

Form 51-102F4
Business Acquisition Report

Item 1 Identity of Company

Name and Address of Company

Railtown AI Technologies Inc. (the “**Company**”)
Unit 104, 8337 Eastlake Drive
Burnaby, BC V5A 4W2

Executive Officer

Paul Woodward, CFO
(604) 690-3797

Item 2 Details of Acquisition

Nature of Business Acquired

On November 26, 2025 (the “**Effective Date**”), the Company completed the acquisition of 100% of the issued and outstanding common shares of AI Partnerships Corp., a Canadian federal corporation (“**AIP**”), pursuant to an amalgamation agreement (the “**Amalgamation Agreement**”) between the Company, 17366400 Canada Inc., a Canadian federal corporation and former wholly owned subsidiary of the Company (“**SubCo**”), and AIP (the “**Transaction**”).

The Transaction was structured as a three-cornered amalgamation whereby AIP and SubCo amalgamated to form one corporation named AI Partnerships Corp. (“**Amalco**”) under Section 183 of the *Canada Business Corporations Act*, with Amalco becoming a wholly-owned subsidiary of the Company upon the closing of the Transaction.

AIP was incorporated on April 30, 2020 with the goal of establishing a world-wide affiliate network of AI-as-a-Service based companies that are focused on providing AI-based solutions in select industry sectors including healthcare, manufacturing, supply chain and fintech, as well as sector-agnostic AI development tools and applications. AIP has established a network of over 180 SaaS-based AI affiliates (each, an “**AIP Affiliate**”), primarily headquartered in Canada and the United States, who have offices in 13 countries world-wide.

Acquisition Date

November 26, 2025

Consideration

Pursuant to the Amalgamation Agreement, the Company issued an aggregate of 49,476,251 common shares of the Company (collectively, the “**Consideration Shares**”) to the former shareholders of AIP on the Effective Date. Each of the Consideration Shares was issued at a deemed price of \$0.50 per Consideration Share and is subject to certain escrow and/or

contractual restrictions on transfer as more particularly described in the Company's Form 51-102F3 *Material Change Report* dated December 2, 2025, which is available under the Company's profile on SEDAR+ at www.sedarplus.ca.

Importantly, approximately 10,000,000 of the Consideration Shares are subject to cancellation by the Company for no consideration in the event that (a) the Company makes an indemnification claim under the Amalgamation Agreement within 12 months of the Effective Date, or (b) the Company is unable to generate a minimum level of annual recurring revenue from AIP Affiliates over a period of 36 months from the Effective Date.

The Company did not pay any cash consideration to the former shareholders of AIP in connection with the Transaction.

Effect on Financial Position

The Company has plans or proposals for material changes in its business affairs or the affairs of Amalco that may have a significant effect on the Company's consolidated financial performance and financial position.

Prior Valuations

None.

Parties to Transaction

As of the Effective Date, neither AIP nor any director, officer or shareholder of AIP was an informed person, associate or affiliate of the Company.

Date of Report

March 26, 2026

Item 3 Financial Statements and Other Information

The audited financial statements of AIP for the years ended April 30, 2025 and 2024 are attached hereto as Schedule "A".

The condensed interim financial statements of AIP for the periods ended October 31, 2025 and 2024 are attached hereto as Schedule "B".

Schedule "A"

Audited Financial Statements of AIP for the Years Ended
April 30, 2025 and 2024

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AI Partnerships Corp.
Financial Statements
For the years ended April 30, 2025 and 2024
(Expressed in Canadian Dollars)

Independent Auditor's Report

To the Director of AI Partnerships Corp.

Opinion

We have audited the financial statements of AI Partnerships Corp. (the "Company"), which comprise the statements of financial position as at April 30, 2025 and April 30, 2024 and the statements of loss and comprehensive loss, changes in shareholders' equity (deficiency) and cash flows for the years then ended, and notes to the financial statements, including a summary of material accounting policies.

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

Basis for Opinion

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

Material Uncertainty Related to Going Concern

We draw attention to Note 1 to the financial statements which describes the material uncertainty that may cast significant doubt on the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

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

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

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

Crowe Mackay LLP

**Chartered Professional Accountants
Vancouver, Canada
March 24, 2026**

AI Partnerships Corp
 Statements of Financial Position
 As at April 30,
 (Expressed in Canadian dollars)

	Notes	2025	2024
		\$	\$
ASSETS			
Current Assets			
Cash		26,321	224,014
Non-cashable GIC		-	30,157
Receivables	4	113,632	103,736
TOTAL ASSETS		139,953	357,907
LIABILITIES AND SHAREHOLDERS' EQUITY (DEFIENCY)			
Current Liabilities			
Accounts payable and accrued liabilities		-	4,423
Convertible debenture current portion	5, 8	611,563	399,089
		611,563	403,512
Non-Current Liabilities			
Convertible debenture long-term portion	5	40,219	149,867
TOTAL LIABILITIES		651,782	553,379
Shareholders' Equity (Deficiency)			
Share capital	6	3,344,553	3,344,553
Share-based compensation reserve	6	918,058	721,450
Deficit		(4,774,440)	(4,261,475)
TOTAL SHAREHOLDERS' EQUITY (DEFIENCY)		(511,829)	(195,472)
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY (DEFIENCY)		139,953	357,907

Nature and continuance of operations (Note 1)
 Subsequent events (Note 10)

Approved by the sole director:

"Cory Brandolini"

Director

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

AI Partnerships Corp
Statements of Loss and Comprehensive Loss
For the Years Ended April 30
(Expressed in Canadian dollars)

	Notes	2025	2024
		\$	\$
EXPENSES			
Consulting fees	8	186,232	270,927
Marketing		4,409	-
Office expenses		24,732	85,647
Professional fees		9,752	10,666
IT expense		19,056	23,163
Share-based compensation	6, 8	196,608	89,664
Travel expense		4,350	7,118
Net Loss before other expense		445,139	487,185
OTHER EXPENSE			
Interest expense	5	63,451	44,138
Finance costs	5	4,375	16,250
Net loss and comprehensive loss		512,965	547,573
Basic loss per share		\$ 0.03	\$ 0.03
Weighted average number of common shares outstanding			
-basic and diluted		16,696,493	16,329,442

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

AI Partnerships Corp
 Statements of Changes in Shareholders' Equity (Deficiency)
 For the Years Ended April 30
 (Expressed in Canadian Dollars)

Share Capital						
	Shares issued	Share capital	Shares to be issued	Share-based compensation reserve	Deficit	Total
	#	\$	#	\$	\$	\$
Balance as at April 30, 2023	16,196,493	3,144,553	1,579,465	631,786	(3,713,902)	62,437
Private placement	500,000	200,000	-	-	-	200,000
Shares for services	-	-	224,160	89,664	-	89,664
Net loss	-	-	-	-	(547,573)	(547,573)
Balance as at April 30, 2024	16,696,493	3,344,553	1,803,625	721,450	(4,261,475)	(195,472)
Shares for services	-	-	491,520	196,608	-	196,608
Net loss	-	-	-	-	(512,965)	(512,965)
Balance as at April 30, 2025	16,696,493	3,344,553	2,295,145	918,058	(4,774,440)	(511,829)

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

AI Partnerships Corp
Statements of Cash Flows
For the Years Ended April 30
(Expressed in Canadian Dollars)

	2025	2024
	\$	\$
Operating activities		
Net loss for the year	(512,965)	(547,573)
Items not affecting cash:		
Interest expense	63,451	44,138
Share-based compensation	196,608	89,664
Finance costs	4,375	16,250
Changes in non-cash operating working capital items:		
Receivables	(9,896)	46,311
Accounts payable and accrued liabilities	(4,423)	(2,504)
Net cash used in operating activities	(262,850)	(353,714)
Investing activities		
Redemption of GIC	30,157	-
Net cash provided by investing activities	30,157	-
Financing activities		
Private placement proceeds	-	200,000
Convertible debenture proceeds	35,000	130,000
Net cash provided by financing activities	35,000	330,000
Change in cash	(197,693)	(23,714)
Cash beginning of year	224,014	247,728
Cash end of year	26,321	224,014
Cash paid for interests	-	-

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

AI Partnerships Corp

Notes to the Financial Statements

For the Years Ended April 30, 2025 and 2024

(Expressed in Canadian Dollars)

1. NATURE AND CONTINUANCE OF OPERATIONS

AI Partnerships Corp. (the “Company”) was incorporated on April 30, 2020 under the *Canadian Business Corporations Act*. The Company’s objective is to create an affiliate network of companies providing AI based solutions on a software as a service (SaaS) basis with the longer-term plan of acquiring a select number of affiliates that meet the requirements of the Company. The principal address of the Company is located at Suite 2500, 666 Burrard Street, Vancouver, BC V6C 2X8.

These financial statements have been prepared on a going concern basis which assumes that the Company will be able to realize its assets and discharge its liabilities in the normal course of business for the foreseeable future. The Company has not yet achieved profitable operations, has a deficit of \$4,774,440 as at April 30, 2025 (2024 - \$4,261,475) and expects to incur further losses in the development of its business. The continuing operations of the Company are dependent upon its ability to attain profitable operations and generate funds therefrom. This indicates the existence of a material uncertainty that may cast significant doubt about the Company’s ability to continue as a going concern. Management intends to finance operating costs with equity financings and/or loans from directors and companies controlled by directors. If the Company is unable to continue as a going concern, the net realizable value of its assets may be materially less than the amounts on its statement of financial position.

2. STATEMENT OF COMPLIANCE AND BASIS OF PREPARATION

Statement of compliance

These financial statements have been prepared in accordance with the IFRS Accounting Standards (“IFRS”) as issued by the International Accounting Standards Board.

These financial statements were approved and authorized for issue by the Director on March 24, 2026.

Basis of preparation

These financial statements have been prepared on an accrual basis and are based on historical costs, modified where applicable, by the measurement at fair value of selected financial assets and financial liabilities. The financial statements are presented in Canadian dollars unless otherwise noted. The Canadian dollar is the functional and presentation currency of the Company.

3. MATERIAL ACCOUNTING POLICIES

Significant estimates and assumptions

Significant accounting judgments that management has made in the process of applying accounting policies and that have the most significant effect on the amounts recognized in the financial statements include, but are not limited to, the going concern assumption.

Ability to continue as a going-concern

Management assesses the Company's ability to continue as a going concern at each reporting date, using all quantitative and qualitative information available. This assessment, by its nature, relies on estimates of future cash flows and other future events, whose subsequent changes could materially impact the validity of such an assessment.

Convertible debentures

Management has entered into convertible debenture agreements containing conversion features that permit conversion at the lower of a fixed price or a variable price based on a future financing, requiring the exercise of significant judgment under IFRS 9 in assessing the appropriate classification and measurement. See note 5.

AI Partnerships Corp
Notes to the Financial Statements
For the Years Ended April 30, 2025 and 2024
(Expressed in Canadian Dollars)

3. MATERIAL ACCOUNTING POLICIES (continued)

Fair value of shares issued

The Company issued shares for services during the years ended April 30, 2025 and 2024. As the Company is privately held and its shares are not traded in an active market, management estimated the fair value of the shares at the date of issuance. The valuation required significant judgment and was based on recent financings.

Earnings (loss) per share

Basic earnings (loss) per share is calculated by dividing the income (loss) attributable to common shareholders by the weighted average number of common shares outstanding in the period. Diluted earnings (loss) per share is calculated using the treasury stock method. Under the treasury stock method, the weighted average number of common shares outstanding for the calculation of diluted earnings per share assumes that the proceeds to be received on the exercise of dilutive share options and warrants are used to repurchase common shares at the average market price during the period. The calculation of diluted loss per share excludes the effects of various conversions and exercise of equity instruments that would be anti-dilutive.

Share capital

Financial instruments issued by the Company are classified as equity only to the extent that they do not meet the definition of a financial liability or financial asset. The Company's common shares are classified as equity instruments.

Costs directly identifiable with the raising of capital will be charged against the related capital stock. Costs related to shares not yet issued are recorded as deferred financing cost. These costs will be deferred until the issuance of the shares to which the costs relate, at which time the costs will be charged against the related capital stock or charged to operations if the shares are no longer probable of being issued.

The grant date fair value of share-based payment awards granted to consultants are recognized as an expense, with a corresponding increase in equity, over the period that the consultant unconditionally becomes entitled to the awards. The amount recognized as an expense is adjusted to reflect the number of awards for which the related service and non-market vesting conditions are expected to be met, such that the amount ultimately recognized as an expense is based on the number of awards that do meet the related service and non-market performance conditions at the vesting date. Share-based payment arrangements in which the Company receives goods or services as consideration for its own equity instruments are accounted for as equity-settled share-based payment transactions, regardless of how the equity instruments are obtained by the Company.

Shares that have been authorized but not yet issued, for which the Company has received either cash consideration or the related services have been rendered, are presented as shares to be issued within the statement of changes in equity (deficiency) until the shares are formally issued.

Convertible debentures

Convertible debentures are recorded as financial liabilities, as the conversion feature does not meet the criteria for equity classification. The Company selected to measure the entire convertible debentures at fair value with changes in fair value recognized in profit or loss.

Financial instruments

The Company classifies its cash, non-cashable GIC, and convertible debentures at fair value through profit or loss ("FVTPL"), initially and subsequently measured at fair value. The Company's accounts payable and accrued liabilities are classified as financial liabilities measured at amortized cost, initially recognized at fair value and subsequently measured at amortized cost using the effective interest method.

AI Partnerships Corp

Notes to the Financial Statements

For the Years Ended April 30, 2025 and 2024

(Expressed in Canadian Dollars)

3. MATERIAL ACCOUNTING POLICIES (continued)

New standards adopted during the year

There were no new accounting standards adopted during the years ended April 30, 2025 and 2024 which had a material impact on the Company's financial statements.

New standards issued but not yet effective

IFRS 18 Presentation and Disclosure in Financial Statements

IFRS 18 introduces three sets of new requirements to give investors more transparent and comparable information about companies' financial performance for better investment decisions.

- Three defined categories for income and expenses - operating, investing and financing - to improve the structure of the income statement, and require all companies to provide new defined subtotals, including operating profit;
- Requirement for companies to disclose explanations of management-defined performance measures (MPMs) that are related to the income statement; and
- Enhanced guidance on how to organize information and whether to provide it in the primary financial statements or in the notes.

This new standard is effective for reporting periods beginning on or after January 1, 2027. The Company will be evaluating the impact of this standard on its financial statements.

4. RECEIVABLES

	April 30, 2025	April 30, 2024
	\$	\$
HST ITC receivable	113,632	103,736
	113,632	103,736

AI Partnerships Corp

Notes to the Financial Statements

For the Years Ended April 30, 2025 and 2024

(Expressed in Canadian Dollars)

5. CONVERTIBLE DEBENTURES

During the year ended April 30, 2025, the Company issued convertible debentures (each, a “Debenture”) for gross proceeds of \$35,000 (2024 - \$130,000). Each Debenture matures 24 months from the date of issuance (the “Maturity Date”), bears monthly compound interest at the rate of 12% per annum and is convertible into common shares of the Company at a price of (a) the lower of \$1.72 per share or 80% of the price of the equity securities sold by the Company in a qualified financing, nonqualified financing or pursuant to a change of control, as applicable, to other investors; or (b) \$1.72 per share if converted at the option of the holder or on the Maturity Date.

Management determined that, at issuance, there was a 50% probability of conversion at the fixed price and a 50% probability of conversion under the variable pricing mechanism. The conversion feature was valued using a probability weighted approach, whereby 50% of the principal was valued based on the fixed conversion price, and 50% was valued by grossing up the principal to reflect the economic benefit of the 20% discount to future financing prices. As a result, the calculated fair value of the conversion features exceeded the cash proceeds received on issuance, and the excess was expensed as a finance cost.

The Debentures were initially recorded at a fair value of \$39,375 (2024 - \$146,250). Finance costs totaling \$4,375 (2024 - \$16,250) were expensed as incurred. For the years ended April 30, 2025 and April 30, 2024, the Company recognized no gain or loss related to the fair value of the Debentures.

	<i>Principal</i>	<i>Interest Portion</i>	<i>Finance Costs</i>	<i>Total</i>
	\$	\$	\$	\$
Balance April 30, 2023	312,500	7,005	39,063	358,568
Issuance of convertible debentures	130,000	-	16,250	146,250
Interest and transaction costs	-	44,138	-	44,138
Balance April 30, 2024	442,500	51,143	55,313	548,956
Issuance of convertible debentures	35,000	-	4,375	39,375
Interest and transaction costs	-	63,451	-	63,451
Balance April 30, 2025	477,500	114,594	59,688	651,782

	<i>April 30, 2025</i>	<i>April 30, 2024</i>
	\$	\$
Current	611,563	399,089
Long-term	40,219	149,867
Total	651,782	548,956

AI Partnerships Corp
Notes to the Financial Statements
For the Years Ended April 30, 2025 and 2024
(Expressed in Canadian Dollars)

6. SHARE CAPITAL

Authorized share capital

Unlimited number of common shares without par value.

Issued share capital for the year ended April 30, 2025

The Company reserved 491,520 common shares to be issued for services provided during the year valued at \$196,608.

Issued share capital for the year ended April 30, 2024

In February 2024, the Company issued 500,000 common shares at a price of \$0.40 per share for gross proceeds of \$200,000.

The Company reserved 224,160 common shares to be issued for services provided during the year valued at \$89,664.

7. FINANCIAL INSTRUMENTS AND CAPITAL MANAGEMENT

Fair value measurement

Financial assets and liabilities that are recognized on the statement of financial position at fair value can be classified in a hierarchy that is based on the significance of the inputs used in making the measurements.

The levels in the hierarchy are:

Level 1 - quoted prices (unadjusted) in active markets for identical assets or liabilities;

Level 2 - inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices); and

Level 3 - inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs).

The Company's cash and non-cashable GIC are classified as Level 1 and the Company's convertible debentures are classified as Level 3.

The Company believes that the carrying values of accounts payable and accrued liabilities approximate their fair values because of their nature and relatively short maturity dates or durations.

Financial risk management

The Company is exposed in varying degrees to a variety of financial instrument related risks. The Board of Directors approves and monitors the risk management processes, inclusive of documented investment policies, counter party limits, and controlling and reporting structures. The type of risk exposure and the way in which such exposure is managed is provided as follows:

Credit risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. The Company's primary exposure to credit risk is on its bank account and non-cashable GIC. Credit risk is managed by using major banks that are high credit quality financial institution as determined by rating agencies. All of its cash and non-cashable GIC are deposited in a bank account or guaranteed investment certificates with a major bank in Canada. The maximum exposure to credit risk is the carrying amount of the Company's financial instruments. The credit risk is assessed as low.

AI Partnerships Corp

Notes to the Financial Statements

For the Years Ended April 30, 2025 and 2024

(Expressed in Canadian Dollars)

7. FINANCIAL INSTRUMENTS AND CAPITAL MANAGEMENT (continued)

Foreign currency risk

Foreign currency risk is the risk that the fair values of future cash flows of a financial instrument will fluctuate because they are denominated in currencies that differ from the respective functional currency. The Company is not exposed to significant foreign exchange risk.

Liquidity risk

Liquidity risk arises through the excess of financial obligations over available financial assets due at any point in time. The Company's objective in managing liquidity risk is to maintain sufficient readily available reserves in order to meet its liquidity requirements at any point in time. The Company had working capital deficiency at April 30, 2025 of \$471,610 (2024 - \$45,605). The Company's main source of funding has been the issuance of equity securities for cash, primarily through private placements. The Company's access to financing is always uncertain. There can be no assurance of continued access to significant equity funding.

Capital Management

Management's objective is to manage its capital to ensure that there are adequate capital resources to safeguard the Company's ability to continue as a going concern through the optimization of its capital structure. The capital structure consists of share capital and working capital. In order to achieve this objective, management makes adjustments to it in light of changes in economic conditions and risk characteristics of the underlying assets. To maintain or adjust capital structure, management may invest its excess cash in interest bearing accounts of Canadian chartered banks and/or raise additional funds externally as needed. The Company is not subject to externally imposed capital requirements. The Company's management of capital did not change during the years ended April 30, 2025 and 2024.

8. RELATED PARTY TRANSACTIONS

Key management personnel include persons having the authority and responsibility for planning, directing, and controlling the activities of the Company and consist of executive and non-executive members of the Board of Directors and corporate officers. Key management compensation are incurred with officers and directors of the Company or to companies controlled by officers and directors of the Company.

Transactions with related parties and key management personnel are as follows:

		April 30, 2025	April 30, 2024
	Nature of transaction	\$	\$
Paid or accrued to the CFO, CEO and former director	Consulting fees	38,316	60,000
Paid or accrued to the CFO	Share-based compensation	2,800	7,200
Total		41,116	67,200

AI Partnerships Corp

Notes to the Financial Statements

For the Years Ended April 30, 2025 and 2024

(Expressed in Canadian Dollars)

8. RELATED PARTY TRANSACTIONS (continued)

The amounts due to other related parties and key management personnel included in convertible debentures are as follows:

	As at April 30, 2025	As at April 30, 2024
	\$	\$
Due to the CEO and former director	89,764	80,540
Due to former directors	177,950	159,681
	267,714	240,221

9. INCOME TAX

A reconciliation of the expected income tax recovery to the actual income tax recovery is as follows:

	April 30, 2025	April 30, 2024
	\$	\$
Net loss	(512,965)	(547,573)
Statutory tax rate	26.5%	26.5%
Expected income tax recovery	(136,000)	(145,000)
Non-deductible	54,000	29,000
Change in unrecognized tax benefits	82,000	116,000
Total income tax recovery	-	-

The Company has the following deductible temporary differences and tax losses for which no deferred tax has been recognized:

	Expiry	April 30, 2025	April 30, 2024
		\$	\$
Non-capital losses	2040-2045	3,581,000	3,264,000
Share issue costs	2026-2027	9,000	16,000
Total unrecognized deductible temporary differences and tax losses		3,590,000	3,280,000

10. SUBSEQUENT EVENTS

On July 8, 2025, the holders of the Debentures entered into agreements to amend (a) the Maturity Date of the Debentures to 48 months from the date of issuance, (b) the interest rate of the Debentures to nil%, and (c) the conversion price of the Debentures to (i) the lower of \$0.40 per share or 80% of the price of the equity securities sold by the Company in a qualified financing or nonqualified financing, as applicable, to other investors; or (ii) \$0.40 if converted at the option of the holder or pursuant to a change of control.

Subsequent to April 30, 2025, the Debentures were automatically converted into 1,193,750 common shares of the Company at a price of \$0.40 per common share.

Subsequent to April 30, 2025, the Company issued 712,500 common shares for gross proceeds of \$285,000.

Subsequent to April 30, 2025, the Company issued 2,463,151 common shares for services.

On October 6, 2025, the Company entered into an amalgamation agreement (the “Amalgamation Agreement”) with Railtown AI Technologies Inc. (“Railtown”) and 17366400 Canada Inc., a wholly owned subsidiary of Railtown (“Subco”). On November 26, 2025 (the “Effective Date”), the closing of the transactions contemplated by the Amalgamation Agreement occurred, whereby the Company amalgamated with Subco, the amalgamated company became a wholly owned subsidiary of Railtown, and the former shareholders of the Company received an aggregate of 49,476,251 common shares of Railtown (the “Consideration Shares”).

The Consideration Shares are subject to certain escrow and contractual obligations on the following basis:

- a. Approximately 10,000,000 of the Consideration Shares (the “Escrow Shares”) were placed in escrow on the following terms:
 - i. Approximately 1,000,000 of the Escrow Shares (the “Indemnity Shares”) are subject to cancellation for no consideration by Railtown in the event that Railtown makes an eligible holdback claim prior to the date that is 12 months from the Effective Date, with one common share being cancelled for every \$0.50 of Railtown’s claim; and
 - ii. 50% of the Escrow Shares (including any Indemnity Shares that are not cancelled) are eligible for release from escrow upon Railtown recording annual recurring revenue from certain affiliates of the Company equal to or greater than \$1,000,000 from the Effective Date to the date that is 36 months from the Effective Date (the “First Milestone”), and the remaining 50% of the Escrow Shares are eligible for release from escrow upon Railtown recording annual recurring revenue from certain affiliates of the Company equal to or greater than \$2,000,000 from the Effective Date to the date that is 36 months from the Effective Date (the “Second Milestone”). If the First Milestone and/or Second Milestone are not met by the date that is 36 months from the Effective Date, the Escrow Shares that are to be released upon satisfaction of such milestone will be cancelled by Railtown for no consideration;
- b. All Consideration Shares received by certain key shareholders of the Company (the “Key Shareholder Shares”) were placed in escrow on the Effective Date and will be released in equal quarterly instalments during the 36 months following the Effective Date; and
- c. All other Consideration Shares are subject to a contractual restriction on transfer pursuant to the Amalgamation Agreement with 10% of such shares being released from any restriction on transfer as of the Effective Date and the remainder being released in six equal instalments of 15% on a quarterly basis until the date that is 18 months from the Effective Date.

Schedule “B”

Condensed Interim Financial Statements of AIP for the Periods Ended
October 31, 2025 and 2024

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AI Partnerships Corp.
Condensed Interim Financial Statements
For the three and six months ended October 31, 2025 and 2024
(Expressed in Canadian Dollars)

AI Partnerships Corp
Condensed Interim Statements of Financial Position
(Unaudited – Prepared by Management)
(Expressed in Canadian dollars)

	Notes	October 31, 2025 \$	April 30, 2025 \$
ASSETS			
Current Assets			
Cash		99,855	26,321
Receivables	4	73,901	113,632
TOTAL ASSETS		173,756	139,953
LIABILITIES AND SHAREHOLDERS' EQUITY (DEFIENCY)			
Current Liabilities			
Convertible debenture current portion	5, 8	-	611,563
		-	611,563
Non-Current Liabilities			
Convertible debenture long-term portion	5	477,500	40,219
TOTAL LIABILITIES		477,500	651,782
Shareholders' Equity (Deficiency)			
Share capital	6	4,554,814	3,344,553
Subscription received in advance	6	60,000	-
Share-based compensation reserve	6	-	918,058
Deficit		(4,918,558)	(4,774,440)
TOTAL SHAREHOLDERS' EQUITY (DEFIENCY)		(303,744)	(511,829)
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY (DEFIENCY)		173,756	139,953

Nature and continuance of operations (Note 1)
Subsequent events (Note 9)

Approved by the sole director:

"Cory Brandolini"

Director

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

AI Partnerships Corp
Condensed Interim Statements of Comprehensive Loss
(Unaudited – Prepared by Management)
(Expressed in Canadian dollars)

	Three months ended October 31, 2025	Three months ended October 31, 2024	Six months ended October 31, 2025	Six months ended October 31, 2024
Expenses				
Consulting fees	\$ 131,383	\$ 54,079	\$ 161,887	\$ 122,766
Marketing	3,232	-	3,620	1,121
Office expenses	4,381	5,300	6,540	18,242
Professional fees	54,898	6,294	68,886	6,294
IT expense	5,911	7,167	10,264	10,023
Share-based compensation (Note 9)	-	-	67,203	-
	(199,805)	(72,840)	(318,400)	(158,446)
Other Income (expenses)				
Gain on modification of convertible debenture (Note 5)	-	-	174,282	-
Net and comprehensive loss for the period	\$ (199,805)	\$ (72,840)	\$ (144,118)	\$ (158,446)
Weighted average number of common shares outstanding – basic and diluted	19,434,780	16,696,493	18,935,771	16,696,493
Basic and diluted loss per common shares	\$ (0.01)	\$ (0.00)	\$ (0.01)	\$ (0.01)

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

AI Partnerships Corp

Condensed Interim Statement of Changes in Shareholders' Equity

(Unaudited – Prepared by Management)

(Expressed in Canadian Dollars)

Share Capital							
	Shares issued	Share capital	Shares to be issued	Subscription received in advance	Share-based compensation reserve	Deficit	Total
	#	\$	#	\$	\$	\$	\$
Balance as at April 30, 2024	16,696,493	3,344,553	1,803,625	-	721,450	(4,261,475)	(195,472)
Net loss	-	-	-	-	-	(158,446)	(158,446)
Balance as at October 31, 2025	16,696,493	3,344,553	1,803,625	-	721,450	(4,419,921)	(353,918)
Shares for services	-	-	491,520	-	196,608	-	196,608
Net loss	-	-	-	-	-	(354,519)	(354,519)
Balance as at April 30, 2025	16,696,493	3,344,553	2,295,145	-	918,058	(4,774,440)	(511,829)
Private placement	562,500	225,000	150,000	60,000	-	-	285,000
Shares for services	2,463,151	985,261	(2,295,145)	-	(918,058)	-	67,203
Net loss	-	-	-	-	-	(144,118)	(144,118)
Balance as at October 31, 2025	19,722,144	4,554,814	150,000	60,000	-	(4,918,558)	(303,744)

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

AI Partnerships Corp
Condensed Interim Statements of Cash Flows
(Unaudited – Prepared by Management)
(Expressed in Canadian Dollars)
Six months ended October 31,

	2025	2024
	\$	\$
Operating activities		
Net loss for the year	(144,118)	(158,446)
Items not affecting cash:		
Gain on modification of convertible debenture	(174,282)	-
Share-based compensation	67,203	-
Changes in non-cash operating working capital items:		
Receivables	39,731	(6,775)
Accounts payable and accrued liabilities	-	(3,140)
Net cash used in operating activities	(211,466)	(168,361)
Financing activities		
Private placement proceeds	225,000	-
Subscription received in advance	60,000	-
Net cash provided by financing activities	285,000	-
Change in cash	73,534	(168,361)
Cash beginning of period	26,321	254,171
Cash end of period	99,855	85,810

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

AI Partnerships Corp

Notes to the Condensed Interim Financial Statements

Six months ended October 31, 2025 and 2024

(Unaudited – Prepared by Management)

(Expressed in Canadian Dollars)

1. NATURE AND CONTINUANCE OF OPERATIONS

AI Partnerships Corp. (the “Company”) was incorporated on April 30, 2020 under the *Canadian Business Corporations Act*. The Company’s objective is to create an affiliate network of companies providing AI based solutions on a software as a service (SaaS) basis with the longer-term plan of acquiring a select number of affiliates that meet the requirements of the Company. The principal address of the Company is located at Suite 2500, 666 Burrard Street, Vancouver, BC V6C 2X8.

These condensed interim financial statements have been prepared on a going concern basis which assumes that the Company will be able to realize its assets and discharge its liabilities in the normal course of business for the foreseeable future. The Company has not yet achieved profitable operations, has a deficit of \$4,918,558 as at October 31, 2025 (April 30, 2025 - \$4,774,440) and expects to incur further losses in the development of its business. The continuing operations of the Company are dependent upon its ability to attain profitable operations and generate funds therefrom. This indicates the existence of a material uncertainty that may cast significant doubt about the Company’s ability to continue as a going concern. Management intends to finance operating costs with equity financings and/or loans from directors and companies controlled by directors. If the Company is unable to continue as a going concern, the net realizable value of its assets may be materially less than the amounts on its condensed interim statement of financial position.

2. STATEMENT OF COMPLIANCE AND BASIS OF PREPARATION

Statement of compliance

These condensed interim financial statements have been prepared in accordance with the IFRS Accounting Standards (“IFRS”) as issued by the International Accounting Standards Board.

These condensed interim financial statements were approved and authorized for issue by the Director on March 24, 2026.

Basis of preparation

These condensed interim financial statements have been prepared on an accrual basis and are based on historical costs, modified where applicable, by the measurement at fair value of selected financial assets and financial liabilities. The condensed interim financial statements are presented in Canadian dollars unless otherwise noted. The Canadian dollar is the functional and presentation currency of the Company.

3. MATERIAL ACCOUNTING POLICIES

Significant estimates and assumptions

Significant accounting judgments that management has made in the process of applying accounting policies and that have the most significant effect on the amounts recognized in the condensed interim financial statements include, but are not limited to, the going concern assumption.

Ability to continue as a going-concern

Management assesses the Company's ability to continue as a going concern at each reporting date, using all quantitative and qualitative information available. This assessment, by its nature, relies on estimates of future cash flows and other future events, whose subsequent changes could materially impact the validity of such an assessment.

Convertible debentures

Management has entered into convertible debenture agreements containing conversion features that permit conversion at the lower of a fixed price or a variable price based on a future financing, requiring the exercise of significant judgment under IFRS 9 in assessing the appropriate classification and measurement. See note 5.

AI Partnerships Corp

Notes to the Condensed Interim Financial Statements

Six months ended October 31, 2025 and 2024

(Unaudited – Prepared by Management)

(Expressed in Canadian Dollars)

3. MATERIAL ACCOUNTING POLICIES (continued)

Fair value of shares issued

The Company issued shares for services during the period ended October 31, 2025. As the Company is privately held and its shares are not traded in an active market, management estimated the fair value of the shares at the date of issuance. The valuation required significant judgment and was based on recent financings.

Earnings (loss) per share

Basic earnings (loss) per share is calculated by dividing the income (loss) attributable to common shareholders by the weighted average number of common shares outstanding in the period. Diluted earnings (loss) per share is calculated using the treasury stock method. Under the treasury stock method, the weighted average number of common shares outstanding for the calculation of diluted earnings per share assumes that the proceeds to be received on the exercise of dilutive share options and warrants are used to repurchase common shares at the average market price during the period. The calculation of diluted loss per share excludes the effects of various conversions and exercise of equity instruments that would be anti-dilutive.

Share capital

Financial instruments issued by the Company are classified as equity only to the extent that they do not meet the definition of a financial liability or financial asset. The Company's common shares are classified as equity instruments.

Costs directly identifiable with the raising of capital will be charged against the related capital stock. Costs related to shares not yet issued are recorded as deferred financing cost. These costs will be deferred until the issuance of the shares to which the costs relate, at which time the costs will be charged against the related capital stock or charged to operations if the shares are no longer probable of being issued.

The grant date fair value of share-based payment awards granted to consultants are recognized as an expense, with a corresponding increase in equity, over the period that the consultant unconditionally becomes entitled to the awards. The amount recognized as an expense is adjusted to reflect the number of awards for which the related service and non-market vesting conditions are expected to be met, such that the amount ultimately recognized as an expense is based on the number of awards that do meet the related service and non-market performance conditions at the vesting date. Share-based payment arrangements in which the Company receives goods or services as consideration for its own equity instruments are accounted for as equity-settled share-based payment transactions, regardless of how the equity instruments are obtained by the Company.

Shares that have been authorized but not yet issued, for which the Company has received either cash consideration or the related services have been rendered, are presented as shares to be issued within the statement of changes in equity (deficiency) until the shares are formally issued.

Convertible debentures

Convertible debentures are recorded as financial liabilities, as the conversion feature does not meet the criteria for equity classification. The Company selected to measure the entire convertible debentures at fair value with changes in fair value recognized in profit or loss.

Financial instruments

The Company classifies its cash, non-cashable GIC, and convertible debentures at fair value through profit or loss ("FVTPL"), initially and subsequently measured at fair value. The Company's accounts payable and accrued liabilities are classified as financial liabilities measured at amortized cost, initially recognized at fair value and subsequently measured at amortized cost using the effective interest method.

AI Partnerships Corp

Notes to the Condensed Interim Financial Statements

Six months ended October 31, 2025 and 2024

(Unaudited – Prepared by Management)

(Expressed in Canadian Dollars)

3. MATERIAL ACCOUNTING POLICIES (continued)

New standards adopted during the year

The Company has performed an assessment of new standards issued by the IASB that are not yet effective. The Company has assessed that the impact of adopting these accounting standards on its condensed interim financial statements would not be significant.

New standards issued but not yet effective

IFRS 18 Presentation and Disclosure in condensed interim Financial Statements

IFRS 18 introduces three sets of new requirements to give investors more transparent and comparable information about companies' financial performance for better investment decisions.

- Three defined categories for income and expenses - operating, investing and financing - to improve the structure of the income statement, and require all companies to provide new defined subtotals, including operating profit;
- Requirement for companies to disclose explanations of management-defined performance measures (MPMs) that are related to the income statement; and
- Enhanced guidance on how to organize information and whether to provide it in the primary financial statements or in the notes.

This new standard is effective for reporting periods beginning on or after January 1, 2027. The Company will be evaluating the impact of this standard on its condensed interim financial statements.

4. RECEIVABLES

	October 31, 2025	April 30, 2025
	\$	\$
HST ITC receivable	73,901	113,632
	73,901	113,632

AI Partnerships Corp

Notes to the Condensed Interim Financial Statements

Six months ended October 31, 2025 and 2024

(Unaudited – Prepared by Management)

(Expressed in Canadian Dollars)

5. CONVERTIBLE DEBENTURES

During the year ended April 30, 2025, the Company issued convertible debentures (each, a “Debenture”) for gross proceeds of \$35,000 (2024 - \$130,000). Each Debenture matures 24 months from the date of issuance (the “Maturity Date”), bears monthly compound interest at the rate of 12% per annum and is convertible into common shares of the Company at a price of (a) the lower of \$1.72 per share or 80% of the price of the equity securities sold by the Company in a qualified financing, nonqualified financing or pursuant to a change of control, as applicable, to other investors; or (b) \$1.72 per share if converted at the option of the holder or on the Maturity Date.

Management determined that, at issuance, there was a 50% probability of conversion at the fixed price and a 50% probability of conversion under the variable pricing mechanism. The conversion feature was valued using a probability weighted approach, whereby 50% of the principal was valued based on the fixed conversion price, and 50% was valued by grossing up the principal to reflect the economic benefit of the 20% discount to future financing prices. As a result, the calculated fair value of the conversion features exceeded the cash proceeds received on issuance, and the excess was expensed as a finance cost.

The Debentures were initially recorded at a fair value of \$39,375 (2024 - \$146,250). Finance costs totaling \$4,375 (2024 - \$16,250) were expensed as incurred. For the years ended April 30, 2025 and April 30, 2024, the Company recognized no gain or loss related to the fair value of the Debentures.

On July 8, 2025, the holders of the Debentures entered into agreements to amend (a) the Maturity Date of the Debentures to 48 months from the date of issuance, (b) the interest rate of the Debentures to nil%, and (c) the conversion price of the Debentures to (i) the lower of \$0.40 per share or 80% of the price of the equity securities sold by the Company in a qualified financing or nonqualified financing, as applicable, to other investors; or (ii) \$0.40 if converted at the option of the holder or pursuant to a change of control.

	<i>Principal</i>	<i>Interest Portion</i>	<i>Finance Costs</i>	<i>Total</i>
	\$	\$	\$	\$
Balance April 30, 2024	442,500	51,143	55,313	548,956
Issuance of convertible debentures	35,000	-	4,375	39,375
Interest and transaction costs	-	63,451		63,451
Balance April 30, 2025	477,500	114,594	59,688	651,782
Gain on modification of convertible debentures	-	(114,594)	(59,688)	(174,282)
Balance October 31, 2025	477,500	-	-	477,500

AI Partnerships Corp

Notes to the Condensed Interim Financial Statements

Six months ended October 31, 2025 and 2024

(Unaudited – Prepared by Management)

(Expressed in Canadian Dollars)

5. CONVERTIBLE DEBENTURES (continued)

	<i>October 31, 2025</i>	<i>April 30, 2025</i>
	\$	\$
Current	-	611,563
Long-term	477,500	40,219
Total	477,500	651,782

6. SHARE CAPITAL

Authorized share capital

Unlimited number of common shares without par value.

Issued share capital for the six months ended October 31, 2025:

- i. The Company issued 562,500 common shares at a price of \$0.40 per share for gross proceeds of \$225,000.
- ii. The Company reserved 150,000 common shares to be issued for a subscription received in advance for gross proceeds of \$60,000.
- iii. The Company issued 2,463,151 common shares for services.

Issued share capital for the year ended April 30, 2025:

The Company reserved 491,520 common shares to be issued for services provided during the year valued at \$196,608.

7. FINANCIAL INSTRUMENTS AND CAPITAL MANAGEMENT

Fair value measurement

Financial assets and liabilities that are recognized on the condensed interim statement of financial position at fair value can be classified in a hierarchy that is based on the significance of the inputs used in making the measurements.

The levels in the hierarchy are:

- Level 1 - quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2 - inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices); and
- Level 3 - inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs).

The Company's cash and non-cashable GIC are classified as Level 1 and the Company's convertible debentures are classified as Level 3.

The Company believes that the carrying values of accounts payable and accrued liabilities approximate their fair values because of their nature and relatively short maturity dates or durations.

7. FINANCIAL INSTRUMENTS AND CAPITAL MANAGEMENT (continued)

Financial risk management

The Company is exposed in varying degrees to a variety of financial instrument related risks. The Board of Directors approves and monitors the risk management processes, inclusive of documented investment policies, counter party limits, and controlling and reporting structures. The type of risk exposure and the way in which such exposure is managed is provided as follows:

Credit risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. The Company's primary exposure to credit risk is on its bank account and non-cashable GIC. Credit risk is managed by using major banks that are high credit quality financial institution as determined by rating agencies. All of its cash and non-cashable GIC are deposited in a bank account or guaranteed investment certificates with a major bank in Canada. The maximum exposure to credit risk is the carrying amount of the Company's financial instruments. The credit risk is assessed as low.

Foreign currency risk

Foreign currency risk is the risk that the fair values of future cash flows of a financial instrument will fluctuate because they are denominated in currencies that differ from the respective functional currency. The Company is not exposed to significant foreign exchange risk.

Liquidity risk

Liquidity risk arises through the excess of financial obligations over available financial assets due at any point in time. The Company's objective in managing liquidity risk is to maintain sufficient readily available reserves in order to meet its liquidity requirements at any point in time. The Company had working capital at October 31, 2025 of \$173,756 (April 30, 2025 – (\$471,610)). The Company's main source of funding has been the issuance of equity securities for cash, primarily through private placements. The Company's access to financing is always uncertain. There can be no assurance of continued access to significant equity funding.

Capital Management

Management's objective is to manage its capital to ensure that there are adequate capital resources to safeguard the Company's ability to continue as a going concern through the optimization of its capital structure. The capital structure consists of share capital and working capital. In order to achieve this objective, management makes adjustments to it in light of changes in economic conditions and risk characteristics of the underlying assets. To maintain or adjust capital structure, management may invest its excess cash in interest bearing accounts of Canadian chartered banks and/or raise additional funds externally as needed. The Company is not subject to externally imposed capital requirements. The Company's management of capital did not change during the period ended October 31, 2025 and 2024.

8. RELATED PARTY TRANSACTIONS

Key management personnel include persons having the authority and responsibility for planning, directing, and controlling the activities of the Company and consist of executive and non-executive members of the Board of Directors and corporate officers. Key management compensation are incurred with officers and directors of the Company or to companies controlled by officers and directors of the Company.

Transactions with related parties and key management personnel are as follows:

AI Partnerships Corp

Notes to the Condensed Interim Financial Statements

Six months ended October 31, 2025 and 2024

(Unaudited – Prepared by Management)

(Expressed in Canadian Dollars)

8. RELATED PARTY TRANSACTIONS (continued)

		October 31, 2025	October 31, 2024
		\$	\$
Paid or accrued to the CFO, CEO and former director	Consulting fees	109,000	28,500
Paid or accrued to the CFO	Share-based compensation	-	-
Total		109,000	28,500

The amounts due to other related parties and key management personnel included in convertible debentures are as follows:

	As at October 31, 2025	As at April 30, 2025
	\$	\$
Due to the CEO and former director	89,764	89,764
Due to former directors	177,950	177,950
	267,714	267,714

9. SUBSEQUENT EVENTS

Subsequent to October 31, 2025, the Debentures were automatically converted into 1,193,750 common shares of the Company at a price of \$0.40 per common share.

Subsequent to October 31, 2025, the Company issued 150,000 common shares at a price of \$0.40 per common share for subscription received in advance with gross proceeds of \$60,000.

On October 6, 2025, the Company entered into an amalgamation agreement (the “Amalgamation Agreement”) with Railtown AI Technologies Inc. (“Railtown”) and 17366400 Canada Inc., a wholly owned subsidiary of Railtown (“Subco”). On November 26, 2025 (the “Effective Date”), the closing of the transactions contemplated by the Amalgamation Agreement occurred, whereby the Company amalgamated with Subco, the amalgamated company became a wholly owned subsidiary of Railtown, and the former shareholders of the Company received an aggregate of 49,476,251 common shares of Railtown (the “Consideration Shares”).

The Consideration Shares are subject to certain escrow and contractual obligations on the following basis:

- a. Approximately 10,000,000 of the Consideration Shares (the “Escrow Shares”) were placed in escrow on the following terms:
 - i. Approximately 1,000,000 of the Escrow Shares (the “Indemnity Shares”) are subject to cancellation for no consideration by Railtown in the event that Railtown makes an eligible holdback claim prior to the date that is 12 months from the Effective Date, with one common share being cancelled for every \$0.50 of Railtown’s claim; and

AI Partnerships Corp

Notes to the Condensed Interim Financial Statements

Six months ended October 31, 2025 and 2024

(Unaudited – Prepared by Management)

(Expressed in Canadian Dollars)

9. SUBSEQUENT EVENTS (continued)

- ii. 50% of the Escrow Shares (including any Indemnity Shares that are not cancelled) are eligible for release from escrow upon Railtown recording annual recurring revenue from certain affiliates of the Company equal to or greater than \$1,000,000 from the Effective Date to the date that is 36 months from the Effective Date (the “First Milestone”), and the remaining 50% of the Escrow Shares are eligible for release from escrow upon Railtown recording annual recurring revenue from certain affiliates of the Company equal to or greater than \$2,000,000 from the Effective Date to the date that is 36 months from the Effective Date (the “Second Milestone”). If the First Milestone and/or Second Milestone are not met by the date that is 36 months from the Effective Date, the Escrow Shares that are to be released upon satisfaction of such milestone will be cancelled by Railtown for no consideration;
- b. All Consideration Shares received by certain key shareholders of the Company (the “Key Shareholder Shares”) were placed in escrow on the Effective Date and will be released in equal quarterly instalments during the 36 months following the Effective Date; and
- c. All other Consideration Shares are subject to a contractual restriction on transfer pursuant to the Amalgamation Agreement with 10% of such shares being released from any restriction on transfer as of the Effective Date and the remainder being released in six equal instalments of 15% on a quarterly basis until the date that is 18 months from the Effective Date.