

Submission Data File

General Information	
Form Type*	10-K
Contact Name	M2 Compliance
Contact Phone	754-243-5120
Filer Accelerated Status*	Non-Accelerated Filer
Filer File Number	
Filer CIK*	0001502966
Filer CCC*	*****
Filer is Shell Company*	N
Filer is Smaller Reporting Company	Yes
Filer is Voluntary Filer*	N
Filer is Well Known Seasoned Issuer*	N
Confirming Copy	No
Notify via Website only	No
Return Copy	Yes
SROS*	NONE
Depositor CIK	
Period*	09-30-2025
ABS Asset Class Type	
ABS Sub Asset Class Type	
Sponsor CIK	
Emerging Growth Company	No
Elected not to use extended transition period	No
(End General Information)	

Document Information	
File Count*	7
Document Name 1*	form10-k.htm
Document Type 1*	10-K
Document Description 1	10-K
Document Name 2*	ex4-9.htm
Document Type 2*	EX-4.9
Document Description 2	EX-4.9
Document Name 3*	ex31-1.htm
Document Type 3*	EX-31.1
Document Description 3	EX-31.1
Document Name 4*	ex32-1.htm
Document Type 4*	EX-32.1
Document Description 4	EX-32.1
Document Name 5*	form10-k_001.jpg
Document Type 5*	GRAPHIC
Document Description 5	Graphic
Document Name 6*	form10-k_002.jpg
Document Type 6*	GRAPHIC
Document Description 6	Graphic
Document Name 7*	form10-k_003.jpg
Document Type 7*	GRAPHIC
Document Description 7	Graphic
(End Document Information)	

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549**

FORM 10-K

ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE
SECURITIES EXCHANGE ACT OF 1934

For the fiscal year ended **September 30, 2025**

OR

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF
THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from _____ to _____

Commission file number: **000-54239**



Hypha Labs, Inc.

(Exact name of registrant as specified in its charter)

NEVADA
(State or other jurisdiction of
incorporation or organization)

27-3601979
(I.R.S. Employer
Identification No.)

5940 S. Rainbow Boulevard
Las Vegas, Nevada 89118
(Address of principal executive offices and zip code)

Registrant's telephone number, including area code: **(702) 527-2060**

Securities registered pursuant to Section 12(b) of the Act: None.

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
N/A	N/A	N/A

Securities registered pursuant to Section 12(g) of the Act: Common Stock: None

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act.

Yes No

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act.

Yes No

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.

Yes No

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T during the preceding 12 months (or for such shorter period that the registrant was required to submit such files).

Yes No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company" and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer	<input type="checkbox"/>	Accelerated filer	<input type="checkbox"/>
Non-accelerated filer	<input checked="" type="checkbox"/>	Smaller reporting company	<input checked="" type="checkbox"/>
		Emerging growth company	<input type="checkbox"/>

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Indicate by check mark whether the registrant has filed a report on and attestation to its management's assessment of the effectiveness of its internal control over financial reporting

under Section 404(b) of the Sarbanes-Oxley Act (15 U.S.C. 7262(b)) by the registered public accounting firm that prepared or issued its audit report.

If securities are registered pursuant to Section 12(b) of the Act, indicate by check mark whether the financial statements of the registrant included in the filing reflect the correction of an error to previously issued financial statements.

Indicate by check mark whether any of those error corrections are restatements that required a recovery analysis of incentive-based compensation received by any of the registrant's executive officers during the relevant recovery period pursuant to 240.10D-1(b).

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act).

Yes No

The aggregate market value of the registrant's common stock held by non-affiliates of the registrant based upon the closing price of \$0.025 per share as of March 31, 2025 was \$3,069,772.

As of January 15, 2026, there were 155,521,825 shares of registrant's common stock outstanding.

DOCUMENTS INCORPORATED BY REFERENCE: None

TABLE OF CONTENTS

<u>PART I</u>	
Item 1. Business	1
Item 1A. Risk Factors	4
Item 1B. Unresolved Staff Comments	15
Item 1C. Cybersecurity	15
Item 2. Properties	15
Item 3. Legal Proceedings	15
Item 4. Mine Safety Disclosures	15
<u>PART II</u>	
Item 5. Market for Registrant’s Common Equity, Related Stockholder Matters and Issuer Purchases of Equity Securities	16
Item 6. Selected Financial Data	18
Item 7. Management’s Discussion and Analysis of Financial Condition and Results of Operations	19
Item 7A. Quantitative and Qualitative Disclosures About Market Risk	23
Item 8. Financial Statements and Supplementary Data	24
Item 9. Changes in and Disagreements with Accountants on Accounting and Financial Disclosure	47
Item 9A. Controls and Procedures	47
Item 9B. Other Information	48
Item 9C. Disclosure Regarding Foreign Jurisdictions that Prevent Inspections	48
<u>PART III</u>	
Item 10. Directors, Executive Officers and Corporate Governance	48
Item 11. Executive Compensation	49
Item 12. Security Ownership of Certain Beneficial Owners and Management and Related Stockholder Matters	51
Item 13. Certain Relationships and Related Transactions, and Director Independence	51
Item 14. Principal Accounting Fees and Services	52
<u>PART IV</u>	
Item 15. Exhibits and Financial Statement Schedules	52
Item 16. Form 10-K Summary	54
SIGNATURES	55

PART I

Forward Looking Statements

This Form 10-K contains “forward-looking” statements including statements regarding our expectations of our future operations. For this purpose, any statements contained in this Form 10-K that are not statements of historical fact may be deemed to be forward-looking statements. Without limiting the foregoing, words such as “may,” “will,” “expect,” “believe,” “anticipate,” “estimate,” or “continue” or comparable terminology are intended to identify forward-looking statements. These statements by their nature involve substantial risks and uncertainties, and actual results may differ materially depending on a variety of factors, many of which are not within our control. Although the forward-looking statements in this Form 10-K reflect the good faith judgment of our management, such statements can only be based on facts and factors currently known by them.

These risks and uncertainties include: the successful development of our products; the demand for our products; our ability to obtain and maintain customer relationships; the impact of competitive products; our ability to market and grow demand for our products; our ability to obtain additional financing to launch our business and execute our business strategy; general economic and market conditions and consumer discretionary spending; our ability to manage our growth; our ability to protect our internal information technology system against security breaches, loss or leakage of data and other disruptions; our reliance on third party manufacturers who may be based outside the United States; our ability to protect our intellectual property; and our reliance on key individuals and our ability to attract and retain qualified personal.

These and other risks are described under the heading “Risk Factors” in this Form 10-K. In light of these risks and uncertainties, you are cautioned not to place undue reliance on these forward-looking statements. Except as required by law, we undertake no obligation to announce publicly revisions we make to these forward-looking statements to reflect the effect of events or circumstances that may arise after the date of this report. All written and oral forward-looking statements made subsequent to the date of this report and attributable to us or persons acting on our behalf are expressly qualified in their entirety by this section.

ITEM 1. BUSINESS

Background

Hypha Labs, Inc. was incorporated in Nevada on October 5, 2010. Hypha Labs, Inc. and its subsidiaries (“Hypha Labs,” the “Company,” “we,” “our” or “us”) was a service-oriented independent testing laboratory, data analytics and media firm focused on the developing cannabis and hemp markets, and supported the cannabis industry’s best practices for reliable testing. Our mission was to provide pharmaceutical-grade analysis and testing to the cannabis industry, under ISO-17025:2017 guidelines, to ensure consumers and patients know exactly what was in the cannabis they ingest and to help maximize the quality of our clients’ products through research, development, and standardization. Hypha Labs had been operating a cannabis-testing lab in Nevada since 2015.

On February 20, 2024, we completed the sale of the net assets of our wholly owned subsidiary Digipath Labs, Inc. (“Digipath Labs”). As of that date, we were no longer in the business as a service oriented independent testing laboratory, data analytics and media firm focused on the developing cannabis and hemp markets, which supported the cannabis industry’s best practices for reliable testing, cannabis education and training. Following closing of the asset sale, the Company changed its name from Digipath, Inc. to Hypha Labs, Inc.

Overview

Hypha Products Inc., a wholly owned subsidiary of the Company was formed on April 18, 2024, to engage in the research, development and commercialization of an accelerator, the Hypha Micropearl accelerator, a home appliance designed to accelerate the production of nutritionally beneficial mushrooms for human consumption. The Company’s easy-to-use device, together with its replacement cartridges, safely and effectively produces enriched mycelium of functional mushrooms, or Micropearls, in just eight days. These Micropearls contain active mushroom ingredients that offer a way to harness the medicinal properties of fungi in a concentrated easy to handle tasteless and odorless form. These Micropearls can be incorporated into various food and beverages without altering the flavor.

Our Hypha Micropearl accelerator will be sold with replaceable cartridges which are delivered pre-sterilized to the home and ready to be inserted into the device. These cartridges are filled with powerful nutrient formulations which allow for the production of the Micropearls. The QR codes on the cartridges are scanned to the Hypha Lab app and inserted into the device and the Micropearls are produced and fully formed in eight days. After harvesting the Micropearls with a strainer, they are ready to be incorporated into a variety of foods. The cartridges help to minimize the risk of mold or yeast contamination and help improve the success of the at home mushroom growth. We believe that our innovative accelerator technology will disrupt traditional methods of mushroom production and bring lab-quality nutrient ingredients into the home with convenience and efficiency.

We intend to continue the design, development and testing of the Hypha Micropearl accelerator over the next twelve months. Initially, we will produce a limited number of accelerators at our headquarters for testing purposes, both with mycologists and experts in the functional mushroom industry. Upon completion of the design and successful testing of the Hypha Micropearl accelerator, we will seek to enter into a manufacturing arrangement outside the United States to manufacture the Hypha Micropearl accelerator for commercial sale. Our goal is to be in the position to market the Micropearl accelerator by the latter part of calendar year 2026, although there can be no assurance we will achieve our goal in this time period, or at all.

Technology

Traditional mushroom cultivation requires extensive infrastructure and costly lab equipment, posing significant barriers to small scale producers. We address this issue with our innovative accelerator technology which reduces costs, simplifies the process and ensures safe, high quality functional mushroom production, making it accessible to a broader audience.

Accelerators are devices that utilize biological processes mediated by enzymes, cells, and microorganisms to produce and analyze substances. Unlike chemical reactions, biological reactions in accelerators tend to be slower but are advantageous for producing fewer byproducts and maintaining catalytic activity without the need for high temperatures and pressures. This makes accelerators cost-effective and essential for various applications, including cell culture. Accelerators find applications in numerous industries, such as:

- Food Production: Used to produce fermented products like miso, soy sauce, sake, and wine.
- The Chemical Industry: Mass production of amino acids and sugars.
- Medicine and Research: Producing functional substances through cell culture.
- Physicochemical Analysis: Utilizing biosensors and autoanalyzers for detecting and quantifying substances.

Accelerators operate by managing conditions such as temperature, pH, and pressure to facilitate reactions with immobilized enzymes and other biological elements, leading to the synthesis, decomposition, or conversion of materials to obtain desired products. Cells, microorganisms, and purified enzymes serve as primary reaction elements, with immobilization techniques enhancing separation efficiency from the products.

We believe that our technology will disrupt traditional methods, bringing lab-quality nutrient ingredients into the home with convenience and efficiency.

Market

The global market for functional mushrooms was estimated to be at \$34.75 billion in 2024, and is projected to grow to \$65.83 billion by 2030 with a CAGR of 11.2% (Source: Grand View Research). While there are a variety of mushrooms that can provide health benefits, there are six main types of functional mushrooms with scientific evidence suggesting broader health benefits.

- Reishi
- Lions Mane
- Cordyceps
- Turkey Tail
- Chaga
- Shiitake

These different mushrooms are sold in various ways. The biggest place functional mushrooms are found is in health and wellness supplements. Shiitake and Lions Mane mushrooms are often eaten or used in cooking due to their lighter flavor and texture. Functional mushrooms can also be used to brew teas or are infused into other food products for consumption.

The global market is expected to exhibit significant growth during the forecast period owing to the rising awareness related to the benefits offered by consuming specialty mushrooms. The rising inclination of consumers toward functional foods further boosts market growth. Furthermore, increasing industry developments such as R&D activities to expand mushroom applications in different sectors and the launch of new products are influencing global market growth.

Intellectual Property

The Company has filed two U.S patent applications. The pending patents seek to protect the use of sophisticated machine learning algorithms to process mycelium, the vegetative part of fungi composed of an intricate network of hyphae. The Company believes that this has tremendous potential across various sectors including pharmaceuticals, nutraceuticals, and biotechnology. Traditionally, mycelium processing to produce psilocybin has faced challenges due to prolonged cultivation times and the necessity of soil-based mushroom growth over extended durations. To address these issues, Hypha Labs has introduced Artificial Intelligence (AI) with novel machine learning methods that overcome these barriers, providing a more efficient and sustainable way to process mycelium for cultivating, producing and extracting active psilocybin. The integration of advanced machine learning offers significant advantages, including optimized growth conditions, accelerated processing times, enhanced yield predictability, and reduced resource consumption, thus revolutionizing the mycelium industry.

We currently use the trademark Micropearls in connection with our accelerator device. Although we have not registered this trademark, our use and claim to this trademark can protect us from third parties using this trademark for similar products. There can be no assurance however that we will not experience infringement of our trademark, Micropearls, or any other trademark we use in the future.

Competition

The increasing popularity and acceptance of mushroom based-products has led to the rapid development of new and innovative products in the mushroom industry. Thus, manufacturers in the mushroom industry, owing to these rapid advancements, are constantly working on innovative formulations and delivery methods to make medical mushroom products more palatable and convenient for consumers. These manufacturers are focusing on expanding their global presence by adopting strategies such as investing in joint ventures, partnerships, mergers and acquisitions and research and development in innovative product lines.

Although we do not believe there are any other companies developing an accelerator device to produce functional mushrooms in the home, we do believe that there is ongoing research into the medical properties and applications of various mushroom species for personal care and pharmaceuticals which continues to promote the development of new functional mushroom-based products. For instance, in August 2023, Four Sigmatic, a wellness products manufacturing company, launched organic mushroom complex capsules in Calm, Focus, and Memory varieties. These capsules contain lion's mane mushroom extract, vitamin B12, and L-theanine. Mushroom Perfecti, a company focused on the production of mushroom-based products from mycelium, is producing a line of nutritional supplements. Nature's Rise, a manufacturer of organic mushroom products, launched Lion's Mane organic powder extract on Amazon in October 2022 and Lifeway Foods, Inc., a U.S. supplier of Kefir and fermented probiotic products, launched a new line of adaptogenic medical mushroom beverages at the Winter Fancy Food Show in Las Vegas in February 2022. In August 2023, Applied Food Sciences Inc. ("AFS"), one of the leaders in supplying functional and organic ingredients, announced its equity investment and partnership with KAAPA Biotech, a Finland-based company. This partnership would help AFS expand its botanical portfolio by adding Nordic-grown medical mushroom extracts that could be used in food, beverages and supplements. These companies represent the availability of alternative sources of functional mushrooms offered to consumers.

Further, advancements in biotechnology and mycology have enabled researchers to explore novel cultivation techniques and optimize growing conditions thereby enhancing the production of bioactive compounds in mushrooms. In May 2023, Optimi Health Corp., a Canadian-based company, opened a new mushroom research and development facility, consisting of two 10,000-square-foot facilities with ten growing rooms producing approximately 2,000 kilograms of dried psilocybin mushrooms a month. Thus, the global functional mushroom market share is anticipated to exhibit a promising growth rate in a competitive marketplace.

Government Regulation

As a manufacturer and distributor of consumer products in the United States, the Company is subject to the Consumer Products Safety Act, which empowers the U.S. Consumer Products Safety Commission to exclude from the market products that are found to be unsafe or hazardous. Under certain circumstances, the U.S. Consumer Products Safety Commission could require the Company to repair, replace or refund the purchase price of one or more of its products, or the Company may voluntarily do so. Any repurchase or recall of products could be costly and damage the Company's reputation, as well as subject it to a sizable penalty that the Commission is empowered to impose.

Marketing and Sales

The Company intends to sell its products primarily online directly to consumers, with consumers purchasing our Hypha Micropearl accelerator directly through our app. Customers will also be able to purchase replacement cartridges online through our website or third- party providers. We intend to offer a subscription service to our users, where they can have regularly scheduled deliveries to their homes of replacement cartridges which will offer savings compared to one-off purchases.

Seasonality

Our business is not subject to seasonality.

Insurance

We intend to maintain property, business interruption, product liability and casualty insurance.

Employees

As of January 15, 2026, we had five employees. None of our employees are members of a trade union. We believe that we maintain good relationships with our employees and have not experienced any strikes or shutdowns and have not been involved in any labor disputes.

Corporate Information

Our principal executive offices are located at 5940 S. Rainbow Boulevard, Las Vegas, Nevada 89118, Telephone No.: (702) 527-2060. Our website is located at <http://www.hyphalabs.com>. The content on our website is available for information purposes only. It should not be relied upon for investment purposes, nor is it incorporated by reference into this Report.

ITEM 1A. RISK FACTORS

The following important factors, and the important factors described elsewhere in this report or in our other filings with the Securities and Exchange Commission ("SEC"), could affect (and in some cases have affected) our results and could cause our results to be materially different from estimates or expectations. Other risks and uncertainties may also affect our results or operations adversely. The following and these other risks could materially and adversely affect our business, operations, results or financial condition.

An investment in the Company is highly speculative in nature and involves an extremely high degree of risk.

Risks Related To Our Businesses

Our auditor has expressed substantial doubt about our ability to continue as a going concern. We may be unable to obtain additional capital required to implement our business plan.

As a result of recurring net losses and insufficient cash reserves, our independent certified public accountant has added a paragraph to its report on our financial statements for the year ended September 30, 2025 raising substantial doubt about our ability to continue as a going concern. Our ability to continue as a going concern is dependent upon our ability to raise additional capital and to achieve sustainable revenues and profitable operations. Since inception, we have raised funds primarily through the sale of equity securities and convertible notes. We will need additional funds to commercially launch and then operate our business. No assurance can be given that any future financing will be available or, if available, that it will be on terms that are satisfactory to us. Even if we are able to obtain additional financing, it may contain undue restrictions on our operations or cause substantial dilution for our stockholders. If we are unable to obtain additional funds, our ability to carry out and implement our planned business objectives and strategies will be significantly delayed, limited or may not occur. We cannot guarantee that we will ever generate revenue and become profitable. Even if we achieve profitability, given the competitive and evolving nature of the industry in which we operate, we may not be able to sustain or increase profitability and our failure to do so would adversely affect our business, including our ability to raise additional funds.

Our limited operating history in our current business makes it difficult to evaluate our current business and future prospects and the risk of your investment.

Although we were incorporated in 2010, we were previously in the business of operating a service-oriented independent testing laboratory, data analytics and media firm focused on developing cannabis and hemp markets. We sold the assets of this business in 2024, and recently positioned our business to develop and sell an accelerator device for the production of functional mushrooms. As such we have a limited operating history upon which to evaluate our commercial prospects. Our historical results are not indicative of our future results in the new line of business. Our limited operating history makes it difficult for potential investors to evaluate our prospective operations and business prospects. Investors should consider our future prospects in light of the risks and uncertainties of early-stage companies operating in a competitive environment. We may encounter unanticipated problems as we continue to refine our business model and may be forced to make significant changes to be successful in the marketplace.

We will require substantial additional financing to achieve our goals, and a failure to obtain this necessary capital when needed could force us to delay, limit, reduce or terminate our product development or commercialization efforts.

We plan to continue the development of the Hypha Micropearl accelerator over the next twelve months with the goal of commercializing the device by the end of calendar year 2026. Accordingly, we will continue to incur additional substantial development costs and other expenses to commercialize our products. We cannot reasonably estimate the actual amounts necessary to execute our business strategy and successfully launch our business. Further we cannot estimate the costs involved in the development, manufacture and commercialization of any future products. In addition, other unanticipated costs may arise. We will require additional financing to execute our business plan. As a result, until we can generate substantial revenues from our products, we expect to finance our cash needs through equity offerings, debt financings or other capital sources.

Additional funds may not be available when we need them, on terms that are acceptable to us, or at all. If adequate funds are not available to us on a timely basis, we may be required to delay, limit, reduce or terminate our development activities for our products or delay, limit, reduce or terminate our establishment of sales and marketing capabilities or other activities that may be necessary to commercialize our products.

We will initially be dependent on a limited number of customers, and any significant decline in business from one or more of our customers could adversely affect our operating results.

As an early-stage company, we will initially be dependent on a limited number of customers to purchase our device as well as to purchase replacement cartridges for use in the device. As a result, if customers fail to place anticipated orders, change planned quantities, delay purchases, or change product preferences for reasons beyond our control, we could experience a decline in our operating results. Sales in the consumer product segment are highly seasonal and dependent upon the United States retail markets and consumer spending. Traditionally, this segment has recognized a substantial portion of its sales during the holiday selling season. Any downturn in the general economy, shift in consumer spending away from housewares/small appliances, or further deterioration in the financial health of our customer base could adversely affect our sales and operating results.

Our business model and growth strategy depend on our marketing efforts and ability to introduce our products, maintain our brand and attract customers to our platform in a cost-effective manner.

Our success depends on our ability to acquire and retain customers in a cost-effective manner through marketing efforts and exposure to our products. In order to create and expand our customer base, we will need to appeal to and acquire customers who have not historically consumed functional mushrooms or used an accelerator device to grow these mushrooms. We plan to make a significant investment related to customer acquisition and expect to continue to spend significant amounts to acquire additional customers. Our advertising efforts will consist primarily of email marketing, online advertisements and promotions, digital marketing and social media. These efforts are expensive and may not result in the cost-effective acquisition of customers. We cannot assure you that the net profit from new customers we acquire will ultimately exceed the cost of acquiring those customers through enhancements to the customer experience on our website, mobile-optimized websites and mobile operations. If we fail to deliver a quality shopping experience, or if consumers do not perceive the products we offer to be of high value and quality, we may not be able to acquire new customers. If we are unable to acquire new customers who purchase products in numbers sufficient to grow our business, we may not be able to generate the scale necessary to drive beneficial network effects with our suppliers or efficiencies in our logistics network, our net revenue may decrease, and our business, financial condition and operating results may be materially adversely affected.

We believe that many of our new customers will originate from word-of-mouth and other non-paid referrals from existing customers. Therefore, we must ensure that our existing customers remain loyal to us in order to continue receiving those referrals. If our efforts to satisfy our existing customers are not successful, we may not be able to acquire new customers in sufficient numbers to continue to grow our business, or we may be required to incur significantly higher marketing expenses in order to acquire new customers.

Our success depends in part on our ability to increase our net revenue per active customer. If our efforts to increase customer loyalty and repeat purchasing as well as maintain high levels of customer engagement are not successful, our growth prospects and revenue will be materially adversely affected.

Our ability to grow our business depends on our ability to retain our existing customer base and generate increased revenue and repeat purchases from this customer base and maintain high levels of customer engagement. To do this, we must continue to provide our customers and potential customers with a unified, convenient, efficient and differentiated shopping experience by:

- providing imagery, tools and technology that attract customers who historically would not have purchased our mushroom products;
- maintaining a high-quality and diverse portfolio of nutrient and mycelium products to be used with the accelerator device to encourage repeat sales from existing customers;
- delivering products on time and without damage; and
- maintaining and further developing our online and mobile platforms.

If we fail to increase net revenue per active customer, generate repeat purchases or maintain high levels of customer engagement, our growth prospects, operating results and financial condition could be materially adversely affected. TM

The Company may not be successful in developing the Hypha Micropearl accelerator and introducing any new and improved models of the device.

We plan to continue the design, development and testing of the Hypha Micropearl accelerator over the next twelve months. If the accelerator performs as expected, of which there can be no assurance, we will introduce it into the marketplace. The introduction of the initial Hypha Micropearl accelerator will require substantial expenditures for advertising and marketing to gain marketplace recognition. Further, after the introduction and sale of the initial Hypha Micropearl accelerator, the ability to develop new and improved devices will be important to our long-term success. The ability to develop new and improved devices, will depend upon, among other things, whether we can develop and fund technological innovations and successfully anticipate consumer needs and preferences. There is no guarantee that we will be successful in developing products necessary to compete effectively in the functional mushroom industry or that we will be successful in advertising, marketing and selling the accelerator or any new products.

Product recalls or lawsuits relating to defective products could have an adverse effect on the Company, as could the imposition of industry sustainability standards.

As a manufacturer and distributor of consumer products in the United States, the Company is subject to the Consumer Products Safety Act, which empowers the U.S. Consumer Products Safety Commission to exclude from the market products that are found to be unsafe or hazardous. Under certain circumstances, the U.S. Consumer Products Safety Commission could require the Company to repair, replace or refund the purchase price of one or more of its products, or the Company may voluntarily do so. Any repurchase or recall of products could be costly and damage the Company's reputation, as well as subject it to a sizable penalty that the U.S. Consumer Products Safety Commission is empowered to impose. If the Company removed products from the market, its reputation or brand could be tarnished and it might have large quantities of finished products that could not be sold. The Company could also face exposure to product liability claims if one of its products were alleged to have caused property damage, bodily injury or other adverse effects. Although the Company intends to maintain product liability insurance for a reasonable level of claims, there is no assurance that such insurance will be sufficient to cover any potential claim. Moreover, many states do not allow insurance companies to provide coverage of punitive damages, in the event such damages were imposed. Additionally, the Company does not maintain product recall insurance. As a result, product recalls or product liability claims could have a material adverse effect on the Company's business, results of operations and financial condition. The portable appliance industry association has a framework for a sustainability standard for the industry but has yet to develop specific guidelines for implementation. When and if developed, the standards will do nothing for the environment but will entail the addition of significant bureaucracy and outside certification fees. As such, compliance will be burdensome and expensive.

Macroeconomic trends including inflation and rising interest rates may adversely affect our financial condition and results of operations.

Macroeconomic trends, including increases in inflation and rising interest rates, may adversely impact our business, financial condition and results of operations. Inflation in the United States has recently declined, but it is uncertain that it will remain at its current reduced level in the near-term. However, rising inflation in the future could have an adverse impact on our operating expenses and any potential borrowings under credit facilities. There is no guarantee we will be able to mitigate the impact of rising inflation. The Federal Reserve has started reducing interest rates with the decline in inflation but there is no assurance that rates will continue to decline throughout our fiscal year ending September 30, 2025. If interest rates remain high, we cannot assure you that our access to capital and other sources of funding will not become constrained, which could adversely affect the availability and terms of any desired borrowings. Such future constraints could increase our borrowing costs, which would make it more difficult or expensive to obtain financing, which could slow or deter future growth.

Our business is dependent on general economic conditions and consumer discretionary spending, and reductions in such spending might adversely affect the Company's business, operations, liquidity, financial results and stock price.

Our business depends on consumer discretionary spending, and our results are highly dependent on U.S. consumer confidence and the health of the U.S. economy. Consumer spending may be affected by many factors outside of the Company's control, including general economic conditions; consumer disposable income; consumer confidence and perception of economic conditions, in part as a result of the trade policies of the U.S. government; the threat or outbreak of war, terrorism or public unrest (including, without limitation, the conflicts in Ukraine and the Middle East) which may cause supply chain disruptions, increase fuel costs and transportation costs, and create general economic instability; wage and unemployment levels; consumer debt and inflationary pressures; the costs of basic necessities and other goods; effects of weather and natural disasters caused by climate change or otherwise; and epidemics, contagious disease outbreaks, and other public health concerns including the COVID-19 pandemic. Adverse economic changes in any of the regions in which we sell our products could reduce consumer confidence and could negatively affect net revenue and have a material adverse effect on our operating results.

Consumers may view a substantial portion of the products we offer as discretionary items rather than necessities. As a result, our results of operations are sensitive to changes in macro-economic conditions that impact consumer spending, including discretionary spending. Decreases in consumer discretionary spending may result in a decrease in comparable sales, and average value per transaction, which might cause us to increase promotional activities, which will have a negative impact on our gross margins, all of which could negatively affect the Company's business, operations, liquidity, financial results and stock price, particularly if consumer spending levels are depressed for a prolonged period of time.

If we fail to manage our growth effectively, we may experience difficulties in expanding our operations and service offerings and our business, financial condition and operating results could be harmed.

In order to develop and grow our business, we will require significant resources to commence operations and scale our business in a cost-effective manner. Failure to obtain these resources may negatively affect our ability to access the marketplace and grow our business. We will also be required to manage relationships with a growing number of suppliers, third party manufacturers, customers and other third parties. We may also be required to effectively integrate, develop and motivate a large number of new employees. Our information technology systems and our internal controls and procedures may not be adequate to support our growth. If we are unable to manage the growth of our organization effectively, our business, financial condition and operating results may be materially adversely affected.

Our success depends, in substantial part, on our ability to market our products through search engines and social media platforms.

The marketing of our products depends on our ability to cultivate and maintain cost-effective and otherwise satisfactory relationships with search engines and social media platforms, including those operated by Google, Facebook, Bing and Yahoo! These platforms could change their terms and conditions of use at any time (and without notice) and/or significantly increase their fees. No assurances can be provided that we will be able to maintain cost-effective and otherwise satisfactory relationships with these platforms and our inability to do so in the case of one or more of these platforms could have a material adverse effect on our business, financial condition and results of operations.

The growing use of online ad-blocking software may also impact the success of our marketing efforts because we may reach a smaller audience and fail to bring more customers to our website, which could have a material adverse effect on our business, financial condition and results of operations.

Our internal information technology systems may fail or suffer security breaches, loss or leakage of data, and other disruptions, which could disrupt our business or result in the loss of critical and confidential information.

The satisfactory performance, reliability and availability of our website, transaction processing systems, logistics network, and technology infrastructure will be critical to our reputation and our ability to acquire and retain customers, as well as maintain adequate customer service levels.

For example, if one of our data centers fails or suffers an interruption or degradation of services, we could lose customer data and miss order fulfillment deadlines, which could harm our business. Our systems and operations, including our ability to fulfill customer orders through our logistics network, could also be vulnerable to damage or interruption from inclement weather, fire, flood, power loss, telecommunications failure, terrorist attacks, labor disputes, cybersecurity-attacks, data loss, acts of war, break-ins, earthquake and similar events. In the event of a data center failure, the failover to a back-up could take substantial time, during which time our site could be completely shut down. Further, our back-up services may not effectively process spikes in demand, may process transactions more slowly and may not support all of our site's functionality.

We intend to use proprietary software in our technology infrastructure, which we will need to continually update and improve. We may not always be successful in executing these upgrades and improvements, and the operation of our systems may be subject to failure. In particular, we may experience slowdowns or interruptions on some or all of our sites when we are updating them, and new technologies or infrastructures may not be fully integrated with existing systems on a timely basis, or at all. Additionally, if we expand our use of third-party services, including cloud-based services, our technology infrastructure may be subject to increased risk of slowdown or interruption as a result of integration with such services and/or failures by such third parties, which are out of our control. Our net revenue will depend on the number of visitors who shop on our site and the volume of orders we can handle. Unavailability of our website or reduced order fulfillment performance would reduce the volume of goods sold and could also materially adversely affect consumer perception of our brand.

We may experience periodic system interruptions from time to time. In addition, continued growth in our transaction volume, as well as surges in online traffic and orders associated with promotional activities or seasonal trends in our business, place additional demands on our technology platform and could cause or exacerbate slowdowns or interruptions. Any slowdown, interruption or performance failure of our site and the underlying technology and logistics infrastructure could harm our business, reputation and our ability to acquire, retain and serve our customers, which could materially adversely affect our results of operations.

If we fail to maintain adequate cybersecurity with respect to our systems and ensure that our third-party service providers do the same with respect to their systems, our business may be harmed.

We intend to collect, maintain, transmit and store data about our customers, employees, contractors, suppliers, vendors and others, including credit card information and personally identifiable information, as well as other confidential and proprietary information. We also may employ third-party service providers that store, process and transmit certain proprietary, personal and confidential information on our behalf. We may rely on encryption and authentication technology licensed from third parties in an effort to securely transmit, encrypt, anonymize or pseudonymize certain confidential and sensitive information, including credit card numbers. Advances in computer capabilities, new technological discoveries or other developments may result in the whole or partial failure of this technology to protect transaction and personal data or other confidential and sensitive information from being breached or compromised. Our security measures, and those of our third-party service providers, may not detect or prevent all attempts to hack our systems, denial-of-service attacks, viruses, malicious software, break-ins, phishing attacks, social engineering, cybersecurity breaches or other attacks and similar disruptions that may jeopardize the security of information stored in or transmitted by our sites, networks and systems or that we or our third-party service providers otherwise maintain, including payment card systems and human resources management platforms. We and our service providers may not anticipate or prevent all types of attacks until after they have already been launched, and techniques used to obtain unauthorized access to or sabotage systems change frequently and may not be known until launched against us or our third-party service providers. In addition, security breaches can also occur as a result of non-technical issues, including intentional or inadvertent breaches by our employees or by persons with whom we have commercial relationships.

Breaches of our security measures or those of our third-party service providers or cyber security incidents could result in unauthorized access to our sites, networks and systems; unauthorized access to and misappropriation of personal information, including consumers' and employees' personally identifiable information, or other confidential or proprietary information of ourselves or third parties; limited or terminated access to certain payment methods or fines, penalties, assessments or higher transaction fees to use such methods; viruses, worms, spyware or other malware being served from our site, networks or systems; deletion or modification of content or the display of unauthorized content on our site; interruption, disruption or malfunction of operations; costs relating to breach remediation, deployment or training of additional personnel and protection technologies, responses to governmental investigations and media inquiries and coverage; engagement of third party experts and consultants; litigation, regulatory action and other potential liabilities. If any of these breaches of security occur, and/or our cybersecurity processes, procedures or policies are found to be deficient, our reputation and brand could be damaged, our business may suffer, we could be required to expend significant capital and other resources to alleviate problems caused by such breaches and we could be exposed to a risk of loss, litigation or regulatory action and possible liability. In addition, any party who is able to illicitly obtain a customer's password or other relevant information could access that customer's transaction data or personal information. Any compromise or breach of our security measures, or those of our third-party service providers, could violate applicable privacy, data security and other laws, and cause significant legal and financial exposure, adverse publicity and a loss of confidence in our security measures, which could have a material adverse effect on our business, financial condition and operating results. We may need to devote significant resources to protect against cybersecurity breaches or to address problems caused by breaches, diverting resources from the growth and expansion of our business.

We may choose to rely upon manufacturers based in outside the United States, including China, and their operations are subject to risks associated with business operations in those countries as well as trade policies of the U.S. government. Any disruption in the ability of these manufacturers to supply us with our products on a timely basis could have a material adverse effect on our business, results of operations or financial condition.

Our current plan is to manufacture the Hypha Micropearl accelerator outside the United States to reduce manufacturing costs. Although we have not yet identified a manufacturer for our products, nor have we entered into an arrangement with any entity in a foreign country to manufacture our products, we may decide to manufacture the accelerator in mainland China or another foreign country. The Chinese government or any foreign government in a country where we choose to manufacture our products may intervene or influence the operations of a business located in that country, especially China, or the industry in which a business operates at any time, which could result in a material change to the operations of any manufacturer in such country. In addition, the trade policies of the U.S. government, in particular, and the tariffs imposed on goods manufactured in China and other foreign countries, may cause the cost to manufacture in a foreign country and ship our products to customers in the United States to be cost prohibitive. Foreign countries where we choose to manufacture may be subject to political instability and dramatic changes in economic policies. For example, policies of the Chinese government can have significant effects on the economic conditions of China and industries within China. The Chinese government had intended that economic development would follow the model of a market economy. Under this direction, we had anticipated that China would continue to strengthen its economic and trading relationships with foreign countries and business development in China would follow market forces. Given the current uncertainty of the global trading markets, we cannot assure you that this will be the case. Changes in policies, regulations, rules, and the enforcement of laws by a foreign government may produce quick shifts in policy with little advance notice that could adversely affect our interests by interfering with the operations of manufacturers and/or suppliers we choose to rely upon. Although the Chinese government has been pursuing economic reform policies for more than two decades, we cannot assure you that the government will continue to pursue such policies or that such policies may not be significantly altered, especially in the event of a change in leadership, social or political disruption, or other circumstances affecting China's political, economic, and social environment or in response to U.S. trade policies.

We will depend on our relationships with a variety of regional and national carriers, and changes in our relationships with these parties could adversely affect our revenue and profits.

We will rely on a variety of regional and national carriers for our shipping services. As a result, we may be subject to shipping delays or disruptions caused by factors beyond our and our carriers' control, including inclement weather, natural disasters, system interruptions and technology failures, labor shortages, increased fuel costs, health epidemics or bioterrorism. We are also subject to risks of breakage or other damage during delivery by any of these third parties.

We may rely on a limited number of suppliers, or in some cases, a single supplier, for some of the components of our Hypha Micropearl accelerator, such as the cartridges, and may not be able to find replacements or immediately transition to alternative suppliers

We intend to source components, such as the cartridges, for the Hypha Micropearl accelerator from third parties. Our failure to maintain continued supply of such components, or supply that meets quality control requirements, particularly in the case of sole suppliers, would seriously harm our business, financial condition, and results of operations. In the event of any adverse developments with these vendors, our product supply may be interrupted, and obtaining substitute components could be difficult or require us to re-design our products. If the supply of components we receive from suppliers does not meet quality control standards, we may not be able to use the components, or if we use them not knowing that they are of inadequate quality, it may prevent our products from working properly or at all.

We may be unable to develop, optimize, operate and manage our fulfillment centers

We intend to engage a third party to handle fulfillment of our products from its fulfillment centers. If we are unable to secure, optimize and operate fulfillment centers successfully and efficiently, it could result in excess or insufficient fulfillment capacity, an increase in costs or impairment charges or harm our business in other ways. In addition, if we do not have sufficient fulfillment capacity or experience a problem fulfilling orders in a timely manner, our customers may experience delays in receiving their purchases, which could harm our reputation and our relationship with our customers. For example, challenges such as another pandemic could cause us to experience disruptions to the operations of our fulfillment centers, including an insufficient and strained labor pool from time to time, which may negatively impact our ability to fulfill orders in a timely manner, which could harm our reputation, relationship with customers and results of operations. Failure to successfully address such challenges in a cost-effective and expedient manner could impair our ability to timely deliver our customers' purchases and could harm our reputation and ultimately, our business, financial condition, and results of operations.

Significant merchandise returns could harm our business.

We intend to allow our customers to return products, subject to our return policy. If merchandise returns are significant, our business, prospects, financial condition and results of operations could be harmed. Further, we may modify our policies relating to returns from time to time, which could result in customer dissatisfaction or an increase in the number of product returns. From time to time, our products may be damaged in transit, which can increase return rates and harm our brand.

We are subject to risks related to online payment methods.

We intend to accept payments using a variety of methods, including credit card, debit card, PayPal, credit accounts and gift cards. As we offer new payment options to consumers, we may be subject to additional regulations, compliance requirements and fraud. For certain payment methods, including credit and debit cards, we pay interchange and other fees, which may increase over time and raise our operating costs and lower profitability. We are also subject to payment card association operating rules and certification requirements, including the current and future Payment Card Industry Data Security Standard ("PCI") and rules governing electronic funds transfers, which could change or be reinterpreted to make it difficult or impossible for us to comply, including in connection with any possible payment card data breach. As our business changes, we may also be subject to different rules under existing standards, which may require new assessments that involve costs above what we currently pay for compliance. If we fail to comply with the rules or requirements of any provider of a payment method we accept, if the volume of fraud in our transactions limits or terminates our rights to use payment methods we currently accept, or if a data breach occurs relating to our payment systems, we may, among other things, be subject to fines, penalties, assessments or higher transaction fees and may lose, or face restrictions placed upon, our ability to accept credit card and debit card payments from consumers or to facilitate other types of online payments.

Our plans are dependent upon key individuals and the ability to attract qualified personnel.

In order to execute our business plan, we will be dependent upon our executive officers and directors, as well as other key personnel. The loss of any of the foregoing individuals could have a material adverse effect upon our business prospects. Moreover, our success continues to depend to a significant extent on our ability to identify, attract, hire, train and retain qualified professional, creative, technical and managerial personnel. Competition for such personnel is intense, and there can be no assurance that we will be successful in identifying, attracting, hiring, training, and retaining such personnel in the future. If we are unable to hire, assimilate and retain such qualified personnel in the future, our business, operating results, and financial condition could be materially adversely affected. We may also depend on third party contractors and other partners, to assist with the execution of our business plan. There can be no assurance that we will be successful in either attracting and retaining qualified personnel, or creating arrangements with such third parties. The failure to succeed in these endeavors would have a material adverse effect on our ability to consummate our business plans.

If the market for our products does not develop or become sustainable, or becomes saturated, our revenues may fail to materialize, and our financial condition and results of operations could be materially impaired.

The global market for functional mushrooms is projected to experience significant growth over the next eight years and the functional mushroom market in the U.S. is expected to grow significantly as well. The increasing popularity and acceptance of mushroom products among individuals creates an opportunity for us to enter this industry and provide a new and innovative way for consumers to have access to mushroom products. However, although we believe that providing consumers with a convenient home device to make functional mushrooms which can be incorporated into their food and beverage is a novel and innovative concept, there can be no assurance that consumers will purchase our products. Our success is highly dependent on both the market's acceptance of functional mushrooms as well as the adoption of the use of our home device by the consumer. If the market for our products does not materialize, become sustainable, or becomes saturated with competing products, our revenues may not materialize, and our financial condition and results of operations could be materially and adversely affected.

We compete against various companies engaged in the mushroom industry, some of which have greater brand recognition, longer operating histories and greater financial resources.

We compete against various companies engaged in the mushroom industry. The increasing popularity and acceptance of mushroom based products has led to the rapid development of new and innovative products in the mushroom industry. Thus, manufacturers in the mushroom industry, owing to these rapid advancements, are constantly working on innovative formulations and delivery methods to make mushroom products more palatable and convenient for consumers. These manufacturers are focusing on expanding their global presence by adopting strategies such as investing in joint ventures, partnerships, mergers and acquisitions and research and development in innovative product lines.

Although we do not believe there are any other companies developing an accelerator device to produce functional mushrooms in the home, we do believe that there is ongoing research into the medical properties and applications of various mushroom species for personal care and pharmaceuticals which continues to promote the development of new functional mushroom-based products. For instance, in August 2023, Four Sigmatic, a wellness products manufacturing company, launched organic mushroom complex capsules in Calm, Focus, and Memory varieties. These capsules contain lion's mane mushroom extract, vitamin B12, and L-theanine. Mushroom Perfecti, a company focused on the production of mushroom based products from mycelium, is producing a line of nutritional supplements, Nature's Rise, a manufacturer of organic mushroom products, launched Lion's Mane organic powder extract on Amazon in October 2022 and Lifeway Foods, Inc., a US supplier of Kefir and fermented probiotic products, launched a new line of adaptogenic medical mushrooms beverages at the Winter Fancy Food Show in Las Vegas in February 2022. In August 2023 Applied Food Sciences Inc. ("AFS"), one of the leaders in supplying functional and organic ingredients, announced its equity investment and partnership with KAAPA Biotech, a Finland based company. This partnership would help AFS expand its botanical portfolio by adding Nordic grown medical mushroom extracts that could be used in food, beverages and supplements. These companies represent the availability of alternative sources of functional mushrooms offered to consumers.

Further, advancements in biotechnology and mycology have enabled researchers to explore novel cultivation techniques, optimize growing conditions, thereby enhancing the production of bioactive compounds in mushrooms. In May 2023, Optimi Health Corp., a Canadian-based company, opened a new mushroom research and development facility. The new facility consists of two 10,000-square-foot facilities with ten growing rooms producing approximately 2,000 kilograms of dried psilocybin mushrooms a month. Thus, the global functional mushroom market share is anticipated to exhibit a promising growth rate in a competitive marketplace.

Risks Relating to Intellectual Property

If we are unable to protect our intellectual property rights, our business, competitive position, financial condition and results of operations could be materially and adversely affected.

Our success is dependent in part on our ability to obtain patent protection in the United States and abroad for our technology. We have filed two patent applications that safeguard the use of sophisticated machine learning algorithms to process mycelium, the vegetative part of fungi composed of an intricate network of hyphae. We have filed for patent protection in the United States. We believe that our ability to obtain patent protection in key markets for our technology is essential for maintaining our competitive edge. Failure to do so may impact our ability to experience broad acceptance in the marketplace for our products over those of our competitors, therefore reducing our ability to generate revenues and grow our business. Further, failure to obtain patent protection for our products will limit our ability to pursue damages for infringement of our proprietary rights against third parties. There can be no assurances any of our pending or future patent applications will be approved, or that we develop additional products or processes that are patentable.

Third parties may seek to challenge, invalidate, circumvent, render unenforceable, or seek ownership of any patents or proprietary rights owned by us. There can be no assurance that we will operate without infringing on the proprietary rights of third parties. If such challenges are successful, we may be unable to use or may need to limit the scope of our methods and technologies.

Our employees, consultants and advisors will enter into confidentiality agreements with us that prohibit the disclosure or use of our confidential information. We will also have entered into non-disclosure or confidentiality agreements to protect our confidential information delivered to third parties for research and other purposes. Despite these efforts, we cannot guarantee that we will be able to effectively enforce these agreements, or our confidential information will not be disclosed, that others will not independently develop substantially equivalent confidential information and techniques or otherwise gain access to our confidential information or that we can meaningfully protect our confidential information. Furthermore, any know-how that is proprietary or particular to our technologies may be subject to risk of disclosure by employees or consultants despite having confidentiality agreements in place.

If we are unable to protect our brand, including our trademarks, our business can be materially and adversely affected.

Our success is dependent in part on our ability to protect our brand and the trademarks we use to sell our products. We are currently using the trademark Micropearls with respect to our accelerator device and intend to introduce this product into the marketplace with this trademark. Although we have not registered this trademark, our use and claim to the name protects us from third parties using it for similar products, although third parties may still infringe our trademark. Any infringement of our trademark by third parties can lead to consumer confusion and any unauthorized use of a similar mark can make it challenging for consumers to distinguish between our brand and the infringing party. This confusion can erode the trust and loyalty that our customers may develop over time. Further, if an infringing party utilizes our brand's trademark to sell subpar or counterfeit products, the quality associated with our brand can suffer. Consumers who encounter these inferior offerings may associate the negative experience with our brand, resulting in a tarnished reputation. It will be crucial for us to maintain control over our trademark to protect the positive association customers have with our brand. Trademark infringement can lead to lost business opportunities, as unauthorized parties may exploit our brand's reputation and market presence for their gain. Such loss of opportunities can have long-lasting effects on our brand's growth and profitability.

Trademark infringement can also result in legal disputes, which can be time-consuming and expensive to resolve. Third parties may seek to challenge our use of their trademarks. Engaging in legal battles to protect or defend our trademarks can strain business relationships, including those with customers, partners, or distributors. Moreover, if the infringement remains unresolved, it may signal a lack of control over our brand, leading to further damage to our reputation. Trademark infringement poses significant risks to our brand's reputation and can have detrimental effects on our business.

Risks Related To Our Common Stock

Our operating results may fluctuate causing volatility in our stock price.

Our operating results may fluctuate as a result of a number of factors, many of which are outside of our control. The following factors may affect our operating results causing volatility in our stock price:

- Our ability to execute our business plan, compete effectively and attract customers;
- Our ability to respond effectively to a rapidly evolving regulatory and competitive landscape;
- The amount and timing of operating costs and capital expenditures related to the maintenance and expansion of our business, operations and infrastructure;
- Our ability to obtain working capital financing;
- Our ability to attract, motivate and retain top-quality employees;
- Investors' general perception of us; and
- General economic conditions and those economic conditions specific to the cannabis industry.

Trading in our common stock has been limited, there is no significant trading market for our common stock, and purchasers of our common stock may be unable to sell their shares.

Our common stock is currently eligible for quotation on the OTCQB, however trading to date has been limited. If activity in the market for shares of our common stock does not increase, purchasers of our shares or those who receive shares upon conversion of our Series D Preferred Stock or exercise of warrants may find it difficult to sell their shares. We currently do not meet the initial listing criteria for any registered securities exchange, including the Nasdaq Stock Market. The OTCQB is often characterized by low trading volume and significant price fluctuations. These and other factors may further impair our stockholders' ability to sell their shares when they want to and/or could depress our stock price. As a result, stockholders may find it difficult to dispose of, or obtain accurate quotations of the price, of our securities because smaller quantities of shares could be bought and sold, transactions could be delayed and security analyst and news coverage of our Company may be limited. These factors could result in lower prices and larger spreads in the bid and ask prices for our shares of common stock.

Applicable SEC rules governing the trading of "penny stocks" may limit the trading and liquidity of our common stock which may affect the trading price our common stock.

Our common stock is a "penny stock" as defined under Rule 3a51-1 of the Exchange Act, and is accordingly subject to SEC rules and regulations that impose limitations upon the manner in which our common stock can be publicly traded. Penny stocks generally are equity securities with a per share price of less than \$5.00 (other than securities registered on some national securities exchanges or quoted on NASDAQ). The penny stock rules require a broker-dealer, prior to a transaction in a penny stock not otherwise exempt from the rules, to deliver a standardized risk disclosure document that provides information about penny stocks and the nature and level of risks in the penny stock market. The broker-dealer also must provide the customer with current bid and offer quotations for the penny stock, the compensation of the broker-dealer and its salesperson in the transaction, and, if the broker-dealer is the sole market maker, the broker-dealer must disclose this fact and the broker-dealer's presumed control over the market, and monthly account statements showing the market value of each penny stock held in the customer's account. In addition, broker-dealers who sell these securities to persons other than established customers and "accredited investors" must make a special written determination that the penny stock is a suitable investment for the purchaser and receive the purchaser's written agreement to the transaction. Consequently, these requirements may have the effect of reducing the level of trading activity, if any, of our common stock and reducing the liquidity of an investment in our common stock.

We have outstanding shares of preferred stock with rights and preferences superior to those of our Series D Preferred Stock and common stock.

The issued and outstanding shares of Series A Convertible Preferred Stock and Series B Preferred Stock grant the holders of such preferred stock liquidation and dividend rights that are superior to those held by the holders of our Series D Preferred Stock and our common stock.

We have outstanding shares of Series C Preferred Stock held by our sole executive officer that will enable him to control a majority of the total voting power of the Company.

We have designated 1,000 shares of Series C Preferred Stock that provides the holder, so long as he or she is an executive officer of the Company, with the ability to vote with the holders of our common stock on all matters presented to the holders of common stock, on the basis of 200,000 votes for each share of Series C Preferred stock. All of the shares of Series C Preferred stock are currently held by A. Stone Douglass, our sole executive officer. Accordingly, Mr. Douglass has the right to vote a majority of the total voting power of all outstanding shares of our capital stock. Consequently, other stockholders will exercise little influence over management and policies of the Company.

We have not paid dividends in the past and do not expect to pay dividends in the future. Any return on investment may be limited to the value of our common stock.

We have never paid cash dividends on our common stock and do not anticipate doing so in the foreseeable future. The payment of dividends on our common stock depends on earnings, financial condition and other business and economic factors affecting us at such time as our board of directors may consider relevant.

ITEM 1B. UNRESOLVED STAFF COMMENTS

None.

ITEM 1C. CYBERSECURITY

As of the date of this Form 10-K, we believe that we have limited risks associated with a breach in cybersecurity. Risks from cybersecurity threats, including as a result of any previous cybersecurity incidents (of which we are not aware of any), have not materially affected or are not reasonably likely to materially affect the Company, including its business strategy, results of operations, or financial condition.

Risk Management and Strategy

We have not established specific processes for assessing, identifying, and managing material risks from cybersecurity threats or engaged third parties to assess such risks. However, if exposed to such a risk, we would assess any potential unauthorized attempts to access our information systems that may result in adverse effects on the confidentiality, integrity, or availability of those systems.

While we lack a formal risk assessment policy or analysis and no process has been integrated into our management system, a risk assessment would likely include identification of any reasonably foreseeable internal and external risks, any likelihood and potential damage that could result from such risks, and whether existing safeguards are sufficient to manage such risks. If appropriate and necessary, we would implement reasonable safeguards to minimize identified risks and address any identified gaps in existing systems.

To date, we have not encountered cybersecurity threats or challenges that have materially impaired our operations, business strategy or financial condition.

Governance

Primary responsibility for assessing any cybersecurity risks rests with A. Stone Douglass, our sole executive officer, who would report any threat to our board of directors.

ITEM 2. PROPERTIES

Our principal executive offices are located at 5940 S. Rainbow Boulevard, Las Vegas, Nevada 89118, Telephone No.: (702) 527-2060.

We believe that our current facilities are adequate for our current needs. We intend to secure new facilities or expand existing facilities as necessary to support future growth. We believe that suitable additional space will be available on commercially reasonable terms as needed to accommodate our operations.

ITEM 3. LEGAL PROCEEDINGS

There are no material pending legal proceedings to which we are a party or to which any of our property is subject, nor are there any such proceedings known to be contemplated by governmental authorities. None of our directors, officers or affiliates is involved in a proceeding adverse to our business or has a material interest adverse to our business.

ITEM 4. MINE SAFETY DISCLOSURES

Not applicable.

PART II

ITEM 5. MARKET FOR REGISTRANT’S COMMON EQUITY, RELATED STOCKHOLDER MATTERS AND ISSUER PURCHASES OF EQUITY SECURITIES

Market Information

Shares of our common stock trade on the over-the-counter market and are quoted on the OTCBB and OTCQB under the symbol “FUNI”. As of January 13, 2026, the closing price of our common stock on the OTCQB was \$0.038.

The following table sets forth, for the fiscal quarters indicated, the high and low bid information for our common stock, as reported on the OTCQB. The following quotations reflect inter-dealer prices, without retail mark-up, mark-down or commission and may not represent actual transactions.

	High		Low	
Fiscal Year Ended September 30, 2024				
First Quarter	\$	0.045	\$	0.006
Second Quarter	\$	0.070	\$	0.010
Third Quarter	\$	0.040	\$	0.012
Fourth Quarter	\$	0.060	\$	0.007
Fiscal Year Ended September 30, 2025				
First Quarter	\$	0.038	\$	0.011
Second Quarter	\$	0.040	\$	0.016
Third Quarter	\$	0.035	\$	0.016
Fourth Quarter	\$	0.035	\$	0.012

As of January 15, 2026, there were approximately 140 shareholders of record of our common stock. Such number does not include any shareholders holding shares in nominee or “street name”. As of January 15, 2026, there were 155,521,825 shares of common stock outstanding on record.

Dividends

We have not declared or paid any dividends on our common stock since our inception and do not anticipate paying dividends for the foreseeable future. The payment of dividends is subject to the discretion of our board of directors and depends, among other things, upon our earnings, our capital requirements, our financial condition, and other relevant factors. We intend to reinvest any earnings in the development and expansion of our business. Any cash dividends in the future to common shareholders will be payable when, as and if declared by our board of directors, based upon the board’s assessment of our financial condition and performance, earnings, need for funds, capital requirements, prior claims of preferred stock to the extent issued and outstanding, and other factors, including income tax consequences, restrictions and applicable laws. There can be no assurance, therefore, that any dividends on our common stock will ever be paid.

Equity Compensation Plan Information as of September 30, 2025

Plan category	Number of securities to be issued upon exercise of outstanding options, warrants and rights (a)	Weighted-average exercise price of outstanding options, warrants and rights (b)	Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column (a)) (c)
Equity compensation plans approved by security holders ⁽¹⁾	3,320,000	\$ 0.089	N/A
Equity compensation plans not approved by security holders ⁽²⁾	12,100,000	\$ 0.054	N/A
Total	15,420,000		N/A

⁽¹⁾ Represents awards under our 2012 Stock Incentive Plan which was initially adopted with shareholder approval, and amended on June 21, 2016 without shareholder approval (as amended, the “2012 Incentive Plan”). Below is a brief description of the material terms of the 2012 Incentive Plan and the awards that were granted thereunder.

(2) Consists of options and warrants issued to consultants of the Company in consideration of services with exercise prices between \$0.05 and \$0.10 per share. For additional details see Note 11 to the accompanying financial statements.

2012 Incentive Plan

Effective Date and Expiration. The 2012 Incentive Plan, as amended, became effective on March 5, 2012, and terminated on March 5, 2022. No award may be made under the Incentive Plan after its expiration date, but awards made prior thereto may extend beyond that date. No additional awards will be granted under the 2012 Incentive Plan.

Share Authorization. The maximum aggregate number of shares which may be issued pursuant to awards granted under the 2012 Incentive Plan, as amended in June 2016, is Eleven Million Five Hundred Thousand (11,500,000) shares. Prior to its amendment, Three Million shares had been authorized for issuance under the 2012 Plan. As of September 30, 2025, options to purchase 3,320,000 shares were issued and outstanding under the 2012 Plan.

General; Types of Awards. The 2012 Incentive Plan provides for the grant of options to purchase shares of common stock, restricted stock, stock appreciation rights (“SARs”) and restricted stock units (rights to receive, in cash or stock, the market value of one share of our common stock). Incentive stock options (“ISOs”) may be granted only to employees. Nonstatutory stock options and other stock-based awards may be granted to officers, employees, non-employee directors and consultants.

Administration. The 2012 Incentive Plan is administered by our board of directors or a committee of our board of directors (the “Administrator”) as provided in the 2012 Incentive Plan. The Administrator will have the authority to select the eligible participants to whom awards will be granted, to determine the types of awards and the number of shares covered and to set the terms, conditions and provisions of such awards, to cancel or suspend awards under certain conditions, and to accelerate the exercisability of awards. The Administrator will be authorized to interpret the 2012 Incentive Plan, to establish, amend, and rescind any rules and regulations relating to the 2012 Incentive Plan, to determine the terms of agreements entered into with recipients under the 2012 Incentive Plan, and to make all other determinations that may be necessary or advisable for the administration of the 2012 Incentive Plan.

Eligibility. Options and other awards may be granted under the 2012 Incentive Plan to directors, officers, employees and consultants of our company and any of our subsidiaries, provided that the services of such consultants are not in connection with the offer or sale of securities in a capital-raising transaction and do not directly or indirectly promote or maintain a market for our securities.

Stock Options. The exercise price per share of our common stock purchasable upon exercise of any stock option or SAR will be determined by the Administrator, but cannot in any event be less than 100% of the fair market value of our common stock on the date the award is granted. The Administrator will determine the term of each stock option or SAR (subject to a maximum term of 10 years) and each option or SAR will be exercisable pursuant to a vesting schedule determined by the Administrator. The grants and the terms of ISOs will be restricted to the extent required for qualification as ISOs by the U.S. Internal Revenue Code of 1986, as amended. Subject to approval of the Administrator, options or SARs may be exercised by payment of the exercise price in cash, shares of common stock or pursuant to a “cashless exercise” through a broker-dealer under an arrangement approved by the Administrator. The Administrator may require the grantee to pay to us any applicable withholding taxes that we are required to withhold with respect to the grant or exercise of any option. The withholding tax may be paid in cash or, subject to applicable law, the Administrator may permit the grantee to satisfy these obligations by the withholding or delivery of shares of our common stock. We may withhold from any shares of our common stock that may be issued pursuant to an option or from any cash amounts otherwise due from us to the recipient of the option an amount equal to such taxes.

Restricted Stock. Restricted shares may be sold or awarded for consideration determined by the Administrator, including cash, full-recourse promissory notes, as well as past and future services. Any award of restricted shares will be subject to a vesting schedule determined by the Administrator. Any restricted shares that are not vested will be subject to rights of repurchase, rights of first refusal or other restrictions as determined by the Administrator. In general, holders of restricted shares will have the same voting, dividend and other rights as our other stockholders.

Adjustments upon Changes in Capitalization. In the event of any change affecting shares of our common stock by reason of any stock dividend or split, recapitalization, merger, consolidation, spin-off, combination or exchange of shares or other similar corporate change, or any distribution to stockholders other than cash dividends, the Administrator will make substitutions or adjustments in the aggregate number of shares that may be distributed under the 2012 Incentive Plan, and in the number and types of shares subject to, and the exercise prices under, outstanding awards granted under the 2012 Incentive Plan, in accordance with Section 10 and other provisions of the 2012 Incentive Plan.

Assignment. Unless otherwise permitted by the 2012 Incentive Plan and approved by the Administrator as permitted by the 2012 Incentive Plan, no award will be assignable or otherwise transferable by the grantee other than by will or the laws of descent and distribution and, during the grantee's lifetime, an award may be exercised only by the grantee.

Recent Sales of Unregistered Securities

During the three months ended December 31, 2024, the Company issued 3,500,000 shares of common stock. The shares were valued at the closing price on the date of issuance for aggregate value of \$67,500.

On January 21, 2025, the Company issued 500,000 shares of common stock to an outside consultant. The shares were valued at the closing price on the date of issuance for a value of \$12,400.

On February 17, 2025, the Company issued 9,500,000 shares of common stock to outside consultants. The shares were valued at the closing price on the date of issuance for an aggregate value of \$374,300.

On February 20, 2025, the Company issued 75,000 shares of common stock. The shares were valued at the closing price on the date of issuance for a value of \$2,363.

On June 18, 2025, the Company issued 2,500,000 shares of common stock to outside consultants. The shares were valued at the closing price on the date of issuance for a value of \$67,500.

On June 23, 2025, the Company issued an aggregate of 3,000,000 shares of common stock to outside consultants. The shares were valued at the closing price on the date of issuance for an aggregate value of \$90,000.

On June 23, 2025, the Company issued an aggregate of 3,000,000 shares of common stock to its board of directors. The shares were valued at the closing price on the date of issuance for an aggregate value of \$90,000.

On July 1, 2025, the Company issued 2,000,000 shares of common stock to consultants for services rendered. The shares were valued using the closing stock price on the date of issuance for a value of \$56,000.

Such issuances were exempt from registration pursuant to Section 4(a)(2) of the Securities Act of 1933, as amended.

See Note 16 (Subsequent Events) to the accompanying financial statements for information on subsequent securities issuances.

ITEM 6. SELECTED FINANCIAL DATA

We are a smaller reporting company as defined by Rule 12b-2 of the Securities Exchange Act of 1934 and are not required to provide the information under this item.

ITEM 7. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

This discussion summarizes the significant factors affecting the operating results, financial condition, liquidity and cash flows of the Company and its subsidiaries for the fiscal years ended September 30, 2025 and 2024. The discussion and analysis that follows should be read together with the section entitled "Forward Looking Statements" and our consolidated financial statements and the notes to the consolidated financial statements included elsewhere in this annual report on Form 10-K.

Except for historical information, the matters discussed in this section are forward looking statements that involve risks and uncertainties and are based upon judgments concerning various factors that are beyond the Company's control. Consequently, and because forward-looking statements are inherently subject to risks and uncertainties, the actual results and outcomes may differ materially from the results and outcomes discussed in the forward-looking statements. You are urged to carefully review and consider the various disclosures made by us in this report.

Overview

Hypha Labs, Inc. was incorporated in Nevada on October 5, 2010. Until February 20, 2024, the Company was a service-oriented independent testing laboratory, data analytics and media firm focused on the developing cannabis and hemp markets, and supported the cannabis industry's best practices for reliable testing, cannabis education and training. Our mission was to provide pharmaceutical-grade analysis and testing to the cannabis industry, under ISO-17025:2017 guidelines, to ensure consumers and patients knew exactly what was in the cannabis they ingest and to help maximize the quality of our clients' products through research, development, and standardization. Hypha Labs had been operating a cannabis-testing lab in Nevada since 2015.

On February 20, 2024, we completed the sale of the net assets of our subsidiary Digipath Labs. As of that date we were no longer in business as a service-oriented independent testing laboratory, data analytics and media firm focused on the developing cannabis and hemp markets, which supported the cannabis industry's best practices for reliable testing, cannabis education and training.

Effective March 12, 2024, the Company amended Article 1 of its Articles of Incorporation to change its name from Digipath, Inc. to Hypha Labs, Inc. Hypha Products, Inc. a wholly owned subsidiary of the Company, was formed on April 18, 2024.

Hypha Products Inc., a wholly owned subsidiary of the Company was formed on April 18, 2024, to engage in the research, development and commercialization of an accelerator, the Hypha Micropearl accelerator, a home appliance designed to accelerate the production of nutritionally beneficial mushrooms for human consumption. The Company's easy-to-use device, together with its replacement cartridges, safely and effectively produces enriched mycelium of functional mushrooms, or Micropearls, in just eight days. These Micropearls contain active mushroom ingredients that offer a way to harness the medicinal properties of fungi in a concentrated easy to handle tasteless and odorless form. These Micropearls can be incorporated into various food and beverages without altering the flavor.

Critical Accounting Policies

The establishment and consistent application of accounting policies is a vital component of accurately and fairly presenting our financial statements in accordance with generally accepted accounting principles in the United States ("GAAP"), as well as ensuring compliance with applicable laws and regulations governing financial reporting. While there are rarely alternative methods or rules from which to select in establishing accounting and financial reporting policies, proper application often involves significant judgment regarding a given set of facts and circumstances and a complex series of decisions.

Fair Value of Financial Instruments

The Company adopted ASC 820, Fair Value Measurements and Disclosures (ASC 820). ASC 820 defines fair value, establishes a three-level valuation hierarchy for disclosures of fair value measurement and enhances disclosure requirements for fair value measures. The three levels are defined as follows:

- Level 1 inputs to the valuation methodology are quoted prices (unadjusted) for identical assets or liabilities in active markets.
- Level 2 inputs to the valuation methodology include quoted prices for similar assets and liabilities in active markets, and inputs that are observable for the asset or liability, either directly or indirectly, for substantially the full term of the financial instrument.
- Level 3 inputs to valuation methodology are unobservable and significant to the fair measurement.

The carrying value of cash, accounts receivable, accounts payables and accrued expenses are estimated by management to approximate fair value primarily due to the short term nature of the instruments.

Revenue Recognition

Effective October 1, 2018, the Company adopted ASC 606 - Revenue from Contracts with Customers. Under ASC 606, the Company recognizes revenue from the commercial sales of products, licensing agreements and contracts to perform pilot studies by applying the following steps: (1) identify the contract with a customer; (2) identify the performance obligations in the contract; (3) determine the transaction price; (4) allocate the transaction price to each performance obligation in the contract; and (5) recognize revenue when each performance obligation is satisfied. For the comparative periods, revenue has not been adjusted and continues to be reported under ASC 605 - Revenue Recognition. Under ASC 605, revenue was recognized when the following criteria had been met: (1) persuasive evidence of an arrangement exists; (2) the performance of service has been rendered to a customer or delivery has occurred; (3) the amount of fee to be paid by a customer is fixed and determinable; and (4) the collectability of the fee is reasonably assured.

Our revenue was primarily generated through our subsidiary, Digipath Labs, which recognized revenue from the analytical testing of cannabis products for licensed producers and cultivators within the state of Nevada on a determinable fixed fee per test, or panel of tests, basis. Revenue from the performance of those services was recognized upon completion of the tests, at which time test results were delivered to the customer, provided collectability of the fee is reasonably assured. We typically required payment within thirty days of the delivery of results.

The Company had no revenues during the years ended September 30, 2025 or September 30, 2024, during which all revenues are classified as part of *Net income from discontinued operations* in the accompanying consolidated statement of operations.

Discontinued Operations

On April 20, 2023, the Company and Digipath Labs entered into an Asset Purchase Agreement (the "Purchase Agreement") with DPL NV, LLC ("Buyer"), pursuant to which Digipath Labs agreed to sell substantially all of its assets to Buyer for a cash purchase price of \$2,300,000 (the "Purchase Price"). The business of an entity that is in the process of disposing of its assets by sale, or that intends to cease operations, is reported as discontinued operations if the transaction represents a strategic shift that will have a major effect on an entity's operations and financial results. As such, the Company's lab testing business is now reported as discontinued operations.

Assets and liabilities of the discontinued operations are aggregated and reported separately as assets and liabilities of discontinued operations in the Consolidated Balance Sheets as of September 30, 2025 and 2024. The results of discontinued operations are aggregated and presented separately in the Consolidated Statements of Operations as net income from discontinued operations for the years ended September 30, 2025 and 2024. The cash flows of the discontinued operations are reflected as cash flows of discontinued operations within the Company's Consolidated Statements of Cash Flows for the years ended September 30, 2025 and 2024.

Amounts presented in discontinued operations have been derived from our consolidated financial statements and accounting records using the historical basis of assets, liabilities, results of operations, and cash flows of Digipath Labs. The discontinued operations exclude general corporate allocations.

Stock-Based Compensation

The Company accounts for equity instruments issued to employees in accordance with the provisions of ASC 718 - Stock Compensation (ASC 718) and Equity-Based Payments to Non-employees pursuant to ASC 2018-07 (ASC 2018-07). All transactions in which the consideration provided in exchange for the purchase of goods or services consists of the issuance of equity instruments are accounted for based on the fair value of the consideration received or the fair value of the equity instrument issued, whichever is more reliably measurable. The measurement date of the fair value of the equity instrument issued is the earlier of the date on which the counterparty's performance is complete or the date at which a commitment for performance by the counterparty to earn the equity instruments is reached because of sufficiently large disincentives for non-performance.

Results of Operations

The following table shows operating results for the years ended September 30, 2025 and 2024.

	Years Ended September 30,		Increase / (Decrease)
	2025	2024	
Revenues	\$ -	\$ -	\$ -
Cost of sales	-	-	-
Gross profit	-	-	-
Operating expenses:			
General and administrative	1,416,695	943,691	473,004
Professional fees	1,584,713	833,336	701,377
Total operating expenses:	3,001,408	1,827,027	1,174,381
Operating loss	(3,001,408)	(1,820,027)	(1,174,381)
Total other income (expense)	(100,493)	470,631	(571,124)
Net loss from continuing operations before income taxes	(3,101,901)	(1,356,396)	(1,745,505)
Income tax expense	-	(14,189)	14,189
Net loss from continuing operations	(3,101,901)	(1,370,585)	(1,731,316)
Net income from discontinued operations	-	585,156	(585,156)
Net income (loss)	<u>\$ (3,101,901)</u>	<u>\$ (785,429)</u>	<u>\$ (2,316,472)</u>

General and Administrative Expenses

General and administrative expenses for the year ended September 30, 2025 were \$1,416,695, compared to \$943,691 during the year ended September 30, 2024, an increase of \$473,004, or 50%. The expenses consisted primarily of salaries and wages and included \$968,356 and \$733,748 of non-cash stock-based compensation for the years ended September 30, 2025 and 2024, respectively. General and administrative expenses increased primarily due to increased corporate overhead activities and stock-based compensation with officers and consultants.

Professional Fees

Professional fees for the year ended September 30, 2025 were \$1,584,713, compared to \$883,336 during the year ended September 30, 2024, an increase of \$701,377, or 79%. Professional fees included non-cash, stock-based compensation of \$881,804 and \$0 during the years ended September 30, 2025 and 2024, respectively. Professional fees increased primarily due to corporate consulting services during the current period as we increased our focus on developing our new business.

Operating Loss

Operating loss for the year ended September 30, 2025 was \$3,001,408, compared to \$1,820,027 during the year ended September 30, 2024, an increase of \$1,174,381, or 64%. Operating loss increased primarily due to increased general and administrative and professional fees, during the year ended September 30, 2025, compared to the year ended September 30, 2024.

Other Income (Expense)

Other expense, on a net basis, for the year ended September 30, 2025 was \$100,493, compared to other income of \$470,631 during the year ended September 30, 2024, a decrease of \$571,124. Other expense during the year ended September 30, 2025 consisted of \$106,143 of interest expense, loss on debt extinguishment of \$32,347 and other expense of \$20,003 offset by the recovery of previously written off receivables of \$58,000. Other income during the year ended September 30, 2024 consisted of \$201,769 of interest expense and loss on extinguishment of debt of \$956,494 offset by the recovery of previously written off receivables of \$66,000 and a gain on the sale of subsidiary net assets of \$1,548,998.

Liquidity and Capital Resources

As of September 30, 2025, the Company had current assets of \$320,531, comprised of cash of \$38,118, prepaids and other current assets of \$26,560, and deferred offering costs of \$255,853. The Company's current liabilities as of September 30, 2025 were \$2,512,387, consisting of \$472,551 of accounts payable, \$263,026 of accrued expenses, \$130,462 of accrued expenses – related parties, current maturities of lease liabilities of \$26,838, convertible notes payable net of discounts of \$1,303,832 and notes payable net of discounts of \$315,678.

The following table summarizes our total current assets, liabilities and working capital at September 30, 2025 and 2024.

	September 30,	
	2025	2024
Current Assets	\$ 320,531	\$ 410,190
Current Liabilities	\$ 2,512,387	\$ 1,393,660
Working Capital	\$ (2,191,856)	\$ (983,470)

The following table summarizes our cash flows during the years ended September 30, 2025 and 2024, respectively.

	Years Ended September 30,	
	2025	2024
Net cash (used in) operating activities	\$ (379,975)	\$ (1,033,875)
Net cash provided by (used in) investing activities	(32,966)	2,145,784
Net cash provided by (used in) financing activities	359,893	(1,291,749)
Net change in cash	\$ (53,048)	\$ (179,840)

Net Cash (Used in) Operating Activities

During the year ended September 30, 2025, net cash used in operating activities was \$379,975, compared to net cash used in operating activities of \$1,033,875 for the same period ended September 30, 2024, including cash provided by operating activities from discontinued operations of \$0 for the year ended September 30, 2025 compared to cash provided by operating activities from discontinued operations of \$358,576 for the year ended September 30, 2024. The decrease in cash used in operating activities was primarily attributable to our increase in net loss, offset by non-cash stock-based compensation expense of \$1,850,160 along with decreases in prepaids and other current assets, accounts payable and accrued expenses.

Net Cash Provided by (Used in) Investing Activities

During the year ended September 30, 2025, net cash used in investing activities was \$32,966, compared to \$2,145,784 provided by investing activities for the same period ended September 30, 2024, including cash used in investing activities from discontinued operations of \$0 for the year ended September 30, 2025 compared to cash used in investing activities from discontinued operations of \$0 for the year ended September 30, 2024. The cash used in investing activities in the current period was a result of purchases of fixed assets compared to cash provided by investing activities for the prior period which was a result of the sale of the collateralized assets from the note receivable.

Net Cash Provided by (Used in) Financing Activities

During the year ended September 30, 2025, net cash provided by financing activities was \$359,893, compared to net cash used in financing activities of \$1,291,749 for the same period ended September 30, 2024, including cash used in financing activities from discontinued operations of \$0 for the year ended September 30, 2025 compared to cash used in financing activities from discontinued operations of \$15,784 for the year ended September 30, 2024. The current period consisted of \$197,240 of proceeds from notes payable, \$193,000 of proceeds from convertible notes payable, \$100 of proceeds from the sale of Series C Preferred shares, and \$76,296 in net proceeds from the sale of Series D Preferred shares, offset by \$106,743 in payments of deferred offering costs, compared to \$595,965 of repayments on notes payable, \$650,000 of repayments on convertible notes payable and \$30,000 in payments of deferred offering costs in the comparative period in the prior year.

Satisfaction of our Cash Obligations for the Next 12 Months

As of September 30, 2025, our balance of cash on hand was \$38,118. We do not currently have sufficient funds to fund our operations at their current levels for the next twelve months. Our ability to continue as a going concern is dependent upon our ability to raise additional capital and to achieve sustainable revenues and profitable operations. Since inception, we have raised funds primarily through the sale of equity securities. We will need additional funds to operate our business. No assurance can be given that any future financing will be available or, if available, that it will be on terms that are satisfactory to us. Even if we are able to obtain additional financing, it may contain undue restrictions on our operations or cause substantial dilution for our stockholders. If we are unable to obtain additional funds, our ability to carry out and implement our planned business objectives and strategies will be significantly delayed, limited or may not occur. We cannot guarantee that we will become profitable. Even if we achieve profitability, given the competitive and evolving nature of the industry in which we operate, we may not be able to sustain or increase profitability and our failure to do so would adversely affect our business, including our ability to raise additional funds.

Off-Balance Sheet Arrangements

We have no outstanding off-balance sheet guarantees, interest rate swap transactions or foreign currency contracts. We do not engage in trading activities involving non-exchange traded contracts.

Smaller Reporting Company

We are also a “smaller reporting company,” meaning that the market value of our stock held by non-affiliates is less than \$700 million and our annual revenue was less than \$100 million during the most recently completed fiscal year. We may continue to be a smaller reporting company if either (i) the market value of our stock held by non-affiliates is less than \$250 million or (ii) our annual revenue was less than \$100 million during the most recently completed fiscal year and the market value of our stock held by non-affiliates is less than \$700 million. As a smaller reporting company, we may rely on exemptions from certain disclosure requirements that are available to smaller reporting companies. Specifically, as a smaller reporting company we may choose to present only the two most recent fiscal years of audited financial statements in our Exchange Act reports and have reduced disclosure obligations regarding executive compensation.

Plan of Operations

Over the next 12 months, the Company plans to continue product design and development of its Micropearl accelerator, with the goal of commercializing the accelerator device by the end of calendar year 2026. Initially, the Company will produce a limited number of accelerators at its headquarters for testing purposes, both with mycologists and experts in the functional mushroom industry. Based on the success of this testing, the Company will then seek to enter into an arrangement with a contract manufacturer to begin commercial production of the accelerator units. The Company’s goal is to be in the position to market the Micropearl accelerator for commercial sale by the latter part of calendar year 2026, although there can be no assurance it will achieve its goal in this time period, or at all.

Trend Information

The Company is still in the product design and development phase for the Micropearl accelerator. It anticipates finalizing product design and development in the next few months, with the goal of moving into beta testing of the device by the end of the second calendar quarter 2026, and then into production for commercial sale sometime before the end of calendar year 2026. There can be no assurance the Company will be able to meet the timeline proposed.

ITEM 7A. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

We are a smaller reporting company as defined by Rule 12b-2 of the Securities Exchange Act of 1934 and are not required to provide the information under this item.

ITEM 8. FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA

HYPHA LABS, INC. & SUBSIDIARIES
FINANCIAL STATEMENTS
FOR THE YEARS ENDED SEPTEMBER 30, 2025 AND 2024

TABLE OF CONTENTS

	<u>Page</u>
Report of Independent Registered Public Accounting Firm, Fruci & Associates II, PLLC (PCAOB ID:5525)	25
Consolidated Balance Sheets as of September 30, 2025 and 2024	26
Consolidated Statements of Operations for the years ended September 30, 2025 and 2024	27
Consolidated Statement of Stockholders' Deficit for the years ended September 30, 2025 and 2024	28
Consolidated Statements of Cash Flows for the years ended September 30, 2025 and 2024	29
Notes to Consolidated Financial Statements	30

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Board of Directors and Shareholders of Hypha Labs, Inc.

Opinion on the Financial Statements

We have audited the accompanying consolidated balance sheets of Hypha Labs, Inc. (“the Company”) as of September 30, 2025 and 2024, and the related consolidated statements of operations, stockholders’ deficit, and cash flows for each of the years in the two-year period ended September 30, 2025, and the related notes (collectively referred to as the financial statements). In our opinion, the financial statements present fairly, in all material respects, the financial position of the Company as of September 30, 2025 and 2024 and the results of its operations and its cash flows for each of the years in the two-year period ended September 30, 2025, in conformity with accounting principles generally accepted in the United States of America.

Going Concern

The accompanying financial statements have been prepared assuming that the Company will continue as a going concern. As discussed in Note 2 to the financial statements, the Company has incurred recurring losses from operations resulting in a significant accumulated deficit, and believes cash on hand is not sufficient to sustain operations. These factors, among others, raise substantial doubt about the Company’s ability to continue as a going concern. Management’s plans in regard to these matters are also described in Note 2. The financial statements do not include any adjustments that might result from the outcome of this uncertainty.

Basis for Opinion

These financial statements are the responsibility of the Company’s management. Our responsibility is to express an opinion on the Company’s financial statements based on our audits. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) (PCAOB) and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether due to error or fraud. The Company is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. As part of our audits, we are required to obtain an understanding of internal control over financial reporting, but not for the purpose of expressing an opinion on the effectiveness of the Company’s internal control over financial reporting. Accordingly, we express no such opinion.

Our audits included performing procedures to assess the risks of material misstatement of the financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that our audits provide a reasonable basis for our opinion.

Critical Audit Matters

Critical audit matters are matters arising from the current period audit of the financial statements that were communicated or required to be communicated to the audit committee and that (1) relate to accounts or disclosures that are material to the financial statements and (2) involved our especially challenging, subjective, or complex judgments. We determined that there were no critical audit matters.

Fruci & Associates II, PLLC

Fruci & Associates II, PLLC – PCAOB ID #05525
We have served as the Company’s auditor since 2023.

Spokane, Washington
January 15, 2026

HYPHA LABS, INC. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS

	<u>September 30,</u> <u>2025</u>	<u>September 30,</u> <u>2024</u>
Assets		
Current assets:		
Cash	\$ 38,118	\$ 91,166
Note receivable	-	-
Prepays and other current assets	26,560	289,024
Deferred offering costs	255,853	30,000
Assets held for sale - current	-	-
Total current assets	<u>320,531</u>	<u>410,190</u>
Fixed assets, net		
Right-of-use asset	62,507	26,609
Total non-current assets	<u>26,180</u>	<u>57,006</u>
	88,687	83,615
Total Assets	<u>\$ 409,218</u>	<u>\$ 493,805</u>
Liabilities and Stockholders' Deficit		
Current liabilities:		
Accounts payable	\$ 472,551	\$ 86,348
Accrued expenses	263,026	166,726
Accrued expenses – related party	130,462	25,923
Current maturities of notes payable	315,678	-
Current maturities of convertible notes payable, net of discounts	1,303,832	1,078,235
Lease liabilities - current	26,838	36,428
Total current liabilities	<u>2,512,387</u>	<u>1,393,660</u>
Non-current liabilities:		
Lease liabilities – long term	-	26,838
Total non-current liabilities	<u>-</u>	<u>26,838</u>
Total Liabilities	<u>2,512,387</u>	<u>1,420,498</u>
Commitments and contingent liabilities		
	-	-
Series B convertible preferred stock, \$0.001 par value, 1,500,000 shares authorized; 333,600 shares issued and outstanding as of September 30, 2025 and 2024	333,600	333,600
Stockholders' Deficit:		
Series A convertible preferred stock, \$0.001 par value, 6,000,000 shares authorized; 1,047,942 shares issued and outstanding as of September 30, 2025 and 2024	1,048	1,048
Series C convertible preferred stock, \$0.001 par value, 1,000 shares authorized; 1,000 and no shares issued and outstanding as of September 30, 2025 and 2024, respectively	1	-
Series D preferred stock, \$0.001 par value, 60,000,000 shares authorized; 390,250 and no shares issued and outstanding as of September 30, 2025 and September 30, 2024, respectively	390	-
Common stock, \$0.001 par value, 880,000,000 shares authorized; 147,121,825 and 123,046,825 shares issued and outstanding as of September 30, 2025 and 2024, respectively	147,121	123,046
Additional paid-in capital	21,063,998	19,163,039
Accumulated deficit	<u>(23,649,327)</u>	<u>(20,547,426)</u>
Total Stockholders' Deficit	<u>(2,436,769)</u>	<u>(1,260,293)</u>
Total Liabilities and Stockholders' Deficit	<u>\$ 409,218</u>	<u>\$ 493,805</u>

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

HYPHA LABS, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF OPERATIONS

	For the Years Ended September 30,	
	2025	2024
Revenues	\$ -	\$ -
Cost of sales	-	-
Gross profit	-	-
Operating expenses:		
General and administrative	1,416,695	943,691
Professional fees	1,584,713	883,336
Total operating expenses	3,001,408	1,827,027
Operating loss	(3,001,408)	(1,827,027)
Other income (expense):		
Interest expense	(106,143)	(201,769)
Other income (expense)	(20,003)	13,896
Recovery of previously written off receivables	58,000	66,000
Loss on extinguishment of debt	(32,347)	(956,494)
Gain on sale of subsidiary assets	-	1,548,998
Total other income (expense)	(100,493)	470,631
Net loss from continuing operations before income taxes	(3,101,901)	(1,356,396)
Income tax expense	-	(14,189)
Net loss from continuing operations	(3,101,901)	(1,370,585)
Net income from discontinued operations	-	585,156
Net income (loss)	(3,101,901)	(785,429)
Net loss per share from continuing operations - basic and fully diluted	\$ (0.02)	\$ (0.01)
Net income per share from discontinued operations - basic and fully diluted	\$ -	\$ 0.01
Net loss per share basic and fully diluted	\$ (0.02)	\$ (0.01)
Weighted average number of common shares outstanding - basic and fully diluted	135,145,866	101,348,643

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

HYPHA LABS, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF STOCKHOLDERS' DEFICIT

	Series B Convertible Preferred Stock		Series A Convertible Preferred Stock		Series C Preferred Stock		Series D Preferred Stock		Common Stock		Additional Paid-in Capital	Accumulated Deficit	Total Stockholders' Deficit
	Shares	Amount	Shares	Amount	Shares	Amount	Shares	Amount	Shares	Amount			
Balance, September 30, 2023	333,600	\$333,600	1,047,942	\$ 1,048	-	-	-	\$ -	87,096,820	\$ 87,097	\$17,468,746	\$(19,761,977)	\$ (2,205,106)
Common stock issued for Conversion of notes payable	-	-	-	-	-	-	-	-	4,000,000	4,000	36,000	-	40,000
Common stock issued for compensation	-	-	-	-	-	-	-	-	31,950,005	31,949	701,799	-	733,748
Forgiveness of accrued director compensation	-	-	-	-	-	-	-	-	-	-	956,494	-	956,494
Net Income	-	-	-	-	-	-	-	-	-	-	-	(785,429)	(785,429)
Balance, September 30, 2024	333,600	\$333,600	1,047,942	\$ 1,048	-	-	-	\$ -	123,046,825	\$ 123,046	\$19,163,039	\$(20,547,426)	\$ (1,260,293)
Series D preferred shares issued for cash proceeds net of offering costs	-	-	-	-	-	-	390,250	\$ 390	-	-	74,775	-	75,165
Stock-based compensation	-	-	-	-	-	-	-	-	24,075,000	24,075	857,729	-	881,804
Issuance of Series C preferred shares	-	-	-	-	1,000	\$ 1	-	-	-	-	968,455	-	968,456
Net loss	-	-	-	-	-	-	-	-	-	-	-	(3,101,901)	(3,101,901)
Balance, September 30, 2025	<u>333,600</u>	<u>\$333,600</u>	<u>1,047,942</u>	<u>\$ 1,048</u>	<u>1,000</u>	<u>\$ 1</u>	<u>390,250</u>	<u>\$ 390</u>	<u>147,121,825</u>	<u>\$147,121</u>	<u>\$21,063,998</u>	<u>\$(23,649,327)</u>	<u>\$ (2,436,769)</u>

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

HYPHA LABS, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS

	For the Years Ended September 30,	
	2025	2024
Cash flows from operating activities		
Net loss from continuing operations	\$ (3,101,901)	\$ (1,370,585)
Adjustments to reconcile net loss to net cash used in operating activities:		
Depreciation expense	10,818	1,046
Gain on sale of subsidiary assets	-	(1,548,998)
Stock-based compensation	1,850,160	733,748
Amortization of debt discounts	2,132	43,050
Amortization of right-of-use asset	30,826	17,569
Loss on debt extinguishment	32,347	956,494
Decrease (increase) in assets:		
Other current assets	262,464	(60,454)
Increase (decrease) in liabilities:		
Accounts payable	368,769	(30,321)
Accrued expenses	96,299	(136,224)
Accrued expenses – related parties	104,539	13,533
Lease liability	(36,428)	(11,309)
Net cash (used in) operating activities from continuing operations	(379,975)	(1,392,451)
Net cash provided by operating activities from discontinued operations	-	358,576
Net cash provided by (used in) operating activities	(379,975)	(1,033,875)
Cash flows from investing activities		
Purchase of fixed assets	(32,966)	(27,655)
Proceeds from sale of subsidiary net assets	-	2,173,439
Net cash (used) in investing activities from continuing operations	(32,966)	2,145,784
Net cash (used) in investing activities from discontinued operations	-	-
Net cash (used) in investing activities	(32,966)	2,145,784
Cash flows from financing activities		
Repayments of notes payable	-	(595,965)
Proceeds from notes payable	197,240	-
Repayments on convertible notes	-	(650,000)
Proceeds from convertible notes	193,000	-
Payments of deferred offering costs	(106,743)	(30,000)
Proceeds from sales of Series D Preferred shares	76,296	-
Proceeds from sales of Series C Preferred shares	100	-
Net cash provided by (used in) financing activities	359,893	(1,275,965)
Net cash used in financing activities from discontinued operations	-	(15,784)
Net cash provided by (used in) financing activities	359,893	(1,291,749)
Net increase (decrease) in cash	(53,048)	(179,840)
Cash - beginning	91,166	271,006
Cash - ending	\$ 38,118	\$ 91,166
Supplemental disclosures:		
Interest paid	\$ -	\$ 266,533
Income taxes paid	-	-
Non-cash investing and financing activities:		
Addition of accounts payable and accrued interest into note payable	\$ 116,556	\$ 30,965
Deferred offering costs accrued and unpaid	\$ 120,241	\$ -
Amortization of deferred offering costs	\$ 1,131	\$ -
Initial right-of-use asset valuation	\$ -	\$ 74,575
Common stock issued for conversion of note payable	\$ -	\$ 40,000

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

HYPHA LABS, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Note 1 – Nature of Business and Significant Accounting Policies

Nature of Business

Hypha Labs, Inc. was incorporated in Nevada on October 5, 2010. Until February 20, 2024, Hypha Labs, Inc. and its subsidiaries (“Hypha,” the “Company,” “we,” “our” or “us”) was a service-oriented independent testing laboratory, data analytics and media firm focused on the developing cannabis and hemp markets, and supported the cannabis industry’s best practices for reliable testing, cannabis education and training. Our mission was to provide pharmaceutical-grade analysis and testing to the cannabis industry, under ISO-17025:2017 guidelines, to ensure consumers and patients knew exactly what was in the cannabis they ingest and to help maximize the quality of our clients’ products through research, development, and standardization. Hypha Labs had been operating a cannabis-testing lab in Nevada since 2015.

On February 20, 2024, we completed the sale of the net assets of our subsidiary Digipath Labs, Inc. (“Digipath Labs”). As of that date we were no longer in business as a service-oriented independent testing laboratory, data analytics and media firm focused on the developing cannabis and hemp markets, which supported the cannabis industry’s best practices for reliable testing, cannabis education and training.

Effective March 12, 2024, the Company amended Article 1 of its Articles of Incorporation to change its name from Digipath, Inc. to Hypha Labs, Inc. Hypha Products, Inc., a wholly owned subsidiary of the Company, was formed on April 18, 2024.

Basis of Accounting

The accompanying consolidated financial statements have been prepared in conformity with accounting principles generally accepted in the United States of America and the rules of the Securities and Exchange Commission (“SEC”). Intercompany accounts and transactions have been eliminated. All references to Generally Accepted Accounting Principles (“GAAP”) are in accordance with The FASB Accounting Standards Codification (“ASC”) and the Hierarchy of Generally Accepted Accounting Principles.

Principles of Consolidation

The accompanying consolidated financial statements include the accounts of the following entities, all of which were under common control and ownership at September 30, 2025:

Name of Entity	Jurisdiction of Incorporation	Relationship
Hypha Labs, Inc. ⁽¹⁾	Nevada	Parent
Hypha Products, Inc.	Nevada	Subsidiary
Digipath Labs, Inc.	Nevada	Subsidiary
Digipath Labs CA, Inc. ⁽²⁾	California	Subsidiary
Digipath Labs S.A.S. ⁽³⁾	Colombia	Subsidiary
VSSL Enterprises, Ltd. ⁽⁴⁾	Canada	Subsidiary

(1) Holding company, which owns each of the wholly-owned subsidiaries. All subsidiaries shown above are wholly-owned by Hypha Labs, Inc., the parent company.

(2) Formed during the second fiscal quarter of 2021, but has not yet commenced significant operations.

(3) Formed during the first fiscal quarter of 2019, but has not yet commenced significant operations.

(4) Acquired on March 11, 2020.

The consolidated financial statements herein contain the operations of the wholly-owned subsidiaries listed above. All significant inter-company transactions have been eliminated in the preparation of these financial statements. The parent company and subsidiaries will be collectively referred to herein as the “Company” or “Hypha Labs”. The Company’s headquarters are located in Las Vegas, Nevada and substantially all of its customers were within the United States.

These statements reflect all adjustments, consisting of normal recurring adjustments, which in the opinion of management are necessary for a fair presentation of the information contained therein.

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 may 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. Actual results could differ from these estimates.

Segment Reporting

The Company manages its operations as a single segment for the purposes of assessing performance and making operating decisions. The Company's Chief Operating Decision Maker ("CODM") is its Chief Executive Officer. The CODM allocates resources and evaluates the performance of the Company at the consolidated level using information about its operating expenses and income (loss) from operations. All significant operating decisions are based upon an analysis of the Company as one operating segment, which is the same as its reporting segment.

Fair Value of Financial Instruments

The Company adopted ASC 820, Fair Value Measurements and Disclosures ("ASC 820"). ASC 820 defines fair value, establishes a three-level valuation hierarchy for disclosures of fair value measurement and enhances disclosure requirements for fair value measures. The three levels are defined as follows:

- Level 1 inputs to the valuation methodology are quoted prices (unadjusted) for identical assets or liabilities in active markets.
- Level 2 inputs to the valuation methodology include quoted prices for similar assets and liabilities in active markets, and inputs that are observable for the asset or liability, either directly or indirectly, for substantially the full term of the financial instrument.
- Level 3 inputs to valuation methodology are unobservable and significant to the fair measurement.

The carrying value of cash, accounts receivable, accounts payables and accrued expenses, notes payable and convertible notes payable are estimated by management to approximate fair value primarily due to the short term nature of the instruments. The Company has no assets or liabilities that are required to be remeasured at fair value at each reporting period.

Notes Receivable

Notes receivable are reported in our consolidated balance sheets at the outstanding principal balance, plus costs incurred to originate the loans, net of any unamortized premiums or discounts on purchased loans. We use the effective interest rate method to recognize finance income, which produces a constant periodic rate of return on the investment. Unearned income, discounts and premiums are amortized to finance income in our consolidated statements of operations using the effective interest rate method. Interest receivable related to the unpaid principal is recorded together with the outstanding balance in our consolidated balance sheets. Upon the prepayment of a note receivable, any prepayment penalties and unamortized loan origination, closing and commitment fees are recorded as part of finance income in our consolidated statements of operations.

Notes receivable are periodically evaluated for collectability based on past credit history with note holders and their current financial condition. The Company had an allowance for credit losses of \$620,000 as of September 30, 2025 and 2024.

Fixed Assets

Fixed assets are stated at the lower of cost or estimated net recoverable amount. The cost of property, plant and equipment is depreciated using the straight-line method based on the lesser of the estimated useful lives of the assets or the lease term based on the following life expectancy:

Software	3 years
Office equipment	5 years
Furniture and fixtures	5 years
Lab equipment	7 years
Leasehold improvements	Term of lease

Repairs and maintenance expenditures are charged to operations as incurred. Major improvements and replacements, which extend the useful life of an asset, are capitalized and depreciated over the remaining estimated useful life of the asset. When assets are retired or sold, the cost and related accumulated depreciation and amortization are eliminated and any resulting gain or loss is reflected in operations.

Impairment of Long-Lived Assets

Long-lived assets held and used by the Company are reviewed for possible impairment whenever events or circumstances indicate the carrying amount of an asset may not be recoverable or is impaired. Recoverability is assessed using undiscounted cash flows based upon historical results and current projections of earnings before interest and taxes. Impairment is measured using discounted cash flows of future operating results based upon a rate that corresponds to the cost of capital. Impairments are recognized in operating results to the extent that carrying value exceeds discounted cash flows of future operations.

Our intellectual property is comprised of indefinite-lived brand names acquired and have been assigned an indefinite life as we currently anticipate that these brand names will contribute cash flows to the Company perpetually. We evaluate the recoverability of intangible assets periodically by taking into account events or circumstances that may warrant revised estimates of useful lives or that indicate the asset may be impaired.

Revenue Recognition

The Company recognizes revenue in accordance with ASC 606 - Revenue from Contracts with Customers. Under ASC 606, the Company recognizes revenue from the commercial sales of products, licensing agreements and contracts to perform pilot studies by applying the following steps: (1) identify the contract with a customer; (2) identify the performance obligations in the contract; (3) determine the transaction price; (4) allocate the transaction price to each performance obligation in the contract; and (5) recognize revenue when each performance obligation is satisfied.

Our revenue was primarily generated through our subsidiary, Digipath Labs, which recognized revenue from the analytical testing of cannabis products for licensed producers and cultivators within the state of Nevada on a determinable fixed fee per test, or panel of tests, basis. Revenue from the performance of those services was recognized upon completion of the tests, at which time test results were delivered to the customer, provided collectability of the fee is reasonably assured. We typically required payment within thirty days of the delivery of results.

During the year ended September 30, 2025, the Company had no revenue and during the year ended September 30, 2024, all revenues are classified as part of *Net income from discontinued operations* in the accompanying consolidated statement of operations.

Discontinued Operations

On April 20, 2023, the Company and Digipath Labs entered into an Asset Purchase Agreement (the "Purchase Agreement") with DPL NV, LLC ("Buyer"), pursuant to which Digipath Labs agreed to sell substantially all of its assets to Buyer for a cash purchase price of \$2,300,000 (the "Purchase Price"). The business of an entity that is in the process of disposing its assets by sale, or that intends to cease operations, is reported as discontinued operations if the transaction represents a strategic shift that will have a major effect on an entity's operations and financial results. As such, the Company's lab testing business is now reported as discontinued operations.

Assets and liabilities of the discontinued operations are aggregated and reported separately as assets and liabilities of discontinued operations in the Consolidated Balance Sheets as of September 30, 2025 and 2024. The results of discontinued operations are aggregated and presented separately in the Consolidated Statements of Operations as net income from discontinued operations for the years ended September 30, 2025 and 2024. The cash flows of the discontinued operations are reflected as cash flows of discontinued operations within the Company's Consolidated Statements of Cash Flows for the years ended September 30, 2025 and 2024.

Amounts presented in discontinued operations have been derived from our consolidated financial statements and accounting records using the historical basis of assets, liabilities, results of operations, and cash flows of Digipath Labs. The discontinued operations exclude general corporate allocations.

Advertising Costs

The Company expenses the cost of advertising and promotions as incurred. Advertising and promotions expense was \$37,993 and \$22,205 for the years ended September 30, 2025 and 2024, respectively.

Basic and Diluted Loss Per Share

The basic net loss per common share is computed by dividing the net loss by the weighted average number of common shares outstanding. Diluted net loss per common share is computed by dividing the net loss adjusted on an "as if converted" basis, by the weighted average number of common shares outstanding plus potential dilutive securities. For the years ended September 30, 2025 and 2024, potential dilutive securities of 112,058,166 and 104,490,131 shares issuable upon conversion of convertible notes payable, respectively, and 9,920,000 and 8,120,000 shares issuable upon exercise of options, 17,387,050 and 15,387,050 shares issuable upon exercise of warrants, and 13,579,710 shares issuable upon conversion of Preferred A and Preferred B shares, and 390,250 and 0 shares issuable upon conversion of Preferred D shares had an anti-dilutive effect and were not included in the calculation of diluted net loss per common share.

Stock-Based Compensation

The Company accounts for equity instruments issued to employees in accordance with the provisions of ASC 718 Stock Compensation (ASC 718) and Equity-Based Payments to Non-employees pursuant to ASC 2018-07 (ASC 2018-07). All transactions in which the consideration provided in exchange for the purchase of goods or services consists of the issuance of equity instruments are accounted for based on the fair value of the consideration received or the fair value of the equity instrument issued, whichever is more reliably measurable. The measurement date of the fair value of the equity instrument issued is the earlier of the date on which the counterparty's performance is complete or the date at which a commitment for performance by the counterparty to earn the equity instruments is reached because of sufficiently large disincentives for nonperformance.

Income Taxes

The Company recognizes deferred tax assets and liabilities based on differences between the financial reporting and tax basis of assets and liabilities using the enacted tax rates and laws that are expected to be in effect when the differences are expected to be recovered. The Company provides a valuation allowance for deferred tax assets for which it does not consider realization of such assets to be more likely than not.

Uncertain Tax Positions

In accordance with ASC 740, "Income Taxes" ("ASC 740"), the Company recognizes the tax benefit from an uncertain tax position only if it is more likely than not that the tax position will be capable of withstanding examination by the taxing authorities based on the technical merits of the position. These standards prescribe a recognition threshold and measurement attribute for the financial statement recognition and measurement of a tax position taken or expected to be taken in a tax return. These standards also provide guidance on de-recognition, classification, interest and penalties, accounting in interim periods, disclosure, and transition.

Various taxing authorities periodically audit the Company's income tax returns. These audits include questions regarding the Company's tax filing positions, including the timing and amount of deductions and the allocation of income to various tax jurisdictions. In evaluating the exposures connected with these various tax filing positions, including state and local taxes, the Company records allowances for probable exposures. A number of years may elapse before a particular matter, for which an allowance has been established, is audited and fully resolved. The Company has not yet undergone an examination by any taxing authorities.

The assessment of the Company's tax position relies on the judgment of management to estimate the exposures associated with the Company's various filing positions.

Recently Issued Accounting Pronouncements

In December 2023, the FASB issued ASU 2023-09, Income Taxes (Topic 740): Improvements to Income Tax Disclosures, which expands the disclosures required for income taxes. This ASU is effective for fiscal years beginning after December 15, 2024, with early adoption permitted. The amendment should be applied on a prospective basis while retrospective application is permitted. The Company is currently evaluating the effect of this pronouncement on its disclosures.

In November 2024, the FASB issued ASU 2024-03, Disaggregation of Income Statement Expenses, and in January 2025, the FASB issued ASU 2025-01, Clarifying the Effective Date ("ASU 2025-01"). The amendments are intended to enhance disclosures regarding an entity's costs and expenses by requiring additional disaggregated information disclosures about certain income statement expense line items. The amendments, as clarified by ASU 2025-01, are effective for fiscal years beginning after December 15, 2026 and interim periods within fiscal years beginning after December 15, 2027. Early adoption is permitted. The Company is currently evaluating the effect of this pronouncement on its disclosures.

Note 2 – Going Concern

As shown in the accompanying consolidated financial statements, the Company has incurred recurring losses from operations resulting in an accumulated deficit of \$23,649,327, and as of September 30, 2025, the Company's cash on hand may not be sufficient to sustain operations. These factors raise substantial doubt about the Company's ability to continue as a going concern. The accompanying consolidated financial statements do not include any adjustments that might be necessary if the Company is unable to continue as a going concern.

The consolidated financial statements do not include any adjustments that might result from the outcome of any uncertainty as to the Company's ability to continue as a going concern. These financial statements also do not include any adjustments relating to the recoverability and classification of recorded asset amounts or amounts and classifications of liabilities that might be necessary should the Company be unable to continue as a going concern.

Note 3 – Related Party Transactions

During the years ended September 30, 2025 and 2024 the Company incurred compensation expense of \$120,000 and \$60,000 for services provided by its CFO. As of September 30, 2025, \$80,000 was owed to the CFO for services provided.

During the years ended September 30, 2025 and 2024 the Company incurred fees of \$20,000 and \$24,000 for services provided by its directors. As of September 30, 2025, the Company has accrued a total of \$27,500 in fees for services provided by its directors.

As of September 30, 2025, the Company has accrued a total of \$22,962 in reimbursable expenses owed to the officers and directors.

During the year ended September 30, 2025, the Company granted 3,000,000 shares of its common stock to the directors as compensation for services performed with a fair value of \$90,000. During the year ended September 30, 2024, the Company granted 6,000,000 shares of its common stock to the directors as compensation for services performed with a fair value of \$112,200.

Note 4 – Note Receivable

On various dates between December 28, 2018 and June 13, 2019, we loaned Northwest Analytical Labs, Inc. a total of \$95,000. The loans bear interest at an annual rate of 10%, are evidenced by secured demand notes, and are secured by a lien on the borrower's assets. An allowance for doubtful accounts for the full value of the notes has been recorded due to the uncertainty of collectability.

On December 8, 2022, the Company entered into an Asset Purchase Agreement with Invictus Wealth Group (“Invictus”), whereby the Company agreed to sell certain collateralized equipment to Invictus for a total purchase price of \$900,000. The purchase price consisted of an upfront payment of \$275,000, and a Note Receivable (“Invictus Note”) in the amount of \$625,000. The Invictus Note has a maturity date of December 31, 2023, accrues interest at a rate of 10% per annum, and provides for principal payments of \$100,000 each due on June 30, 2023 and September 30, 2023, with the final payment of \$425,000 due on December 31, 2023. The Company has recorded a full allowance against the Invictus Note as collectability cannot be assured as of the date of this filing. As of June 30, 2023 the Company received the full down payment of \$275,000. In April 2023, the Invictus Note was amended and restated to extend the maturity date to March 31, 2024, with principal payments of \$100,000 each due on September 30, 2023 and December 31, 2023, with the final payment of \$425,000 due on March 31, 2024. On January 3, 2024, the Company amended the Invictus Note for a second time to extend the maturity date to December 31, 2025, with principal payments of \$50,000 each due on June 30, 2024, September 30, 2024 and December 31, 2024, \$100,000 due on March 31, 2025 and June 30, 2025, \$125,000 due on September 30, 2025 with the final payment of \$216,780 due on December 31, 2025. As of the date of this filing, the Company has received \$124,000 of payments from Invictus. In the event the Company receives no further payments from Invictus, the Company will work to repossess the equipment as allowed under the agreement.

Note 5 – Fixed Assets

Fixed assets consist of the following at September 30, 2025 and 2024:

	As of	
	September 30, 2025	September 30, 2024
Lab equipment	\$ 74,371	\$ 27,655
Less: accumulated depreciation	(11,864)	(1,046)
Total	\$ 62,507	\$ 26,609

Note 6 –Notes Payable

Notes payable consists of the following at September 30, 2025 and 2024, respectively:

	September 30, 2025	September 30, 2024
On October 15, 2024, the Company entered into a secured credit facility with a third party (the “2024 Secured Credit Facility”). Under the facility, the Company is able to borrow up to \$200,000 which will incur interest at a rate of 12%, and is payable upon the earlier of February 28, 2025, or the date which the Company receives the escrow amount from the sale of the assets of Digipath Labs. As of the date of this filing, the Company has borrowed \$89,600 against the facility. On February 10, 2025, the facility holder agreed to extend the maturity date of the facility to July 31, 2025 in exchange for a deferred payment of \$400. On August 18, 2025, the facility holder agreed to extend the maturity date of the facility to July 31, 2027 in exchange for a deferred payment of \$2,607.	\$ 89,600	\$ -
On January 25, 2025, the Company entered into a 12% secured credit facility for up to \$200,000 payable on the earlier of December 31, 2025 or the date the Company receives sufficient funds from the Invictus Note describe in Note 5 above. During the year ended September 30, 2025, the lender paid for certain services and equipment on behalf of the Company for an aggregate of \$116,556. In addition, the lender advanced \$23,000 of cash directly to the Company.	139,556	-
On September 15, 2025, the Company entered into a promissory note with a principal balance of \$113,850 which has maturity date of July 15, 2026. The note carries an original issue discount of \$14,850 and the lender retained \$14,360 for legal and other fees for net proceeds to the Company of \$84,640. In addition, the note carries an upfront interest charge of 12%, or \$11,385, which was added to the principal balance upon closing. The aggregate discount of \$40,595 is being amortized over the life of the loan. The note is to be repaid with an initial payment of March 15, 2026 of \$62,617 and equal monthly payments thereafter of \$15,654 through July 15, 2026. In the event of default, the note can be converted into shares of the Company’s common stock at a rate of 65% of the lowest trading price of the preceding 10 trading days.	125,235	-
Total notes payable	354,391	-
Less: discounts on notes payable	(38,713)	-
Notes payable, net of discounts	315,678	-
Less: current maturities	(315,678)	-
Notes payable	\$ -	\$ -

During the year ended September 30, 2025, the Company recorded debt discounts in the aggregate of \$40,595 related to the finance charges added to principal balance on the creation of the new note. The Company recorded debt amortization expense attributed to the debt discount in the amounts of \$1,882 and \$0, during the years ended September 30, 2025 and 2024, respectively. Unamortized discount as of September 30, 2025 is \$38,713.

The Company recorded interest expense pursuant to the stated interest rate and closing costs on the notes payable in the amount of \$10,981 and \$36,614 during the years ended September 30, 2025 and 2024, respectively.

Note 7 – Convertible Notes Payable

Convertible notes payable consist of the following at September 30, 2025 and 2024, respectively:

	September 30, 2025	September 30, 2024
(1) On February 11, 2020, the Company completed the sale to an accredited investor of a 9% Secured Convertible Promissory Note in the principal amount of \$50,000. The Note matures on August 11, 2022, bears interest at a rate of 9% per annum, and was convertible into shares of the Company's common stock at a conversion price of \$0.15 per share. On December 28, 2020, the conversion price was amended to \$0.03 per share in exchange for an additional \$10,000 of proceeds and the promissory note was increased to \$60,000. The Company's obligations under the Note are secured by a lien on the assets of the Company and its wholly-owned subsidiary Digipath Labs, Inc., pursuant to a Security Agreement between the Company, Digipath Labs, Inc. and the investor. On December 29, 2020, the note holder converted \$10,000 of principal into 333,334 shares of common stock at a conversion price of \$0.03 per share. On August 8, 2022, the note holder agreed to extend the maturity date of the note to February 11, 2024. In exchange for the extension, the Company agreed to issue 650,000 common shares, which were recorded as debt discount, with a relative fair value of \$6,989. On August 18, 2025, the note holder agreed to extend the maturity date of the note to July 31, 2027 in exchange for a deferred payment of \$1,500 allocated to this note which was added to the principal balance and recorded as a loss on extinguishment of debt.	\$ 51,500	\$ 50,000
(2) On September 23, 2019, the Company received proceeds of \$200,000 on a senior secured convertible note that carries an 8% interest rate, which matured on August 10, 2022, as amended. The principal and interest were convertible into shares of common stock at the discretion of the note holder at a fixed conversion price of \$0.11 per share. On September 30, 2020, the maturity date was extended to August 10, 2022 and the conversion price was amended to \$0.03 per share. The Company's obligations under this Note are secured by a lien on the assets of the Company and its wholly-owned subsidiary Digipath Labs. On February 22, 2021, the noteholder converted \$90,000 of principal into 3,000,000 shares of common stock at a conversion price of \$0.03 per share. On September 30, 2021, the note was amended to add the outstanding short term notes and accrued interest into the principal balance, making the outstanding balance \$355,469, as amended. As a result of the modification, the Company recorded an additional debt discount of \$98,188, as a result of the beneficial conversion feature of the additional principal. On October 1, 2022, the Company further extended the maturity date to February 11, 2024. In connection with the modification, the Company issued warrants to purchase 4,621,105 shares of common stock, with a fair value of \$32,166, which was recorded as a debt discount. On January 22, 2024 the Company further amended the note to extend the maturity date to February 11, 2025 and reduced the conversion price to \$0.01. As a result of the modification of the conversion price, the Company recorded a loss on debt extinguishment of \$481,955. On February 10, 2025, the note holder agreed to further extend the maturity date of the note to July 31, 2025 in exchange for a deferred payment of \$4,000. On August 18, 2025, the note holder agreed to extend the maturity date of the note to July 31, 2027 in exchange for a deferred payment of \$9,299 allocated to this note which was added to the principal balance and recorded as a loss on extinguishment of debt.	366,134	355,469
(3) On November 8, 2018, the Company received proceeds of \$350,000 on a senior secured convertible note that carries an 8% interest rate, which matured on August 10, 2022, as amended. The principal and interest were convertible into shares of common stock at the discretion of the note holder at a fixed conversion price of \$0.14 per share. On September 30, 2020, the maturity date was extended to August 10, 2022 and the conversion price was amended to \$0.03 per share. The Company's obligations under this Note are secured by a lien on the assets of the Company and its wholly-owned subsidiary Digipath Labs. On October 1, 2022, the Company further extended the maturity date to February 11, 2024. In connection with the modification, the Company issued warrants to purchase 4,550,000 shares of common stock, with a fair value of \$31,671 which was recorded as a debt discount. On January 29, 2024, the holder converted \$40,000 of this note into common shares. On January 22, 2024, the Company further amended the note to extend the maturity date to February 11, 2025 and reduced the conversion price to \$0.01. As a result of the modification of the conversion price, the Company recorded a loss on debt extinguishment of \$474,539. On February 10, 2025, the note holder agreed to further extend the maturity date of the note to July 31, 2025 in exchange for a deferred payment of \$7,000. On August 18, 2025, the note holder agreed to extend the maturity date of the note to July 31, 2027 in exchange for a deferred payment of \$10,664 allocated to this note which was added to the principal balance and recorded as a loss on extinguishment of debt.	319,300	350,000
4) On October 1, 2022, the Company entered into a senior secured convertible note that carries an 8% interest rate, which matured on February 11, 2024. The Note documented the advances made during the year ended September 30, 2022 in the amount of \$362,765. The principal and interest on the Note are convertible into common shares at a conversion price of \$0.01. In connection with the note, the Company issued warrants to purchase 4,715,945 shares of common stock, with a fair value of \$30,102, which was recorded as a debt discount. On January 22, 2024, the note holder agreed to extend the maturity date of the Note to February 11, 2025. On February 10, 2025, the note holder agreed to further extend the maturity date of the note to July 31, 2025 in exchange for a deferred payment of \$7,255.30. On August 18, 2025, the note holder agreed to extend the maturity date of the note to July 31, 2027 in exchange for a deferred payment of \$10,883 allocated to this note which was added to the principal balance and recorded as a loss on extinguishment of debt.	373,648	362,765
(5) On June 5, 2025, the Company received proceeds of \$133,000 on a senior secured convertible note that carries an 8% interest rate, which matures on May 31, 2028. The principal and interest are convertible into shares of common stock at the discretion of the note holder at a fixed conversion price of \$0.03 per share.	133,000	-
(6) On July 31, 2025, the Company received proceeds of \$60,000 on a senior secured convertible note that carries an 8% interest rate and an original issue discount of \$3,000, which matures on March 31, 2028. The principal and interest are convertible into shares of common stock at the discretion of the note holder at a fixed conversion price of \$0.03 per share.	63,000	-
Total convertible notes payable	1,306,582	1,078,235
Less: unamortized debt discounts	(2,750)	-
	1,303,832	1,078,235
Less: current maturities	(1,303,832)	(1,078,235)
Convertible notes payable	\$ -	\$ -

During the year ended September 30, 2025, the Company recorded debt discounts in the aggregate of \$3,000 related to the finance charges added to principal balance on the creation of the new note. As a result of the extension of the prior notes which matured on July 31, 2025 the Company recorded a loss on debt extinguishment of \$32,347. The Company recorded debt amortization expense attributed to the debt discount in the amounts of \$2,132 and \$43,050, during the years ended September 30, 2025 and 2024, respectively. Unamortized discount as of September 30, 2025 is \$2,750.

All of the convertible notes limit the maximum number of shares that can be owned by each note holder as a result of the conversions to common stock to 4.99% of the Company's issued and outstanding shares except the note to the related party.

The Company recorded interest expense pursuant to the stated interest rates on the convertible notes in the amount of \$93,030 and \$89,603 for the years ended September 30, 2025 and 2024, respectively.

The Company recognized interest expense for the years ended September 30, 2025 and 2024, respectively, as follows:

	September 30, 2025	September 30, 2024
Interest on notes payable	\$ 10,981	\$ 36,614
Amortization of debt discounts	2,132	43,050
Interest on convertible notes	93,030	89,603
Total interest expense	<u>\$ 106,143</u>	<u>\$ 169,267</u>

Note 8 – Stockholders' Equity

Preferred Stock

The Company is authorized to issue 70,000,000 shares of preferred stock with a par value of \$0.001 per share, of which 6,000,000 have been designated as Series A Convertible Preferred Stock ("Series A Preferred"), 1,500,000 have been designated as Series B Convertible Preferred Stock ("Series B Preferred"), and 1,000 shares have been designated as Series C Preferred Stock ("Series C Preferred"), with the remaining 2,499,000 shares available for designation from time to time by the Board as set forth below. As of September 30, 2025, there were 1,047,942 shares of Series A Preferred issued and outstanding, 333,600 shares of Series B Preferred issued and outstanding, 1,000 shares of Series C Preferred issued and outstanding, and 390,250 shares of Series D Preferred issued and outstanding. Our board of directors is authorized to determine any number of series into which the undesignated shares of preferred stock may be divided and to determine the rights, preferences, privileges and restrictions granted to any series of the preferred stock. Each share of Series A Preferred is currently convertible into five shares of common stock and each share of Series B Preferred is currently convertible into twenty-five shares of common stock. The Series C Preferred is not convertible into common stock.

Series A Preferred

The conversion price is adjustable in the event of stock splits and other adjustments in the Company's capitalization, and in the event of certain negative actions undertaken by the Company. At the current conversion price, the 1,047,942 shares of Series A Preferred outstanding at September 30, 2025 are convertible into 5,239,710 shares of the common stock of the Company. No holder is permitted to convert its shares of Series A Preferred if such conversion would cause the holder to beneficially own more than 4.99% of the issued and outstanding common stock of the Company immediately after such conversion, unless waived by such holder by providing at least sixty-five days' notice.

Additional terms of the Series A Preferred include the following:

- The shares of Series A Preferred are entitled to dividends when, as and if declared by the Board as to the shares of the common stock of the Company into which such Series A Preferred may then be converted, subject to the 4.99% beneficial ownership limitation described above.
- Upon the liquidation or dissolution of the Company, or any merger or sale of all or substantially all of the assets, the shares of Series A Preferred are entitled to receive, prior to any distribution to the holders of common stock, 100% of the purchase price per share of Series A Preferred plus all accrued but unpaid dividends.

- The Series A Preferred plus all declared but unpaid dividends thereon automatically will be converted into common stock, at the then applicable conversion rate, upon the affirmative vote of the holders of a majority of the outstanding shares of Series A Preferred.
- Each share of Series A Preferred will carry a number of votes equal to the number of shares of common stock into which such Series A Preferred may then be converted, subject to the 4.99% beneficial ownership limitation described above. The holders of the Series A Preferred generally will vote together with the holders of the common stock and not as a separate class, except as provided below.
- Consent of the holders of the outstanding Series A Preferred is required in order for the Company to: (i) amend or change the rights, preferences, privileges or powers of, or the restrictions provided for the benefit of, the Series A Preferred; (ii) authorize, create or issue shares of any class of stock having rights, preferences, privileges or powers superior to the Series A Preferred; (iii) reclassify any outstanding shares into shares having rights, preferences, privileges or powers superior to the Series A Preferred; or (iv) amend the Company's Articles of Incorporation or Bylaws in a manner that adversely affects the rights of the Series A Preferred.
- Pursuant to the Securities Purchase Agreements, holders of Series A Preferred are entitled to unlimited "piggyback" registration rights on registrations by the Company, subject to pro rata cutback at any underwriter's discretion.

Series C Preferred

The Series C Preferred stock was designated on July 20, 2022. The principal feature of the Series C Preferred is that it provides the holder thereof, so long as he or she is an executive officer of the Company, with the ability to vote with the holders of the Company's common stock on all matters presented to the holders of common stock, whether at a special or annual meeting, by written action in lieu of a meeting or otherwise, on the basis of 200,000 votes for each share of Series C Preferred. The shares of Series C Preferred are not convertible into common stock, are not entitled to dividends, are not subject to redemption, and have a stated value of \$0.10 per share payable on any liquidation of the Company in preference to any payment payable to the holders of common stock.

On July 25, 2022, the Company entered into a Securities Purchase Agreement with Todd Denkin, the Company's President, pursuant to which Mr. Denkin purchased 1,000 shares of the Series C Preferred for a purchase price of \$0.10 per share. The Company determined that the shares had value in excess of the stated value in the amount of \$360,200, which the Company recorded as compensation expense to the officer.

On March 2, 2023, the Company entered into a Preferred Stock Repurchase Agreement with Todd Denkin, the Company's president, pursuant to which Mr. Denkin surrendered his Series C Preferred back to the Company for the purchase price of \$100.

Series D Preferred

The Series D Preferred ranks, as to dividend rights and rights upon our liquidation, dissolution, or winding up, junior to the Series A Preferred and Series B Preferred and senior to the Series C Preferred and all classes or series of common stock. The terms of the Series D Preferred do not limit our ability to (i) incur indebtedness or (ii) issue additional equity securities that are equal or senior in rank to the shares of Series D Preferred as to distribution rights and rights upon our liquidation, dissolution or winding up.

The shares of Series D Preferred are not entitled to dividends, provided that if dividends are paid on the shares of common stock, the Series D Preferred will be entitled to dividends based on the number shares of common stock into which the Series D Preferred may then be converted.

The liquidation preference for each share of Series D Preferred is \$0.20. Upon a liquidation, dissolution or winding up of the Company, holders of shares of Series D Preferred will be entitled to receive out of the assets of the Company available to its stockholders before any payment is made to the holders of shares of common stock or other classes of shares of the Company ranking junior to the Series D Preferred, the liquidation preference with respect to their shares plus an amount equal to any accrued but unpaid dividends (if declared) to, but not including, the date of payment with respect to such shares. After the payment to the holders of the Series D Preferred of the amount payable to them as above provided, they shall not be entitled to share in any further distribution of the assets or property of the Company.

The shares of Series D Preferred have no maturity date, and the Company is not required to redeem shares of Series D Preferred at any time. Accordingly, the shares of Series D Preferred will remain outstanding indefinitely, unless otherwise converted at the option of the holder thereof or pursuant to a mandatory conversion described below.

At any time after issuance, each share of Series D Preferred is convertible into one share of common stock at the option of the holder. At any time after issuance upon the occurrence of any of the following events, the Company shall have a right to direct the mandatory conversion of the Series D Preferred: (a) a change in control, or (b) if the closing price of the common stock closes at or above \$0.40 per share for 10 consecutive trading days.

Holders of Series D Preferred generally have no voting rights. However, certain material and adverse changes to the terms of the Series D Preferred cannot be made without the affirmative vote of holders of at least a majority of the outstanding shares of Series D Preferred, voting as a separate class.

During the year ended September 30, 2025, the Company sold 390,250 shares of Series D Preferred shares and 390,250 warrants to purchase shares of common stock for net proceeds of \$75,906. In addition, the Company amortized \$1,131 of deferred offering costs against the proceeds during the year ended September 30, 2025.

Common Stock

The common stock has a par value of \$0.001, and 880,000,000 shares are authorized, of which 147,121,825 shares were issued and outstanding as of September 30, 2025.

Common Stock Transactions for the Year Ended September 30, 2025

During the year ended September 30, 2025, the Company issued 21,075,000 shares of common stock to outside consultants in exchange for services performed. The shares were valued at the closing price on the date of issuance for an aggregate value of \$669,563.

During the year ended September 30, 2025, the Company issued an aggregate of 3,000,000 shares of common stock to the Board of Directors in exchange for services performed. The shares were valued at the closing price on the date of issuance for an aggregate value of \$90,000.

Common Stock Transactions for the Year Ended September 30, 2024

During the year ended September 30, 2024, the Company issued 4,000,000 shares of common stock for the conversion of \$40,000 in principal of convertible note payables.

During the year ended September 30, 2024, the Company issued 31,950,005 shares of common stock, of which 6,000,000 were to the directors of the Company, for compensation. The shares were valued at the closing price on the date of issuance for aggregate value of \$732,595, of which \$112,200 was related to the shares issued to the directors.

Note 9 – Mezzanine Equity

Series B Preferred

The shares of Series B Preferred were designated on December 29, 2021. Each share of Series B Preferred has a Stated Value of \$1.00 and is currently convertible into common stock at a conversion price equal to \$0.04. The conversion price of the Series B Preferred is subject to equitable adjustment in the event of a stock split, stock dividend or similar event with respect to the common stock, and in the event of the issuance of common stock by the Company below the conversion price, subject to customary exceptions. At the current conversion price, the 333,600 shares of Series B Preferred outstanding at September 30, 2025 are convertible into 8,340,000 shares of the common stock of the Company. No holder is permitted to convert its shares of Series B Preferred if such conversion would cause the holder to beneficially own more than 4.99% of the issued and outstanding common stock of the Company immediately after such conversion, unless waived by such holder by providing at least sixty-five days' notice.

Additional terms of the Series B Preferred include the following:

- The shares of Series B Preferred are not entitled to dividends, provided that if dividends are paid on the shares of common stock of the Company, the Series B Preferred will be entitled to dividends based on the number shares of common stock which the Series B Preferred may then be converted.
- Upon the liquidation or dissolution of the Company, or any merger or sale of all or substantially all of the assets, or upon a change in control whereby a stockholder gains control of 50% or more of the outstanding shares of common stock, the shares of Series B Preferred are entitled to receive, prior to any distribution to the holders of common stock and the Series A Preferred, 100% of the purchase price per share of Series B Preferred plus all accrued but unpaid dividends.
- Each share of Series B Preferred carries a number of votes equal to the number of shares of common stock into which such Series B Preferred may then be converted.

Due to the change in control provision of the Series B Preferred, the Series B Preferred is classified as temporary equity on the balance sheet.

Note 10 – Common Stock Options

Stock Incentive Plan

On June 21, 2016, we amended and restated our 2012 Stock Incentive Plan (the “2012 Plan”), which was originally adopted on March 5, 2012, and terminated on March 5, 2022. As amended, the 2012 Plan provides for the issuance of up to 11,500,000 shares of common stock pursuant to the grant of options or other awards, including stock grants, to employees, officers or directors of, and consultants to, the Company and its subsidiaries. Options granted under the 2012 Plan may either be intended to qualify as incentive stock options under the Internal Revenue Code of 1986, or may be non-qualified options, and are exercisable over periods not exceeding ten years from date of grant.

Common Stock Option Issuances

During the year ended September 30, 2025, the Company issued 6,000,000 options to an outside consultant with the following terms; (i) 2,000,000 options will have an exercise price of \$0.03 and will vest after two months from the date of issuance, (ii) 2,000,000 options will have an exercise price of \$0.10 and will vest after four months from the date of issuance, and (iii) 2,000,000 options will have an exercise price of \$0.10 and vest after six months from the date of issuance. All 6,000,000 options have a term of one year from the date of issuance. These options were not issued pursuant to any stock incentive plan.

Amortization of Stock-Based Compensation

A total of \$122,241 and \$1,153 of stock-based compensation expense was recognized during the years ended September 30, 2025 and 2024, respectively, as a result of the vesting of common stock options issued. As of September 30, 2025, a total of \$16,731 of unamortized expense which is expected to be recognized over the weighted-average vesting period of 0.25 years.

The following is a summary of information about the stock options outstanding at September 30, 2025.

Range of Exercise Prices	Shares Underlying Options Outstanding			Weighted Average Exercise Price	Shares Underlying Options Exercisable	
	Shares Underlying Options Outstanding	Weighted Average Remaining Contractual Life	Weighted Average Exercise Price		Shares Underlying Options Exercisable	Weighted Average Exercise Price
\$ 0.0056 – \$0.13	13,920,000	2.08 years	\$ 0.062	9,920,000	\$ 0.047	

The fair value of each option grant is estimated on the date of grant using the Black-Scholes Option Pricing Model with the following weighted-average assumptions used for grants under the fixed option plan:

	September 30, 2025	September 30, 2024
Average risk-free interest rates	4.33%	-%
Average expected life (in years)	1	-
Volatility	187.28%	-%

The Black-Scholes Option Pricing Model was developed for use in estimating the fair value of short-term traded options that have no vesting restrictions and are fully transferable. In addition, option valuation models require the input of highly subjective assumptions including expected stock price volatility. Because the Company's common stock options have characteristics significantly different from those of traded options and because changes in the subjective input assumptions can materially affect the fair value estimate, in management's opinion the existing models do not necessarily provide a reliable single measure of the fair value of its common stock options. During the years ended September 30, 2025 and 2024, there were no options granted with an exercise price below the fair value of the underlying stock at the grant date.

The following is a summary of activity of outstanding common stock options:

	Number of Shares	Weighted Average Exercise Price
Balance, September 30, 2023	8,120,000	\$ 0.052
Options issued	-	-
Options repurchased/expired	-	-
Balance, September 30, 2024	8,120,000	\$ 0.052
Options issued	6,000,000	0.077
Options forfeited	(200,000)	0.10
Balance, September 30, 2025	13,920,000	\$ 0.062
Exercisable, September 30, 2025	9,920,000	\$ 0.047

As of September 30, 2025, these options in the aggregate had \$36,120 of intrinsic value as the per share market price of \$0.023 of the Company's common stock as of such date was greater than the weighted-average exercise price of some of these options.

Note 11 – Common Stock Warrants

Warrants to purchase a total of 17,777,300 shares of common stock were outstanding as of September 30, 2025.

There were no issuances of common stock warrants during the year ended September 30, 2024.

During the year ended September 30, 2025, the Company issued 2,000,000 warrants to an outside consultant with an exercise price of \$0.02, and a term of ten years after the issuance date and which vest immediately. The Company valued the warrants at \$59,799.

The following is a summary of information about our warrants to purchase common stock outstanding at September 30, 2025 (including those issued to both investors and service providers).

Range of Exercise Prices	Shares Underlying Warrants Outstanding			Shares Underlying Warrants Exercisable	
	Shares Underlying Warrants Outstanding	Weighted Average Remaining Contractual Life	Weighted Average Exercise Price	Shares Underlying Warrants Exercisable	Weighted Average Exercise Price
\$ 0.0074-0.30	17,777,300	6.75 years	\$ 0.023	17,387,050	\$ 0.016

The fair value of each warrant grant is estimated on the date of grant using the Black-Scholes Option Pricing Model with the following weighted-average assumptions used for grants under the fixed option plan:

The following is a summary of activity of outstanding common stock warrants:

	Number of Shares	Weighted Average Exercise Price
Balance, September 30, 2023	15,387,050	\$ 0.10
Warrants granted	-	-
Warrants expired	-	-
Balance, September 30, 2024	15,387,050	\$ 0.016
Warrants granted	2,390,250	0.066
Warrants expired	-	-
Balance, September 30, 2025	17,777,300	\$ 0.023
Exercisable, September 30, 2025	17,387,050	\$ 0.016

As of September 30, 2025, these warrants in the aggregate had \$219,461 of intrinsic value as the per share market price of \$0.023 of the Company's common stock as of such date was greater than the exercise price of certain warrants.

Note 12 – Leases

On May 6, 2024, the Company entered into a lease to lease its operating and office facility under a non-cancelable real property lease agreement that expires on May 31, 2026. The real property lease contains provisions requiring payment of property taxes, utilities, insurance, maintenance and other occupancy costs applicable to the leased premise. As the Company's leases do not provide implicit discount rates, the Company uses an incremental borrowing rate based on the information available at the commencement date in determining the present value of lease payments.

The components of lease expense were as follows:

	For the Year Ended September 30, 2025	For the Year Ended September 30, 2024
Operating lease cost	\$ 40,472	\$ 20,236
Total net lease cost	\$ 40,472	\$ 20,236

Supplemental balance sheet information related to leases was as follows:

	September 30, 2025	September 30, 2024
Operating leases:		
Operating lease assets	\$ 26,180	\$ 57,006
Current portion of operating lease liabilities	26,838	\$ 36,428
Noncurrent operating lease liabilities	-	26,838
Total operating lease liabilities	<u>\$ 26,838</u>	<u>\$ 63,266</u>
Weighted average remaining lease term:		
Operating leases	.67 years	-
Weighted average discount rate:		
Operating leases	7.9%	7.9%

Supplemental cash flow and other information related to leases was as follows:

	For the Year Ended September 30, 2025	For the Year Ended September 30, 2024
Cash paid for amounts included in the measurement of lease liabilities:		
Operating cash flows used for operating leases	\$ 36,428	\$ 11,309
Financing cash flows used for finance leases	\$ -	\$ -
Leased assets obtained in exchange for lease liabilities:		
Total operating lease liabilities	\$ -	\$ 74,575
Total finance lease liabilities	\$ -	\$ -

The following is a maturity analysis of the annual undiscounted cash flows of the operating lease liabilities on a fiscal year basis, including common area maintenance fees, under non-cancelable operating leases as of September 30, 2025:

	Fiscal Year Ending September 30,	Minimum Lease Commitments
2026		27,639
2027		-
2028		-
2029		-
Total future undiscounted lease payments		<u>27,639</u>
Less interest		(801)
Present value of lease payments		<u>26,838</u>
Less current portion		(26,838)
Long-term operating lease liabilities		<u>\$ -</u>

Note 13 – Commitments and Contingencies

Legal Contingencies

There are no material pending legal proceedings to which we are a party or to which any of our property is subject, nor are there any such proceedings known to be contemplated by governmental authorities. None of our directors, officers or affiliates is involved in a proceeding adverse to our business or has a material interest adverse to our business.

Note 14 – Discontinued Operations

On April 20, 2023, the Company, and Digipath Labs entered into the Purchase Agreement with DPL NV, LLC (“Buyer”), pursuant to which Digipath Labs agreed to sell substantially all of its assets to Buyer for a cash purchase price of \$2,300,000 (the “Purchase Price”) as described in Note 1 above. The Purchase Price was subject to adjustments at closing based on, among other things, the amount by which the working capital of Digipath Labs at the closing is greater or less than \$150,000.

The Purchase Agreement includes a number of representations, warranties, covenants and conditions to closing customary for this type of transaction. In addition, the closing of the transaction was subject to the approval of the Nevada Cannabis Compliance Board (the “CCB”). In the event CCB approval was not obtained by June 30, 2024, or any other condition to closing had not been satisfied by such date, either party could terminate the Purchase Agreement.

Pursuant to the Purchase Agreement, the Buyer deposited \$230,000 into an escrow account upon the execution of the Purchase Agreement, and such amount will continue to be held in escrow for a 12-month period following closing to satisfy any indemnification claims Buyer may have against Digipath Labs.

In connection with the transactions contemplated by the Purchase Agreement, Digipath, Digipath Labs and Buyer entered into a Management Services Agreement (the “Management Services Agreement”), dated as of April 30, 2023, pursuant to which Buyer was engaged to manage the operation of Digipath Labs’ cannabis testing laboratory (the “Lab”). The effectiveness of the Management Services Agreement was subject to the approval of the CCB, which was obtained on October 17, 2023. Pursuant to the Management Services Agreement, after the payment of expenses to third parties and a payment of 15% of cash collections to Digipath (but not less than \$15,000) in each month, Buyer is entitled to a management fee of \$10,000 per month. Any remaining cash generated from the operation of the Lab in any month is payable 45% to the Buyer and 55% to the Company.

On February 20, 2024, we completed the sale of the net assets of our subsidiary Digipath Labs to Buyer. On June 24, 2024, the Company and the Buyer settled the final amount owed on the working capital adjustment for an additional payment of \$42,835. As a result of the closing, the Company recognized a gain on the sale of the assets in the amount of \$1,581,981 which includes the excess value of the Purchase Price above the net assets as well as the working capital adjustment. On November 27, 2024, the Company entered into an amendment to the Asset Purchase Agreement with Buyer. Pursuant to the amendment, the Company and Buyer agreed to an early release of the escrow deposit, whereby the escrow deposit was reduced to \$200,000 and released immediately to the Company. The Company received the escrow deposit amount on December 3, 2024. The settlement is recorded in other expenses in the accompanying statement of operations

The statements of operations of Digipath Labs combined are summarized below:

	For the Years Ended	
	September 30,	
	2025	2024
Revenues	\$ -	\$ 1,635,299
Cost of sales	-	650,524
Gross profit	-	984,775
Operating expenses:		
General and administrative	-	393,168
Professional fees	-	4,750
Total operating expenses	-	397,918
Operating income(loss)	-	586,857
Other income (expense):		
Other income	-	-
Interest expense	-	(1,701)
Total other income (expense)	-	(1,701)
Net income (loss)	\$ -	\$ 585,156

Note 15 - Income Tax

The Company accounts for income taxes under FASB ASC 740-10, which requires use of the liability method. FASB ASC 740-10-25 provides that deferred tax assets and liabilities are recorded based on the differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes, referred to as temporary differences.

At September 30, 2025, the Company had approximately \$14,300,000 of Federal net operating losses. The net operating loss carry forwards, if not utilized, will begin to expire in 2032.

The effective income tax rate for the years ended September 30, 2025 and 2024 consisted of the following:

	September 30,	
	2025	2024
Federal statutory income tax rate	(21)%	21%
State income taxes	-%	-%
Other	6%	(2)%
Change in valuation allowance	15%	(18)%
Net effective income tax rate	0%	1%

The components of the Company's deferred tax asset are as follows:

	September 30,	
	2025	2024
Deferred tax assets:		
Net operating loss carry forwards	\$ 3,003,100	\$ 2,903,300
Net deferred tax assets before valuation allowance	\$ 3,003,100	\$ 2,903,300
Less: Valuation allowance	(3,003,100)	(2,903,300)
Net deferred tax assets	\$ -	\$ -

Based on the available objective evidence, including the Company's history of its loss, management believes it is more likely than not that the net deferred tax assets will not be fully realizable. Accordingly, the Company provided for a full valuation allowance against its net deferred tax assets at September 30, 2025 and 2024, respectively.

In accordance with FASB ASC 740, the Company has evaluated its tax positions and determined there are no uncertain tax positions.

Note 16 – Subsequent Events

On October 6, 2025, the Company issued 400,000 shares of common stock to outside consultants in exchange for services performed. The shares were valued at the closing price on the date of issuance for an aggregate value of \$10,400.

On November 10, 2025, the Company issued 3,000,000 shares of common stock to outside consultants in exchange for services performed. The shares were valued at the closing price on the date of issuance for an aggregate value of \$69,000.

On November 14, 2025, the Company issued 3,000,000 shares of common stock to outside consultants in exchange for services performed. The shares were valued at the closing price on the date of issuance for an aggregate value of \$73,200.

On November 14, 2025, the Company issued an aggregate of 2,000,000 shares of common stock to its sole officer in exchange for services performed. The shares were valued at the closing price on the date of issuance for an aggregate value of \$48,800.

Such issuances were exempt from registration pursuant to Section 4(a)(2) of the Securities Act of 1933, as amended.

On December 5, 2025, the Company entered into a promissory note with a principal balance of \$94,300 which has a maturity date of September 30, 2026. The note carries an original issue discount of \$12,300 and the lender retained \$13,000 for legal and other fees for net proceeds to the Company of \$69,000. In addition, the note carries an upfront interest charge of 12%, or \$11,316, which was added to the principal balance upon closing. The note is to be repaid with an initial payment on May 30, 2026 of \$52,808 and equal monthly payments thereafter of \$13,202 through September 30, 2026. In the event of default, the note can be converted into shares of the Company's common stock at a rate of 65% of the lowest trading price of the preceding 10 trading days.

ITEM 9. CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURE

None.

ITEM 9A. CONTROLS AND PROCEDURES

Evaluation of Disclosure Controls and Procedures

Our management, with the participation of our Principal Executive Officer and our Principal Financial Officer, evaluated the effectiveness of our disclosure controls and procedures as of September 30, 2025 (the "Evaluation Date"). The term "disclosure controls and procedures," as defined in Rules 13a-15(e) and 15d-15(e) under the Exchange Act, means controls and other procedures of a company that are designed to ensure that information required to be disclosed by a company in the reports that it files or submits under the Exchange Act is recorded, processed, summarized and reported, within the time periods specified in the SEC's rules and forms. Disclosure controls and procedures include, without limitation, controls and procedures designed to ensure that information required to be disclosed by a company in the reports that it files or submits under the Exchange Act is accumulated and communicated to the Company's management, including its principal executive and principal financial officers, as appropriate, to allow timely decisions regarding required disclosure. Management recognizes that any controls and procedures, no matter how well designed and operated, can provide only reasonable assurance of achieving their objectives and management necessarily applies its judgment in evaluating the cost-benefit relationship of possible controls and procedures. Based on the evaluation of our disclosure controls and procedures as of September 30, 2025, our Principal Executive Officer and Principal Financial Officer concluded that, as of such date, our disclosure controls and procedures were not effective at the reasonable assurance level.

Management's Annual Report on Internal Control Over Financial Reporting

Management is responsible for establishing and maintaining adequate internal control over financial reporting, as defined in Rules 13a-15(f) and 15d-15(f) of the Exchange Act. Internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements in accordance with GAAP. Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Management has conducted, with the participation of our Principal Executive Officer and our Principal Accounting Officer, an assessment, including testing of the effectiveness of our internal control over financial reporting as of the Evaluation Date. Management's assessment of internal control over financial reporting was conducted using the criteria set forth by the Committee of Sponsoring Organizations of the Treadway Commission (COSO) in Internal Control - Integrated Framework (2013 Framework).

A material weakness is a deficiency, or a combination of deficiencies, in internal control over financial reporting, such that there is a reasonable possibility that a material misstatement of our annual or interim financial statements will not be prevented or detected on a timely basis. In connection with management's assessment of our internal control over financial reporting as required under Section 404 of the Sarbanes-Oxley Act of 2002, we have identified the following material weaknesses in our internal control over financial reporting as of the Evaluation Date.

- Lack of segregation of duties in financial reporting, as our financial reporting and all accounting functions are performed by our Officers.
- Lack of a formal review process that includes multiple levels of review, as all accounting and financial reporting functions are performed by our Officers and the work is not reviewed by anyone.
- Lack of an independent Board of Directors, nor do we have a board member designated as an independent financial expert to the Company. As a result, there is a lack of independent oversight of the management team, lack of independent review of our operating and financial results, and lack of independent review of disclosures made by the Company.

We have thus concluded that our internal control over financial reporting was not effective as of the Evaluation Date.

This annual report does not include an attestation report of our registered public accounting firm regarding internal control over financial reporting. Management's report was not subject to attestation by our registered public accounting firm pursuant to an exemption for smaller reporting companies under Section 989G of the Dodd-Frank Wall Street Reform and Consumer Protection Act.

Changes in Internal Control over Financial Reporting

There have been no changes in our internal control over financial reporting (as defined in Rules 13a-15(f) and 15d-15(f) under the Exchange Act) or in other factors that occurred during the fourth fiscal quarter of 2025 that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

ITEM 9B. OTHER INFORMATION

During the year ended September 30, 2025, no director or officer of the Company adopted or terminated a "Rule 10b5-1 trading arrangement" or "non-Rule 10b5-1 trading arrangement," as each term is defined in Item 408(a) of Regulation S-K.

ITEM 9C. DISCLOSURE REGARDING FOREIGN JURISDICTIONS THAT PREVENT INSPECTIONS

Not applicable.

PART III

ITEM 10. DIRECTORS, EXECUTIVE OFFICERS AND CORPORATE GOVERNANCE

Set forth below are the present directors and executive officers of the Company. There are no arrangements or understandings between any of the directors, officers and other persons pursuant to which such person was selected as a director or an officer.

Name	Age	Position
A. Stone Douglass	78	Chairman, President, Chief Executive Officer, Chief Financial Officer, Secretary and Director
Dennis Hartmann	70	Director

Biographies

Set forth below are brief accounts of the business experience of each director and executive officer of the Company.

A. Stone Douglass was appointed a director of the Company on July 1, 2021, as our Chief Financial Officer on August 16, 2021, as Chairman of the Board of Directors on October 21, 2021 and as President and Chief Executive Officer on February 29, 2024. Mr. Douglass has been: the Chief Executive Officer of GeoSolar Technologies, Inc., a company planning to install natural energy systems, since December 2020; the Chief Financial Officer of David Kind, Inc., a Venice, California based online eyewear brand, since June 2013; the Chairman and Chief Executive Officer of Sealand Natural Resources, Inc., a manufacturer and purveyor of Sealand Birk birch water and other alternative beverages, since March 2016; the Chief Financial Officer of P5 Systems, Inc., a San Diego based technology platform known as the Craig's List of cannabis, servicing the legal cannabis value chain, from March 2018 until March 2024; and the principal owner of Ducks Nest Investments Inc, a private investment company, since September 1990. We believe that Mr. Douglass's financial and business experience qualify him to serve as one of our directors.

Dennis Hartmann was appointed to our Board of Directors on September 25, 2019 and as Interim President on August 14, 2020. Mr. Hartmann resigned as Interim President on July 1, 2021. Mr. Hartmann had been an attorney engaged in private practice in the State of California for over 35 years. Mr. Hartmann holds a B.S. from the University of Alabama and a J.D. from the University of Texas School of Law. We believe that Mr. Hartmann's legal experience qualifies him to serve as one of our directors.

Family Relationships

No family relationships exist between any of our officers or directors.

Board Committees and Audit Committee Financial Expert

We do not currently have a standing audit, nominating or compensation committee of the board of directors, or any committee performing similar functions. Our board of directors performs the functions of audit, nominating and compensation committees. As of the date of this Annual Report, no member of our board of directors qualifies as an "audit committee financial expert" as defined in Item 407(d)(5) of Regulation S-K promulgated under the Securities Act.

Director Nominations

As of September 30, 2025, we did not affect any material changes to the procedures by which our shareholders may recommend nominees to our board of directors. We have not established formal procedures by which security holders may recommend nominees to the Company's board of directors.

Delinquent Section 16(a) Reports

Section 16(a) of the Exchange Act requires the Company's directors, executive officers and persons who own more than 10% of a registered class of the Company's securities to file with the SEC initial reports of ownership and reports of changes in ownership of common stock and other equity securities of the Company. Directors, executive officers and greater than 10% stockholders are required by SEC regulation to furnish the Company with copies of all Section 16(a) reports they file. To our knowledge, based solely on the review of the copies of these forms furnished to us and representations that no other reports were required, the Company believes that all forms required to be filed under Section 16 of the Exchange Act for the year ended September 30, 2025 were filed timely.

Code of Ethics and Business Conduct

We have adopted a code of ethics that applies to our principal executive officers, principal financial officer, principal accounting officer or controller, or persons performing similar functions. A copy of our code of ethics may be obtained free of charge by contacting us at the address or telephone number listed on the cover page hereof.

ITEM 11. EXECUTIVE COMPENSATION

Summary Compensation Table

The following summary compensation table sets forth the aggregate compensation we paid or accrued during the fiscal years ended September 30, 2025 and September 30, 2024 to persons serving as our Chief Executive Officer and Chief Financial Officer during our years ended September 30, 2025 and September 30, 2024 (our "Named Executive Officers"), who were our only executive officers during 2024 and 2025, as none of our other officers earned total compensation in excess of \$100,000 during our last completed fiscal year.

Name and Financial Position	Fiscal Year	Salary	Stock Awards	Option Awards	All Other Compensation	Total
A. Stone Douglass ⁽¹⁾ Chairman, President, Chief Executive Officer, Chief Financial Officer and Secretary	2025	\$ 120,000	\$ 1,028,356 ⁽²⁾	\$ -	\$ -	\$ 1,148,356
	2024	\$ 60,000	\$ 74,800 ⁽³⁾	\$ -	\$ -	\$ 134,800
Todd Denkin ⁽⁴⁾ Former President	2025	\$ -	\$ -	\$ -	\$ -	\$ -
	2024	\$ 75,221	\$ -	\$ -	\$ -	\$ 75,221

(1) Mr. Douglass was appointed Chief Financial Officer on August 16, 2021, and President and Chief Executive Officer on February 29, 2024.

(2) Amount relates to 2,000,000 shares of Common Stock issued to Mr. Douglass on July 23, 2025 in connection with services performed by Mr. Douglass, and for the fair value of the Series C Preferred shares in excess of the cash paid of \$968,356.

(3) Amount relates to 4,000,000 shares of Common Stock issued to Mr. Douglass on February 29, 2024 in connection with his appointment as President and Chief Executive Officer.

(4) Mr. Denkin was appointed President on July 1, 2021, and resigned as President on February 28, 2024.

Agreements with Named Executive Officers

We have a consulting agreement in place with A. Stone Douglass, in which we have agreed to pay Mr. Douglass \$10,000 per month.

Outstanding Equity Awards

The following table sets forth information with respect to unexercised stock options, stock that has not vested, and equity incentive plan awards held by our Named Executive Officers at September 30, 2024.

Name	Outstanding Option Awards at Fiscal Year-End		Option Exercise Price	Option Expiration Date
	Number of Securities Underlying Unexercised Options (#) Exercisable	Number of Securities Underlying Unexercised Options (#) Unexercisable		
A. Stone Douglass	1,000,000	-	\$ 0.06	June 2, 2031

Option Exercises and Stock Vested

None of our Named Executive Officers exercised any stock options or acquired stock through vesting of an equity award during the year ended September 30, 2025.

Director Compensation

The following table summarizes the compensation paid or accrued by us to our directors that are not Named Executive Officers for the year ended September 30, 2025.

Name	Fees Earned or Paid in Cash	Stock Award	Option Awards	Non-Equity Incentive Compensation	Change in Pension Value and Nonqualified Deferred Compensation Earnings	All other Compensation	Total
Dennis Hartmann ⁽¹⁾	\$ 20,000	\$ 60,000	\$ -	\$ -	\$ -	\$ -	\$ 80,000

(1) We have agreed to compensate Mr. Hartmann a total of \$5,000 in cash per quarter for his service as a director beginning in the quarter ended June 30, 2024.

Directors are entitled to reimbursement for reasonable travel and other out-of-pocket expenses incurred in connection with attendance at meetings of our board of directors.

ITEM 12. SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT AND RELATED STOCKHOLDER MATTERS

The following table sets forth, as of January 15, 2026, certain information with regard to the record and beneficial ownership of the Company's common stock by (i) each person known to the Company to be the record or beneficial owner of 5% or more of the Company's common stock, (ii) each director of the Company, (iii) each of the named executive officers, and (iv) all executive officers and directors of the Company as a group. The address of each of our directors and executive officers named in the table is c/o Hypha Labs, Inc., 5940 S. Rainbow Boulevard, Las Vegas, Nevada 89118:

Name of Beneficial Owner ⁽¹⁾	Common Stock		Series A, B, C and D Preferred Stock	
	Number of Shares	% of Class ⁽²⁾	Number of Shares	% of Class
Officers and Directors:				
Dennis Hartmann Director ⁽³⁾	4,075,000	2.62%	-	-
A. Stone Douglass, Chairman and CFO ⁽⁴⁾	10,500,000	6.71%	1,000	100%
Directors and Officers as a Group (2 persons)	14,575,000	9.30%	-	-
Greater than 5% shareholders:				
Craig Ellins	8,000,001	5.14%		
John Frailey	12,000,001	7.72%		

* less than 1%

(1) Except as indicated in the footnotes to this table and pursuant to applicable community property laws, the persons named in the table have sole voting and investment power with respect to all shares of Common Stock or Series A, Series B or Series C Preferred Stock owned by such person.

(2) Percentage of beneficial ownership is based upon 155,521,825 shares of Common Stock outstanding as of January 15, 2025. For each named person, this percentage includes Common Stock that the person has the right to acquire either currently or within 60 days of January 15, 2025, including through the exercise of an option; however, such Common Stock is not deemed outstanding for the purpose of computing the percentage owned by any other person.

(3) Includes options to purchase 250,000 shares of common stock exercisable at \$0.10 per share.

(4) Includes options to purchase 1,000,000 shares of common stock exercisable at \$0.06 per share. Includes Mr. Douglass' ownership of 1,000 shares of Series C Preferred stock as of December 10, 2024.

ITEM 13. CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS, AND DIRECTOR INDEPENDENCE

Director Independence

Our board of directors currently consists of Dennis Hartmann and A. Stone Douglass. Our board of directors has determined that Mr. Hartmann, one of our two directors, is "independent" in accordance with the NASDAQ Stock Market's requirements. However, as our common stock is currently quoted on the OTCQB, we are not currently subject to corporate governance standards of listed companies.

ITEM 14. PRINCIPAL ACCOUNTING FEES AND SERVICES

All audit work was performed by of Fruci & Associates II, PLLC (“Fruci”) for the years ended September 30, 2025 and 2024. Our board of directors does not have an audit committee. The functions customarily delegated to an audit committee are performed by our full board of directors. Our board of directors approves in advance, all services performed by our auditors. Our board of directors has considered whether the provision of non-audit services is compatible with maintaining the principal accountant’s independence and has approved such services.

The following table sets forth fees billed by our auditors during the last two fiscal years for services rendered for the audit of our annual consolidated financial statements and the review of our quarterly financial statements, services by our auditors that are reasonably related to the performance of the audit or review of our consolidated financial statements and that are not reported as audit fees, services rendered in connection with tax compliance, tax advice and tax planning, and all other fees for services rendered.

	Years Ended September 30,	
	2025	2024
Audit fees - Fruci : ⁽¹⁾	71,000	67,500
Audit related fees	-	-
Tax fees	-	-
All other fees	-	-
Total	<u>\$ 71,000</u>	<u>\$ 67,500</u>

⁽¹⁾ Audit fees were principally for audit services and work performed in the review of the Company’s quarterly reports on Form 10-Q.

PART IV

ITEM 15. EXHIBITS AND FINANCIAL STATEMENT SCHEDULES

Exhibit	Description
2.1	Stock Purchase Agreement between the Company, VSSL Enterprises Ltd., Kyle Joseph Remenda, Philippe Olivier Henry, PhD, Audim Ventures Ltd. and Britt Ash Enterprises Ltd., dated March 9, 2020 (incorporated by reference to Exhibit 2.1 of the Current Report on Form 8-K filed with the Securities and Exchange Commission by the Company on March 16, 2020)
3.1	Articles of Incorporation (incorporated by reference to Exhibit 3.1 of the Form 10 filed with the Securities and Exchange Commission by the Company on July 15, 2011)
3.2	Bylaws (incorporated by reference to Exhibit 3.2 of the Form 10 filed with the Securities and Exchange Commission by the Company on July 15, 2011)
3.3	Certificate of Amendment to Articles of Incorporation dated April 4, 2014 (incorporated by reference to Exhibit 3.1 of the Current Report on Form 8-K filed with the Securities and Exchange Commission by the Company on April 10, 2014)
3.4	Certificate of Designations, Preferences, Limitations, Restrictions and Relative Rights of Series A Convertible Preferred Stock dated April 9, 2014 (incorporated by reference to Exhibit 3.2 of the Current Report on Form 8-K filed with the Securities and Exchange Commission by the Company on April 10, 2014)
3.5	Certificate of Amendment to Articles of Incorporation dated May 22, 2015 (incorporated by reference to Exhibit 3.1 of the Current Report on Form 8-K filed with the Securities and Exchange Commission by the Company on May 26, 2015)
3.6	Certificate of Amendment to Articles of Incorporation dated May 14, 2019 (incorporated by reference to Exhibit 3.6 of the Quarterly Report on Form 10-Q filed with the Securities and Exchange Commission by the Company on August 13, 2019)

3.7	Certificate of Designation of the Series B Preferred Stock of the Company, filed December 29, 2021 (incorporated by reference to Exhibit 3.1 of the Report on 8-K filed with the Securities and Exchange Commission by the Company on January 6, 2022)
3.8	Certificate of Designation of the Series C Preferred Stock of the Company, filed with the Secretary of State of the State of Nevada on July 20, 2022. (incorporated by reference to Exhibit 3.1 of the Report on 8-K filed with the Securities and Exchange Commission by the Company on July 26, 2022)
3.9	Certificate of Amendment to Articles of Incorporation of the Company, filed with the Secretary of State of the State of Nevada on March 12, 2024 (incorporated by reference to Exhibit 3.9 of the Quarterly Report on Form 10-Q filed with the Securities and Exchange Commission by the Company on May 20, 2024)
3.10	Certificate of Amendment to Articles of Incorporation, dated January 15, 2025 (incorporated by reference to Exhibit 3.1 of the Current Report on Form 8-K filed with the Securities and Exchange Commission by the Company on January 16, 2025)
3.11	Certificate of Designation of the Series D Preferred Stock of the Company, filed with the Secretary of State of the State of Nevada on April 2, 2025 (incorporated by reference to Exhibit 2.11 of the Regulation A Offering Statement on Form 1-A/A filed with the Securities and Exchange Commission by the Company on April 21, 2025)
4.1	Form of 8% Senior Secured Convertible Notes due December 31, 2020 (incorporated by reference to Exhibit 4.1 of the Current Report on Form 8-K filed with the Securities and Exchange Commission by the Company on November 21, 2018)
4.2	Form of 8% Senior Secured Convertible Notes due September 23, 2020 (incorporated by reference to Exhibit 4.1 of the Current Report on Form 8-K filed with the Securities and Exchange Commission by the Company on September 26, 2019)
4.3	9% Secured Convertible Note, between the Company and holder, due August 10, 2022 (incorporated by reference to Exhibit 4.3 of the Quarterly Report on Form 10-Q filed with the Securities and Exchange Commission by the Company on February 14, 2020)
4.4	9% Secured Subordinated Convertible Note, between the Company and holder, due August 11, 2022 (incorporated by reference to Exhibit 4.4 of the Quarterly Report on Form 10-Q filed with the Securities and Exchange Commission by the Company on February 14, 2020)
4.5	9% Secured Subordinated Convertible Note, between the Company and holder, due August 11, 2022 (incorporated by reference to Exhibit 4.5 of the Quarterly Report on Form 10-Q filed with the Securities and Exchange Commission by the Company on May 15, 2020)
4.6	Form of Amendment to 9% Secured Convertible Note, between the Company and holder, due August 10, 2022 (incorporated by reference to Exhibit 4.1 of the Current Report on Form 8-K filed with the Securities and Exchange Commission by the Company on January 6, 2021)
4.7	Form of Warrant (incorporated by reference to Exhibit 3.1 of the Regulation A Offering Statement on Form 1-A/A filed with the Securities and Exchange Commission by the Company on April 17, 2025)
4.8	Form of Subscription Agreement (updated) (incorporated by reference to Exhibit 4.1 of the Regulation A Offering Statement on Form 1-A/A filed with the Securities and Exchange Commission by the Company on April 17, 2025)
4.9*	Description of Securities
10.1	2012 Stock Incentive Plan (incorporated by reference to Exhibit 4.1 of the Current Report on Form 8-K filed with the Securities and Exchange Commission by the Company on March 9, 2012)
10.2	the Company Amended and Restated 2012 Stock Incentive Plan (incorporated by reference to Exhibit 10.1 of the Current Report on Form 8-K filed with the Securities and Exchange Commission by the Company on June 27, 2016)
10.3	Form of Stock Option Grant Notice for grants under the Amended and Restated 2012 Stock Incentive Plan (incorporated by reference to Exhibit 10.2 of the Current Report on Form 8-K filed with the Securities and Exchange Commission by the Company on June 27, 2016)
10.4	Form of Option Agreement for grants under the Amended and Restated 2012 Stock Incentive Plan (incorporated by reference to Exhibit 10.3 of the Current Report on Form 8-K filed with the Securities and Exchange Commission by the Company on June 27, 2016)
10.5	Security Agreement, between the Company Digipath Labs, Inc., and collateral agent for the holders of the 8% Senior Secured Convertible Notes due December 31, 2020 (incorporated by reference to Exhibit 4.1 of the Current Report on Form 8-K filed with the Securities and Exchange Commission by the Company on November 21, 2018)
10.6	Security Agreement, between the Company Digipath Labs, Inc., and holder of the 8% Secured Convertible Note due September 23, 2020 (incorporated by reference to Exhibit 10.1 of the Current Report on Form 8-K filed with the Securities and Exchange Commission by the Company on September 26, 2019)
10.7	Security Agreement, between the Company, Digipath Labs, Inc., and holder of the 9% Senior Secured Convertible Note due August 10, 2022 (incorporated by reference to Exhibit 10.1 of the Quarterly Report on Form 10-Q filed with the Securities and Exchange Commission by the Company on February 14, 2020)
10.8	Security Agreement, between the Company, Digipath Labs, Inc., and holder of the 9% Senior Secured Convertible Note due August 11, 2022 (incorporated by reference to Exhibit 10.1 of the Quarterly Report on Form 10-Q filed with the Securities and Exchange Commission by the Company on February 14, 2020)
10.9	Security Agreement, between the Company, Digipath Labs, Inc., and holder of the 9% Senior Secured Convertible Note due August 11, 2022 (incorporated by reference to Exhibit 10.3 of the Quarterly Report on Form 10-Q filed with the Securities and Exchange Commission by the Company on May 15, 2020)

10.10	Paycheck Protection Program Loan Note between Digipath Labs, Inc. and WebBank, holder of the 1% Promissory Note due May 13, 2025 (incorporated by reference to Exhibit 10.4 of the Quarterly Report on Form 10-Q filed with the Securities and Exchange Commission by the Company on August 14, 2020)
10.11	Paycheck Protection Program Loan Note between the Company and Cross River Bank, holder of the 1% Promissory Note due June 22, 2025 (incorporated by reference to Exhibit 10.5 of the Quarterly Report on Form 10-Q filed with the Securities and Exchange Commission by the Company on August 14, 2020)
10.12	Separation and Release Agreement between the Company and Kyle Remenda, dated July 1, 2020 (incorporated by reference to Exhibit 10.1 of the Current Report on Form 8-K filed with the Securities and Exchange Commission by the Company on July 6, 2020)
10.13	Amended and Restated 8% Secured Convertible Promissory Note, between the Company Digipath Labs, Inc., and Holder (Nordhaven, LLC) of the 8% Secured Convertible Note due August 10, 2022 (incorporated by reference to Exhibit 10.1 of the Current Report on Form 8-K filed with the Securities and Exchange Commission by the Company on October 7, 2020)
10.14	Amended and Restated 8% Secured Convertible Promissory Note, between the Company Digipath Labs, Inc., and Holder (CSW Ventures, LP) of the 8% Secured Convertible Note due August 10, 2022 (incorporated by reference to Exhibit 10.2 of the Current Report on Form 8-K filed with the Securities and Exchange Commission by the Company October 7, 2020)
10.15	Amended and Restated 8% Secured Convertible Promissory Note, between the Company Digipath Labs, Inc., and Holder (CSW Ventures, LP) of the 8% Secured Convertible Note due August 10, 2022 (incorporated by reference to Exhibit 10.3 of the Current Report on Form 8-K filed with the Securities and Exchange Commission by the Company October 7, 2020)
10.16	Separation and Release Agreement between the Company and Kyle Remenda, dated July 1, 2020 (incorporated by reference to Exhibit 10.1 of the Current Report on Form 8-K filed with the Securities and Exchange Commission by the Company on July 6, 2020)
10.17	12% Secured Promissory Note dated September 10, 2021 issued by the Company to US Canna Lab I, LLC (incorporated by reference to Exhibit 10.17 of the Annual Report on Form 10-K filed with the Securities and Exchange Commission by the Company on December 29, 2021)
10.18	Asset Purchase Agreement between the Company, Digipath Labs, Inc. and IHE Holdings, LLC, dated April 20, 2023 (incorporated by reference to Exhibit 2.1 of the Current Report on Form 8-K filed with the Securities and Exchange Commission by the Company on May 2, 2023)
10.19	Management Services Agreement between the Company, Digipath Labs, Inc. and IHE Holdings, LLC, dated April 20, 2023 (incorporated by reference to Exhibit 10.1 of the Current Report on Form 8-K filed with the Securities and Exchange Commission by the Company on May 2, 2023)
10.20	Second Amended and Restated Secured Promissory Note in the principal amount of \$625,000, dated January 3, 2024, made by Invictus Wealth Group, LLC in favor of the Company (incorporated by reference to Exhibit 10.7 of the Quarterly Report on Form 10-Q filed with the Securities and Exchange Commission by the Company on February 14, 2024)
10.21	Securities Purchase Agreement between the Company and A. Stone Douglass, dated December 10, 2024 (incorporated by reference to Exhibit 10.1 of the Current Report on Form 8-K filed with the Securities and Exchange Commission by the Company on December 16, 2024)
10.22	Amended and Restated Consulting, Confidentiality and Proprietary Rights Agreement, effective January 1, 2025, by and between the Company and Duck's Nest Investments, Inc. (incorporated by reference to Exhibit 10.1 of the Current Report on Form 8-K filed with the Securities and Exchange Commission by the Company on January 24, 2025)
10.23	Form of Warrant Agent Agreement (incorporated by reference to Exhibit 6.23 of the Regulation A Offering Statement on Form 1-A/A filed with the Securities and Exchange Commission by the Company on April 17, 2025)
14.1	Code of Conduct and Business Ethics (incorporated by reference to Exhibit 14.1 of the Current Report on Form 8-K filed with the Securities and Exchange Commission by the Company on January 24, 2025)
21.1	Subsidiaries (incorporated by reference to the list of subsidiaries in Note 1 to the financial statements included in this Annual Report on Form 10-K)
31.1*	Section 302 Certification of Principal Executive Officer and Principal Financial Officer
32.1**	Section 906 Certification of Principal Executive Officer and Principal Financial Officer
101.INS*	Inline XBRL Instance Document
101.SCH*	Inline XBRL Schema Document
101.CAL*	Inline XBRL Calculation Linkbase Document
101.DEF*	Inline XBRL Definition Linkbase Document
101.LAB*	Inline XBRL Labels Linkbase Document
101.PRE*	Inline XBRL Presentation Linkbase Document

* Filed herewith.

** Furnished herewith.

ITEM 16. FORM 10-K SUMMARY.

None.

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

HYPHA LABS, INC.
(Registrant)

By: /s/ A. Stone Douglass
A. Stone Douglass
Chairman, President, Chief Executive Officer, Chief Financial Officer and Secretary
(Principal Executive Officer and
Principal Financial/Accounting Officer)

Dated: January 15, 2026

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the Registrant, and in the capacities and on the dates indicated:

<u>Signature</u>	<u>Title</u>	<u>Date</u>
<u>/s/ A. Stone Douglass</u> A. Stone Douglass	Chairman, President, Chief Executive Officer, Chief Financial Officer and Secretary (Principal Executive Officer and Principal Financial/Accounting Officer)	<u>January 15, 2026</u>
<u>/s/ Dennis Hartmann</u> Dennis Hartmann	Director	<u>January 15, 2026</u>

EXHIBIT 4.9

HYPHA LABS, INC.

DESCRIPTION OF SECURITIES REGISTERED UNDER SECTION 12 OF THE EXCHANGE ACT

The following is a brief description of shares of capital stock of Hypha Labs, Inc. (the “Company,” “we,” “us,” or “our”). The brief description is based upon our Articles of Incorporation, including the Certificate of Amendment to our Articles of Incorporation, (as amended, our “Articles of Incorporation”), our Bylaws (our “Bylaws”), and provisions of applicable Nevada law. This summary does not purport to be complete and is subject to, and qualified in its entirety by, the full text of our Articles of Incorporation and Bylaws, each of which is incorporated by reference as an exhibit to our Annual Report on Form 10-K.

General

Our Articles of Incorporation authorizes us to issue up to 260,000,000 shares of capital stock, consisting of 250,000,000 shares of common stock, par value \$0.001 per share (“common stock”), and 10,000,000 shares of preferred stock, par value \$0.001 per share, of which 6,000,000 have been designated as Series A Convertible Preferred Stock (“Series A Preferred”), 1,500,000 have been designated as Series B Convertible Preferred Stock (“Series B Preferred”), and 1,000 have been designated as Series C Preferred Stock (“Series C Preferred”), with the remaining 2,499,000 shares available for designation from time to time by our Board of Directors (our “Board”) as set forth below. As of September 30, 2025, we had outstanding 1,047,942 shares of Series A Preferred, 333,600 shares of Series B Preferred, 1,000 shares of Series C Preferred and 390,250 shares of Series D Preferred. Our Articles of Incorporation authorizes our Board to determine any number of series into which the undesignated shares of preferred stock may be divided and to determine, at any time and from time to time, the rights, preferences, privileges and restrictions granted to any series of such preferred stock, as described below.

Common Stock

Dividend Rights

Subject to preferences that may apply to shares of preferred stock outstanding at the time, the holders of outstanding shares of our Common Stock are entitled to receive dividends out of funds legally available at the times and in the amounts that our board of directors may determine.

Voting Rights

Each holder of our Common Stock is entitled to one vote for each share of our Common Stock held on all matters submitted to a vote of stockholders. Cumulative voting for the election of directors is not provided for in our articles of incorporation, as amended, which means that the holders of a majority of the voting shares voted can elect all of the directors then standing for election.

No Preemptive or Similar Rights

Holders of our Common Stock do not have preemptive rights, and our Common Stock is not convertible or redeemable.

Right to Receive Liquidation Distributions

Upon our dissolution, liquidation or winding-up, the assets legally available for distribution to our stockholders are distributable ratably among the holders of our Common Stock, subject to the preferential rights and payment of liquidation preferences, if any, on any outstanding shares of preferred stock.

Preferred Stock

Series A Preferred Stock

Each share of Series A Preferred is currently convertible into five shares of common stock. The conversion price is adjustable in the event of stock splits and other adjustments in the Company's capitalization, and in the event of certain negative actions undertaken by the Company. At the current conversion price, the 1,047,942 shares of Series A Preferred outstanding at September 30, 2025 are convertible into 5,239,710 shares of the common stock of the Company. No holder is permitted to convert its shares of Series A Preferred if such conversion would cause the holder to beneficially own more than 4.99% of the issued and outstanding common stock immediately after such conversion, unless waived by such holder by providing at least sixty-five days' notice.

Additional terms of the Series A Preferred include the following:

- The shares of Series A Preferred are entitled to dividends when, as and if declared by the Board as to the shares of the common stock of the Company into which such Series A Preferred may then be converted, subject to the 4.99% beneficial ownership limitation described above.
- Upon the liquidation or dissolution of the Company, or any merger or sale of all or substantially all of the assets, the shares of Series A Preferred are entitled to receive, prior to any distribution to the holders of common stock, 100% of the purchase price per share of Series A Preferred plus all accrued but unpaid dividends.
- The Series A Preferred plus all declared but unpaid dividends thereon automatically will be converted into common stock, at the then applicable conversion rate, upon the affirmative vote of the holders of a majority of the outstanding shares of Series A Preferred.
- Each share of Series A Preferred will carry a number of votes equal to the number of shares of common stock into which such Series A Preferred may then be converted, subject to the 4.99% beneficial ownership limitation described above. The Series A Preferred generally will vote together with the common stock and not as a separate class, except as provided below.
- Consent of the holders of the outstanding Series A Preferred is required in order for the Company to: (i) amend or change the rights, preferences, privileges or powers of, or the restrictions provided for the benefit of, the Series A Preferred; (ii) authorize, create or issue shares of any class of stock having rights, preferences, privileges or powers superior to the Series A Preferred; (iii) reclassify any outstanding shares into shares having rights, preferences, privileges or powers superior to the Series A Preferred; or (iv) amend the Company's Articles of Incorporation or Bylaws in a manner that adversely affects the rights of the Series A Preferred.

Series B Preferred

Each share of Series B Preferred has a Stated Value of \$1.00 and is currently convertible into common stock at a conversion price equal to \$0.04. The conversion price of the Series B Preferred is subject to equitable adjustment in the event of a stock split, stock dividend or similar event with respect to the common stock, and in the event of the issuance of common stock by the Company below the conversion price, subject to customary exceptions. At the current conversion price, the 333,600 shares of Series B Preferred outstanding at September 30, 2025 are convertible into 8,340,000 shares of the common stock of the Company. No holder is permitted to convert its shares of Series B Preferred if such conversion would cause the holder to beneficially own more than 4.99% of the issued and outstanding common stock of the Company immediately after such conversion, unless waived by such holder by providing at least sixty-five days' notice.

Additional terms of the Series B Preferred include the following:

- The shares of Series B Preferred are not entitled to dividends, provided that if dividends are paid on the shares of common stock of the Company, the Series B Preferred will be entitled to dividends based on the number shares of common stock which the Series B Preferred may then be converted.
- Upon the liquidation or dissolution of the Company, or any merger or sale of all or substantially all of the assets, or upon a change in control whereby a stockholder gains control of 50% or more of the outstanding shares of common stock, the shares of Series B Preferred are entitled to receive, prior to any distribution to the holders of common stock, 100% of the purchase price per share of Series B Preferred plus all accrued but unpaid dividends.
- Each share of Series B Preferred carries a number of votes equal to the number of shares of common stock into which such Series B Preferred may then be converted.

Series C Preferred

The principal feature of the Series C Preferred is that it provides the holder thereof, so long as he or she is an executive officer of the Company, with the ability to vote with the holders of the Company's common stock on all matters presented to the holders of common stock, whether at a special or annual meeting, by written action in lieu of a meeting or otherwise, on the basis of 200,000 votes for each share of Series C Preferred. The shares of Series C Preferred are not convertible into common stock, are not entitled to dividends, are not subject to redemption, and have a stated value of \$0.10 per share payable on any liquidation of the Company in preference to any payment payable to the holders of common stock. There are 1,000 shares of Series C Preferred outstanding as of September 30, 2025.

Series D Preferred

The Series D Preferred ranks, as to dividend rights and rights upon our liquidation, dissolution, or winding up, junior to the Series A Preferred and Series B Preferred and senior to the Series C Preferred and all classes or series of common stock. The terms of the Series D Preferred do not limit our ability to (i) incur indebtedness or (ii) issue additional equity securities that are equal or senior in rank to the shares of Series D Preferred as to distribution rights and rights upon our liquidation, dissolution or winding up.

The shares of Series D Preferred are not entitled to dividends, provided that if dividends are paid on the shares of common stock, the Series D Preferred will be entitled to dividends based on the number shares of common stock into which the Series D Preferred may then be converted.

The liquidation preference for each share of Series D Preferred is \$0.20. Upon a liquidation, dissolution or winding up of the Company, holders of shares of Series D Preferred will be entitled to receive out of the assets of the Company available to its stockholders before any payment is made to the holders of shares of common stock or other classes of shares of the Company ranking junior to the Series D Preferred, the liquidation preference with respect to their shares plus an amount equal to any accrued but unpaid dividends (if declared) to, but not including, the date of payment with respect to such shares. After the payment to the holders of the Series D Preferred of the amount payable to them as above provided, they shall not be entitled to share in any further distribution of the assets or property of the Company.

The shares of Series D Preferred have no maturity date, and the Company is not required to redeem shares of Series D Preferred at any time. Accordingly, the shares of Series D Preferred will remain outstanding indefinitely, unless otherwise converted at the option of the holder thereof or pursuant to a mandatory conversion described below.

At any time after issuance, each share of Series D Preferred is convertible into one share of common stock at the option of the holder. At any time after issuance upon the occurrence of any of the following events, the Company shall have a right to direct the mandatory conversion of the Series D Preferred: (a) a change in control, or (b) if the closing price of the common stock closes at or above \$0.40 per share for 10 consecutive trading days.

Holders of Series D Preferred generally have no voting rights. However, certain material and adverse changes to the terms of the Series D Preferred cannot be made without the affirmative vote of holders of at least a majority of the outstanding shares of Series D Preferred, voting as a separate class.

There are 390,250 shares of Series D Preferred outstanding as of September 30, 2025.

Blank Check Preferred Stock

The remaining 2,499,000 shares of our undesignated shares of preferred stock may be issued in series, and shall have such voting powers, full or limited, or no voting powers, and such designations, preferences and relative participating, optional or other special rights, and qualifications, limitations or restrictions thereof, as shall be stated and expressed in the resolution or resolutions providing for the issuance of such stock adopted from time to time by the Board. The Board is expressly vested with the authority to determine and fix in the resolution or resolutions providing for the issuances of preferred stock the voting powers, designations, preferences and rights, and the qualifications, limitations or restrictions thereof, of each such series to the full extent now or hereafter permitted by the laws of the State of Nevada.

Anti-takeover Provisions

Certain provisions of our articles of incorporation, as amended, and Nevada law may have the effect of delaying, deferring or discouraging another person from acquiring control of our company.

Nevada Law

In addition, Nevada has enacted the following legislation that may deter or frustrate takeovers of Nevada corporations:

Authorized but Unissued Stock – The authorized but unissued shares of our Common Stock are available for future issuance without stockholder approval. These additional shares may be used for a variety of corporate purposes, including future public offerings to raise additional capital, corporate acquisitions and employee benefit plans. The existence of authorized but unissued shares of common stock may enable our board of directors to issue shares of stock to persons friendly to existing management.

Evaluation of Acquisition Proposals – The Nevada Revised Statutes expressly permit our board of directors, when evaluating any proposed tender or exchange offer, any merger, consolidation or sale of substantially all of our assets, or any similar extraordinary transaction, to consider all relevant factors including, without limitation, the social, legal, and economic effects on our employees, customers, suppliers, and other relevant interest holders, and on the communities and geographical areas in which they operate. Our board of directors may also consider the amount of consideration being offered in relation to the then current market price of our outstanding shares of capital stock and our then current value in a freely negotiated transaction.

Control Share Acquisitions – Nevada has adopted a control share acquisitions statute designed to afford stockholders of public corporations in Nevada protection against acquisitions in which a person, entity or group seeks to gain voting control. With enumerated exceptions, the statute provides that shares acquired within certain specific ranges will not possess voting rights in the election of directors unless the voting rights are approved by a majority vote of the public corporation's disinterested stockholders. Disinterested shares are shares other than those owned by the acquiring person or by a member of a group with respect to a control share acquisition, or by any officer of the corporation or any employee of the corporation who is also a director. The specific acquisition ranges that trigger the statute are: acquisitions of shares possessing one-fifth or more but less than one-third of all voting power; acquisitions of shares possessing one-third or more but less than a majority of all voting power; or acquisitions of shares possessing a majority or more of all voting power. Under certain circumstances, the statute permits the acquiring person to call a special stockholders' meeting for the purpose of considering the grant of voting rights to the holder of the control shares. The statute also enables a corporation to provide for the redemption of control shares with no voting rights under certain circumstances.

Transfer Agent and Registrar

The transfer agent and registrar for our Common Stock is Direct Transfer, LLC. Its mailing address is 1 Glendwood Ave., Ste 1001, Raleigh, NC 27603, its telephone number is (919) 744-2722, and its facsimile number is (646) 225-7274.

Exhibit 31.1

HYPHA LABS, INC.

**CERTIFICATION OF CHIEF EXECUTIVE OFFICER
AND CHIEF FINANCIAL OFFICER PURSUANT TO
SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002**

I, A. Stone Douglass, certify that:

1. I have reviewed this Annual Report on Form 10-K of Hypha Labs, Inc.;
2. Based on my knowledge, this report 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 report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

/s/ A. Stone Douglass

A. Stone Douglass
Chairman, President, Chief Executive Officer, Chief Financial Officer and Secretary
(Principal Executive Officer and
Principal Financial/Accounting Officer)

Dated: January 15, 2026

EXHIBIT 32.1

HYPHA LABS, INC.

**CERTIFICATION PURSUANT TO 18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO SECTION 906
OF THE SARBANES-OXLEY ACT OF 2002**

In connection with the Annual Report of Hypha Labs, Inc. (the "Company") on Form 10-K for the year ended September 30, 2025, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), the undersigned, A. Stone Douglass, Chairman, President, Chief Executive Officer, Chief Financial Officer and Secretary of the Company, certify, pursuant to 18 U.S.C. §1350, as adopted pursuant to §906 of the Sarbanes-Oxley Act of 2002, that to their knowledge:

- (1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
- (2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

/s/ A. Stone Douglass

A. Stone Douglass
Chairman, President, Chief Executive Officer, Chief Financial Officer and Secretary
(Principal Executive Officer and
Principal Financial/Accounting Officer)

Date: January 15, 2026