

Alset

ALSET AI VENTURES INC.

CONDENSED INTERIM FINANCIAL STATEMENTS

(Expressed in Canadian Dollars)
(Unaudited – Prepared by Management)

FOR THE THREE AND SIX MONTHS ENDED MARCH 31, 2026 AND 2025

**NOTICE OF NO AUDITOR REVIEW OF
CONDENSED INTERIM FINANCIAL STATEMENTS**

Under National Instrument 51-102, Part 4, subsection 4.3 (3) (a), if an auditor has not performed a review of the condensed interim financial statements, they must be accompanied by a notice indicating that an auditor has not reviewed the financial statements.

The accompanying unaudited condensed interim financial statements of the Company have been prepared by and are the responsibility of the Company's management.

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

ALSET AI VENTURES INC.
CONDENSED INTERIM STATEMENTS OF FINANCIAL POSITION
(Expressed in Canadian Dollars)
(Unaudited – Prepared by Management)

AS AT	March 31, 2026	September 30, 2025
ASSETS		
Current		
Cash	\$ 273,198	\$ 738,200
Accounts receivable	21,051	20,259
Prepaid expenses	13,517	29,389
Loans receivable (Note 5)	1,265,126	977,966
Digital currencies (Note 4)	5,167	17,600
	<u>1,578,059</u>	<u>1,783,414</u>
Investment in Lyken (Note 4)	2,800,000	2,800,000
Investment in Vertex (Note 4)	1	1
Investment in Verses AI (Note 4)	-	15,402
Investment in Blueprint (Note 4)	150,000	150,000
Investment in Henon (Note 4)	367,645	367,645
Investment in CHIP (Note 4)	50,000	-
Investment in Inverite (Note 4)	128,600	-
Deposit (Note 4)	-	50,000
	<u>\$ 5,074,305</u>	<u>\$ 5,166,462</u>
LIABILITIES AND SHAREHOLDERS' EQUITY (DEFICIENCY)		
Current		
Accounts payable and accrued liabilities (Note 9)	\$ 1,078,144	\$ 780,134
Loan Payable (Note 7,9)	<u>417,356</u>	<u>-</u>
	<u>\$ 1,495,500</u>	<u>780,134</u>
Shareholders' equity		
Share capital (Note 8)	41,500,977	40,207,327
Reserves (Note 8)	3,751,767	3,278,525
Deficit	(41,673,939)	(39,099,524)
	<u>3,578,805</u>	<u>4,386,328</u>
	<u>\$ 5,074,305</u>	<u>\$ 5,166,462</u>

Nature and continuance of operations (Note 1)

Subsequent events (Note 13)

Approved and authorized by the Board on June 1, 2026:

<u>“Zelong He”</u> Zelong He	Director	<u>“Jack Huang”</u> Jack Huang	Director
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The accompanying notes are an integral part of these condensed interim financial statements.

ALSET AI VENTURES INC.**CONDENSED INTERIM STATEMENTS OF OPERATIONS AND COMPREHENSIVE LOSS**

(Expressed in Canadian Dollars)

(Unaudited)

For the	Three months ended March 31, 2026	Three months ended March 31, 2025	Six months ended March 31, 2026	Six months ended March 31, 2025
NET INVESTMENT GAIN/(LOSS)				
Net change in unrealized (loss) on investments (Note 4)	\$ (44,266)	\$ (262,895)	\$ 38,367	\$ (78,805)
Net realized gain on sale of investments (Note 4)	-	272,589	-	350,687
Unrealized fair value loss on derivative financial instrument (Note 4)	(18,924)	(85,545)	(37,602)	26,360
	(63,190)	(71,851)	765	298,242
GENERAL EXPENSES				
Accretion expense (Note 6,7)	\$ 1,867	\$ 681	\$ 1,867	\$ 681
Consulting and management fees (Note 9)	840,343	411,860	1,080,116	738,168
Interest expense (Note 6,7)	2,877	50	2,877	6,970
Investor relations and marketing	209,174	318,002	255,390	359,227
Office and miscellaneous	15,127	59,887	28,399	128,283
Professional fees	235,293	134,563	469,438	205,053
Share-based payments	442,192	543,296	756,329	815,485
Transfer agent and filing fees	25,433	31,674	29,174	33,284
Loss before other items	(1,835,496)	(1,575,183)	(2,622,825)	(1,988,909)
Interest income (Note 5)	12,398	9,883	24,786	17,000
Gain on conversion of convertible debt (Note 6)	-	-	-	3,795
Gain on debt settlement	34,784	19,739	34,784	19,739
Foreign exchange gain (loss)	(1,457)	21,741	(11,160)	165,324
Other income	-	13,442	-	16,503
Write-off of receivables	-	-	-	(38,862)
Loss and comprehensive loss for the year	\$ (1,789,771)	\$ (1,510,378)	\$ (2,574,415)	\$ (1,805,410)
Basic and diluted loss per share	\$ (0.10)	\$ (0.12)	\$ (0.16)	\$ (0.16)
Weighted average number of common shares outstanding – basic and diluted	17,310,439	12,099,814	16,047,315	11,400,464

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

ALSET AI VENTURES INC.
CONDENSED INTERIM STATEMENTS OF CASH FLOWS
(Expressed in Canadian Dollars)
(Unaudited)

For the six-month periods ended March 31,	2026	2025
CASH FROM OPERATING ACTIVITIES		
Loss for the period	\$ (2,574,415)	\$ (1,805,410)
Items not affecting cash:		
Accretion expense	1,867	681
Accrued interest expense	2,877	6,920
Accrued interest receivable	(24,786)	(17,000)
Net change in unrealized loss on investments	(20,467)	78,805
Unrealized fair value (gain)/loss on derivative financial instrument	19,702	(26,360)
Realized gain on sale of investments	-	(350,687)
Gain on debt settlement	(34,784)	(19,739)
Gain on conversion of convertible debts	-	(3,795)
Share-based payments	756,329	815,485
Write-off of receivable	-	38,862
Other items:		
Investment in Blueprint	-	(150,000)
Investment in Henon	-	(249,999)
Investment in digital currencies	-	(50,000)
Proceeds from sale of investments	-	528,316
Changes in non-cash working capital items:		
Accounts receivable	(792)	(48,173)
Accounts payable and accrued liabilities	15,872	(79,481)
Prepaid expenses	489,169	(147,906)
Net cash used in operating activities	<u>(1,369,428)</u>	<u>(1,479,480)</u>
CASH FROM INVESTING ACTIVITIES		
Funds loaned	(371,745)	(100,000)
Loans repaid	9,371	1,697,187
Net cash used in investing activities	<u>(362,374)</u>	<u>1,597,187</u>
CASH FROM FINANCING ACTIVITIES		
Shares issued for cash	700,000	-
Exercise of options	11,000	96,300
Exercise of warrants	55,800	705,894
Proceeds from loan	500,000	-
Net cash provided by financing activities	<u>1,266,800</u>	<u>802,194</u>
Change in cash during the period	(465,002)	919,901
Cash, beginning of period	<u>738,200</u>	<u>1,797,575</u>
Cash, end of period	<u>\$ 273,198</u>	<u>\$ 2,717,476</u>

Supplemental disclosure with respect to cash flows (Note 10)

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

ALSET AI VENTURES INC.**CONDENSED INTERIM STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY (DEFICIENCY)**

(Expressed in Canadian Dollars)

	Share capital		Equity portion of convertible debentures	Reserves	Deficit	Total
	Number	Amount				
Balance at September 30, 2024	10,178,808	\$ 35,726,433	\$ 4,087	\$ 3,605,097	\$ (32,073,908)	\$ 7,261,709
Exercise of options	158,850	181,475	-	(76,550)	-	104,925
Exercise of warrants	1,571,205	1,043,751	-	(273,149)	-	770,602
Exercise of RSUs	170,000	85,000	-	(85,000)	-	-
Exercise of convertible debentures	429,041	214,520	(4,087)	-	-	210,433
Shares issued for the acquisition of Lyken	1,999,999	1,499,999	-	-	-	1,499,999
Shares issued for settlement of debt	142,843	114,274	-	26,684	-	140,958
Share-based payments	-	-	-	815,485	-	815,485
Loss for the period	-	-	-	-	(1,805,410)	(1,805,410)
Balance at March 31, 2025	14,650,746	\$ 38,865,452	\$ -	\$ 4,012,567	\$ (33,879,318)	\$ 8,998,701
Exercise of options	58,850	33,353	-	(16,478)	-	16,875
Exercise of warrants	(33,750)	(60,273)	-	58,398	-	(1,875)
Exercise of RSUs	130,000	665,000	-	(665,000)	-	-
Exercise of convertible debentures	-	3,795	-	-	-	3,795
Shares issued for the acquisition of Lyken	699,997	700,000	-	-	-	700,000
Shares issued for settlement of debt	-	-	-	9,942	-	9,942
Share-based payments	-	-	-	(120,904)	-	(120,904)
Loss for the period	-	-	-	-	(5,220,206)	(5,220,206)
Balance at September 30, 2025	15,505,743	\$ 40,207,327	\$ -	\$ 3,278,525	\$(39,099,524)	\$ 4,386,328

ALSET AI VENTURES INC.**CONDENSED INTERIM STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY (DEFICIENCY)**

(Expressed in Canadian Dollars)

	<u>Share capital</u>		Equity portion of convertible debentures	Reserves	Deficit	Total
	Number	Amount				
Balance at September 30, 2025	15,505,743	\$ 40,207,327	\$ -	\$ 3,278,525	\$(39,099,524)	\$ 4,386,328
Shares issued for cash	1,272,727	700,000	-	-	-	700,000
Exercise of options	20,000	18,211	-	(7,211)	-	11,000
Exercise of warrants	111,600	55,800	-	-	-	55,800
Exercise of RSUs	380,084	363,263	-	(363,263)	-	-
Shares issued for settlement of debt	347,503	156,376	-	-	-	156,376
Issuance of loan warrants	-	-	-	87,387	-	87,387
Share-based payments	-	-	-	756,329	-	756,329
Loss for the period	-	-	-	-	(2,574,415)	(2,574,415)
Balance at March 31, 2026	17,637,657	\$ 41,500,977	\$ -	\$ 3,751,767	\$ (41,673,939)	\$ 3,578,805

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

- (i.) Effective May 1, 2026 the Corporation consolidated its issued and outstanding common shares on a 10 to 1 basis which resulted in 17,637,657 shares outstanding post-consolidation. All references to common shares, stock options, warrants, and RSUs in these condensed interim financial statements have been adjusted to reflect this change.

ALSET AI VENTURES INC.

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS

For the three and six-month periods ended March 31, 2026 and 2025

(Expressed in Canadian Dollars)

(Unaudited)

1. NATURE AND CONTINUANCE OF OPERATIONS

Alset AI Ventures Inc. (the “Company”) was incorporated under the laws of the State of Nevada on October 29, 1999. On January 27, 2009, the Company was continued from the State of Nevada to the Province of British Columbia under the *Business Corporations Act* (British Columbia). The Company’s common shares trade on the TSX Venture Exchange (“TSX-V”) under the symbol “GPUS”, OTCQB Venture Market (“OTCQB”) under the symbol “GPUSF”, and Frankfurt Stock Exchange under the symbol “IR60”.

The Company is an investment issuer primarily focused on investments in the technology industry, including but not limited to artificial intelligence (“AI”). The Company’s investment portfolio is currently comprised of:

Investee name	Percentage holding
Lyken AI Computing Inc. (“Lyken”) (Formerly, Cedarcross International Technologies Inc.)	100%
Vertex AI Ventures Inc. (“Vertex”)	49%
Blueprint AI Technologies Inc. (“Blueprint”)	<20%
Henon Financial Technologies Inc. (“Henon”)	<20%
Inverite Insights Inc. (“Inverite”)	<20%
CHIP Data Centres (“CHIP”)	<20%

The Company’s registered and records office is 701 West Georgia Street, Suite 1420, Vancouver BC V7Y 1E4. Its principal business activity is the business of investing in technology companies, which involves a high degree of risk and there can be no assurance that current investment programs will result in profitable operations.

These condensed interim financial statements have been prepared in accordance with IFRS Accounting Standards (“IFRS”) with the assumption that the Company will be able to realize its assets and discharge its liabilities in the normal course of business rather than through a process of forced liquidation. The Company has incurred losses from inception and does not currently have the financial resources to sustain operations in the long-term. While the Company has been successful in obtaining its required funding in the past, there is no assurance that such future financing will be available on favourable terms. An inability to raise additional financing may impact the future assessment of the Company as a going concern. These material uncertainties may cast significant doubt about the ability of the Company to continue as a going concern.

The condensed interim financial statements do not include adjustments to amounts and classifications of assets and liabilities that might be necessary should the Company be unable to continue operations. Continued operations of the Company are dependent on the Company’s ability to receive financial support, necessary financings, or generate profitable operations in the future.

2. BASIS OF PREPARATION

Statement of compliance

These condensed interim financial statements have been prepared in accordance with IAS 34, Interim Financial Reporting. Accordingly, these condensed interim financial statements do not include all of the information and footnotes required by IFRS for complete financial statements for year-end reporting purposes. These condensed interim financial statements should be read together with the audited financial statements for the year ended September 30, 2024.

The condensed interim financial statements have been prepared on a historical cost basis, except for certain financial instruments classified as financial instruments at fair value through profit and loss, which are stated at their value.

ALSET AI VENTURES INC.

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS

For the three and six-month periods ended March 31, 2026 and 2025

(Expressed in Canadian Dollars)

(Unaudited)

2. BASIS OF PREPARATION *(cont'd...)*

Basis of presentation and consolidation

The condensed interim financial statements have been prepared on a historical cost basis, except for certain financial instruments classified as financial instruments at fair value. In addition, these condensed interim financial statements have been prepared using the accrual basis of accounting, except for cash flow information.

The Company qualifies as an investment entity as it meets the following definition of an investment entity as outlined in IFRS 10, Consolidated Financial Statements:

- Obtains funds from one or more investors for the purpose of providing those investor(s) with investment management services;
- Commits to its investor(s) that its business purpose is to invest funds solely for returns from capital appreciation, investment income, or both; and
- Measures and evaluates the performance of substantially all of its investments on a fair value basis.

The condensed interim financial statements are presented in Canadian dollars, which is also the Company's functional currency.

The preparation of these condensed interim financial statements requires management to make certain estimates, judgments and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported expenses during the year. Actual results could differ from these estimates.

Use of estimates and judgments

Significant assumptions about the future and other sources of estimation uncertainty that management has made at the end of the reporting period, that could result in a material adjustment to the carrying amounts of assets and liabilities in the event that actual results differ from assumptions made, relate to:

Critical accounting estimates

Income taxes

The determination of income tax is inherently complex and requires making certain estimates and assumptions about future events. While income tax filings are subject to audits and reassessments, the Company has adequately provided for all income tax obligations. However, changes in facts and circumstances as a result of income tax audits, reassessments, jurisprudence and any new legislation may result in an increase or decrease in our provision for income taxes.

Valuation of investments

The determinations of fair value of the Company's investments at other than initial cost are subject to certain limitations. Financial information for privately-held company investments may not be available and, even if available, that information may be limited and/or unreliable. Use of the valuation approach described below may involve uncertainties and determinations based on the Company's judgment and any value estimated from these techniques may not be realized or realizable.

Company-specific information is considered when determining whether the fair value of a privately-held investment should be adjusted upward or downward at the end of each reporting period. In addition to company-specific information, the Company will take into account trends in general market conditions and the share performance of comparable publicly-traded companies when valuing privately-held investments.

ALSET AI VENTURES INC.

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS

For the three and six-month periods ended March 31, 2026 and 2025

(Expressed in Canadian Dollars)

(Unaudited)

2. BASIS OF PREPARATION *(cont'd...)*

Critical accounting estimates *(cont'd...)*

Valuation of investments *(cont'd...)*

The Company evaluates, among other factors, the duration and extent to which the fair value of an investment is less than its cost; and the financial health of, and near-term business outlook for, the investee, including factors such as industry and sector performance, changes in technology, and operational and financing cash flow. The Company applied a transactional and market calibration approaches for valuing the investments in the year ended September 30, 2025. This approach assesses recent transactions of the investees to support the fair value of the investments as at year end.

Investments held in public entities are valued by the publicly available market data, and warrants of investments in publicly held entities are valued using the Black-Scholes option pricing model.

Collectability of loan

The determination of the collectability of the loans to Cedarcross requires significant judgment. Management has considered the loans as collectable, based on the history of collection to date and have extended the maturity date by one year during the year ended September 30, 2025.

Critical accounting judgments

Going concern

The determination of whether the Company will continue as a going concern for the next year (Note 1).

Investment entity

Investees operate independently of the management of the Company, and management has determined that the Company currently invests its funds solely for capital appreciation. From time to time, the Company may participate in certain activities within or on behalf of its investees, and applied judgement to determine that any such activities undertaken during the year were taken with the objective to maximize its potential investment return from these investees, and do not represent a separate substantial business activity or a separate substantial source of income to the Company. Accordingly, management considers the Company to meet the definition of an investment entity.

Collectability of loan

The determination of the collectability of the loans to Lyken requires significant judgment. Management has considered the loans as collectable, based on the history of collection to date and have extended the maturity date by one year during the six months ended March 31, 2026.

ALSET AI VENTURES INC.

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS

For the three and six-month periods ended March 31, 2026 and 2025

(Expressed in Canadian Dollars)

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3. MATERIAL ACCOUNTING POLICIES

These condensed interim financial statements have been prepared using the same policies and methods as the financial statements of the Company for the year ended September 30, 2025 and reflect all the adjustments necessary for fair presentation in accordance with IAS 34 except the following:

Compound Financial Instruments

Compound financial instruments issued by the Company comprise non-convertible debentures that can be converted to share capital at the option of the holder, or debt issued with detachable equity instruments, such as bonus warrants.

The Company applies the residual method to allocate the gross proceeds of the issue between the liability and equity components. Gross proceeds include amounts withheld at source by legal counsel for the settlement of existing obligations. The liability component is recognized initially at the fair value of a similar liability that does not have an associated equity component. The fair value is determined by discounting the stream of future payments of interest and principal at the estimated prevailing market rate for a comparable debt instrument. The equity component is recognized initially at the difference between the gross proceeds of the issue and the fair value of the liability component. Any directly attributable transaction costs are allocated to the liability and equity components in proportion to their initial carrying amounts.

Subsequent to initial recognition, the liability component of a compound financial instrument is measured at amortized cost using the effective interest method. The equity component is not remeasured subsequent to initial recognition and remains in contributed surplus until the warrants are exercised or expire. Interest expense, which includes the contractual interest payments and the amortization of the debt discount (accretion), is recognized in the statement of loss and comprehensive loss over the term of the debentures.

4. INVESTMENTS

Lyken.AI (Formerly, Cedarcross International Technologies Inc.)

During the year ended September 30, 2024, the Company acquired common shares equal to a 49% ownership stake in Lyken, a private company, for a total consideration of \$210,000. Lyken provides access to AI computing by providing access to AI servers. Its servers are configured in a data center located in Vancouver, British Columbia.

On February 26, 2025, the Company acquired an additional 26% stake in Lyken. Upon the completion of the acquisition, the Company held an aggregate 75% ownership in Lyken. In consideration for the acquisition, the Company issued 1,999,999 Common shares at a fair value of \$0.75 for total consideration of \$1,499,999.

On August 5, 2025, the Company acquired the remaining 25% stake in Lyken for total consideration of 699,997 common shares of the Company, with a fair value of \$700,000. Upon the completion of the acquisition, the Company held an aggregate 100% ownership in Lyken.

As at September 30, 2025 and March 31, 2026, the Company held a 100% interest in Lyken. The Company has provided initial funding to Lyken (Note 5) to support Lyken's initial expenditures and capital acquisitions.

The Company evaluated the fair value of the investment in Lyken as at March 31, 2026 and September 30, 2025 to be \$2,800,000. This valuation was based on the negotiated price to re-acquire the remaining 25% stake in Lyken in August being the most recent transaction providing a valuation reference point prior to year end.

ALSET AI VENTURES INC.

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS

For the three and six-month periods ended March 31, 2026 and 2025

(Expressed in Canadian Dollars)

(Unaudited)

4. INVESTMENTS (cont'd)

Vertex AI Ventures Inc.

On March 15, 2024, the Company acquired common shares of Vertex equal to a 49% ownership stake in Vertex, a private company, by issuing 1,200,000 common shares at a value of \$2.95 per share for a total value of \$3,540,000. Vertex is incorporated pursuant to the laws of the Province of Ontario and is focused on identifying and acquiring intellectual property and providing data management services.

The Company has determined that it is improbable for Vertex to generate future cash flows. As such, the Company has evaluated the fair value of the investment in Vertex as at September 30, 2025 to be \$1. This was unchanged during the six months ended March 31, 2026.

VERSES AI Inc.

On September 26, 2024, the Company acquired 312,500 units of VERSES AI Inc. (CBOE: VERS) (“Verses”), a private company, for \$250,000. Each acquired unit of Verses consisted of one common share and one warrant exercisable into one common share at a price of \$1.20 per share, for a period of three years from the date of issuance. The Company recorded an initial value of \$250,000 towards the Verses shares and warrants.

As at March 31, 2026, the Company held no common shares (September 30, 2025 - nil), and the warrants had a fair value of \$nil (September 30, 2025 - \$15,402), for a total fair value associated with Verses of \$nil as at March 31, 2026 (September 30, 2025 - \$15,402). During the six months ended March 31, 2026, the Company recorded an unrealized fair value loss on derivative financial instrument of \$15,402 (2025 - \$26,360). The warrants were valued using the Black-Scholes option pricing model with the following inputs: expected life of 1.49 years, volatility of 177%, risk-free rate of 2.55% ,and 0% for dividends and forfeitures.

Blueprint AI Technologies Inc.

On December 18, 2024, the Company acquired 1,111,111 common shares of Blueprint, a private company, representing an 11.56% interest. The acquisition was completed at a price of \$0.135 per share for a total cash payment of \$150,000. The Company committed to invest an additional \$200,000 in Blueprint’s next equity financing round, contingent upon Blueprint achieving aggregate gross proceeds of \$400,000 in that financing round. Further, the Company is eligible to receive up to 555,532 additional common shares of Blueprint upon the achievement by Blueprint of specific milestones. No value has been ascribed to the contingent terms previously described. As at March 31, 2026 and September 30, 2025, the Company evaluated the fair value of Blueprint as \$150,000, unchanged from the cost of the Company’s investment earlier in the year.

Henon Financial Technologies Inc.

On March 31, 2025, the Company acquired 147,058 common shares of Henon, a private company. The acquisition was completed at a price of \$1.70 per share for a total cash payment by the Company of approximately \$249,999. As at September 30, 2025, the Company evaluated the fair value of Henon as \$367,645 and recorded an unrealized gain on investment of \$117,646. This valuation was based on the most recent financing price closed prior to September 30, 2025. The fair value has not changed during the six months ended March 31, 2026.

ALSET AI VENTURES INC.

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS

For the three and six-month periods ended March 31, 2026 and 2025

(Expressed in Canadian Dollars)

(Unaudited)

4. INVESTMENTS (cont'd)

Inverite Insights Inc.

On November 28, 2024, the Company loaned Inverite \$100,000 at an interest rate of 10% per annum (Note 5). On December 8, 2025, the Company settled the loan for 400,000 common shares of Inverite and 200,000 share purchase warrants exercisable into common shares of Inverite. The warrants of Inverite are exercisable for two years at an exercise price of \$0.35 per share. The Company recorded an initial value of \$100,000 towards the Inverite shares and warrants.

As at March 31, 2026, the Company held 400,000 common shares of Inverite with a fair value of \$104,000, and the warrants of Inverite had a fair value of \$24,600 for a total fair value associated with Inverite of \$128,600 as at March 31, 2026 (September 30, 2025 - \$nil). During the six months ended March 31, 2026, the Company recorded an unrealized gain on investment of \$50,800 and an unrealized fair value loss on derivative financial instrument of \$22,200. The warrants were valued using the Black-Scholes option pricing model with the following inputs: expected life of 1.69 years, volatility of 112%, risk-free rate of 2.59%, and 0% for dividends and forfeitures.

CHIP Data Centers

On July 22, 2025, the Company entered into an agreement to acquire 125,000 common shares of CHIP Data Centers Inc. ("CHIP") at a price of \$0.40 per share for aggregate cash consideration of \$50,000. On January 5, 2026, the Company received the 125,000 common shares of CHIP. As at September 30, 2025, the Company recorded the investment in CHIP as a deposit.

Digital Currencies

As at March 31, 2026, the Company held Solana (SOL) and IO.net tokens (IO) as digital currencies. Digital currencies are revalued by taking the closing prices of each reporting date listed on "Coinmarketcap.com". The following is a continuity of digital currencies:

	SOL		IO		Total
	Units	\$	Units	\$	\$
Balance, September 30, 2024	-	-	-	-	-
Digital currencies purchased	185.24	50,000	12,868.44	54,221	104,221
Digital currencies sold	(157.04)	(54,221)	-	-	(54,221)
Unrealized loss	-	(2,440)	-	(40,710)	(43,151)
Realized gain	-	11,716	-	-	11,716
Balance, March 31, 2025	28.20	5,055	12,868.44	13,510	18,565
Unrealized gain/(loss)	-	3,140	-	(4,105)	(965)
Balance, September 30, 2025	28.20	8,195	12,868.44	9,405	17,600
Unrealized loss	-	(4,928)	-	(7,505)	(12,433)
Balance, March 31, 2026	28.20	3,267	12,868.44	1,900	5,167

ALSET AI VENTURES INC.**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS**

For the three and six-month periods ended March 31, 2026 and 2025

(Expressed in Canadian Dollars)

(Unaudited)

5. LOANS RECEIVABLE

The following is a continuity schedule of loans receivable:

Loans receivable	
Balance, September 30, 2024	\$ 2,281,509
Loans sent	100,000
Loans repaid	(1,696,727)
Interest receivable	16,540
Balance March 31, 2025	\$ 701,322
Loans sent	511,279
Loans repaid	(254,460)
Interest receivable	19,825
Balance, September 30, 2025	\$ 977,966
Loans sent	371,745
Interest receivable	22,655
Balance, March 31, 2026	\$ 1,265,126

During the six months ended March 31, 2026, the Company:

- Entered into a loan with Lyken on March 31, 2026 for \$179,995 at an interest rate of 15% per annum. The loan is unsecured and due one year from the date of the loan.
- Entered into a loan with Lyken on December 31, 2025 for \$191,750 at an interest rate of 5% per annum. The loan is unsecured and due one year from the date of the loan.
- Received 400,000 common shares, 200,000 share purchase warrants of Inverite, and \$9,370 in cash for the settlement of loan of \$109,370 to Inverite (Note 4).

During the year ended September 30, 2025, the Company:

- Received \$1,658,245 repayment from Lyken with respect to the loan agreement signed on April 2, 2024. As of November 20, 2024, the loan is fully repaid.
- Entered into a loan agreement with Inverite on November 28, 2024, loaned \$100,000 at an interest rate of 10% per annum. The loan was unsecured and became due on December 31, 2025.
- Entered into a loan with Lyken on May 1, 2025 for US\$250,000 (\$345,300) at an interest rate of 5% per annum. The loan is unsecured and due one year from the date of the loan.
- Entered into a loan agreement with Lyken on September 30, 2025 for \$165,979 at an interest rate of 5% per annum. The loan is unsecured and due one year from the date of the loan.
- Extended all outstanding loans totaling \$610,100 issued to Lyken during the year ended September 30, 2024 for a period of one year. As at March 31, 2026, \$359,623 remained outstanding including interest.
- Received an additional \$296,523 repayment from Lyken for the payment of loans towards a \$50,000 loan issued September 5, 2023 (fully repaid), \$200,000 loan issued October 30, 2023 (fully repaid), and \$100,000 loan issued December 5, 2023 (partially repaid).

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6. CONVERTIBLE DEBENTURES**24% Convertible debentures**

Balance September 30, 2024	206,626
Settled with the issuance of common share units (Note 8)	(210,432)
Accretion expense	681
Accrued interest payable	6,920
Gain on conversion of convertible debt	(3,795)
Balance March 31, 2025	-
Settled with the issuance of common share units (Note 8)	(3,796)
Accretion expense	681
Accrued interest payable	6,921
Balance March 31, 2026 and September 30, 2025	-

On November 28, 2023, the Company completed an offering of unsecured convertible debentures in aggregate principal of \$188,000 (the “Debentures”), of which \$45,000 was received during the year ended September 30, 2023.

The Debentures matured on the date (the “Maturity Date”) that was 12 months from the date of issuance (the “Closing Date”). The principal amount of Debentures was convertible into units of the Company (“Debenture Units”), in whole or in part, at the option of the holder, at any time following the Closing Date but on or before the Maturity Date, into at a price of \$0.50 per Debenture Unit.

The Debentures bore interest at a rate of 24.0% per annum from the Closing Date.

Each Debenture Unit consisted of one Common Share and one Common Share purchase warrant (a “Debenture Warrant”). Each Debenture Warrant entitled the holder thereof to acquire one additional Common Share at a price of \$0.50 per share for a period of 12 months from the date of issuance.

For accounting purposes, the Debentures are separated into their liability and equity components using the residual method. The fair value of the liability component at the time of issue is determined based on an estimated rate of 27.0% for debentures without the conversion feature. The fair value of the equity component is determined as the difference between the face value of the convertible debenture and the fair value of the liability component. After initial recognition, the liability component is carried on an amortized cost basis and accreted to its face value over the term to maturity of the convertible debentures at an effective rate of 27.0%.

During the year ended September 30, 2025, the Company incurred interest expense of \$6,921 (2024 - \$36,361) and accretion expense of \$681 (2024 - \$3,343) on the convertible debentures, which has been recorded on the statement of operations and comprehensive loss. The Company issued 429,041 units in settlement of \$214,520 of convertible debt during the year ended September 30, 2025.

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7. LOANS PAYABLE

On February 24, 2026, the Company issued loans payable in the form of non-convertible debentures for aggregate gross proceeds of \$500,000. The loans mature on February 24, 2029, being three years from the issuance date. The loans bear interest at a rate of 6% per annum, calculated from the issuance date and payable on the maturity date. The loan is made to an insider holding greater than 10% of the outstanding Common Shares of the Company, and as such, this is considered a related party transaction (Note 9).

At the Company's sole discretion, and subject to the approval of the TSX Venture Exchange, the Company may satisfy any accrued and unpaid interest payments through the issuance of common shares ("Interest Shares") at the Discounted Market Price (as defined in the policies of the TSXV) on the applicable interest payment date, or at a price otherwise required by applicable securities laws.

During the six months ended March 31, 2026, the Company issued 333,333 non-transferrable Bonus Warrants ("Loan Warrant") to the lender as additional compensation for the funds advanced. Each Loan Warrant entitles the lender to purchase one common share of the Company at an exercise price of \$ 1.50 until the maturity date of the loans.

The loans and the accompanying Loan Warrants are treated as a compound financial instrument. Upon initial recognition, the liability component was recorded at a fair value of \$412,613, calculated by discounting the future cash flows of the loans at an estimated market interest rate of 12.66%. The residual balance of \$87,387 was allocated to the Bonus Warrants and recognized in contributed surplus.

The following table summarizes the continuity of the Company's loans payable:

Loans payable	
Balance, September 30, 2025	\$ -
Gross proceeds from loan issuance	500,000
Less: Value allocated to Loan Warrants	(87,387)
Liability recognized on issuance	412,613
Accretion expense	1,867
Interest expense	2,877
Balance, March 31, 2026	\$ 417,356

8. SHARE CAPITAL AND RESERVES

Authorized share capital

As at March 31, 2026, the authorized share capital of the Company is an unlimited number of common shares without par value.

Issued share capital

During the six months ended March 31, 2026, the Company:

- Issued an aggregate of 511,684 common shares pursuant to the exercise of warrants ("Warrants"), options ("Options") and restricted share units ("RSUs") of the Company for gross proceeds of \$66,800.

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8. SHARE CAPITAL AND RESERVES (cont'd...)**Issued share capital (cont'd...)**

- b) Completed a non-brokered private placement of 1,272,727 units at a price of \$0.55 per unit for gross proceeds of \$700,000. Each unit is comprised of one Common Share and one-half of one Warrant. Each whole Warrant entitles the holder thereof to acquire one additional Common Share at a price of \$1.00 per Common Share for a period of two years from the date of closing.
- c) On March 13, 2026, the Company issued 347,503 common shares for the settlement of \$191,160 of payables from third party vendors of the Company. As a result, the Company recorded \$34,784 gain on debt settlement.

During the year ended September 30, 2025, the Company:

- d) Issued an aggregate 2,055,054 common shares for the exercise of warrants, options, and RSUs of the Company for gross proceeds of \$890,527
- e) Issued an aggregate 429,041 units for the conversion of the convertible debt. Each unit consists of one common share and one share purchase warrant exercisable at a price of \$0.50 for one year from the date of conversion (Note 6).
- a) Issued an aggregate of 2,699,996 common shares for the acquisition of 51% stake of Lyken (Note 4).
- b) Issued an aggregate of 78,833 common shares and 64,009 units of the Company for the settlement of \$160,698 of debt. Each unit consists of one common share and one share purchase warrant exercisable at a price of \$1.50 for a period of two years. The shares were valued at \$0.80 per share for a total value of \$114,274. The Company recorded a gain on settlement of debt of \$9,798.

Stock Options and Share Purchase Warrants

Stock options and share purchase warrants transactions are summarized as follows:

	Stock Options		Warrants	
	Number	Weighted Average Exercise Price	Number	Weighted Average Exercise Price
Outstanding and exercisable, September 30, 2024	1,282,600	\$ 1.50	5,277,885	\$ 1.50
Exercised	(192,600)	-	(1,537,454)	0.50
Granted	302,000	0.50	493,049	0.50
Expired/Cancelled	(569,500)	2.30	(1,444,866)	0.50
Outstanding and exercisable, March 31, 2025	822,500	0.70	2,788,614	1.70
Exercised	(25,000)	0.60	-	-
Granted	300,000	0.70	-	-
Outstanding and exercisable, September 30, 2025	1,097,500	0.70	2,788,614	2.40
Exercised	(20,000)	0.55	(111,600)	0.50
Granted	500,000	0.55	969,697	1.00
Expired/Cancelled	(305,500)	0.96	(167,400)	0.50
Outstanding and exercisable, March 31, 2026	1,272,000	0.62	3,579,751	1.63

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8. SHARE CAPITAL AND RESERVES (cont'd...)**Stock Options and Share Purchase Warrants (cont'd...)**

As at March 31, 2026, 1,102,500 stock options are vested and exercisable.

Outstanding stock option and share purchase warrants as at March 31, 2026:

Number	Exercise price	Expiry date	Remaining life (years)
Stock Options			
45,000	0.50	February 2, 2029	2.85
125,000	0.60	September 20, 2027	1.48
302,000	0.50	November 18, 2027	1.64
200,000	0.80	August 15, 2027	1.38
100,000	1.10	August 28, 2027	1.41
500,000	0.55	January 4, 2028	1.76
<u>1,272,000</u>			

Number	Exercise price	Expiry date	Remaining life (years)
Warrants			
1,592,457	1.50	March 15, 2027	0.96
172,849	1.50	March 15, 2027	0.96
407,542	1.50	March 22, 2027	0.98
20,957	1.50	March 22, 2027	0.98
281,240	4.00	May 15, 2027	1.12
62,000	2.50	May 15, 2027	1.12
2,600	4.00	May 17, 2027	1.13
6,400	2.50	May 17, 2027	1.13
64,009	1.15	February 27, 2027	1.91
636,364	1.00	December 16, 2027	1.71
333,333	1.50	February 24, 2029	2.91
<u>3,579,751</u>			

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8. SHARE CAPITAL AND RESERVES (cont'd...)**Restricted share units**

	Number	Weighted average fair value per share at grant date
Outstanding, September 30, 2023	-	\$ -
Granted	300,000	2.50
Outstanding and exercisable, September 30, 2024	300,000	2.50
Exercised	(170,000)	0.50
Granted	643,600	0.50
Outstanding and exercisable, March 31, 2025	773,600	1.50
Exercised	(130,000)	0.50
Granted	250,000	1.05
Cancelled	(1,297)	1.70
Outstanding and exercisable, September 30, 2025	892,303	1.50
Exercised	(380,085)	0.96
Granted	555,000	0.60
Outstanding and exercisable, March 31, 2026	1,067,218	\$ 0.88

During the six months ended March 31, 2026, the Company issued 555,000 RSUs. The RSUs vests in 125,000 tranches every three month period starting on March 31, 2026.

During the year ended September 30, 2025, the Company issued 893,600 RSUs. 690,000 of the issued RSUs vests one year from the date of grant. For the remaining 203,600 RSUs, 101,800 RSUs vest 12 months from the date of grant, 33,933 RSUs vests 15 months from the date of grant, 33,933 RSUs vests 18 months from the date of grant, and 33,933 vests 21 months from the date of grant.

Share-based payments

On July 21, 2025, the Company authorized the adoption of an Omnibus Incentive Plan which authorizes the issuance of stock options, restricted share units and other equity instruments. The Omnibus Incentive Plan enables the Company to authorize to grant options to executive officers, directors, employees and consultants enabling them to acquire 10% of the issued and outstanding common stock of the Company of up to a maximum of 10 years as decided by the board of directors. Under the plan, the exercise price of each option equals the market price of the Company's stock, less applicable discount, as calculated on the date of grant. The Omnibus Incentive Plan authorizes the Company to grant up to 1,478,074 RSUs.

Restricted Share Units

As the performance conditions of the RSU granted were not market-related, the fair value per RSU used to calculate compensation expense for the RSU granted is determined to be equal to the market price on the date of grant. The value is then expensed over the vesting term. During the six months ended March 31, 2026, the Company recognized share-based payments expense of \$492,329 (2025 - \$695,096) with respect to RSUs.

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8. SHARE CAPITAL AND RESERVES (cont'd...)

Share-based payments (cont'd...)

Stock Options

During the six months ended March 31, 2026 the Company issued 500,000 (2025 – 302,000) stock options and recorded \$264,000 (2025 - \$99,608) of share-based payments expense related to stock options granted and vested in the statement of operations and comprehensive loss.

The following weighted average assumptions were used for the valuation of stock options:

	2026	2025
Risk-free interest rate	2.57%	2.94%
Expected life	3.0 years	2.5 years
Annualized volatility	168%	156%
Dividend rate	0.00%	0.00%
Forfeiture rate	0.00%	0.00%

Escrowed shares and warrants

As at March 31, 2026, 612,649 (September 30, 2025 - 930,224) common shares and 252,649 (September 30, 2025 – 378,974) share purchase warrants remain in escrow.

9. RELATED PARTY TRANSACTIONS

Key management personnel consist of the officers of the Company and the Company's Board of Directors.

During the six months ended March 31, 2026, the Company paid or accrued management fees of \$98,438 (March 31, 2025 - \$76,388) to a company that is associated with the CFO of the Company.

During the six months ended March 31, 2026, the Company paid or accrued consulting fees of \$165,375 (March 31, 2025 - \$121,438) to a company owned by the CEO of the Company.

During the six months ended March 31, 2026, the Company paid or accrued consulting fees of \$63,000 (March 31, 2025 - \$60,000) to companies owned by a director of the Company.

During the six months ended March 31, 2026, the Company also issued 225,000 (March 31, 2025 – 102,000) stock options to certain directors and officers of the Company and recognised a share-based payment expense of \$117,750 (March 31, 2025 - \$40,661).

During the six months ended March 31, 2026, the Company issued 225,000 RSUs and recorded share-based payments expense of \$253,377 (March 31, 2025 - \$229,300) for RSUs issued to key management personnel.

As at March 31, 2026, \$71,063 (September 30, 2025 - \$91,605) is due to related parties and former related parties and included in accounts payable and accrued liabilities.

On February 24, 2026, the Company closed the first tranche of a loan transaction, issuing \$500,000 in non-convertible debentures to an insider holding greater than 10% of the issued and outstanding Common Shares. The debentures bear interest at 6.0% per annum and mature on February 24, 2029. In connection with the tranche, the Company issued 333,333 non-transferrable warrants to the insider, exercisable at \$1.50 per share for three years.

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9. RELATED PARTY TRANSACTIONS (cont'd...)

On February 24, 2026, the Company amended a revenue agreement with Silver Birch Growth Inc. ("SBG"), agreeing to pay a cash fee of \$500,000 for services related to the launch of Lyken.AI. This constitutes a related party transaction as the insider holding greater than 10% of the issued and outstanding Common Shares beneficially owns more than 50% of the outstanding securities of SBG.

10. SUPPLEMENTAL DISCLOSURE WITH RESPECT TO CASH FLOWS

In the six months ended March 31, 2026, the Company incurred the following non-cash investing and financing activities:

- a) Settled \$109,370 of loans receivable with Inverite for 400,000 common shares of Inverite, 200,000 share purchase warrants of Inverite, and \$9,370 in cash (Notes 4,5)
- b) On March 13, 2026, the Company issued 347,503 common shares for the settlement of \$191,160 of payables from third party vendors of the Company. As a result, the Company recorded \$34,784 gain on debt settlement.
- c) Issued an aggregate of 511,684 common shares pursuant to the exercise of warrants, options and restricted share units of the Company for gross proceeds of \$66,800.

During the year ended March 31, 2025, the Company incurred the following non-cash investing and financing activities:

- d) Converted convertible debentures of \$214,520 by issuing 429,040 Debenture Units of one common share and one share purchase warrant to settle liabilities totaling \$218,315. The company recorded a gain on the conversion of \$3,795.
- e) Exercise of 1,537,459 warrants for gross proceeds of \$779,227, of which \$73,333 were recorded as a receivable as at March 31, 2025.
- f) Issued 1,999,999 common shares for the acquisition of 26% stake in Lyken with a fair valued of \$1,499,999.
- g) Settled \$140,959 of accounts payable and accrued liabilities through the issuance of 78,833 common shares and 64,009 warrants (Note 8).

11. CAPITAL MANAGEMENT

The Company's primary objectives in capital management are to safeguard the Company's ability to continue as a going concern in order to provide returns for shareholders and to maintain sufficient capital to fund operations. Capital is comprised of the component of shareholders' equity (deficiency) as described in the statement of changes in shareholders' deficiency. The Company manages its capital structure to maximize its financial flexibility making adjustments to it in response to changes in economic conditions and the risk characteristics of the underlying assets and business opportunities. There have been no changes to the Company's approach to capital management during the six months ended March 31, 2026.

The Company does not presently utilize any quantitative measures to monitor its capital and is not subject to externally imposed capital requirements.

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12. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

The Company's financial assets and liabilities by category and information about financial assets and liabilities measured at fair value on a recurring basis in the statement of financial position are classified and measured as follows:

	Category	March 31, 2026	September 30, 2025
Financial Assets			
Cash	Amortized cost	\$ 273,198	\$ 738,200
Accounts receivable	Amortized cost	21,051	20,259
Loans receivable	Amortized cost	1,265,126	977,966
Investment in Lyken	FVTPL	2,800,000	2,800,000
Investment in Vertex	FVTPL	1	1
Investment in VERSES AI	FVTPL	-	15,402
Investment in Blueprint	FVTPL	150,000	150,000
Investment in Henon	FVTPL	367,645	367,645
Investment in CHIP	FVTPL	50,000	-
Investment in Inverite	FVTPL	128,600	-
Financial Liabilities			
Accounts payable and accrued liabilities	Amortized cost	\$ 1,078,144	\$ 780,134
Loans payable	Amortized cost	417,356	-

Due to the short-term nature of cash, accounts receivable, loans receivable, convertible debentures, accounts payable and accrued liabilities, and short-term loans payable, the Company determined that the carrying amounts of these financial instruments approximate their fair value.

The following table presents the Company's financial instruments, measured at fair value, and categorized into levels of the fair value hierarchy:

	Balance at March 31, 2026	Quoted Prices in Active Markets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Investment in Lyken	\$ 2,800,000	\$ -	\$ 2,800,000	\$ -
Investment in Vertex	1	-	1	-
Investment in Blueprint	150,000	-	150,000	-
Investment in Henon	367,645	-	367,645	-
Investment in CHIP	50,000	-	50,000	-
Investment in Inverite	128,600	104,000	-	24,600
	\$ 3,496,246	\$ 104,000	\$ 3,367,646	\$ 24,600

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12. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (cont'd...)

	Balance at September 30, 2025	Quoted Prices in Active Markets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Investment in Lyken	\$ 2,800,000	\$ -	\$ 2,800,000	\$ -
Investment in Vertex	1	-	1	-
Investment in Verses	15,402	-	-	15,402
Investment in Blueprint	150,000	-	150,000	-
Investment in Henon	367,645	-	367,645	-
	\$ 3,333,048	\$ -	\$ 3,317,646	\$ 15,402

Fair value estimates of financial instruments are made at a specific point in time, based on relevant information about financial markets and specific financial instruments. As these estimates are subjective in nature, involving uncertainties and matters of significant judgment, they cannot be determined with precision. Changes in assumptions can significantly affect estimated fair values.

Financial risk factors

The Company's risk exposures and the impact on the Company's financial instruments are summarized below:

Currency risk

Currency risk is the risk that the Company will be subject to foreign currency fluctuation. The Company is exposed to foreign currency risk on fluctuations related to cash that is denominated in US Dollars. As at March 31, 2026, the Company has US\$87,789 (CA\$122,369). A 10% change in CAD-USD would affect comprehensive loss by approximately \$12,237 (September 30, 2025 - \$66,752).

Credit risk

Credit risk is the risk of potential loss to the Company if the counterparty to a financial instrument fails to meet its contractual obligations. The Company's credit risk is primarily attributable to its liquid financial assets including cash and receivables. The Company limits exposure to credit risk on liquid financial assets through maintaining its cash with high-credit quality financial institutions.

Liquidity risk

The Company's approach to managing liquidity risk is to try and have sufficient liquidity to meet liabilities when due. As at March 31, 2026, the Company had a cash balance of \$273,198 (September 30, 2025 - \$738,200) to settle current liabilities of \$1,078,144 (September 30, 2025 - \$780,134). All of the Company's accounts payable and accrued liabilities have contractual maturities of 30 days or due on demand and are subject to normal trade terms.

Market risk

Market risk is the risk of loss that may arise from changes in market factors such as interest rates, foreign exchange rates, and commodity and equity prices. The Company does not have a practice of trading derivatives.

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12. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (cont'd...)

Interest rate risk

The Company's financial assets exposed to interest rate risk consist of cash balances. The Company's current policy is to invest excess cash in investment-grade short-term deposit certificates issued by its banking institutions. The Company periodically monitors the investments it makes and is satisfied with the credit ratings of its banks. As at March 31, 2026, the Company did not have any investments in investment-grade short-term deposit certificates.

Debt instruments carrying interest charges are at fixed rates and not subject to variable adjustment, unless in certain circumstances of default (Note 7).

Price risk

The Company is exposed to price risk with respect to equity prices. The Company closely monitors individual equity movements, and the stock market to determine the appropriate course of action to be taken by the Company.

13. SUBSEQUENT EVENT

On April 2, 2026, the Company, issued loans payable for gross proceeds of \$195,000. The loan matures three years from the date of issuance and bears an interest rate of 6% per annum, calculated from the issuance date and payable on the maturity date. The Company issued 130,000 Loan Warrants to the lender as additional compensation for the funds advanced. Each Loan Warrant entitles the lender to purchase one common share of the Company at an exercise price of \$ 1.50 until the maturity date of the loans.

On May 1, 2026, the Company effected a consolidation of its common shares on the basis of one (1) post-consolidation common share for every ten (10) pre-consolidation common shares.

On May 6, 2026, the Company entered into an assignment and assumption agreement with Lyken to assume a 3.0% convertible debenture issued by 1000175307 Ontario Ltd. dba. Chaco Minerals Ltd. with a principal amount of \$1,248,000. The principal plus interest of this debenture totaled \$1,301,077. The Company has exchanged this with the equivalent amount of loans receivable from Lyken.