TRILOGY AI CORP. (FORMERLY AMBARI BRANDS INC.)

Consolidated Financial Statements

For the years ended December 31, 2024 and 2023

(Expressed in Canadian Dollars)

Independent Auditor's Report

To the Shareholders of Trilogy AI Corp. (formerly Ambari Brands Inc.)

Opinion

We have audited the consolidated financial statements of Trilogy AI Corp. and its subsidiary (the "Company"), which comprise the consolidated statements of financial position as at December 31, 2024, and the consolidated statements of loss and comprehensive loss, consolidated statements of changes in shareholders' equity (deficiency) and consolidated statements of cash flows for the years then ended, and notes to the consolidated financial statements, including material accounting policy information.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Company as at December 31, 2024 and 2023, and its consolidated financial performance and its consolidated cash flows for the years then ended in accordance with International Financial Reporting Standards ("IFRS").

Basis for opinion

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

Other matter

The consolidated financial statements of the Company for the year ended December 31, 2023, were audited by another auditor who expressed an unmodified opinion on those statements on April 29, 2024.

Material uncertainty related to going concern

We draw attention to Note 1 in the consolidated financial statements, which indicates that the Company incurred a net loss during the year ended December 31, 2024 and, as of that date, the Company's current liabilities exceeded its current assets. As stated in Note 1, these events or conditions, along with other matters as set forth in Note 1, indicate that material uncertainties exist that cast significant doubt on the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

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Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Except for the matter described in the Material uncertainty related to going concern section, we have determined that there were no additional key audit matters to communicate in our report.

Other information

Management is responsible for the other information. The other information comprises Management's Discussion and Analysis.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

We obtained Management's Discussion and Analysis prior to the date of this auditor's report. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of management and those charged with governance for the consolidated financial statements

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

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

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

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Auditor’s responsibilities for the audit of the consolidated financial statements

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

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

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risks of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company’s internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management’s use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company’s ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor’s report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor’s report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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Hurley

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

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner of the audit resulting in this independent auditor's report is Soheil Talebi.

McGovern Hurley LLP

McGovern Hurley LLP

Chartered Professional Accountants
Licensed Public Accountants

Toronto, Ontario
April 17, 2025

TRILOGY AI CORP. (FORMERLY AMBARI BRANDS INC.)
Consolidated Statements of Financial Position
(Expressed in Canadian Dollars)

		As at December 31, 2024		As at December 31, 2023 (Note 14)
ASSETS				
Current assets				
Cash	**$**	**50,870**	$	562,705
Sales tax receivable		**9,678**		11,208
Prepaid expenses and deposits		**27,546**		30,399
Assets classified as held for sale (Notes 13 and 14)		**-**		13,936
Total assets	**$**	**88,094**	$	618,248
LIABILITIES				
Current liabilities				
Accounts payable and accrued liabilities (Notes 5 and 9)	**$**	**196,052**	$	100,097
Promissory notes payable (Note 6)		**49,500**		-
Liabilities classified as held for sale (Notes 13 and 14)		**26,610**		36,561
Total liabilities		**272,162**		136,658
SHAREHOLDERS' EQUITY (DEFICIENCY)				
Share capital (Note 7)		**8,653,238**		8,653,238
Accumulated other comprehensive loss		**(3,593)**		(1,687)
Reserves (Note 7)		**171,710**		171,710
Deficit		**(9,005,423)**		(8,341,671)
Total shareholders' equity (deficiency)		**(184,068)**		481,590
Total liabilities and shareholders' equity	**$**	**88,094**	$	618,248

Nature of operations and going concern – Note 1
Subsequent events – Note 15

APPROVED ON BEHALF OF THE BOARD:

"Melody Cooper" Director ***"Gurcharn Deol"*** Director

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

TRILOGY AI CORP (FORMERLY AMBARI BRANDS INC.)
Consolidated Statements of Loss and Comprehensive Loss
(Expressed in Canadian Dollars)

		Year ended December 31, 2024		Year ended December 31,2023
Expenses				
Investor relations	**$**	**-**	$	1,058,833
Consulting fees (Note 9)		**151,435**		77,699
General and administrative (Note 8)		**91,507**		101,851
Professional fees (Note 9)		**228,833**		220,549
Research and development		**85,759**		259,002
Salaries and benefits (Note 9)		**17,704**		16,143
Total expenses		**575,238**		1,734,077
Other Items				
Foreign exchange loss		**(579)**		(6,113)
Interest income		**520**		1,254
Net loss for the year from continuing operations		**(575,297)**		(1,738,936)
Net loss for the year from discontinued operations (Note 13)		**(88,455)**		(775,213)
Total net loss for the year		**(663,752)**		(2,514,149)
Exchange difference on translating discontinued foreign operations (Note 13)		**(1,906)**		(3,948)
Total comprehensive loss from continuing operations	**$**	**(575,297)**	$	(1,738,936)
Total comprehensive loss from discontinued operations (Note 13)	**$**	**(90,361)**	$	(779,161)
Total comprehensive loss	**$**	**(665,658)**	$	(2,518,097)
Loss per common share – basic and diluted from continuing operations	**$**	**(0.04)**	$	(0.13)
Loss per common share – basic and diluted from discontinued operations (Note 13)	**$**	**(0.01)**	$	(0.06)
Total loss per common share – basic and diluted	**$**	**(0.05)**	$	(0.19)
Weighted average number of common shares outstanding – basic and diluted		**14,132,206**		13,349,173

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

TRILOGY AI CORP. (FORMERLY AMBARI BRANDS INC.)
Consolidated Statements of Changes in Shareholders' Equity (Deficiency)
For the years ended December 31, 2024 and 2023
(Expressed in Canadian Dollars)

	Number of Shares	Share Capital	Accumulated Other Comprehensive Income (Loss)	Reserves	Deficit	Total
Balance, December 31, 2022	**12,523,801**	**$ 6,462,334**	**$ 2,261**	**$ 209,413**	**$ (5,827,522)**	**$ 846,486**
Private placements (Note 7)	1,437,500	2,000,000	-	-	-	2,000,000
Share issuance costs (Note 7)	-	(231,293)	-	101,166	-	(130,127)
Warrants exercised (Note 7)	8,750	17,500	-	-	-	17,500
Agent compensation options exercised (Note 7)	162,155	404,697	-	(138,869)	-	265,828
Translation adjustment	-	-	(3,948)	-	-	(3,948)
Net loss for the year	-	-	-	-	(2,514,149)	(2,514,149)
Balance, December 31, 2023	**14,132,206**	**8,653,238**	**(1,687)**	**171,710**	**(8,341,671)**	**481,590**
Translation adjustment	-	-	(1,906)	-	-	(1,906)
Net loss for the year	-	-	-	-	(663,752)	(663,752)
Balance, December 31, 2024	**14,132,206**	**$ 8,653,238**	**$ (3,593)**	**$ 171,710**	**$ (9,005,423)**	**$ (184,068)**

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

TRILOGY AI CORP. (FORMERLY AMBARI BRANDS INC.)
Consolidated Statements of Cash Flows
(Expressed in Canadian Dollars)

		Year ended December 31, 2024		Year ended December 31, 2023
CASH FLOWS PROVIDED BY (USED IN)				
OPERATING ACTIVITIES				
Net loss for the year from continuing operations	$	**(575,297)**	$	(1,738,936)
Changes in non-cash working capital items:				
Amounts receivable		**1,530**		9,068
Prepaid expenses and deposits		**2,853**		44,805
Accounts payable and accrued liabilities		**95,955**		(50,154)
Net cash used in continuing operating activities		**(474,959)**		(1,735,217)
Net cash used in discontinued operating activities (Note 13)		**(84,470)**		(98,632)
FINANCING ACTIVITIES				
Issuance of promissory note		**49,500**		-
Issuance of common shares		-		2,000,000
Share issuance costs		-		(130,127)
Proceeds from warrants exercised		-		17,500
Proceeds from agent compensation options exercised		-		265,828
Net cash provided by continuing financing activities		**49,500**		2,153,201
Foreign exchange on cash		**(1,906)**		(3,948)
Change in cash for the year		**(511,835)**		315,404
Cash, beginning of the year		**562,705**		247,301
Cash, end of the year	$	**50,870**	$	562,705
Cash paid for interest during the year	$	-	$	-
Cash paid for income taxes during the year	$	-	$	-

Non-cash transactions affecting cash flows from financing activities:

		Year ended December 31, 2024		Year ended December 31, 2023
Fair value of finder's warrants issued	$	-	$	**101,166**
Amounts reclassified from reserves to share capital upon the exercise of agent compensation options	$	-	$	**138,869**

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

1 Nature of operations and going concern

Trilogy AI Corp. (the "Company") was incorporated pursuant to the Business Corporations Act (British Columbia) on June 20, 2019 under the name "Ambari Brands Inc." and changed its name to "Trilogy AI Corp." on July 23, 2024. The Company, through its former subsidiary Ambari Beauty USA, Inc. ("Ambari USA"), was previously a luxury skincare and consumer packaged goods company and developed a product line on its proprietary "Modern Blend" (Notes 13 and 14). During the year ended December 31, 2024, the Company completed a change of its business which resulted in ceasing operations of Ambari USA and focusing on the development of an artificial intelligence-powered beauty app, Scarlett. The Company performed research and development towards the artificial intelligence-powered software during the years ended December 31, 2023 and 2024.

The Company's common shares traded on the Canadian Securities Exchange (the "CSE") under the trading symbol "TRAI"and the Frankfurt Stock Exchange under the symbol "Y92". The Company's head office and registered and records office address is Suite 2300, Bentall 5, 550 Burrard Street, Vancouver, British Columbia, Canada, V6C 2B5.

On December 6, 2024, the Company completed a share consolidation of four pre-consolidated shares for 1 post-consolidated share. All share and per share amounts in the consolidated financial statements have been retroactively restated to present the post consolidation amounts.

These consolidated financial statements have been prepared on the basis of accounting principles applicable to a going concern, which assumes 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. For the year ended December 31, 2024, the Company had negative cash flows from continuing operations of $474,959 (December 31, 2023 - $1,735,217), a net loss from continuing operations of $575,297 (December 31, 2023 - $1,738,936), and as at that date an accumulated deficit of $9,005,423 (December 31, 2023 - $8,341,671). These factors indicate the existence of material uncertainties that cast significant doubt about the Company's ability to continue as a going concern.

The Company's ability to continue its operations and to realize assets at their carrying values is dependent upon its ability to raise adequate financing from external sources and generate profits and positive cash flows from operations in order to carry out its business objectives. The Company will require additional financing for continuing operations, to evaluate strategic opportunities, and for working capital purposes. However, there is no assurance that the Company will be able to secure such financing on favourable terms. These consolidated financial statements do not give effect to any adjustments required to realize its assets and discharge its liabilities in other than the normal course of business and at amounts different from those reflected in the Company's consolidated financial statements. Such adjustments could be material.

The Company's business may be affected by changes in political and market conditions, such as interest rates, availability of credit, inflation rates, changes in laws, and national and international circumstances. Recent geopolitical events and potential economic global challenges such as the risk of higher inflation and energy crises, may create further uncertainty and risk with respect to the prospects of the Company's business.

2 Basis of preparation

Statement of compliance

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

These consolidated financial statements have been prepared on a historical cost basis, except for certain financial instruments, which are stated at fair value. In addition, they have been prepared using the accrual basis of accounting, except for the cash flow information.

The consolidated financial statements were approved and authorized for issuance on April 17, 2025 by the Board of Directors.

Basis of consolidation

These consolidated financial statements include the accounts of the Company and its wholly-owned subsidiary, Ambari USA. All inter-company balances, transactions, income, and expenses have been eliminated upon consolidation.

Subsidiaries are entities controlled by the Company. Control exists when the Company has power over an entity, when the Company is exposed, or has rights, to variable returns from the entity and when the Company has the ability to affect those returns through its power over the entity. Subsidiaries are included in the financial results of the Company from the effective date of acquisition up to the effective date of disposition or loss of control.

Subsequent to the year ended December 31, 2024, the Company dissolved Ambari USA (Note 15).

Foreign currencies

The functional currency is the currency of the primary economic environment in which the entity operates and has been determined for each entity within the Company. The functional currency of the Company is the Canadian dollar ("CAD"). The functional currency of Ambari USA is the Unites States dollar ("USD").

The presentation currency of the Company and Ambari USA is the Canadian dollar.

Accordingly, the accounts of Ambari USA are translated into CAD as follows:

- all of the assets and liabilities are translated at the rate of exchange in effect on the date of the statement of financial position.
- income and expense are translated at the average exchange rate over the reporting period; and
- exchange gains and losses arising from translation are included in accumulated other comprehensive income (loss).

2 Basis of preparation *(continued)*

Foreign currencies *(continued)*

Transactions occurring in currencies other than the functional currency of the entity in question are recorded at the rate of exchange prevailing on the date of the transaction. Monetary assets and liabilities that are denominated in foreign currencies are translated at the rate prevailing at each reporting date. Non-monetary items that are measured at historical cost in a foreign currency are translated at the exchange rate on the date of the initial transaction. Non-monetary items that are measured at fair values are reported at the exchange rate on the date when fair values are determined. Foreign currency translation differences are recognized in profit or loss.

Use of accounting estimates and judgments

The preparation of financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Although these estimates are based on management's best knowledge of the amount, event or actions, actual results ultimately may differ from those estimates. These consolidated financial statements have been prepared using the judgments, estimates and assumptions summarized below.

Going concern

The assessment of the Company's ability to continue as a going concern and to raise sufficient funds to pay its ongoing operating expenditures and to meet its liabilities for the ensuing year, involves significant judgment based on historical experience and other factors, including expectation of future events that are believed to be reasonable under the circumstances. The factors considered by management are disclosed in Note 1.

Internally developed software

Distinguishing the research and development phases of a new customised software project and determining whether the recognition requirements for the capitalisation of development costs are met requires judgement. After capitalisation, management monitors whether the recognition requirements continue to be met and whether there are any indicators that capitalised costs may be impaired.

Share-based payments

In calculating the valuation of warrants, various inputs and assumptions are used with respect to the expected life, risk-free interest rate, dividend yield, and expected volatility.

Expected volatility is determined based on factors of the historical analysis of the market price of the Company's common shares.

3 Material accounting policies

The accounting policies set out below have been applied consistently in the consolidated financial statements.

Financial instruments

Financial assets

At initial recognition, the Company measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss ("FVTPL"), the transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVTPL are expensed in profit or loss. Financial assets are considered in the entirety when determining whether their cash flows are solely payment of principal and interest.

Subsequent measurement of financial assets depends on their classification. The classification depends on the Company's business model for managing the financial assets and contractual terms of the cash flows. The three classification categories for financial assets are: measured at amortized cost, fair value through other comprehensive income ("FVTOCI"), and FVTPL. The classification of financial assets is generally based on the business model in which a financial asset is managed and its contractual cash flow characteristics. These are the measurement categories under which the Company classifies its financial assets:

- Amortized cost: Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortized cost. A gain or loss on a debt investment that is subsequently measured at amortized cost is recognized in profit or loss when the asset is derecognized or impaired. Interest income from these financial assets is included in finance income using the effective interest rate method.

The Company's cash and sales tax receivable are measured at amortized cost.

Impairment of financial assets

The expected credit loss ("ECL") model requires judgement, including consideration of how changes in economic factors affect ECLs, which will be determined on a probability-weighted basis. The ECL impairment model is applied, at each reporting date, to the Company's financial assets measured at amortized cost. Impairment losses are recorded in the consolidated statements of loss and comprehensive loss with the carrying amount of the financial asset reduced through the use of impairment allowance accounts and the movement in the allowance is reflected in the consolidated statement of loss and comprehensive loss immediately.

Non-derivative financial liabilities

Financial liabilities are recognized initially on the trade date at which the Company becomes a party to the contractual provisions of the instrument. Financial liabilities that are not designated at FVTPL are initially measured at fair value plus or minus any directly attributable transaction costs. Subsequent to initial recognition financial liabilities are classified and measured in two categories: amortized cost or FVTPL. Financial liabilities are measured at amortized cost using the effective interest method. Financial assets and liabilities are offset and the net amount presented in the consolidated statement of financial position when, and only when, the Company has a legal right to offset the amounts and intends either to settle on a net basis or to realize the asset and settle the liability simultaneously. The Company derecognizes a financial liability when its contractual obligations are discharged, cancelled, or expire.

3 Material accounting policies *(continued)*

Financial instruments *(continued)*

Accounts payable and accrued liabilities and promissory note payable are recognized initially at fair value and are subsequently measured at amortized cost using the effective interest method.

Derecognition of financial instruments

The Company derecognizes financial assets only when the contractual rights to cash flows from the financial assets expire, or when it transfers the financial assets and substantially all of the associated risks and rewards of ownership to another entity. Gains and losses on derecognition are recognized in profit or loss. The Company derecognizes financial liabilities only when its obligations under the financial liabilities are discharged, cancelled or expired. Generally, the difference between the carrying amount of the financial liability derecognized and the consideration paid and payable, including any non-cash assets transferred or liabilities assumed, is recognized in profit or loss.

Income taxes

Income tax expense comprises current and deferred tax. Income tax is recognized in profit or loss except to the extent that it relates to items recognized directly in equity. Current tax expense is the expected tax payable on taxable income for the period, using tax rates enacted or substantively enacted at period end, adjusted for amendments to tax payable with regards to previous periods.

Deferred tax is recognized in respect of temporary differences, between the carrying amount of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Temporary differences are not provided for relating to goodwill not deductible for tax purposes, the initial recognition of assets and liabilities that affect neither accounting nor taxable loss, and differences relating to investments in subsidiaries to the extent that it is probable that they will not reverse in the foreseeable future. The amount of deferred tax provided is based on the expected manner of realization or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the statement of financial position date.

A deferred tax asset is recognized only to the extent that it is probable that future taxable profits will be available against which the asset can be utilized.

Basic and diluted loss per share

Basic loss per share is computed by dividing the net loss by the weighted average number of outstanding shares in issue during the reporting period. Diluted loss per share is computed similar to basic loss except that the weighted average number of outstanding shares include additional shares for the assumed exercise of stock options and warrants, if dilutive. The number of additional shares is calculated by assuming that outstanding stock options and warrants were exercised and the proceeds from such exercises were used to acquire common stock at the average market price during the reporting periods. In a loss reporting period, potentially dilutive common shares are excluded from the loss per share calculation as the effect would be anti-dilutive.

3 Material accounting policies *(continued)*

Revenue recognition

Revenue is recognized at the point in which the performance obligation under the terms of a contract with the customer have been satisfied and control has transferred. The Company's performance obligation is typically defined as the accepted purchase order with the customer which requires the Company to deliver the requested products at agreed upon prices at the location of the customer's choice. The Company satisfies its performance obligation and transfers control to the customer upon customer receipt and acceptance of the product before expiry of the return period. Billings rendered in advance of performance under contracts are recorded as deferred revenue.

Revenue is measured at the fair value of the consideration received or receivable, net of estimated returns and discounts. The time between invoicing and when payment is due is not significant. None of the Company's customer contracts contain a significant financing component.

Share capital

Instruments issued by the Company are classified as equity only to the extent that they do not meet the definition of a financial liability or financial asset. The Company's common shares, special warrants and warrants are classified as equity instruments. Incremental costs directly attributable to the issue of new equity instruments are shown in equity as a deduction, net of tax, from the proceeds. In the event that the financing is not completed, these costs are expensed to profit or loss.

The Company has adopted a residual value method with respect to the measurement of shares and warrants issued as private placement units. The fair value of the common shares issued is first measured, based on the bid price on the date the units are priced, and then the residual value of the proceeds is allocated to the warrants (if any).

Share-based payments

The Company issues warrants to purchase common shares of the Company to agents in connection with financings. In situations where equity instruments are issued to non-employees and some or all of the goods or services received as consideration cannot be specifically identified, the equity instruments are measured at the fair value of the share-based payment. Otherwise, share-based payments are measured at the fair value of goods or services received.

Proceeds from the exercise of warrants are recorded as share capital in the amount for which the warrant enabled the holder to purchase a share in the Company. Any previously recorded share-based payment included in the reserves account is transferred to share capital on exercise of warrants. Charges for warrants that are cancelled, forfeited, or expired remain in reserves.

The fair value of compensatory warrants is measured and recognized on the grant date using the Black-Scholes option pricing model. Share-based payments are initially recorded to reserves. Subsequently, the amount together with the consideration received for the shares on the exercise of share-based payments are credited to share capital.

3 Material accounting policies *(continued)*

Discontinued operations

A discontinued operation is a component of the Company that either has been disposed of, or is classified as held for sale. A discontinued operation represents a separate major line of the business. Profit or loss from discontinued operations comprises the post-tax profit or loss of discontinued operations and the post-tax gain or loss recognised on the measurement to fair value less costs to sell or on the disposal group(s) constituting the discontinued operation (Note 13).

Standards issued but not yet effective

IFRS 18, Presentation and Disclosure of Financial Statements (“IFRS 18”): In April 2024, the IASB issued IFRS 18 to bring more transparency and comparability to the financial performance of companies, enabling investors to make better investment decisions. IFRS 18 introduces three sets of new requirements: improved comparability of the profit or loss statement (statement of income), improved transparency of management-defined performance measures, and more useful grouping of information in financial statements. IFRS 18 will replace IAS 1, Presentation of Financial Statements. This standard becomes effective for years beginning on or after January 1, 2027, and companies may apply it earlier subject to authorization by relevant regulators. The Company is assessing the impacts of adopting IFRS 18.

New accounting standards adopted during the year

IAS 1, Presentation of Financial Statements ("IAS 1"): In October 2022, the IASB issued amendments to IAS 1 titled Non-current Liabilities with Covenants. These amendments seek to improve the information that an entity provides when its right to defer settlement of a liability is subject to compliance with covenants within 12 months after the reporting period. These amendments to IAS 1 do not override but incorporate the previous amendments, Classification of Debt as Current or Non-current, issued in January 2020, which clarified that liabilities are classified as either current or non-current, depending on the rights that exist at the end of the reporting period. Liabilities should be classified as non-current if a company has a substantive right to defer settlement for at least 12 months at the end of the reporting period. The amendments were effective January 1, 2024, with early adoption permitted. Retrospective application was required on adoption. The amendments did not have a material effect on its consolidated financial statements.

(Expressed in Canadian Dollars)

4 Basis of fair value

Financial instruments that are measured subsequent to initial recognition at fair value are grouped in levels 1 to 3 based on the degree to which the fair value is observable:

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

The Company uses judgment to select the methods used to make certain assumptions and in performing the fair value calculations in order to determine (a) the values attributed to each component of a transaction at the time of their issuance; (b) the fair value measurements for certain instruments that require subsequent measurement at fair value on a recurring basis; and (c) for disclosing the fair value of financial instruments subsequently carried at amortized cost. These valuation estimates could be significantly different because of the use of judgment and the inherent uncertainty in estimating the fair value of these instruments that are not quoted in an active market.

The Company's financial instruments consist of cash, accounts payable and accrued liabilities and promissory note payable. The Company has no financial instruments carried at fair value.

The carrying value of the Company's financial instruments approximate their fair values due to their short-term maturities.

5 Accounts payable and accrued liabilities

		As at December 31, 2024		**As at December 31, 2023**
Trade payables (Note 9)	**$**	**135,418**	$	36,849
Accrued and other liabilities		**60,634**		63,248
	$	**196,052**	$	100,097

6 Promissory note payable

On December 2, 2024, the Company issued a promissory note payable to an unrelated third party. The promissory note payable had a principal amount of $49,500, accrued interest at a rate of 1% per annum, and had a maturity date of February 3, 2025.

As at December 31, 2024, the balance of promissory note payable is comprised of principal of $49,500 (December 31, 2023 - $Nil) and accrued interest of $Nil (December 31, 2023 - $Nil).

Subsequent to the year ended December 31, 2024, the promissory note payable was settled by the issuance of common shares in connection with subscription amounts for a private placement (Note 15).

7 Share capital

Authorized

Unlimited common shares, without par value.

Common Shares Held in Escrow

As at December 31, 2024, 3,397,500 common shares (December 31, 2023 – 6,795,000 common shares) were held in escrow and restricted from trading. These common shares will be released from escrow as follows: 1,698,750 common shares released on January 25, 2025, and 1,698,750 common shares released on July 25, 2025.

Issued, Cancelled, Commitment to Issue

During the year ended December 31, 2024:

On December 6, 2024, the Company completed a share consolidation of four pre-consolidated shares for 1 post-consolidated share. All share and per share amounts in the consolidated financial statements have been retroactively restated to present the post consolidation amounts.

During the year ended December 31, 2023:

On February 24, 2023, the Company closed a non-brokered private placement and issued 500,000 units of the Company for gross proceeds of $500,000. Each unit was comprised of one common share of the Company and one-half of one warrant. Each whole warrant was exercisable into one common share of the Company at an exercise price of $1.40 per common share and expired on February 24, 2024. The attached warrants were fair valued at $Nil based on the residual value method.

The Company paid finder's fees of $28,000 and issued 28,000 finder's warrants in connection with closing the non-brokered private placement. Each finder's warrant was exercisable into one common share of the Company at an exercise price of $1.40 per common share and expired on February 24, 2024. The fair value of the finder's warrants was $26,958 and was determined using the Black Scholes option pricing model using the following assumptions: estimated volatility of 99%, risk-free interest rate of 4.32%, expected life of 1 year, exercise price of $0.35, a dividend yield of 0%, and a unit price of $0.25.

On August 10, 2023, the Company issued 2,500 common shares pursuant to the exercise of 2,500 warrants for gross proceeds of $5,000.

On August 16, 2023, the Company issued 6,250 common shares pursuant to the exercise of 6,250 warrants for gross proceeds of $12,500.

On August 18, 2023, the Company closed a non-brokered private placement and issued 937,500 units of the Company for gross proceeds of $1,500,000. Each unit was comprised of one common share of the Company and one-half of one warrant. Each whole warrant was exercisable into one common share of the Company at an exercise price of $2.00 per common share and expired on August 18, 2024. The attached warrants were fair valued at $Nil based on the residual value method.

(Expressed in Canadian Dollars)

7 Share capital *(continued)*

The Company paid finder's fees of $95,200 and issued 59,500 finder's warrants in connection with closing the non-brokered private placement. Each finder's warrant was exercisable into one common share of the Company at an exercise price of $2.00 per common share and expired on August 18, 2024. The fair value of the finder's warrants was $74,208 and was determined using the Black Scholes option pricing model using the following assumptions: estimated volatility of 126%, risk-free interest rate of 4.78%, expected life of 1 year, exercise price of $0.50, a dividend yield of 0%, and a unit price of $0.40.

On September 8, 2023, 132,914 agent compensation options ("ACOs") were exercised for gross proceeds of $265,828, and as a result the Company issued 162,155 units with each unit consisting of one common share and one-half of one warrant. Each whole warrant was exercisable into one common share of the Company at an exercise price of $3.00 per common share and expired on July 25, 2024. In connection with the ACOs exercised, $138,869 was reclassified from reserves to share capital.

During the year ended December 31, 2023, the Company incurred $6,927 of legal costs associated with the share issuances throughout the year.

Warrants

	Number of Warrants		Weighted Average Exercise Price
Outstanding, December 31, 2022	**2,418,774**	**$**	**2.57**
Issued – Private placements	718,750		1.80
Issued – Finder's warrants	87,500		1.80
Issued – Agent compensation options	81,078		3.00
Exercised	(141,664)		2.00
Expired	(50,600)		2.00
Outstanding, December 31, 2023	**3,113,838**		**2.42**
Expired	(3,113,838)		2.42
Outstanding, December 31, 2024	**-**	**$**	**-**

8 General and administrative expenses

		Years ended December 31, 2024		2023
Bank charges	**$**	**4,008**	$	3,164
Dues and subscriptions		**2,356**		659
Insurance		**2,340**		50,142
Office expenses		**1,277**		461
Software and licenses		**15,314**		-
Regulatory and filing fees		**66,212**		47,425
	$	**91,507**	$	101,851

(Expressed in Canadian Dollars)

9 Related party transactions and balances

Related party transactions are comprised of services rendered by directors and/or officers of the Company or by a company with a director and/or officer in common. Related party transactions are in the ordinary course of business and are measured at the exchange amount.

Key management compensation

Key management personnel are those having authority and responsibility for planning, directing, and controlling the activities of the Company, directly or indirectly, and include the Company's executive officers and members of the Board of Directors. Key management compensation consisted of the following:

	Years ended December 31,	
	2024	**2023**
Consulting fees:		
Spiral Investment Corp.; a company controlled by Gurcharn Deol, Director	**$ 36,000**	$ 36,000
9317-3516 Quebec Inc.; a company controlled by Meissam Hagh Panah, Director	**6,000**	6,449
1473267 B.C. Ltd.; a company controlled by Avtar Dhaliwal, Former Chief Executive Officer ("CEO") and Director	**9,000**	-
1482882 B.C. Ltd.; a company controlled by Melody Cooper, CEO, Corporate Secretary and Director	**24,500**	-
Avneesh Dhaliwal, Former Director, Corporate Secretary and CEO	**50,000**	-
End in Mind Capital Inc.; a company controlled by Alex McAulay, Interim Chief Financial Officer	**23,832**	-
Salaries and benefits:		
Kate-Lynn Genzel, Former Chief Financial Officer	**-**	14,950
Alex McAulay, Interim Chief Financial Officer	**16,500**	-
Professional fees:		
Treewalk Consulting Inc.; a company controlled by Alex McAulay, CFO	**86,216**	-

9 Related party transactions and balances *(continued)*

Accounts payable and accrued liabilities

As at December 31, 2024, accounts payable and accrued liabilities includes $16,253 (December 31, 2023 - $Nil) related to consulting fees due to End in Mind Capital Inc., a company controlled by Alex McAulay, Interim Chief Financial Officer. The amount is unsecured, non-interest bearing, and has no fixed terms of repayment.

As at December 31, 2024, accounts payable and accrued liabilities includes $14,833 (December 31, 2023 - $Nil) related to professional fees due to Treewalk Consulting Inc., a company controlled by Alex McAulay, Interim Chief Financial Officer. The amount is unsecured, non-interest bearing, and has no fixed terms of repayment.

As at December 31, 2024, accounts payable and accrued liabilities includes $11,025 (December 31, 2023 - $Nil) related to consulting fees due to 1482882 B.C Ltd., a company controlled by Melody Cooper, Chief Executive Officer, Corporate Secretary and Director. The amount is unsecured, non-interest bearing, and has no fixed terms of repayment.

As at December 31, 2024, accounts payable and accrued liabilities includes $9,649 (December 31, 2023 - $Nil) related to expense reimbursements due to Gurcharn Deol, Director. The amount is unsecured, non-interest bearing, and has no fixed terms of repayment.

As at December 31, 2024, accounts payable and accrued liabilities includes $9,300 (December 31, 2023 - $3,150) related to consulting fees due to Spiral Investment Corp., a company controlled by Gurcharn Deol, Director. The amount is unsecured, non-interest bearing, and has no fixed terms of repayment.

As at December 31, 2024, accounts payable and accrued liabilities includes $1,607 (December 31, 2023 - $Nil) related to salaries and benefits due to Alex McAulay, Interim Chief Financial Officer. The amount is unsecured, non-interest bearing, and had no fixed terms of repayment.

As at December 31, 2024, accounts payable and accrued liabilities includes $1,550 (December 31, 2023 - $500) related to consulting fees due to 9317-3516 Quebec Inc., a company controlled by Meissam Hagh Panah, Director. The amount is unsecured, non-interest bearing, and has no fixed terms of repayment.

As at December 31, 2024, accounts payable and accrued liabilities includes $116 (December 31, 2023 - $116) related to expense reimbursements due to Avneesh Dhaliwal, Former Director, Corporate Secretary and CEO. The amount is unsecured, non-interest bearing, and had no fixed terms of repayment.

Accounts receivable and prepayments

As at December 31, 2024, prepaid expenses include $Nil (December 31, 2023 - $625) paid to 9317-3516 Quebec Inc., a company controlled by Meissam Hagh Panah, Director, related to consulting fees to be provided in future periods.

(Expressed in Canadian Dollars)

10 Income taxes

A reconciliation of income taxes at statutory rates is as follows:

		Year ended December 31, 2024		Year ended December 31, 2023
Loss before income taxes from continuing operations	$	(575,297)	$	(1,738,936)
Statutory income tax rates		27%		27%
Expected tax recovery	$	(155,000)	$	(470,000)
Temporary benefits not recognized		-		(35,000)
True up of prior year differences		(110,000)		8,000
Change in unrecognized deferred tax assets		265,000		497,000
Total current and deferred income tax recovery	$	-	$	-

The company has the following deductible temporary differences for which no deferred tax asset has been recognized:

	Expiry		December 31, 2024		December 31, 2023
Non-capital loss carry-forwards	2039 - 2044	$	4,325,000	$	3,617,000
Share issuance costs	2025 - 2027		281,000		316,000
Net temporary differences		$	4,606,000	$	3,933,000

11 Capital management

The Company's objective when managing capital is to safeguard its ability to continue as a going concern. 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. The Company does not presently utilize any quantitative measures to monitor its capital. In order to fund future product developments and pay for general administrative costs, the Company will raise additional amounts as needed.

The Company reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company, is reasonable. The Company considers shareholders' equity and working capital as components of its capital base. The Company may access capital through the issuance of shares or the disposition of assets. Management historically funds the Company's expenditures by issuing share capital rather than using capital sources that require fixed repayments of principal and/or interest. The Company is not subject to externally imposed capital requirements and does not have exposure to asset-backed commercial paper or similar products. The Company believes it will be able to raise additional equity capital as required, but recognizes the uncertainty attached thereto. There were no significant changes to the Company's approach to capital management during the years ended December 31, 2024 and 2023.

12 Risk management and liquidity

The Company's risk exposures and the impact on the Company's consolidated financial statements are summarized below.

Credit risk

Financial instruments that potentially subject the Company to a significant concentration of credit risk consist of cash. The risk arises from the non-performance by counterparties of contractual financial obligations. To minimize credit risk, the Company places cash with high credit quality financial institutions, and as such is not subject to significant credit risk.

Interest rate risk

Interest rate risk is the risk that future cash flows will fluctuate because of changes in market interest rates. The interest earned on cash is insignificant. The Company does not rely on interest income to fund its operations and does not have any interest-bearing debt.

Liquidity risk

All of the Company's financial liabilities are classified as current and are anticipated to mature within the next 12 months. The Company intends to settle these with funds from its positive working capital position.

Foreign currency risk

The Company may be exposed to foreign currency risk on fluctuations related to cash balances that are denominated in a foreign currency. As at December 31, 2024, the Company held cash of US$320 (December 31, 2023 – US$27,560), trade receivables of US$Nil (December 31, 2023 – US$255) and trade payables of US$21,170 (December 31, 2023 – US$27,643) denominated in US dollars which expose the Company to minimal foreign currency exchange rate risk. The Company currently does not plan to enter into foreign currency future contracts to mitigate this risk as the Company consider this risk to be immaterial.

13 Discontinued operations

During the year ended December 31, 2023, the Company discontinued the operations of Ambari USA. As a result, Ambari USA was classified as a discontinued operation in accordance with IFRS 5 *Non-Current Assets Held for Sales and Discontinued Operations* for the years ended December 31, 2024 and 2023.

(Expressed in Canadian Dollars)

13 Discontinued operations *(continued)*

The loss and comprehensive loss from discontinued operations (Ambari USA) for the years ended December 31, 2024 and 2023 are comprised of the following:

		Year ended December 31, 2024		Year ended December 31, 2023
Revenue	**$**	**9,910**	$	99,306
Cost of sales		**10,397**		719,735
Gross profit (loss)		**(487)**		(620,429)
Expenses				
Advertising and promotion		**9,028**		70,906
Disposal costs		**37,148**		-
General and administrative		**30,652**		63,355
Professional fees		**11,140**		6,549
Research and development		**-**		12,187
Total expenses		**(87,968)**		(152,997)
Other items				
Foreign exchange loss		**-**		(1,787)
Net loss for the year from discontinued operations		**(88,455)**		(775,213)
Exchange difference on translating discontinued foreign operations		**(1,906)**		(3,948)
Total comprehensive loss from discontinued operations	**$**	**(90,361)**	$	(779,161)
Loss per common share – basic and diluted from discontinued operations	**$**	**(0.01)**	$	(0.06)
Weighted average number of common shares outstanding – basic and diluted		**14,132,206**		13,349,173

Assets and liabilities classified as held for sale as at December 31, 2024 and 2023 are comprised of the following:

		As at December 31, 2024		As at December 31, 2023 (Note 14)
Trade receivables	**$**	**-**	$	337
Prepaid expenses and deposits		**-**		5,725
Inventory		**-**		7,874
Total assets classified as held for sale	**$**	**-**	**$**	13,936
Accounts payable and accrued liabilities		**26,610**		36,561
Total liabilities classified as held for sale	**$**	**26,610**	$	36,561

(Expressed in Canadian Dollars)

13 Discontinued operations *(continued)*

Cash flows from Ambari USA are as follows:

		Year ended December 31, 2024		Year ended December 31, 2023
CASH FLOWS USED IN OPERATING ACTIVITIES				
Net loss for the year from discontinued operations	**$**	**(88,455)**	$	(775,213)
Items not affecting cash:				
Impairment of inventory		**-**		645,760
Changes in non-cash working capital items:				
Amounts receivable		**337**		2,309
Prepaid expenses and deposits		**5,725**		5,110
Inventory		**7,874**		70,717
Accounts payable and accrued liabilities		**(9,951)**		(47,315)
Net cash used in operating activities in discontinued operations		**(84,470)**		(98,632)
Total cash used in discontinued operations	**$**	**(84,470)**	$	(98,632)

14 Comparative figures

As a result of the discontinuation of Ambari USA (Note 13), certain comparative figures have been represented to conform to the current year's presentation. The impact to the consolidated statement of financial position as at December 31, 2023 is summarized in the table below. There was no impact to the consolidated statement of loss and comprehensive loss, statement of cash flows or statement of changes in shareholders' equity (deficiency) for the year ended December 31, 2023.

As at December 31, 2023		**As previously reported**		**Reclassification**		**Reclassified**
Amounts receivables	**$**	11,545	$	(337)	$	11,208
Prepaid expenses and deposits		36,124		(5,725)		30,399
Inventory		7,874		(7,874)		-
Total assets classified as held for sale		-		13,936		13,936
	$	55,543	**$**	-	**$**	55,543
Accounts payable and accrued liabilities		136,658		(36,561)		100,097
Total liabilities classified as held for sale		-		36,561		36,561
	$	136,658	$	-	$	136,658

15 Subsequent events

On January 28, 2025, the Company closed a non-brokered private placement and issued 6,826,667 units of the Company for gross proceeds of $477,867. The Company also closed a concurrent private placement and issued 5,174,240 units of the Company for gross proceeds of $362,197 and issued warrants of 9,311,500 for gross proceeds of $465,575. Each whole warrant is exercisable into one common share of the Company at an exercise price of $0.05 per common share for a period of 24 months. In connection with these financings, the Company's promissory note payable with a principal amount of $49,500 was settled in exchange for subscription amounts of $49,500 (Note 6).

On February 3, 2025, the Company dissolved its wholly-owned subsidiary, Ambari USA.

On March 9, 2025, the Company entered into a share purchase agreement (the "Purchase Agreement") with WealthAgile Inc. ("WealthAgile"), a party at arm's length to the Company.

Pursuant to the Purchase Agreement, the Company will acquire 100% of the issued and outstanding shares of WealthAgile (the "Acquisition") in consideration for the issuance of 23,000,000 common shares of the Company to the securityholders of WealthAgile securityholders on a pro-rata basis. Under the terms of the Purchase Agreement, the Company will complete an equity financing for proceeds of at least $2,000,000 concurrent with closing of the Acquisition (the "Financing"). Closing of the Acquisition is subject to several conditions, including but not limited to: (i) receipt of approvals from the Canadian Securities Exchange and the Company's shareholders; (ii) completion of the Financing by the Company; and (iii) WealthAgile's Chief Executive Officer being appointed to the board of directors and as Chief Executive Officer of the Company.