyCardia (USA) Inc. as the accounting acquirer and Cardiac Biotech as the accounting acquiree.

Cardiac Biotech, through its US and international subsidiaries, provides innovative products and services in the ambulatory non-invasive cardiac monitoring space. Our FDA-CE cleared EKG devices, interactive cloud-based acquisition software, and smartphone apps for both iOS and Android platforms, provide improved compliance for patients at risk of abnormal heart rhythms as well as more accurate information for physicians.

2. Summary of significant accounting policies

Basis of Presentation

The financial statements have been prepared in conformity with accounting principles generally accepted in the United States of America ("GAAP").

Principles of Consolidation

Cardiac Biotech has one wholly-owned subsidiary: MyCardia (USA) Inc., incorporated in Nevada and two registered inactive business entities in Hong Kong and China (MyCardia (HK) Ltd. and Shenzhen Maikadi Medical Technology, Ltd. The consolidated financial statements, which include the accounts of the Company and wholly-owned subsidiary, are prepared in conformity with generally accepted accounting principles in the United States of America (U.S. GAAP). All significant intercompany balances and transactions have been eliminated. The consolidated financial statements, which include the accounts of the Company and its wholly-owned subsidiary, and related disclosures have been prepared pursuant to the rules and regulations of the Securities and Exchange Commission ("SEC"). The Financial Statements have been prepared using the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America ("GAAP") and presented in US dollars. The year end is March 31.

Use of Estimates

The preparation of consolidated financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. The most significant assumptions and estimates relate to the valuation of equity issued for services, valuation of equity associated with convertible debt, the valuation of derivative liabilities, and the valuation of deferred tax assets. Actual results could differ from these estimates.

Reclassification

Certain amounts included in prior year financial statements have been reclassified to conform to the current year presentation. These reclassifications did not have a material impact on the Company's previously reported financial statements.

Inventory Valuation

Inventories including raw materials, work-in-process, and finished goods are valued at the weighted average cost method. As of June 30, 2025 and March 31, 2025 we had \$27,890 in inventory.

Fair Value Measurements and Fair Value of Financial Instruments

The Company adopted ASC Topic 820, Fair Value Measurements. ASC Topic 820 clarifies the definition of fair value, prescribes methods for measuring fair value, and establishes a fair value hierarchy to classify the inputs used in measuring fair value as follows:

Level 1: Inputs are unadjusted quoted prices in active markets for identical assets or liabilities available at the measurement date.

Level 2: Inputs are unadjusted quoted prices for similar assets and liabilities in active markets, quoted prices for identical or similar assets and liabilities in markets that are not active, inputs other than quoted prices that are observable, and inputs derived from or corroborated by observable market data.

Level 3: Inputs are unobservable inputs which reflect the reporting entity's own assumptions on what assumptions the market participants would use in pricing the asset or liability based on the best available information.

The estimated fair value of certain financial instruments, including all current liabilities are carried at historical cost basis, which approximates their fair values because of the short-term nature of these instruments.

Cash and Cash Equivalents

For purposes of the Statements of Cash Flows, the Company considers highly liquid investments with an original maturity of 90 days or less to be cash equivalents. There are no cash equivalents as of June 30, 2025 and March 31, 2025.

Accounts Receivable and Allowance for Doubtful Accounts

The Company monitors outstanding receivables based on factors surrounding the credit risk of specific customers, historical trends, and other information. The allowance for doubtful accounts is estimated based on an assessment of the Company's ability to collect on customer accounts receivable. There is judgment involved with estimating the allowance for doubtful accounts and if the financial condition of the Company's customers were to deteriorate, resulting in their inability to make the required payments, the Company may be required to record additional allowances or charges against revenues. The Company writes-off accounts receivable against the allowance when it determines a balance is uncollectible and no longer actively pursues its collection. As of June 30, 2025 and March 31, 2025 based upon the review of the outstanding accounts receivable, the Company has determined that an allowance for doubtful accounts is not material. The allowance for doubtful accounts is created by forming a credit balance which is deducted from the total receivables balance in the balance sheet.

As of June 30, 2025 and March 31, 2025, the Company had \$42,158 and \$6,505 in trade receivables, respectively.

Property and Equipment

Property and equipment are stated at cost and depreciated using the straight-line method over their estimated useful lives of 3 to 7 years.

Stock Based Compensation Expense

The Company records stock-based compensation in accordance with the provisions of FASB ASC Topic 718, "Accounting for Stock Compensation," which establishes accounting standards for transactions in which an entity exchanges its equity instruments for goods or services. The Company measures the cost of services received in exchange for an award of equity instruments based on the fair value of the award. For employees and directors and non-employees, the fair value of the award is measured on the grant date. The fair value amount is then recognized over the period during which services are required to be provided in exchange for the award, usually the vesting period. Stock-based compensation expense is recorded by the Company in the same expense classifications in the consolidated statements of operations, as if such amounts were paid in cash." On June 22, 2022, the Company granted a total of 300,000 options which are 100% vested and exercisable as of June 30, 2025 and an additional 300,000 options on March 27, 2023 which are 100% vested and exercisable as of June 30, 2025. During the three months ended June 30, 2025 and 2024, the Company did not record any stock-based compensation expense.

Fair value measurements

Accounting Standards Codification ("ASC") Topic 820, Fair Value Measurements and Disclosures ("ASC 820"), provides a comprehensive framework for measuring fair value and expands disclosures which are required about fair value measurements. Specifically, ASC 820 sets forth a definition of fair value and establishes a hierarchy prioritizing the inputs to valuation techniques, giving the highest priority to quoted prices in active markets for identical assets and liabilities and the lowest priority to unobservable value inputs. ASC 820 defines the hierarchy as follows:

Level 1 – Quoted prices are available in active markets for identical assets or liabilities as of the reported date. The types of assets and liabilities included in Level 1 are highly liquid and actively traded instruments with quoted prices, such as equities listed on the New York Stock Exchange.

Level 2 – Pricing inputs are other than quoted prices in active markets but are either directly or indirectly observable as of the reported date. The types of assets and liabilities in Level 2 are typically either comparable to actively traded securities or contracts or priced with models using highly observable inputs.

Level 3 – Significant inputs to pricing that are unobservable as of the reporting date. The types of assets and liabilities included in Level 3 are those with inputs requiring significant management judgment or estimation, such as complex and subjective models and forecasts used to determine the fair value of financial transmission rights.

The Company's financial instruments consist of prepaid expenses, accrued compensation, accrued interest, convertible notes payable, and derivative liabilities. The carrying amounts of prepaid expenses, accrued compensation, accrued interest, convertible notes payable, and derivative liabilities approximates their fair values because of the short-term maturities of these instruments.

Revenue Recognition

The Company recognizes revenue in accordance with Accounting Standards Update (“ASU”) 2014-09, “Revenue from contracts with customers,” (Topic 606). Revenue is recognized when a customer obtains control of promised goods or services. In addition, the standard requires disclosure of the nature, amount, timing, and uncertainty of revenue and cash flows arising from contracts with customers. The amount of revenue that is recorded reflects the consideration that the Company expects to receive in exchange for those goods. The Company applies the following five-step model in order to determine this amount: (i) identification of the promised goods in the contract; (ii) determination of whether the promised goods are performance obligations, including whether they are distinct in the context of the contract; (iii) measurement of the transaction price, including the constraint on variable consideration; (iv) allocation of the transaction price to the performance obligations; and (v) recognition of revenue when (or as) the Company satisfies each performance obligation. The Company’s main revenue stream is from services. The Company recognizes as revenues the amount of the transaction price when the performance obligation is satisfied. Generally, the Company’s performance obligation is satisfied when the Company transfers the product to the customer.

Advertising, Marketing and Public Relations

The Company follows the policy of charging the costs of advertising, marketing, and public relations to expense as incurred.

Income Taxes

Income taxes are accounted for under the asset and liability method. Deferred tax assets and liabilities are recognized for the future tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases and operating loss, capital loss and tax credit carryforwards. Deferred tax assets and liabilities are measured using enacted tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The effect on deferred tax assets and liabilities of a change in tax rates is recognized in income in the period that includes the enactment date.

The Company recognizes the effect of income tax positions only if those positions are more likely than not of being sustained. Recognized income tax positions are measured at the largest amount that is greater than 50% likely of being realized. Changes in recognition or measurement are reflected in the period in which the change in judgment occurs. The Company records interest and penalties related to unrecognized tax benefits as a component of general and administrative expenses. Our consolidated federal tax return and any state tax returns are not currently under examination.

The Company has adopted FASB ASC 740-10, Accounting for Income Taxes, which requires an asset and liability approach to financial accounting and reporting for income taxes. Deferred income tax assets and liabilities are computed annually from differences between the financial statement and tax basis of assets and liabilities that will result in taxable or deductible amounts in the future based on enacted tax laws and rates applicable to the periods in which the differences are expected to affect taxable income. Valuation allowances are established when necessary to reduce deferred tax assets to the amount expected to be realized.

Convertible Debentures

The Company adopted the guidance in Accounting Standards Updated (“ASU”) 2020-06, Accounting for Convertible Instruments and Contracts in an Entity’s Own Equity on July 1, 2022. ASU 2020-06 simplifies an issuer’s accounting for convertible instruments and its application of the derivatives scope exception for contracts in its own equity. Additionally, ASU 2020-06 removes the requirements for accounting for beneficial conversion features.

The Company adopted ASU 2020-06 utilizing the modified retrospective method, which resulted in an immaterial impact to the Company. Prior to adoption of ASU 2020-06, if the conversion features of conventional convertible debt provided for a rate of conversion that is below market value at issuance, this feature was characterized as a beneficial conversion feature (“BCF”).

Derivative Liability

The Company evaluates convertible instruments, options, warrants or other contracts to determine if those contracts or embedded components of those contracts qualify as derivatives to be separately accounted for under ASC Topic 815, "Derivatives and Hedging". The result of this accounting treatment is that the fair value of the derivative is marked-to-market each balance sheet date and recorded as a liability. In the event that the fair value is recorded as a liability, the change in fair value is recorded in the statement of operations as other income (expense). Upon conversion or exercise of a derivative instrument, the instrument is marked to fair value at the conversion date and then that fair value is reclassified to equity. Equity instruments that are initially classified as equity that become subject to reclassification under ASC Topic 815 are reclassified to liabilities at the fair value of the instrument on the reclassification date. The Company currently has no derivative liability instruments.

Net Income (loss) Per Common Share

The Company computes loss per common share, in accordance with FASB ASC Topic 260, *Earnings Per Share*, which requires dual presentation of basic and diluted earnings per share. Basic income or loss per common share is computed by dividing net income or loss by the weighted average number of common shares outstanding during the period. Diluted income or loss per common share is computed by dividing net income or loss by the weighted average number of common shares outstanding, plus the issuance of common shares, if dilutive, that could result from the exercise of outstanding stock options and warrants. No potential dilutive common shares are included in the computation of any diluted per share amount when a loss is reported.

As of June 30, 2025 and 2024, respectively, the following common stock equivalents were excluded from the computation of diluted net loss per share as the result of the computation was anti-dilutive:

	Three months ended	
	June 30,	
	2025	2024
Convertible notes payable	16,242,317	—
Stock options	600,000	600,000
Warrants	2,700,000	700,000
Total	19,542,317	1,718,700

Recent Accounting Pronouncements

The Company has reviewed all the recently issued, but not yet effective, accounting pronouncements and do not believe any of these pronouncements will have a material impact on its consolidated financial statements.

3. Going Concern

The accompanying consolidated financial statements have been prepared on a going concern basis. For the three months ended June 30, 2025, the Company had net cash used in operating activities of \$141,065, a working capital deficit of 2,073,498 and accumulated deficit of \$18,201,375. These matters raise substantial doubt about the Company's ability to continue as a going concern for a period of one year from the date of this filing. The Company's ability to continue as a going concern is dependent upon its ability to obtain the necessary financing to meet its obligations and repay its liabilities arising from normal business operations when they come due, to fund possible future acquisitions, and to generate profitable operations in the future. Management plans to provide for the Company's capital requirements by continuing to issue additional equity and debt securities. The outcome of these matters cannot be predicted at this time and there are no assurances that, if achieved, the Company will have sufficient funds to execute its business plan or generate positive operating results. The consolidated financial statements do not include any adjustments that might result from the outcome of this uncertainty.

4. Deposits

Datrix, LLC

On October 26, 2020, the Company entered into an agreement to purchase the assets of Datrix, LLC (“Datrix”), a global ambulatory device manufacturer based in Escondido, California for \$1,500,000 and 480,000 shares of the Company’s common stock. Upon signing the agreement, the Company is required to make an initial deposit of \$75,000 and \$50,000 per month until the earlier of the closing date or termination of the agreement. The Company is required to issue 180,000 shares as a deposit upon the signing of the agreement and the remaining 300,000 shares on the later of the closing date or January 1, 2021. As of the report date, the transaction has not closed.

The Company paid the initial deposit of \$75,000 on October 27, 2020. This deposit is recorded on the balance sheet as a deposit. The Company issued 180,000 shares on October 28, 2020 as part of the agreement. On January 13, 2021, the Company issued the remaining 300,000 shares.

5. Convertible notes payable

The convertible notes payable are outlined in the following table:

	<u>June 30,</u> <u>2025</u>	<u>March 31,</u> <u>2025</u>
<i>Convertible Notes Payable</i>		
\$10,000, issued August 1, 2024, 15% interest, due on August 1, 2025*	\$ —	\$ 10,000
\$300,000, issued September 18, 2024, 15% interest, due on September 18, 2025**	300,000	300,000
\$50,000, issued December 11, 2024, 15% interest, due on December 11, 2025***	50,000	50,000
\$50,000, issued March 26, 2025, 15% interest, due on March 26, 2026**	50,000	50,000
\$35,000, issued May 9, 2025, 15% interest, due on May 9, 2026****	35,000	—
\$50,000, issued May 19, 2025, 15% interest, due on May 19, 2026**	50,000	—
Less: unamortized discount	(126,874)	(146,908)
Total carrying value	<u>\$ 358,126</u>	<u>\$ 263,092</u>

*The conversion price is fixed at \$0.05 per share.

**The conversion price is based on a 25% discount off of a 20-day moving trading average per share

***The conversion price is based on a 50% discount off of a 20-day moving trading average per share

**** The conversion price is fixed at \$0.04 per share.

For the three months ended June 30, 2025 and 2024, the Company recorded \$16,866 and \$349, respectively, in interest expense related to the notes. During the three months ended June 30, 2025, a convertible note holder converted \$10,000 in principal and \$1,290 in accrued interest into 347,401 shares of common stock. As a result of the conversion the Company recorded a loss on extinguishment in the amount of \$2,605.

Accounting considerations for notes with variable conversion prices

The Company evaluated the notes under ASC 815 Derivatives and Hedging (“ASC 815”). ASC 815 generally requires the analysis of embedded terms and features that have characteristics of derivatives to be evaluated for bifurcation and separate accounting in instances where their economic risks and characteristics are not clearly and closely related to the risks of the host contract. The material embedded derivative features consisted of the embedded conversion option. The conversion option bears risk of equity which were not clearly and closely related to the host debt agreement and required bifurcation. Current accounting principles that are also provided in ASC 815 do not permit an issuer to account separately for individual derivative terms and features that require bifurcation and liability classification. Rather, such terms and features must be and were bundled together and fair valued as a single, compound embedded derivative.

Accounting considerations for notes with fixed conversion prices

The Company evaluated the notes under ASC 815. ASC 815 generally requires the analysis of embedded terms and features that have characteristics of derivatives to be evaluated for bifurcation and separate accounting in instances where their economic risks and characteristics are not clearly and closely related to the risks of the host contract. There were no embedded instruments which required bifurcation.

6. Derivative liabilities

Embedded derivatives

The Company’s convertible promissory notes gave rise to derivative financial instruments. The notes embodied certain terms and conditions that were not clearly and closely related to the host debt agreement in terms of economic risks and characteristics. These terms and features consist of the embedded conversion option.

The following tables summarize the components of the Company’s derivative liabilities and linked common shares as of June 30, 2025 and the amounts that were reflected in income related to derivatives for the period ended:

	June 30, 2025	
	Indexed Shares	Fair Values
The financings giving rise to derivative financial instruments		
Embedded derivatives	15,348,617	\$ 417,413
Total	15,348,617	\$ 417,413

	March 31, 2025	
	Indexed Shares	Fair Values
The financings giving rise to derivative financial instruments		
Embedded derivatives	14,260,393	\$ 467,459
Total	14,260,393	\$ 467,459

The following table summarizes the effects on the Company's gain (loss) associated with changes in the fair values of the derivative financial instruments by type of financing for the three months ended June 30, 2025 and 2024:

	For the three months ended	
	June 30, 2025	June 30, 2024
Embedded derivatives	\$ 98,980	\$ —
Loss on issuance of derivative	—	—
Total gain (loss)	<u>\$ 98,980</u>	<u>\$ —</u>

Current accounting principles that are provided in ASC 815 - Derivatives and Hedging require derivative financial instruments to be classified in liabilities and carried at fair value with changes recorded in income. The Company has selected the Binomial Lattice Model, which approximates the Binomial Lattices, valuation technique to fair value the embedded derivative because it believes that this technique is reflective of all significant assumption types, and ranges of assumption inputs, that market participants would likely consider in transactions involving embedded derivatives. Such assumptions include, among other inputs, interest risk assumptions, credit risk assumptions and redemption behaviors in addition to traditional inputs for option models such as market trading volatility and risk-free rates. The Binomial Lattice Model technique is a level three valuation technique because it requires the development of significant internal assumptions in addition to observable market indicators. For instruments in which the time to expiration has expired, the Company has utilized the intrinsic value as the fair value. The intrinsic value is the difference between the quoted market price on the valuation date and the applicable conversion price.

Significant inputs and results arising from the Binomial Lattice process are as follows for the embedded derivatives that have been bifurcated from the convertible notes and classified in liabilities:

	Inception Date	June 30, 2025
Quoted market price on valuation date	\$ 0.0613	\$ 0.0470
Effective contractual conversion rates	\$ 0.0377	\$ 0.0282
Contractual term to maturity	1 Year	0.72 Years
Market volatility:		
Volatility	159.81% %	224.24 %
Risk-adjusted interest rate	4.18 %	4.10 %

The following table reflects the issuances of embedded derivatives and changes in fair value inputs and assumptions related to the embedded derivatives as of June 30, 2025 and March 31, 2025.

	Period Ended June 30, 2025	Period Ended March 31, 2025
Balances at beginning of period	\$ 467,459	\$ —
Issuances:		
Embedded derivatives	48,934	478,978
Conversions/extinguishments	—	(131,415)
Changes in fair value inputs and assumptions reflected in income	(98,980)	119,896
Balances at end of period	<u>\$ 467,459</u>	<u>\$ 467,459</u>

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7. Equity

Common stock

During the three months ended June 30, 2025, the Company sold 1,500,000 shares for \$28,050.

During the three months ended June 30, 2025, the Company issued 347,401 shares for conversion of \$10,000 in principal and \$1,290 in accrued interest.

Warrants

As of June 30, 2025, the Company has the following warrants outstanding.

	Number of Shares	Weighted Average Exercise Price	Intrinsic Value Outstanding	Weighted Average Remaining Contractual Life
Warrants Outstanding – March 31, 2025	2,700,000	\$ 0.165	—	3.85 Years
Issued	—	—	—	—
Exercised	—	—	—	—
Expired	—	—	—	—
Warrants Outstanding – June 30, 2025	2,700,000	\$ 0.165	\$ —	3.60 Years
Outstanding Exercisable – June 30, 2025	2,700,000	\$ 0.165	\$ —	3.60 Years

Stock options

Stock option activity for the three months ended June 30, 2025 is summarized as follows:

	Number of Shares	Weighted Average Exercise Price	Intrinsic Value Outstanding	Weighted Average Remaining Contractual Life
Options Outstanding – March 31, 2025	600,000	\$ 0.16	\$ -	7.05 Years
Issued				
Exercised				
Expired	(200,000)			
Options Outstanding – June 30, 2025	400,000	\$ 0.16	\$ -	6.80 Years
Outstanding Exercisable – June 30, 2025	400,000	\$ 0.16	\$ -	6.80 Years

During the three months ended June 30, 2025 and 2024, there was no stock-based compensation expense recorded. At June 30, 2025, there was \$0 in unrecognized costs related to the stock options granted.

8. Commitments and contingencies

On December 16, 2024, the Company engaged an advisory firm to assist the Company with introductions to financing sources and strategic partners. The term of the engagement is one year. The Company is obligated to pay cash fees only in the event of certain performance obligations met by the advisory firm.

9. Subsequent events