
HELLO PAL INTERNATIONAL INC.

CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS
FOR THE THREE AND TWELVE MONTHS ENDED FEBRUARY 28, 2023 AND 2022
(Unaudited – Expressed in Canadian Dollars)

NOTICE TO READER

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

The accompanying unaudited condensed interim consolidated financial statements 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 condensed interim consolidated financial statements in accordance with the standards established by the Chartered Professional Accountants of Canada for a review of interim financial statements by an entity's auditor.

HELLO PAL INTERNATIONAL INC.
CONDENSED INTERIM CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
(Unaudited – Expressed in Canadian Dollars)

	Note	February 28, 2023 \$	February 28, 2022 \$
ASSETS			
Current assets			
Cash and cash equivalents		533,969	2,194,137
Cryptocurrency	3	2,953,296	402,090
Receivables	4	953,961	705,245
Prepaid expenses		94,876	514,402
Due from related parties	10	349,965	274,644
		4,886,067	4,090,518
Property and equipment	5	53,269	114,007
Investment in associate	8	286,257	273,101
Mining assets	6	9,140,648	11,063,814
Software application	7	1,487,682	2,155,667
Total assets		15,853,923	17,697,107
LIABILITIES			
Current liabilities			
Accounts payable and accrued liabilities	9, 15	4,742,144	4,925,195
Due to related parties	10	257,623	221,508
Lease obligations – short-term	11	14,062	8,864
Convertible notes – liability component	12	92,287	-
		5,106,116	5,155,567
Deferred tax liability		310,175	310,175
Lease obligations	11	1,221	-
Convertible notes – liability component	12	-	89,485
		5,417,512	5,555,227
SHAREHOLDERS' EQUITY			
Share capital	13	28,174,252	28,174,252
Shares to be issued	14	2,025,000	2,025,000
Contributed surplus	13	4,980,752	4,980,752
Convertible notes – equity component	12	10,152	10,152
Accumulated other comprehensive income (loss)		186,368	(32,516)
Deficit		(30,422,573)	(27,581,599)
Total equity attributable to shareholders of the Company		4,953,951	7,576,041
Attributable to non-controlling interest		5,482,460	4,565,839
		10,436,411	12,141,880
Total liabilities and shareholders' equity		15,853,923	17,697,107

Nature of operations and going concern (Note 1)
Subsequent events (Notes 12 and 13)

Approved and authorized on behalf of the Board of Directors on September 21, 2023

“Gunther Roehlig” Director

“Kean Li Wong” Director

HELLO PAL INTERNATIONAL INC.
CONDENSED INTERIM CONSOLIDATED STATEMENTS OF LOSS AND COMPREHENSIVE LOSS

For the three and twelve months ended February 28, 2023 and 2022

(Unaudited – Expressed in Canadian Dollars)

	Note	For the three months ended February 28,		For the twelve months ended February 28,	
		2023	2022	2023	2022
		\$	\$	\$	\$
LIVE STREAMING REVENUE		5,046,065	18,874,905	22,103,224	36,471,718
COST OF REVENUE, EXCLUDING DEPRECIATION AND AMORTIZATION	18	4,771,054	18,378,240	20,382,471	34,271,148
		275,011	496,665	1,720,753	2,200,570
CRYPTOCURRENCY MINING REVENUE	15	812,857	149,137	3,060,452	2,983,693
COST OF REVENUE, EXCLUDING DEPRECIATION AND AMORTIZATION	18	410,627	94,880	1,002,745	1,059,571
		402,230	54,257	2,057,707	1,924,122
ADMINISTRATIVE EXPENSES					
Accounting and audit		119,490	114,168	181,865	174,061
Accretion	12	709	687	2,802	4,122
Bad debt expense		-	54,612	-	54,612
Bitcoin liability revaluation unrealized (gain) loss	10	17,750	(35,263)	(40,678)	(7,198)
Depreciation and amortization	5, 6, 7	980,825	780,166	3,543,213	1,706,863
Foreign exchange (gain) loss		13,092	(73,512)	4,530	(75,500)
Interest expense	10, 12	5,695	95,562	23,015	113,897
Management and consulting fees	15	50,260	89,636	142,253	205,307
Marketing		10,096	596,213	734,403	2,506,373
Legal		9,702	24,600	52,381	95,280
Office and miscellaneous		67,404	412,244	303,668	764,820
Transfer agent and filing fees		9,801	10,001	43,883	70,643
Salaries and benefits		169,611	331,707	726,812	1,056,133
Share-based payments	13, 15	-	618,278	-	2,214,029
Shareholder communications		-	76,953	188,806	398,597
Software application costs		1,472	2,418	6,288	7,319
Total Expenses		(1,455,907)	(3,098,470)	(5,913,241)	(9,289,358)
LOSS BEFORE OTHER INCOME (EXPENSE)		(778,666)	(2,547,548)	(2,134,781)	(5,164,666)
OTHER INCOME (EXPENSE)					
Gain (loss) on disposal of mining assets		(36)	407,505	(6,682)	750,460
Share of gain (loss) in equity accounted investee	8	943	39,999	13,156	(26,899)
LOSS BEFORE INCOME TAXES		(777,759)	(2,100,044)	(2,128,307)	(4,441,105)
Current income tax expense		-	(1,888,029)	-	(1,888,029)
Deferred income tax expense		-	(310,175)	-	(310,175)
LOSS FOR THE PERIOD		(777,759)	(4,298,248)	(2,128,307)	(6,639,309)
OTHER COMPREHENSIVE LOSS					
Digital currency revaluation		(380,844)	612,590	620,186	12,269
Exchange differences on translation of foreign operations		107,385	(128,709)	(197,348)	(103,014)
TOTAL COMPREHENSIVE LOSS FOR THE PERIOD		(1,051,218)	(3,814,367)	(1,705,469)	(6,730,054)
LOSS ATTRIBUTABLE TO:					
Shareholders of the Company		(860,241)	(4,321,697)	(2,840,974)	(7,612,536)
Non-controlling interest		82,482	23,449	712,667	973,227
		(777,759)	(4,298,248)	(2,128,307)	(6,639,309)
COMPREHENSIVE LOSS ATTRIBUTABLE TO:					
Shareholders of the Company		(1,008,456)	(4,121,644)	(2,622,090)	(7,692,952)
Non-controlling interest		(42,762)	307,277	916,621	962,898
		(1,051,218)	(3,814,367)	(1,705,469)	(6,730,054)
NET LOSS PER SHARE – BASIC AND DILUTED		(0.00)	(0.03)	(0.01)	(0.04)
WEIGHTED AVERAGE NUMBER OF SHARES OUTSTANDING		166,653,623	166,653,623	166,653,623	163,657,971

HELLO PAL INTERNATIONAL INC.
CONDENSED INTERIM CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
(Unaudited – Expressed in Canadian dollars, except for share figures)

	Number of Shares #	Share Capital \$	Shares to be issued \$	Contributed Surplus \$	Convertible Notes – Equity Component \$	AOCI \$	Deficit \$	NCI \$	Total \$
Balance, February 28, 2021	153,789,084	18,583,542	2,025,000	2,566,359	16,912	47,900	(19,969,063)	-	3,270,650
Issuance of common shares pursuant to Offering (Note 13)	5,800,000	7,134,000	-	116,000	-	-	-	-	7,250,000
Shares issued to Agent	80,000	100,000	-	-	-	-	-	-	100,000
Share issue costs	-	(1,418,562)	-	379,898	-	-	-	-	(1,038,664)
Subscription receivable	-	300,000	-	(300,000)	-	-	-	-	-
Issuance of common shares pursuant to conversion of convertible notes (Note 12)	442,364	64,479	-	-	(6,760)	-	-	-	57,719
Issuance of common shares pursuant to acquisition of Crypto Pal (Note 6)	1,800,000	2,214,000	-	36,000	-	-	-	3,602,941	5,852,941
Issuance of shares for services	200,000	134,000	-	-	-	-	-	-	134,000
Issuance of common shares pursuant to exercise of stock options	366,150	68,149	-	(31,534)	-	-	-	-	36,615
Issuance of common shares pursuant to exercise of warrants	4,176,025	994,644	-	-	-	-	-	-	994,644
Share-based payments (Notes 13, 14)	-	-	-	2,214,029	-	-	-	-	2,214,029
Net loss	-	-	-	-	-	-	(7,612,536)	973,227	(6,639,309)
Other comprehensive loss	-	-	-	-	-	(80,416)	-	(10,329)	(90,745)
Balance, February 28, 2022	166,653,623	28,174,252	2,025,000	4,980,752	10,152	(32,516)	(27,581,599)	4,565,839	12,141,880
Net loss	-	-	-	-	-	-	(2,840,974)	712,667	(2,128,307)
Other comprehensive loss	-	-	-	-	-	218,884	-	203,954	422,838
Balance, February 28, 2023	166,653,623	28,174,252	2,025,000	4,980,752	10,152	186,368	(30,422,573)	5,482,460	10,436,411

HELLO PAL INTERNATIONAL INC.
CONDENSED INTERIM CONSOLIDATED STATEMENTS OF CASH FLOWS
For the twelve months ended February 28, 2023 and 2022
(Unaudited – Expressed in Canadian Dollars)

	2023	2022
	\$	\$
Operating activities:		
Net loss for the period	(2,128,307)	(6,639,309)
Items not involving cash:		
Deferred income taxes	-	310,175
Depreciation and amortization	3,543,213	1,706,863
Bitcoin revaluation gain	(40,678)	(7,198)
Accretion	2,802	4,122
Accrued interest	23,015	8,832
Digital assets mined	(3,060,452)	(2,983,693)
Services paid by digital assets	1,185,413	1,055,081
Gain on disposition of digital assets	(46,673)	(33,284)
Shares issued for services	-	134,000
Share of loss in equity accounted investee	(13,156)	26,899
Loss on disposal of mining assets	6,682	(750,460)
Share-based payments	-	2,214,029
	(528,141)	(4,953,943)
Changes in non-cash working capital related to operations:		
Receivables	(248,716)	1,598,297
Prepaid expenses	419,526	(8,096)
Accounts payable and accrued liabilities	(184,172)	2,280,432
Net cash used in operating activities	(541,503)	(1,083,310)
Investing activities:		
Purchase of property and equipment	(15,120)	(26,220)
Acquisition of Mining Assets	(544,070)	(3,401,551)
Acquisition and development costs of software application	(530,319)	(353,693)
Investment in associate	-	(300,000)
Net cash used in investing activities	(1,089,509)	(4,081,464)
Financing activities:		
Repayments to related parties	(67,571)	(772,484)
Lease payments	(22,484)	(46,066)
Proceeds from issuance of shares	-	6,311,336
Proceeds from exercise of stock options	-	36,615
Proceeds from exercise of warrants	-	994,644
Proceeds from loan payable	-	(10,000)
Net cash (used in) provided by financing activities	(90,055)	6,514,045
(Decrease) increase in cash during the period	(1,721,067)	1,349,271
Effect of exchange rate changes on cash	60,899	(570,147)
Cash and cash equivalents – beginning of the period	2,194,137	1,415,013
Cash and cash equivalents – end of the period	533,969	2,194,137
Income taxes paid in cash	-	-
Interest paid in cash	-	-
Non-Cash Transactions (Note 16)		

HELLO PAL INTERNATIONAL INC.
NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS
For the three and twelve months ended February 28, 2023 and 2022
(Unaudited – Expressed in Canadian Dollars)

1. NATURE OF OPERATIONS AND GOING CONCERN

Hello Pal International Inc. (“the Company”) was incorporated under the Company Act of British Columbia on October 2, 1986. The Company is a provider of rapidly growing international live-streaming, language learning and social-crypto platform (the “HPI Platform”) (Note 7). The Company is listed on the Canadian Securities Exchange (“CSE”) under the symbol “HP” and quoted on the OTCQB Venture Marketplace under the symbol “HLLPF”. The Company’s registered and corporate head office is located at 200 - 550 Denman Street, Vancouver, BC, Canada.

These condensed interim consolidated financial statements have been prepared on the going concern basis, which contemplates that the Company will continue in operation for the foreseeable future and will be able to realize its assets and discharge its liabilities in the normal course of business. If the going concern assumption were not appropriate for these consolidated financial statements, then adjustments may be necessary in the carrying value of assets and liabilities, the reported expenses and the consolidated statements of financial position classifications used. Such adjustments could be material.

As at February 28, 2023, the Company had an accumulated deficit of \$30,422,573 and had not yet achieved profitable operations. In March 2020, there was a global pandemic outbreak of COVID-19. The actual and threatened spread of the virus globally has had a material adverse effect on the global economy and specifically, the regional economies in which the Company operates. The Company’s business financial condition and results of operations may be further negatively affected by economic and other consequences from Russia’s military action against Ukraine and the sanctions imposed in response to that action in late February 2022. While the Company expects any direct impacts of the pandemic and the war in the Ukraine to the business to be limited, the indirect impacts on the economy could negatively affect the business and may make it more difficult to raise equity or debt financing. There can be no assurance that the Company will not be impacted by adverse consequences that may be brought about on its business, results of operations, financial position and cash flows in the future. These factors may cast significant doubt on the Company’s ability to continue as a going concern. The Company’s continuation as a going concern is dependent upon its ability to generate positive cash flows from operations, obtain the necessary financing to meet its ongoing levels of corporate overhead, required product maintenance and development costs and discharge its liabilities as they come due. Although the Company has been successful in the past in obtaining financing, there is no guarantee that it will be able to obtain adequate financing in the future or that such financing will be on terms advantageous to the Company.

HELLO PAL INTERNATIONAL INC.
NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

For the three and twelve months ended February 28, 2023 and 2022
(Unaudited – Expressed in Canadian Dollars)

2. BASIS OF PRESENTATION

a) Statement of compliance

These condensed interim consolidated financial statements have been prepared in conformity with International Accounting Standard (“IAS”) 34, *Interim Financial Reporting*, using the same accounting policies as detailed in the Company’s audited annual financial statements for the year ended February 28, 2022. They do not include all the information required for complete annual financial statements in accordance with International Financial Reporting Standards (“IFRS”), as issued by the International Accounting Standards Board (“IASB”) and interpretations of the International Financial Reporting Interpretations Committee (“IFRIC”) and therefore should be read together with the audited annual financial statements for the year ended February 28, 2022.

These condensed interim consolidated financial statements were approved by the board of directors for issue on September 21, 2023.

b) Basis of consolidation

These condensed interim consolidated financial statements include the accounts of the Company and its two wholly-owned subsidiaries, Hello Pal Asia Limited, incorporated on May 6, 2016 in Hong Kong SAR, China, and Hangzhou Hello Pal River Technology Limited (“HZHP River”), incorporated on April 25, 2017 in China. The Company also owns 51% of Crypto Pal Technology Ltd. (“Crypto Pal”), acquired on May 25, 2021. In addition, the Company consolidates the accounts and operations of Hangzhou Hello Pal Technology Limited (“HZHYB”) and Chongqing Hello Pal Technology Limited (“CQHP”), two private companies incorporated in China. Although the Company does not have direct ownership in HZHYB and CQHP, the Company has the right to obtain the majority of the benefits and is exposed to the risks of the activities of these two entities and therefore has the effective control over these two entities.

Control is achieved when the Company is exposed to, or has rights to, variable returns from its involvement with an entity and has the ability to affect those returns through its power over the entity. These entities are fully consolidated from the date on which control is obtained and continue to be consolidated until the date that such control ceases. Intercompany balances, transactions and unrealized intercompany gains and losses are eliminated upon consolidation.

The Company’s subsidiary, HZHP River, has entered into certain contractual arrangements with CQHP and its shareholders. These contractual arrangements allow the Company to effectively govern and administer the business operations and affairs of CQHP, including entitlements to the economic benefits. As a result of these contractual arrangements, the Company is considered the primary beneficiary of CQHP and therefore consolidates 100% of CQHP’s operations in its consolidated financial statements.

HELLO PAL INTERNATIONAL INC.
NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

For the three and twelve months ended February 28, 2023 and 2022
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The contractual arrangements entered into with CQHP include a Management Entrustment Agreement, Exclusive Business Cooperation Agreement, Exclusive Purchase Agreement and Equity Pledge Agreement. Pursuant to these agreements, CQHP entrusts HZHP River to manage all operations and control all of CQHP's assets and has appointed HZHP River as its exclusive service provider for all forms of business support, technical services and consultancy services. In addition, during the term of the 20-year agreements, which are extendable at the sole discretion of HZHP River, HZHP River owns rights and interests over all intellectual property and assumes the total revenue rights and all operational risks and losses of CQHP. In addition, HZHP River has an unretractable option to purchase all equity of CQHP for a nominal purchase price, and the shareholders of CQHP have pledged 100% of their equity interest in CQHP as collateral to indemnify against any debts or liabilities that may be accrued by CQHP.

During the year ended February 28, 2022 and the twelve months ended February 28, 2023, the Company is generating income from cryptocurrency mining through Crypto Pal. HZHP does not have material operations for the year ended February 28, 2022 and the twelve months ended February 28, 2023.

c) Change in Year End

During the twelve months ended February 28, 2023, the Company elected to change its Year End to May 31 from February 28. The transition year will be 15 months and will include the period starting March 1, 2022 and ending May 31, 2023. The Company's objective was to obtain its annual financial statement audit during a less resource constrained time of the year. The interim and annual reporting periods of the transition year will be changed based on new fiscal year end date.

d) Estimates, assumptions and measurement uncertainty

The Company makes estimates and assumptions about the future that affect the reported amounts of assets and liabilities. Estimates and judgments are continually evaluated based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. In the future, actual experience may differ from these estimates and assumptions. The effect of a change in an accounting estimate is recognized prospectively by including it in comprehensive loss in the period of the change, if the change affects that period only; in the period of the change and future periods, if the change affects both.

(i) Critical Judgments

Information about critical judgments in applying accounting policies that have the most significant risk of causing material adjustments to the carrying amounts of assets and liabilities recognized in the financial statements within the next financial year are discussed below:

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(Unaudited – Expressed in Canadian Dollars)

Going concern

These condensed interim consolidated 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 assessment of the Company's ability to source future operations and continue as a going concern involves judgment. Estimates and assumptions are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

If the going concern assumption were not appropriate for these consolidated financial statements, then adjustments would be necessary in the carrying value of assets and liabilities, the reported revenue and expenses and the statement of financial position classifications used.

Functional currency

The functional currency for the Company and each of its subsidiaries is the currency of the primary economic environment in which the entity operates. Determination of the functional currency may involve certain judgments to determine the primary economic environment and the Company reconsiders functional currency of its entities if there is a change in events and conditions which determined the primary economic environment.

Capitalization of software development costs

The application of the Company's accounting policy for capitalization of software development costs requires judgment in determining which development expenditures are recognized as intangible assets and applying the policy consistently. In making this determination, the Company considers the degree to which the development expenditure can be associated with developing new software applications.

Impairment of long-lived assets

Each asset or CGU is evaluated every reporting period to determine whether there are any indicators of impairment. If any such indicators exist, which is often judgment-based, a formal estimate of recoverable amount is performed and an impairment charge is recognized to the extent that the carrying amount exceeds the recoverable amount. The recoverable amount of an asset or CGU of assets is measured at the higher of fair value less costs of disposal or value in use. These determinations and their individual assumptions require that management make a decision based on the best available information at each reporting period. The estimates and assumptions are subject to risk and uncertainty; hence, there is the possibility that changes in circumstances will alter these projections, which may impact the recoverable amount of the assets. In such circumstances, some or all of the carrying value of the assets may be further impaired or the impairment charge reversed with the impact recorded in profit or loss.

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Revenues from digital asset mining

The Company has entered into contracts with mining pools and has undertaken the performance obligation of providing computing power to the mining pool in exchange for non-cash consideration in the form of digital asset. Revenue is recognized upon receipt of cryptocurrencies in exchange for its mining activities at the fair market value of the cryptocurrencies received. The fair value is determined using the closing cryptocurrency prices per Coinmarketcap.

Management considers the prices quoted on Coinmarketcap to be a level 2 input under IFRS 13 Fair Value Measurement. Any difference between the fair value of digital assets recorded upon receipt from mining activities and the actual realized price upon disposal are recorded as a gain or loss on disposition of digital assets.

(ii) Key Sources of Estimation Uncertainty

The significant assumptions about the future and other major sources of estimation uncertainty as at the end of the reporting period that have a significant risk of resulting in a material adjustment to the carrying amounts of the Company's assets and liabilities are as follows:

Contingent share issuance

The fair value of shares to be issued under the Vortex Agreement (Note 14) was based on an estimate of the future revenue to be generated from the live-streaming services and the likelihood of achieving defined milestones within the agreement.

Depreciation and amortization

Software application assets are amortized based on estimated useful life less their estimated residual value. Significant assumptions are involved in the determination of useful life and residual values and no assurance can be given that actual useful lives and residual values will not differ significantly from current assumptions. Actual useful life and residual values may vary depending on a number of factors including internal technical evaluation, physical condition of the assets and experience with similar assets. Changes to these estimates may affect the carrying value of assets, net income (loss) and comprehensive income (loss) in future periods.

Share-based payments

Share-based payments are determined using the Black-Scholes option pricing model based on estimated fair values of all share-based awards at the date of grant and are expensed to the statement of loss and comprehensive loss over each award's vesting period. The Black-Scholes option pricing model utilizes subjective assumptions such as expected price volatility, expected life of the option, risk free interest rates, and forfeiture rates. Changes in these input assumptions can significantly affect the fair value estimate.

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Income taxes

Significant estimate is required in determining the provision for income taxes. There are many transactions and calculations undertaken during the ordinary course of business for which the ultimate tax determination is uncertain. The Company recognizes liabilities and contingencies for anticipated tax audit issues based on the Company's current understanding of the tax law. For matters where it is probable that an adjustment will be made, the Company records its best estimate of the tax liability including the related interest and penalties in the current tax provision. Management believes they have adequately provided for the probable outcome of these matters; however, the final outcome may result in a materially different outcome than the amount included in the tax liabilities.

In addition, the Company recognizes deferred tax assets relating to tax losses carried forward to the extent there are sufficient taxable temporary differences (deferred tax liabilities) relating to the same taxation authority and the same taxable entity against which the unused tax losses can be utilized. However, utilization of the tax losses also depends on the ability of the taxable entity to satisfy certain tests at the time the losses are recouped.

3. CRYPTOCURRENCY

The Company's holdings of digital currencies consist of the following:

	February 28, 2023	February 28, 2022
Bitcoin	6,403	14,992
Ethereum	11,992	20,379
Dogecoin	1,757,221	158,831
Litecoin	1,136,566	-
Tether	40,578	145,492
USD Coin	536	62,396
	2,953,296	402,090

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The cryptocurrency market is still a new market and is highly volatile; historical prices are not necessarily indicative of future value; a significant change in the market prices or lack of an active market for the cryptocurrencies would have a significant impact on the Company's other comprehensive income and financial position.

The continuity of digital currencies was as follows:

	Number of Bitcoin	Amount	Number of Ethereum	Amount	Number of Dogecoin	Amount	Number of LTC	Amount	Number of ZEC	Amount	Number of USDT	Amount	Number of USDC	Amount	Total Amount
Balance, February 28, 2020	-	\$ -	-	\$ -	-	\$ -	-	\$ -	-	\$ -	-	\$ -	-	\$ -	\$ -
Cryptocurrency mined	0.21	11,800	3.72	6,678	-	-	-	-	-	-	-	-	-	-	18,478
Balance, February 28, 2021	0.21	11,800	3.72	6,678	-	-	-	-	-	-	-	-	-	-	18,478
Cryptocurrency mined	0.92	55,090	101.78	471,135	939,378	110,674	11,346.28	2,220,243	702.75	126,551	-	-	-	-	2,983,693
Cryptocurrency converted to USDT/USDC	(0.47)	(29,018)	(96.90)	(415,396)	-	-	(11,346.28)	(2,341,037)	(702.75)	(124,198)	2,275,433	2,851,744	10.82	57,905	0.42
Received from sale of property, plant and equipment											6,369,258	7,991,202			7,991,202
Acquisition of property, plant and equipment											(7,713,680)	(9,691,398)			(9,691,398)
(Gain)Loss on sale of digital currencies		(4,129)		(32,280)				120,794		(2,354)		(29,830)		(18,918)	33,284
Acquisition of USDC using cash													414,385	453,674	453,674
Exchanged for services	(0.39)	(23,296)	(3.11)	(15,937)							(816,472)	(1,020,338)		(449,184)	(1,059,572)
Exchanged to live streaming Commission													(365,145)	(449,184)	(449,184)
Revaluation adjustment		457		622		4,846						4,439		1,904	12,269
FX impact		4,088		5,557		43,310						39,673		17,014	109,643
Balance, February 28, 2022	0.27	\$ 14,992	5.49	\$ 20,379	939,378	\$ 158,831	-	\$ -	-	\$ -	114,539	\$ 145,492	49,251	\$ 62,396	\$ 402,090
Cryptocurrency mined	0.02	844			16,552,182	1,706,866	8,904.39	794,977			434,439	557,765	-	-	3,060,452
Cryptocurrency converted to USDT/USDC					(1,501,020)	(151,731)					145,730	198,404			46,673
Received from sale of property, plant and equipment											47,627	59,405			59,405
Refund of deposit from acquisition of property, plant and equipment											555,494	709,811			709,811
Acquisition of property, plant and equipment											(257,950)	(545,311)			(545,311)
(Gain)Loss on sale of digital currencies															-
Acquisition of USDC using cash													203,266	268,160	268,160
Sale of USDT using cash											(60,000)	(78,020)			(78,020)
Acquisition of ETH using cash			0.04	168											168
Exchanged for services	(0.09)	(4,247)	(0.04)	(109)			(0.10)	(8)			(924,639)	(1,014,112)	(64.00)	(21)	(1,018,497)
Exchanged to live streaming Commission											(25,422)	(35,125)	(252,095)	(322,099)	(357,224)
Revaluation adjustment		(5,621)		(7,533)		30,224		347,864				255,220		32	620,186
FX impact		435		(913)		13,031		(6,267)				(212,951)		(7,932)	(214,597)
Balance, February 28, 2023	0.20	\$ 6,403	5.49	\$ 11,992	15,990,540	\$ 1,757,221	8,904	\$ 1,136,566	-	\$ -	29,817	\$ 40,578	358	\$ 536	\$ 2,953,296

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4. RECEIVABLES

	February 28, 2023 \$	February 28, 2022 \$
GST receivable	24,779	1,045
Revenue receivable	929,182	702,464
Other receivables	-	1,736
	953,961	705,245

All of the Company's accounts receivable are current (30 days or less) and have been collected subsequent to period end. The Company reviews all amounts periodically for indication of impairment.

5. PROPERTY AND EQUIPMENT

Cost	Furniture and equipment (\$)	Building (\$)	Leasehold Improvement (\$)	Total (\$)
Balance, February 28, 2021	141,187	103,392	6,088	250,667
Additions	25,739	481	-	26,220
Foreign exchange	4,535	-	-	4,535
Balance, February 28, 2022	171,461	103,873	6,088	281,422
Additions	15,120	27,449	-	42,569
Disposals	(98,650)	-	-	(98,650)
Foreign exchange	(2,487)	-	-	(2,487)
Balance, February 28, 2023	85,444	131,322	6,088	222,854

Accumulated depreciation	Furniture and equipment (\$)	Building (\$)	Leasehold Improvement (\$)	Total (\$)
Balance, February 28, 2021	(25,497)	(52,667)	(4,435)	(82,599)
Additions	(47,483)	(35,133)	(496)	(83,112)
Foreign exchange	(1,704)	-	-	(1,704)
Balance, February 28, 2022	(74,684)	(87,800)	(4,931)	(167,415)
Additions	(14,063)	(20,745)	(347)	(35,155)
Disposals	31,786	-	-	31,786
Foreign exchange	1,199	-	-	1,199
Balance, February 28, 2023	(55,762)	(108,545)	(5,278)	(169,585)

Net Book Value at February 28, 2022	96,777	16,073	1,157	114,007
Net Book Value at February 28, 2023	29,682	22,777	810	53,269

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6. MINING ASSETS

On May 25, 2021, the Company entered into a definitive purchase agreement (the "Agreement") with a company controlled by Shanghai Yitang Data Technology Co. Ltd. ("Yitang"), under which the Company acquired an initial 51% interest in Crypto Pal, with an option to increase such interest to 100% (the "Transaction"). Yitang is a related party of the Company by virtue of a common shareholder. At the time of acquisition, Crypto Pal owned a total of 12,550 mining rigs (12,500 Bitmain Antminer L3+ and 50 Bitmain Antminer Z15) dedicated to mining Dogecoin (DOGE), Litecoin (LTC), Bitcoin and Ethereum (ETH) (the "Mining Assets"). The Company also entered into a guaranteed services agreement (the "Guaranteed Services Agreement") with Yitang to ensure that its Mining Assets are hosted across multiple locations so as to ensure diversification of risk. Pursuant to the Guaranteed Services Agreement, Yitang will guarantee the hosting of the Mining Assets as well as power supply and will provide management and hosting services.

The consideration for the Transaction is \$1,500,000 payable in cash and 1,800,000 units of the Company valued at \$2,250,000. Each unit has a deemed value of \$1.25 and consists of one common share of the Company and one-half of one common share purchase warrant. Each whole warrant entitles the holder thereof to acquire one common share at an exercise price of \$2.00 for a period of two years from the date of issue. The Company has allocated \$2,214,000 to the shares and \$36,000 to the warrants.

For a period of two years following the completion of the Transaction, the Company will have the option to acquire the remaining 49% interest in Crypto Pal (for a total interest of 100%) for an additional payment, as to half in cash and half in common shares, where the valuation of the Mining Assets is dependent on their net profit over a 12-month period immediately preceding the date on which this option is exercised, multiplied by a formulated multiplier.

The Transaction did not meet the definition of a business combination and therefore, has been accounted for as an asset purchase of Mining Assets with the Company acquiring 51% of Crypto Pal on May 25, 2021. The consideration for the acquisition of Crypto Pal has been allocated at fair value of the assets acquired and liabilities assumed, based on management's best estimate and taking into account all available information at the time of acquisition. The following table summarizes the fair value of the total consideration paid and the aggregate fair value of identified assets acquired and liabilities assumed:

Purchase price	\$
Cash	1,500,000
1,800,000 units of the Company at \$1.25 per unit	2,250,000
Transaction costs	256,499
Fair value of non-controlling interest	3,602,941
	7,609,440
Net assets acquired	\$
Cryptocurrency	177,096
Mining assets	7,432,344
	7,609,440

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As at February 28, 2022, Crypto Pal has sold all of the L3+ mining rigs acquired from the Transaction, proceeds of which were used to purchase new mining rigs and resulting in a gain on disposal of \$750,460.

The following is a summary of the changes in the Mining Assets during the year ended February 28, 2022 and the twelve months ended February 28, 2023:

	\$
Balance, February 28, 2021	-
Mining Assets acquired	7,432,344
Mining Assets disposed	(7,240,742)
New mining assets acquired	11,592,946
Depreciation	(723,966)
Foreign exchange	3,232
Balance, February 28, 2022	11,063,814
Mining Assets acquired	411,020
Depreciation	(2,334,186)
Balance, February 28, 2023	9,140,648

7. SOFTWARE APPLICATION

As at February 28, 2023 and 2022, software application comprises Hello Pal, Travel Pal, Language Pal apps and Live Streaming Service applications as follows:

	Software (\$)
Cost	
Balance, February 28, 2021	8,210,986
Additions – development costs	393,796
Foreign exchange	56,632
Balance, February 28, 2022	8,661,414
Additions – development costs	517,388
Foreign exchange	20,955
Balance, February 28, 2023	9,199,757
Amortization	
Balance, February 28, 2021	5,595,278
Amortization	899,785
Foreign exchange	10,684
Balance, February 28, 2022	6,505,747
Amortization	1,173,872
Foreign exchange	32,456
Balance, February 28, 2023	7,712,075
Carrying amount	
As at February 28, 2022	2,155,667
As at February 28, 2023	1,487,682

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8. INVESTMENT IN ASSOCIATE

On September 15, 2021, the Company signed a Cooperation Agreement with Little Pal Asia Limited ("LPA") where the Company is licensed, on a non-exclusive worldwide basis, to freely use LPA's "innovative Infinity Language" language learning system throughout the Company's product and service offerings, and in particular, in its Language Pal app. LPA is a related party of the Company, as it is owned and controlled by the CEO of the Company.

Pursuant to the agreement, the Company has also acquired a 15% equity interest in LPA for \$300,000. Judgment is required as to the extent of influence that the Company has over LPA. The Company considered the extent of voting power over the entity, the power to participate in financial and operating policy decisions of the entity, representation on the board of directors, material transactions between the entities, interchange of management personnel, and provision of essential technical information. The Company has determined that the Company is considered to have significant influence over LPA, as the Company has the power to participate in financial and operating policy decisions, and the majority of the common shares in LPA are held by the CEO of the Company.

The Company's investment in associate as at February 28, 2023 and the changes for the period then ended are as follows:

	\$
Initial recognition	300,000
Share of loss in equity accounted investee	(26,899)
Balance, February 28, 2022	273,101
Share of gain in equity accounted investee	13,156
Balance, February 28, 2023	286,257

The following is a summary of Little Pal Asia's financial information on a 100% basis as at February 28, 2023 and 2022.

	February 28, 2023	February 28, 2022
	\$	\$
Cash and cash equivalents	114,784	122,430
Total current assets	8,703	13,822
Total non-current assets	12,243	96,547
Total current liabilities	(66,055)	(6,149)
Total non-current liabilities	(323,336)	(482,067)
Net assets	(253,661)	(255,417)

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9. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

The components of accounts payable and accrued liabilities are as follows:

	February 28, 2023	February 28, 2022
	\$	\$
Accounts payable	249,924	178,461
Accrued liabilities	288,970	454,865
Income tax payable	3,171,224	3,233,302
Payroll taxes payable	227,840	234,307
VAT payable	804,186	824,260
	4,742,144	4,925,195

10. DUE FROM / TO RELATED PARTIES

As at February 28, 2023, the balance due from the Interim CEO of the Company is \$71,791 (February 28, 2022 – \$53,510). The details of the amount due from the Interim CEO are as follows:

	\$
Balance - February 28, 2021	47,450
Loan from the Company	6,060
Balance - February 28, 2022	53,510
Loan from the Company	18,281
Balance – February 28, 2023	71,791

During the year ended February 28, 2022, the Company advanced \$221,134 to LPA. During the twelve months ended February 28, 2023, the Company advanced \$42,136 to LPA. As at February 28, 2023, the balance due from LPA is \$278,174 (February 28, 2022 - \$221,134).

During the year ended February 28, 2019, the Company received advances totalling \$228,572 from a shareholder of the Company. On June 1, 2019, the Company entered into a loan agreement with respect to these advances. The loan matured on June 1, 2020, was past due and had an interest rate of 6% per annum. During the years ended February 28, 2021 and February 29, 2020, the Company received additional advances of \$166,708 and \$548,696 respectively from the same shareholder, which are non-interest bearing, unsecured and due on demand. \$343,640 of the loan was settled with shares at a price of \$0.06 per share during the year ended February 28, 2021 and \$468,036 of the loan was repaid in cash during the year ended February 28, 2022. During the twelve months ended February 28, 2023, an additional \$82,092 was loaned to the Company. The balance outstanding of \$153,469 plus accrued interest of \$37,457 as at February 28, 2023 is \$190,926 (February 28, 2022 – \$110,780).

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During the year ended February 28, 2019, the Company received \$50,000 of proceeds from a shareholder of the Company in advance of a share issuance. \$15,200 of the advance was settled with the Company's common shares at a price of \$0.06 per share during the year ended February 28, 2021 and the remaining balance of \$34,800 was repaid in full during the year ended February 28, 2022.

During the year ended February 28, 2019, the Company received 2 bitcoins from a shareholder which were awarded to the users as a marketing expense. The fair value of the bitcoin liability as at February 28, 2023 is \$65,986 (February 28, 2022 – \$110,000), with change in fair value from initial recognition recognized in statements of loss and comprehensive loss. The outstanding balance shall be repaid in the form of bitcoins or cash equivalent to the value of bitcoin on the day of repayment. The balance is due on demand and is non-interest bearing.

During the year ended February 29, 2020, the Company received additional non-interest bearing loans of \$72,304 from two directors of the Company. The loans are due on demand, unsecured and have no maturity date. \$57,630 of the loans was repaid in cash and \$15,648 of the loans were settled with shares at a price of \$0.06 per share during the year ended February 28, 2021. The balance outstanding as at February 28, 2023 is \$711 (February 28, 2022 – \$728).

11. LEASE OBLIGATIONS

The Company entered into an office lease in Hong Kong in April 2022 and an office lease in Vancouver, BC, Canada in June 2020. With the adoption of IFRS 16, *Leases*, the Company recognized lease obligations with regard to the leases. The terms and the outstanding balances as at February 28, 2023 and 2022 are as follows:

	February 28, 2023	February 28, 2022
	\$	\$
Future aggregate minimum lease payments	36,313	52,490
Lease payments in cash	(22,484)	(46,152)
Non-current accretion	1,454	2,526
	15,283	8,864
Current portion	(14,062)	(8,864)
Non-current portion	1,221	-

The following is a schedule of the Company's future minimum lease payments related to the office lease obligations:

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	February 28, 2023
	\$
2023	3,687
2024	14,747
2025	1,229
Total minimum lease payments	19,663
Less: imputed interest	(4,380)
Total present value of minimum lease payments	15,283
Current portion	(14,062)
Non-current portion	1,221

12. CONVERTIBLE NOTES

On June 6, 2018, the Company closed a convertible note private placement in the principal amount of \$500,000. Each note bears interest at a rate of 15% per annum and is due five years from the date of issue. The notes are convertible into units at a price of \$0.14 per unit and each unit will consist of one common share of the Company and one share purchase warrant, with each warrant entitling the holder to purchase an additional common share of the Company at a price of \$0.14 per share for a period of five years from the date of issue. On June 25, 2020, \$270,068 of these convertible notes were settled with the Company's common shares at a price of \$0.06 per share. On February 26, 2021, \$75,000 of these convertible notes were converted into units at a price of \$0.14 per unit. On March 8, 2021, \$61,932 of the principal of these convertible notes were converted into units at a price of \$0.14 per unit, resulting in \$57,719 being de-recognized from convertible notes – liability component and \$6,760 de-recognized from convertible notes – equity component. Subsequent to February 28, 2023, the remaining convertible notes with a principal balance of \$93,000 became due and the Company is currently in default of payment.

For accounting purposes, these convertible notes were separated into their liability and equity components. The fair value of the liability component at the time of issue was calculated as the discounted cash flows for the convertible notes assuming a 20% effective interest rate which was the estimated rate for convertible notes without a conversion feature. The fair value of the equity component (conversion feature) was determined at the time of issue as the difference between the face value of the convertible notes and the fair value of the liability component.

The liability component for the June 6, 2018 convertible note was initially valued at \$425,235 with the resulting residual value being allocated to the equity component in the amount of \$74,765, net of deferred tax of \$20,186.

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	Liability Component \$	Equity Component (net of tax) \$
Balance, February 28, 2021	143,082	16,912
Accretion expense	4,122	-
Conversion	(57,719)	(6,760)
Balance, February 28, 2022	89,485	10,152
Accretion expense	2,802	-
Balance, February 28, 2023	92,287	10,152

During the three and twelve months ended February 28, 2023, the Company recorded accretion expense of \$709 and \$2,802 (2022 – \$687 and \$4,122) and accrued interest of \$3,440 and \$13,950 (2022 – \$3,440 and \$14,281). The accrued interest is recorded in the accounts payable and accrued liabilities.

13. SHARE CAPITAL

a) **Authorized** – Unlimited common shares without par value.

b) **Share issuances:**

On March 8, 2021, the Company issued 442,364 units in connection with conversion of \$61,932 of the principal of convertible notes at a price of \$0.14 per unit (Note 12), resulting in \$57,719 being de-recognized from convertible notes – liability component and \$6,760 de-recognized from convertible notes – equity component. Each unit consists of one common share of the Company and one common share purchase warrant. Each whole warrant will entitle the holder thereof to acquire one common share at an exercise price of \$0.14 for a period of five years from the date of issue.

On May 12, 2021, the Company closed a brokered private placement (the "Offering") of subscription receipts (the "Subscription Receipts") with Canaccord Genuity Corp. (the "Agent"). Pursuant to the Offering, the Company sold 5,800,000 Subscription Receipts, at a price of \$1.25 per Subscription Receipt (the "Offering Price"), for aggregate gross proceeds of \$7,250,000.

The Subscription Receipts were issued pursuant to a subscription receipt agreement (the "Subscription Receipt Agreement") among the Company, the Agent and Computershare Trust Company of Canada. Pursuant to the Subscription Receipt Agreement, the gross proceeds from the Offering (less 50% of the Agent's cash commission and all of the Agent's estimated expenses) (the "Escrowed Funds") were placed in escrow pending satisfaction of certain escrow release conditions (the "Escrow Release Conditions"), which included all conditions precedent to the completion of the Transaction with Yitang. On May 25, 2021, upon satisfaction of the Escrow Release Conditions, the Escrowed Funds, together with the interest earned thereon, have been released to the Company and each Subscription Receipt was exercised into one unit of the Company. Each unit consists of one common share of the Company and one-half of one common share purchase warrant. Each whole warrant will be exercisable to acquire one common share of the Company at a price of \$2.00 for a period of two years after the satisfaction of the Escrow Release Conditions. The Company allocated \$7,134,000 of the proceeds to shares and \$116,000 to warrants.

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As consideration for the services provided by the Agent in connection with the Offering, the Agent received (i) a cash commission of \$396,603, (ii) a fiscal advisory fee of \$110,897, and (iii) a cash fee equal to \$200,000, which was paid one-half in cash and one-half in common shares at the Offering Price (80,000 common shares). As additional consideration, the Agent has been issued 406,000 warrants (the "Broker Warrants"). Each Broker Warrant will be exercisable to acquire one common share at a price of \$1.25 for a period of two years after the satisfaction of the Escrow Release Conditions.

The fair value of the Broker Warrants was determined to be \$379,898 and estimated on the date of issue using the Black-Scholes option valuation model with the following weighted average assumptions: dividend yield of \$nil, risk free interest rate of 0.30%, expected life of 2 years and expected volatility of 167%. The Company also incurred share issue costs of \$431,164 consisting of legal fees and filing fees.

On May 25, 2021, the Company issued 1,800,000 units of the Company pursuant to the acquisition of Crypto Pal (Note 6). The fair value of the 1,800,000 units was determined to be \$2,250,000. Each unit consists of one common share of the Company and one-half of one common share purchase warrant. Each whole warrant will entitle the holder thereof to acquire one common share at an exercise price of \$2.00 for a period of two years from the date of issue. The Company allocated \$2,214,000 of the proceeds to shares and \$36,000 to warrants.

On September 13, 2021, the Company issued 200,000 shares pursuant to the terms of the letter agreement to retain a firm that provides general advisory and investment banking services. The fair value of shares issued was determined to be \$134,000.

During the year ended February 28, 2022, the Company issued 366,150 common shares pursuant to exercise of stock options for total gross proceeds of \$36,615. A value of \$31,534 was transferred from contributed surplus to share capital as a result.

During the year ended February 28, 2022, the Company issued 4,176,025 common shares pursuant to exercise of warrants for total gross proceeds of \$994,644.

During the twelve months ended February 28, 2023, no shares were issued.

c) Stock options:

The Company has a stock option plan whereby the maximum number of shares reserved for issue under the plan shall not exceed 10% of the outstanding common shares of the Company, as at the date of the grant. The maximum number of common shares reserved for issue to any one person under the plan cannot exceed 5% of the issued and outstanding number of common shares at the date of the grant. Options may be granted for a maximum term of ten years from the date of the grant, are non-transferable and expire within 90 days of termination of employment or holding office as a director or officer of the Company and, in the case of death, expire within one year thereafter.

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	Number of Options #	Weighted Average Exercise Price \$
Balance and exercisable, February 28, 2021	10,792,000	0.10
Expired	(138,000)	0.15
Granted	5,800,000	0.51
Exercised	(366,150)	0.10
Balance and exercisable, February 28, 2022	16,087,850	0.25
Cancelled	(3,000,000)	0.75
Balance and exercisable, February 28, 2023	13,087,850	0.13

As at February 28, 2023, the Company had the following options outstanding:

Expiry Date	Exercise Price \$	Remaining Life (Years)	Options Outstanding #
June 6, 2023 ⁽¹⁾	0.22	0.27	34,500
October 16, 2025	0.10	2.63	6,591,500
November 9, 2025	0.10	2.70	3,661,850
February 4, 2026	0.25	3.94	2,800,000
		2.92	13,087,850

⁽¹⁾ Expired unexercised subsequent to February 28, 2023.

On August 20, 2021, the Company granted 3,000,000 stock options to its key officers, employees and consultants. The stock options have an exercise price of \$0.75 per share and a life of 5 years and vested immediately.

On February 4, 2022, the Company granted 2,800,000 stock options to certain directors and consultants. The stock options have an exercise price of \$0.25 per share and a life of 5 years and vested immediately.

The fair value of the options granted in 2022 was estimated on the dates of grant using the Black-Scholes option valuation model with the following weighted average assumptions:

	February 28, 2022
Dividend yield	Nil
Expected annualized volatility (%)	136
Risk-free interest rate (%)	1.18
Expected life of options (years)	5
Grant date fair value (\$)	0.38
Forfeiture rate (%)	Nil

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Option pricing models require the input of subjective assumptions including the expected price volatility and the expected option life. Expected price volatility was calculated based on the Company’s historical share prices. Changes in these assumptions can materially affect the estimated fair value of the stock options granted.

During the three and twelve months ended February 28, 2023, the Company recorded share-based payments expense of \$nil and \$nil (2022 - \$618,278 and \$2,214,029).

d) Warrants

	Number of Warrants #	Weighted average exercise price \$	Weighted Average Life (Years)
Outstanding, February 28, 2021	7,302,380	0.36	2.08
Issued	4,648,363	1.82	-
Exercised	(4,176,025)	0.24	-
Outstanding, February 28, 2022	7,774,718	1.30	1.36
Expired	(2,916,666)	0.38	
Outstanding, February 28, 2023	4,858,052	1.75	0.61

As at February 28, 2023, the Company had the following warrants outstanding:

Number of warrants	Exercise price	Expiry date
4,205,999 ⁽¹⁾	\$2.000	May 25, 2023
652,053	\$0.140	February 26, 2026
4,858,052		

⁽¹⁾ Expired unexercised subsequent to February 28, 2023.

14. VORTEX AGREEMENT

On January 29, 2019, the Company entered into a cooperation agreement (the “Cooperation Agreement”) with Vortex Live Inc. (“Vortex”) and the principals of Vortex (the “Vortex Team”) whereby Vortex would develop and implement live-streaming video functionality into the HPI Platform (“Live Streaming Service”).

Under the terms of the Cooperation Agreement, Vortex has provided a seasoned management team to join the Company to develop and operate the Live Streaming Service. As at February 28, 2023, Vortex has also funded part of the development of Live Streaming Service by paying the Company \$826,030 (RMB 4,300,000) (February 28, 2022 - \$826,030 (RMB 4,300,000)).

In return, the Company will issue up to 54,000,000 shares to the Vortex Team based on the following milestones:

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1. 20,000,000 shares upon the launch of the Live Streaming Service by March 31, 2019, and the Company achieving monthly revenue of RMB 1,000,000 (approximately \$200,000) by May 31, 2019 – This milestone has been achieved and the Company issued 16,182,000 shares pursuant to this milestone on November 16, 2020.
2. 9,000,000 shares upon the Company achieving monthly revenue of RMB 5,000,000 (approximately \$1,000,000) and accumulated revenue of RMB 23,000,000 (approximately \$5,000,000) by December 31, 2019 – This milestone has been achieved and the Company issued 7,758,000 shares pursuant to this milestone on November 16, 2020.
3. 13,500,000 shares upon the Company achieving monthly revenue of RMB 10,000,000 (approximately \$2,000,000), accumulated revenue of RMB 70,000,000 (approximately \$14,000,000) over preceding 12 months, net positive cash flow and net profit of RMB 1,000,000 (approximately \$200,000) by December 31, 2020 – This milestone has been achieved and the fair value of 13,500,000 shares estimated to be \$2,025,000 pursuant to this milestone is recorded as shares to be issued as at February 28, 2021. The 13,500,000 shares have not been issued as at February 28, 2023.
4. 11,500,000 shares upon the Company achieving monthly revenue of RMB 20,000,000 (approximately \$4,000,000), accumulated revenue of RMB 180,000,000 (approximately \$28,000,000) over preceding 12 months and net profit of RMB 10,000,000 (approximately \$2,000,000) by December 31, 2021. This milestone has not been achieved as at February 28, 2023.

The above is collectively referred to as the “Vortex Transaction”.

15. RELATED PARTY TRANSACTIONS

Related party transactions have been measured at the exchange amount of consideration agreed between the related parties. Related party transactions not disclosed elsewhere in these consolidated financial statements are listed below.

The Company incurred charges to directors and officers, or to companies associated with these individuals during the three and twelve months ended February 28, 2023 and 2022 as follows:

	Three months ended February 28		Twelve months ended February 28	
	2023	2022	2023	2022
	\$	\$	\$	\$
Management fees	20,175	21,656	89,154	112,752
Salaries and benefits	17,470	23,813	86,493	122,954
Share-based payment	-	88,326	-	567,051
	37,645	133,795	175,647	802,757

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Key management of the Company includes the President, Interim CEO, the current CFO and the Directors. During the three and twelve months ended February 28, 2023, compensation paid to key management consisted of management fees of \$20,175 and \$89,154 (2022 – \$21,656 and \$112,752) paid to the Interim CEO, management fees of \$nil and \$nil (2022 – \$nil and \$15,000) paid to a director and CFO, salaries and benefits of \$17,470 and \$86,493 (2022 – \$23,813 and \$122,954) paid to two directors of the Company, and the share based compensation of \$nil and \$nil (2022 - \$88,326 and \$567,051) to the key management.

On May 25, 2021, the Company entered into a definitive purchase agreement with a company controlled by Shanghai Yitang Data Technology Co. Ltd. ("Yitang"), under which the Company acquired an initial 51% interest in Crypto Pal, with an option to increase such interest to 100% (the "Transaction"). The consideration for the Transaction is \$1,500,000 payable in cash and 1,800,000 units of the Company valued at \$2,250,000. During the twelve months ended February 28, 2023, a profit distribution of \$367,794 was issued from Crypto Pal (51% to Hello Pal - \$187,575 and 49% to Yitang - \$180,219).

The mining assets, which generate cryptocurrency mining revenue, are managed by Yitang, which is a related party of the Company by virtue of a common shareholder. The net assets acquired from the Transaction were \$7,432,344 as at the acquisition date. The Company subsequently sold 12,500 of the L3+ mining rigs acquired from the Transaction for a consideration of \$7,991,202, which was used to purchase new L7 mining rigs from Yimao Technology (HK) Limited. ("Yimao"), which is a related party of the Company by virtue of a common shareholder. The total cost of the new L7 mining rigs was \$11,592,946 (Note 6), of which \$9,691,398 settled was by USDT. During the twelve months ended February 28, 2023, the Company paid USDT \$545,311 (Note 16) to acquire additional L7 mining rigs.

The Company also entered into the Guaranteed Services Agreement with Yitang to ensure that its Mining Assets are hosted across multiple locations so as to ensure diversification of risk. During the year ended February 28, 2022 and the twelve months ended February 28, 2023, all cryptocurrency mining revenue earned and costs of revenue incurred were through the management service provided by Yitang under the Guaranteed Service Agreement.

On September 15, 2021, the Company signed a Cooperation Agreement with LPA where the Company will be licensed, on a non-exclusive worldwide basis, to freely use LPA's innovative "Infinity Language" language learning system throughout the Company's product and service offerings, and in particular, in its Language Pal app. LPA is a related party of the Company, as it is owned and controlled by the CEO of the Company. Pursuant to the agreement, the Company acquired a 15% equity interest in LPA for \$300,000. During the year ended February 28, 2022, the Company advanced \$221,134 to LPA. During the twelve months ended February 28, 2023, the Company advanced \$42,136 to LPA. As at February 28, 2023, the balance due from LPA is \$278,175 (February 28, 2022 - \$221,134).

Other amounts due from/to related parties are disclosed in Notes 6, 8 and 10.

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16. NON-CASH TRANSACTIONS

Investing and financing activities that do not have a direct impact on current cash flows are excluded from the consolidated statements of cash flows. During the twelve months ended February 28, 2023, the following transactions were excluded from the consolidated statement of cash flows:

- \$38,843 of application development costs included in accounts payable and accrued liabilities.
- \$769,216 digital assets received from the sale of Hello Pal's M31 mining assets; and
- \$545,311 digital assets used for the purchase Crypto Pal and Hello Pal's L7 mining assets.

During the year ended February 28, 2022, the following transactions were excluded from the consolidated statement of cash flows:

- Issuance of common shares for acquisition of Crypto Pal, valued at \$2,250,000;
- Conversion of convertible notes to units of the Company, valued at \$57,719;
- \$51,774 of application development costs included in accounts payable and accrued liabilities;
- \$7,991,202 digital assets received from the sale of Crypto Pal L3+ mining assets; and
- \$9,691,398 digital assets used for the acquisition mining assets from a related party.

17. SEGMENT INFORMATION

For management purposes, the Company is organised into business units based on its products and services and has two reportable segments, as follows:

- international live-streaming segment, which provides online live-streaming services.
- Cryptocurrency mining segment, which provides cryptocurrency computing services to blockchain platforms.

No operating segments have been aggregated to form the above reportable operating segments.

The Executive Management Committee is the Chief Operating Decision Maker (CODM) and monitors the operating results of its business units separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on profit or loss and is measured consistently with profit or loss in the consolidated financial statements.

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	Three months ended February 28, 2023			Twelve months ended February 28, 2023		
	Live- streaming \$	Crypto- currency mining \$	Total \$	Live- streaming \$	Crypto- currency mining \$	Total \$
Revenue	5,046,065	812,857	5,858,922	22,103,224	3,060,452	25,163,676
Costs of revenue	(4,771,054)	(410,627)	(5,181,681)	(20,382,471)	(1,002,745)	(21,385,216)
Amortization and depreciation	(330,234)	(643,194)	(973,428)	(1,173,871)	(2,334,187)	(3,508,058)
Salaries and benefits	(169,611)	-	(169,611)	(726,812)	-	(726,812)
Net loss	(224,834)	(240,964)	(465,798)	(179,930)	(276,480)	(456,410)
Administrative expenses managed on group basis			(312,868)			(1,678,371)
Other income			907			6,474
Loss before income taxes			(777,759)			(2,128,307)
	Three months ended February 28, 2022			Twelve months ended February 28, 2022		
	Live- streaming \$	Crypto- currency mining \$	Total \$	Live- streaming \$	Crypto- currency mining \$	Total \$
Revenue	18,874,905	149,137	19,024,042	36,471,718	2,983,693	39,455,411
Costs of revenue	(18,378,240)	(94,880)	(18,473,120)	(34,271,148)	(1,059,571)	(35,330,719)
Amortization and depreciation	(300,686)	(511,946)	(812,632)	(953,895)	(723,967)	(1,667,862)
Salaries and benefits	(331,707)	-	(331,707)	(1,056,133)	-	(1,056,133)
Net profit (loss)	(135,728)	(457,689)	(593,417)	190,542	1,200,155	1,390,697
Administrative expenses managed on group basis			(1,957,363)			(6,558,595)
Other income			450,736			726,793
Loss before income taxes			(2,100,044)			(4,441,105)

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Geographic segment information of the Company's total assets is as follows:

	February 28, 2023 \$	February 28, 2022 \$
Canada	1,280,080	3,068,733
Asia	14,573,843	14,628,374
Total assets	15,853,923	17,697,107

Geographic segmentation of the Company's revenue during the three and twelve months ended February 28, 2023 and 2022 is as follows:

	Three months ended February 28		Twelve months ended February 28	
	2023 \$	2022 \$	2023 \$	2022 \$
Canada	528,009	-	2,263,882	-
Asia	5,330,913	19,024,042	22,899,794	39,455,411
Total revenue	5,858,922	19,024,042	25,163,676	39,455,411

Revenues from external customers attributed to an individual foreign country, where those revenues are material, is not disclosed as the necessary information is not readily available and the cost to develop it would be excessive.

Geographic segmentation of the Company's net income (loss) during the three and twelve months ended February 28, 2023 and 2022 is as follows:

	Three months ended February 28		Twelve months ended February 28	
	2023 \$	2022 \$	2023 \$	2022 \$
Canada	(623,074)	(2,238,414)	(2,081,841)	(4,742,301)
Asia	(154,685)	(2,059,834)	(46,466)	(1,897,008)
Net loss	(777,759)	(4,298,248)	(2,128,307)	(6,639,309)

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18. COSTS OF REVENUE

The details of costs of revenue by type for livestreaming revenue during the three and twelve months ended February 28, 2023 and 2022 are as follows:

	Three months ended		Twelve months ended	
	February 28		February 28	
	2023	2022	2023	2022
	\$	\$	\$	\$
Live Streamers fee	4,704,952	18,197,258	19,970,177	33,290,652
Merchant and transaction fees	36,216	221,722	264,492	875,482
Other fees	29,886	(40,740)	147,802	105,014
	4,771,054	18,378,240	20,382,471	34,271,148

Costs of revenue for cryptocurrency mining primarily consists of hosting fee paid to Yitang for management of the Company's mining rigs.