FINTECHWERX INTERNATIONAL SOFTWARE SERVICES INC.

CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

For the Three and Nine Months Ended January 31, 2025

(Expressed in Canadian dollars)

(Unaudited – Prepared by Management)

NOTICE OF NO AUDITOR REVIEW OF CONDENSED INTERIM FINANCIAL STATEMENTS

In accordance with National Instrument 51-102 released by the Canadian Securities Administrators, the Company discloses that its auditors have not reviewed the unaudited condensed interim financial statements for the nine-month period ended January 31, 2025.

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

Fintechwerx International Software Services Inc.

Index to Condensed Interim Consolidated Financial Statements

January 31, 2025

FINTECHWERX INTERNATIONAL SOFTWARE SERVICES INC.
Condensed Interim Consolidated Statements of Financial Position
(Unaudited - Expressed in Canadian dollars)

	January 31, 2025 $	April 30, 2024 $
Assets		
Current assets		
Cash	220,612	485,503
Trade and other receivables	23,452	1,689
Total current assets	244,064	487,192
Non-current assets		
Intangible assets (Notes 3, 4 and 5)	1,580,186	236,110
Total Assets	1,824,250	723,302
Liabilities and Shareholders' Equity		
Liabilities		
Current liabilities		
Accounts payable and accrued liabilities (Note 6)	101,713	93,955
Loans payable (Note 7)	38,625	–
Due to related parties (Note 8)	91,596	259,733
Total liabilities	231,934	353,688
Shareholders' Equity		
Share capital (Note 9)	2,258,200	841,200
Equity reserves (Note 9)	297,434	–
Accumulated deficit	(963,318)	(471,586)
Total Shareholders' Equity	1,592,316	369,614
Total Liabilities and Shareholders' Equity	1,824,250	723,302

Nature and Continuance of Operations (Note 1)
Subsequent Event (Note 13)

Approved and authorized for dissemination by the Board of Directors on March 28, 2025:

"Francisco Carasquero"
Francisco Carasquero, Director

"George Hofsink"
George Hofsink, Director

The accompanying notes are integral to these condensed interim consolidated financial statements.

FINTECHWERX INTERNATIONAL SOFTWARE SERVICES INC.
Condensed Interim Consolidated Statements of Loss and Comprehensive Loss
For the Three and Nine Months Ended January 31, 2025
(Unaudited - Expressed in Canadian dollars)

	For the three months ended January 31, 2025 $	For the three months ended January 31, 2024 $	For the nine months ended January 31, 2025 $	For the nine months ended January 31, 2024 $
Revenue	897	53,521	11,362	125,580
Cost of sales (Note 5 and 8)	(30,910)	(82,348)	(124,406)	(196,954)
Gross loss	(30,013)	(28,827)	(113,044)	(71,374)
Operating Expenses				
Amortization (Note 5)	2,576	–	11,478	–
General and administration	20,179	3,554	34,071	3,235
Listing fees	–	10,500	15,468	19,200
Management and consulting fees (Note 8)	62,250	10,500	193,500	34,128
Marketing	–	–	–	3,150
Professional fees	30,484	42,195	112,694	135,883
Regulatory and transfer agent fees	3,725	3,455	14,127	3,455
Travel and accommodation	2,508	972	4,221	3,878
Total operating expenses	(121,722)	(71,176)	(385,559)	(202,929)
Net loss before other items	(151,735)	(100,003)	(498,603)	(274,303)
Other income or expense				
Interest expense	(813)	–	(813)	–
Interest income	4,159	–	7,684	–
Net loss and comprehensive loss	(148,389)	(100,003)	(491,732)	(274,303)
Loss per share, basic and diluted	(0.01)	(0.04)	(0.05)	(0.12)
Weighted average shares outstanding, basic and diluted	21,251,932	2,826,497	9,480,120	2,376,574

The accompanying notes are integral to these condensed interim consolidated financial statements

FINTECHWERX INTERNATIONAL SOFTWARE SERVICES INC.

Condensed Interim Consolidated Statements of Changes in Shareholders' Equity

For the Nine Months Ended January 31, 2025

(Unaudited - Expressed in Canadian dollars except the number of shares)

	Common shares		Class A preferred shares		Equity	Obligation to Issue preferred	Special	Subscriptions	Accumulated	Total shareholders'
	Number of shares	Amount $	Number of shares	Amount $	Reserves $	shares $	warrants $	received $	deficit $	equity $
Balance, April 30, 2023	1,913,510	399,475	–	–	–	198,000	52,200	190,000	(57,273)	782,402
Preferred shares issued for private placement	–	–	3,960,000	198,000	–	(198,000)	–	–	–	–
Shares issued pursuant to conversion of Class A Preferred Shares	990,000	198,000	(3,960,000)	(198,000)	–	–	–	–	–	–
Share issuance costs	–	(5,975)	–	–	–	–	–	–	–	(5,975)
Special warrants issued	–	–	–	–	–	–	197,500	(190,000)	–	7,500
Special warrants converted to common shares	331,900	249,700	–	–	–	–	(249,700)	–	–	–
Net loss for the period	–	–	–	–	–	–	–	–	(274,303)	(274,303)
Balance, January 31, 2024	3,235,410	841,200	–	–	–	–	–	–	(331,576)	509,624
Balance, April 30, 2024	3,235,410	841,200	–	–	–	–	–	–	(471,586)	369,614
Shares issued pursuant to amalgamation agreement with 1396015 B.C. Ltd.	560,000	392,000	–	–	–	–	–	–	–	392,000
Units issued pursuant to amalgamation agreement with 1378871 B.C. Ltd.	20,000,000	1,000,000	–	–	297,434	–	–	–	–	1,297,434
Shares issued pursuant to the settlement of debt	500,000	25,000	–	–	–	–	–	–	–	25,000
Net loss for the period	–	–	–	–	–	–	–	–	(491,732)	(491,732)
Balance, January 31, 2025	24,295,410	2,258,200	–	–	297,434	–	–	–	(963,318)	1,592,316

(*) The Company effected a 10:1 share consolidation on August 20, 2024. All share and per share amounts have been retrospectively presented to reflect the share consolidation.

The accompanying notes are integral to these condensed interim consolidated financial statements.

FINTECHWERX INTERNATIONAL SOFTWARE SERVICES INC.
Notes to the Condensed Interim Consolidated Statements of Cash Flows
For the Nine Months Ended January 31, 2025
(Unaudited - Expressed in Canadian dollars)

	For the nine months ended January 31, 2025 $	For the nine months ended January 31, 2024 $
Operating activities		
Net loss	(491,732)	(274,303)
Items not involving cash:		
Amortization	16,898	112,500
Changes in non-cash operating working capital:		
Prepaids and deposit	–	636
Trade and other receivables	20,243	(2,183)
Accounts payable and accrued liabilities	(25,545)	(73,404)
Due to related parties	(139,869)	–
Net cash used in operating activities	(620,005)	(236,754)
Investing activities		
Cash acquired upon amalgamation with 1396015 B.C. Ltd.	399	–
Cash acquired upon amalgamation with 1378871 B.C. Ltd.	394,715	–
Intangible asset additions	(40,000)	–
Net cash provided by investing activities	355,114	–
Financing activities		
Share issuance costs	–	(5,975)
Net cash used in financing activities	–	(5,975)
Decrease in cash	(264,891)	(242,729)
Cash, beginning of period	485,503	726,846
Cash, end of period	220,612	484,117
Non-cash investing and financing activities:		
Conversion of preferred shares to common shares	–	198,000
Conversion of special warrants to common shares	–	249,700
Shares issued pursuant to amalgamation agreement with 1396015 B.C. Ltd.	392,000	–
Shares issued pursuant to the settlement of debt	25,000	–
Units issued pursuant to amalgamation agreement with 1378871 B.C. Ltd.	1,297,434	–
Supplemental disclosures:		
Interest paid	–	–
Income taxes paid	–	–

The accompanying notes are integral to these condensed interim consolidated financial statements.

1. Nature and Continuance of Operations

Fintechwerx International Software Services Inc. (formerly 1378882 B.C. Ltd.) (the "Company") was incorporated under the *Business Corporations Act* (British Columbia) on September 14, 2022. On November 21, 2022, the Company changed its name from 1378882 B.C. Ltd. to Fintechwerx International Software Services Inc. On December 8, 2023, the Company began trading on the Canadian Stocks Exchange under the stock symbol "WERX". On August 26, 2024, the Company began trading on the Frankfurt Stock Exchange under the stock symbol "J5O0".

The Company's registered office address is 1275 W 6th Avenue, Suite 315, Vancouver, British Columbia, Canada, V6H 1A6. The Company's business is an e-commerce technology company.

These condensed interim consolidated financial statements have been prepared by management 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. At January 31, 2025, the Company had not yet achieved profitable operations, had accumulated losses of $963,318 since its inception, and expects to incur further losses in the development of its business, all of which casts significant doubt about the Company's ability to continue as a going concern. The Company is dependent upon making sales or raising debt and equity financing to provide the funding necessary to meet its general operating expenses and will require additional financing to continue to develop and deploy its technology. The continuing operations of the Company are dependent upon its ability to continue to raise adequate financing and to commence profitable operations in the future and repay its liabilities arising from normal business operations as they become due.

These condensed interim consolidated financial statements do not include any adjustments relating to the recoverability and classification of recorded asset amounts and classification of liabilities that might be necessary should the Company be unable to continue in existence. Such adjustments could be material.

2. Basis of Presentation

<u>Statement of Compliance</u>

These condensed interim consolidated financial statements, including comparatives, have been prepared in accordance with International Accounting Standards 34, *Interim Financial Reporting*, using accounting policies consistent with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board and interpretations of the International Financial Reporting Interpretations Committee. The accounting policies and methods of computation applied by the Company in these condensed interim consolidated financial statements are the same as those applied in the Company's annual financial statements for the year ended April 30, 2024.

The condensed interim consolidated financial statements do not include all of the information and note disclosures required for full annual financial statements and should be read in conjunction with the Company's annual financial statements as at and for the year ended April 30, 2024.

2. Basis of Presentation (continued)

Basis of Consolidation

The Company's condensed interim consolidated financial statements include the accounts of the Company and its wholly owned subsidiary, Smartwerx Solutions Inc., incorporated in British Columbia, Canada.

A subsidiary is an entity controlled by the Company, where control is achieved by the Company having the power to govern the financial and operating policies of the entity so as to obtain benefits from its activities. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Company controls another entity. The condensed interim consolidated financial statements are consolidated from the date on which control is obtained by the Company and are de-consolidated from the date that control ceases. All intercompany transactions and balances have been eliminated.

Basis of Presentation

These condensed interim consolidated financial statements have been prepared on an historical cost basis, except for financial instruments classified as financial instruments at fair value through profit or loss, which are stated at fair value. In addition, these condensed interim consolidated financial statements have been prepared using the accrual basis of accounting except for cash flow information. These condensed interim consolidated financial statements are presented in Canadian dollars, which is the Company's functional currency.

Significant Accounting Judgments, Estimates and Assumptions

The preparation of these condensed interim consolidated financial statements in conformity with IFRS requires management to make certain estimates, judgments and assumptions that affect the reported amounts of assets and liabilities at the date of the condensed interim consolidated financial statements and the reported revenues and expenses during this period. Although management uses historical experience and its best knowledge of the amount, events, or actions to form the basis for judgments and estimates, actual results may differ from these estimates. Critical judgments and estimates exercised in applying accounting policies that have the most significant effect on the amounts recognized in the condensed interim consolidated financial statements are as follows:

Significant Accounting Judgements

Going concern

The assessment of the Company's ability to continue as a going concern and to raise sufficient funds to pay for its ongoing operating expenditures and 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.

Useful life and Impairment of intangible assets

The carrying value and the recoverability of intangible assets, including software licenses, are evaluated at each reporting date. Management assesses for indicators of impairment, which includes assessing whether facts or circumstances exist that suggest the carrying amount exceeds the recoverable amount. Management also applies judgement in assessing the useful life of intangible assets.

2. Basis of Presentation (continued)

Significant Accounting Judgments, Estimates and Assumptions (continued)

Significant Accounting Judgements (continued)

Revenue

The identification of revenue-generating contracts with customers, the identification of performance obligations, the determination of the transaction price and allocation between identified performance obligations, the use of appropriate revenue recognition method for each performance obligation and the measure of progress for performance obligation satisfied over time are the man aspects of the revenue recognition, all of which require the exercise of judgment and use of assumptions. The Company primarily derives revenue from the sale of its software plug-in that allows for automated reconciliation for Email Money Transfer (“EMT”) records. Revenue includes subscriptions derived from software sales.

Key Sources of Estimation Uncertainty

Share-based payments and warrants

The estimation of share-based payment costs and warrant values requires the selection of an appropriate valuation model and consideration as to the inputs necessary for the valuation model chosen. The Company has made estimates as to the expected volatility of its own shares, the expected life of share options and warrants granted, the estimated number of share options and warrants expected to vest and the expected time of exercise of those stock options and warrants. The model used by the Company is the Black-Scholes option pricing valuation model.

Income taxes

In assessing the probability of realizing income tax assets, management makes estimates related to expectations of future taxable income, applicable tax opportunities, expected timing of reversals of existing temporary differences and the likelihood that tax positions taken will be sustained upon examination by applicable tax authorities. In making its assessments, management gives additional weight to positive and negative evidence that can be objectively verified. No deferred tax assets have been deemed probable to date.

Accounting Standards Issued But Not Yet Effective or Adopted

Certain pronouncements have been issued by the IASB that are mandatory for annual accounting periods after April 30, 2024. None of these pronouncements are expected to have a material impact on the Company's condensed interim consolidated financial statements upon adoption.

(Unaudited - Expressed in Canadian dollars)

3. Amalgamation with 1396015 B.C. Ltd.

On July 31, 2024, the Company closed the transactions contemplated in an amalgamation agreement dated July 9, 2024, as amended by an amendment agreement dated July 18, 2024, with 1396015 B.C. Ltd. (“NumberCo”), a private non-arm’s length company, Smartwerx Solutions Inc., a wholly-owned subsidiary of the Company, and Looking Glass Media Limited (“LGM”), the parent company of NumberCo, pursuant to which the Company acquired all of the issued and outstanding shares of NumberCo from LGM by way of a “three-cornered” amalgamation (the “Transaction”). Pursuant to the transaction, Smartwerx and NumberCo amalgamated to form a new entity (“AmalCo”), and AmalCo became a wholly-owned subsidiary of the Company upon the closing. Amalco will continue under the business name of Smartwerx Solutions Inc. In consideration for such NumberCo shares, the Company issued 560,000 common shares with a fair value $392,000. At the time of closing the Transaction, LGM was controlled by the Chief Financial Officer and director of the Company.

NumberCo has developed consumer enrollment technology provided through a portal which brings together identity verification functions and merchant payment account opening capabilities in one platform (the “Enrollment Technology”). Prior to the closing, the Enrollment Technology was being licensed to Smartwerx pursuant to a license and services agreement dated February 22, 2023, as amended and restated on August 1, 2023 (the “Enrollment License Agreement”). Following the closing, the Company, through its subsidiary, now owns the Enrollment Technology, subject to the Minimum Investment Requirement.

Pursuant to the Transaction, the Company has committed to invest, or cause AmalCo to invest, a minimum of $200,000 in the Enrollment Technology on or before the date that is two years from the Closing Date, with eligible investments related to the integration and development of: (i) generative artificial intelligence interfaces and software; (ii) machine learning workflows and software; (iii) smart contracts; (iv) blockchain; and (v) open banking solutions (the “Minimum Investment Requirement”). If the Company fails, or fails to cause AmalCo, to satisfy the Minimum Investment Requirement, AmalCo will grant a perpetual, exclusive, transferable, and royalty free license to the Technology to LGM.

The Company applied the optional concentration test permitted under IFRS 3 *Business Combinations* to the acquisition which resulted in the acquired assets being accounted for as an asset acquisition. As such the purchase price was allocated to the identifiable assets and liabilities based on their relative fair values at the date of acquisition. The allocation of the consideration for the purposes of the condensed interim consolidated statements of financial position is as follows:

Net assets acquired:	$
Current assets	40,398
Current liabilities assumed	(135,006)
Intangible assets – Enrollment Technology	486,608
Net assets acquired	392,000
Consideration given:	
Fair value of common shares issued by the Company (560,000 shares at $0.70 per share)	392,000

* Included in current liabilities assumed was an amount payable of $134,700 to LGM, which is a company controlled by the Chief Financial Officer and director of the Company (Note 8).

(Unaudited - Expressed in Canadian dollars)

4. Amalgamation with 1378871 B.C. Ltd.

On November 14, 2024, the Company completed the acquisition of 1378871 B.C. Ltd. ("TargetCo"), a private non-arm's length company, pursuant to the terms of an amalgamation agreement among SmartWerx Solutions Inc., a wholly-owned subsidiary of the Company, and TargetCo, dated October 30, 2024. Pursuant to the amalgamation agreement, the Company has acquired all of the issued and outstanding shares of TargetCo from the shareholders of TargetCo by way of a "three-cornered" amalgamation (the "Transaction"). Pursuant to the transaction, Smartwerx and TargetCo amalgamated to form a new entity ("AmalCo"), and AmalCo became a wholly-owned subsidiary of the Company upon the closing. Amalco will continue under the business name of Smartwerx Solutions Inc. In consideration for such TargetCo shares, the Company issued 20,000,000 units with a fair value of $1,297,434. Each unit consists of one common share, one-half of one warrant to purchase a common share at $0.10 per share for a period of 2 years from the closing date, and one-half of one warrant to purchase a common share at $0.15 per share for a period of 2 years from the closing date.

TargetCo has developed a tool for the automated reconciliation of email money transfer records that is designed for business that rely on certain content management systems such as WordPress and WooCommerce (the "EMT Plug-in Technology"). Prior to the closing, the TargetCo Technology was being licensed to Smartwerx pursuant to a license and services agreement dated January 20, 2023, as amended and restated on August 1, 2023 (the "EMT License Agreement"). Pursuant to the amalgamation agreement, the Company, SmartWerx and TargetCo agreed that any present and future obligations under the EMT License Agreement will be of no further force or effect as of the completion of the transaction. Following the closing, the Company, through its subsidiary, now owns the EMT Plug-in Technology.

The Company applied the optional concentration test permitted under IFRS 3 *Business Combinations* to the acquisition which resulted in the acquired assets being accounted for as an asset acquisition. As such the purchase price was allocated to the identifiable assets and liabilities based on their relative fair values at the date of acquisition. The allocation of the consideration for the purposes of the condensed interim consolidated statements of financial position is as follows:

Net assets acquired:	$
Current assets*	535,356
Current liabilities assumed	(72,288)
Intangible assets – EMT Plug-in Technology	834,366
Net assets acquired	1,297,434
Consideration given:	
Fair value of common shares issued by the Company (20,000,000 common shares at $0.05 per share)	1,000,000
Fair value of warrants issued by the Company	297,434
	1,297,434

* Included in current assets acquired are promissory notes receivable of $138,635 from LGM, which is a company controlled by the Chief Financial Officer and director of the Company (Note 8).

(Unaudited - Expressed in Canadian dollars)

5. Intangible Assets

	EMT Plug-in License $	Enrollment License $	Gateway License $	Enrollment Technology $	EMT Plug-in Technology $	Total $
Balance, April 30, 2024	67,088	91,330	77,692	–	–	236,110
Development costs	–	40,000	–	–	–	40,000
Acquisition upon amalgamations (Notes 3 and 4)	–	–	–	486,608	834,366	1,320,974
Reclassification upon amalgamations (Notes 3 and 4)	(61,667)	(127,577)	–	127,577	61,667	–
Amortization	(5,421)	(3,753)	(7,724)	–	–	(16,898)
Balance, January 31, 2025	–	–	69,968	614,185	896,033	1,580,186

I. EMT Plug-in license with 1378871 B.C. Ltd.

On January 20, 2023 ("Effective Date"), the Company acquired a non-exclusive and non-transferable license to market, distribute and sublicense the Email Money Transfer records ("EMT Plug-in") software and a non-exclusive and non-transferable license to use the EMT Plug-in software solely to provide support services to customers. The Company recorded a fair value of $100,000 to acquire this license for the license term of 2 years.

On August 1, 2023, the Company signed an amended and restated agreement with 1378871 B.C. Ltd. As per the amended agreement, the license term of the original agreement was extended from 2 years to 10 years ("Initial Term"). 1378871 B.C. Ltd. acknowledges that, under the original license agreement, the Company paid a license fee of $100,000 to cover the first 2 years of the license agreement. For the subsequent 8 years after the Effective Date and for each year of the renewal term, which is an additional 5-year term ("Renewal Term"), unless otherwise agreed, the Company shall pay 1378871 B.C Ltd. $50,000 for the software license for each year of the balance of the Initial Term and for each year of the Renewal Term.

The unamortized license fee at the amendment date is amortized over the remaining term of the agreement using the straight-line method as the term of the agreement was extended. Each subsequent license fee payment will be capitalized when it becomes due as the Company retains rights of termination under various conditions.

On November 14, 2024, the Company completed its acquisition of 1378871 B.C. Ltd. (Note 4), resulting in the acquisition of the EMT Plug-in technology.

5. Intangible Assets (continued)

II. Enrollment license with 1396015 B.C. Ltd.

On February 22, 2023 (“Effective Date”), the Company acquired a non-exclusive and non-transferable license to use the technology solely to provide support services to customers (the “Enrollment License”). The Company recorded a fair value of $100,000 to acquire this license for the license term of 2 years.

On August 1, 2023, the Company signed the first amended and restated agreement with 1396015 B.C. Ltd. amending the fees for initial and renewal terms.

On October 12, 2023, the Company signed the second amended and restated agreement wherein the parties agreed to supersede the first amended terms and fees and replaced by the second amended terms and fees.As per the second amended and restated agreement, 1396015 B.C. Ltd. acknowledges that, under the original license agreement, the Company paid $50,000 towards the enrollment software license fee to cover the first year of the 10-year term (“Initial Term”). For the subsequent 9 years of the Initial Term and for each year of the additional 5-year term (“Renewal Term”), unless otherwise agreed to by the parties, the Company shall pay 1396015 B.C. Ltd. $50,000 for the license fee for each year of the balance of the Initial Term and for each year of the Renewal Term and are due on each applicable anniversary of the Effective Date of the original license agreement.

On July 31, 2024, the Company completed its acquisition of 1396015 B.C. Ltd. (Note 3), resulting in the acquisition of the Enrollment technology.

III. Gateway license with CPT Secure Inc.

On February 22, 2023 (“Effective Date”), the Company acquired a license from CPT Secure Inc. which provides services consisting of the collection, storage and transmission of transaction data between a merchant and a processor (the “Gateway License”). The Company recorded a fair value of $100,000 to acquire this license for the license term of 2 years.

On August 1, 2023, the Company signed the first amended and restated agreement with CPT Secure Inc. amending the fees for initial and renewal terms. On October 12, 2023, the Company signed the second amended and restated agreement wherein the parties agreed to supersede the first amended terms and fees and replaced by the second amended terms and fees.

As per the second amended and restated agreement, CPT Secure Inc. acknowledges that, under the original license agreement, the Company paid $50,000 towards the license fee to cover the first year of the 10-year term (“Initial Term”). For the subsequent 9 years of the Initial Term and for each year of the additional 5-year term (“Renewal Term”), unless otherwise agreed to by the parties, the Company shall pay CPT Secure Inc. $50,000 for the license for each year of the balance of the Initial Term and for each year of the Renewal Term and are due on each applicable anniversary of the effective date of the original license agreement. The total value of the software license with CPT Secure Inc. after the second amended agreement and the completion of the Initial Term is $500,000.

The unamortized license fee at the amendment date is amortized over the remaining term of the agreement using the straight-line method as the term of the agreement was extended. Each subsequent license fee payment of $50,000 will be capitalized when it becomes due as the Company retains rights of termination under various conditions.

(Unaudited - Expressed in Canadian dollars)

5. **Intangible Assets** (continued)

At the time of entering into the above license agreements, 1378871 B.C. Ltd., 1396015 B.C. Ltd. and CPT Secure Inc. were related to the Company by common directors, Francisco Carasquero and George Hofsink.

During the nine months ended January 31, 2025, the Company incurred amortization of software licenses of $16,898 (2023 – $112,500), of which $5,421 (2023 – $37,500) was included in cost of sales. The amortization for the EMT Plug-in license prior to the acquisition of 1378871 B.C. Ltd. is included in cost of sales while the amortization for the Enrollment (prior to the acquisition of 1396015 B.C. Ltd.) and Gateway licenses is included in operating expenses as no revenue was generated from these two license during the nine-month period ended January 31, 2025 and 2024.

6. Accounts Payable and Accrued Liabilities

	January 31, 2025 $	April 30, 2024 $
Accounts payable	91,606	64,879
Accrued liabilities	10,107	29,076
Total	101,713	93,955

7. Loans Payable

Upon closing of the amalgamation with 1378871 B.C. Ltd. on November 14, 2024 (Note 4), the Company assumed loans payable totaling $38,625 which are secured against assets of the Company, bear interest at 5% per annum commencing November 1, 2024, and are due on September 10, 2025.

8. Related Party Transactions

Key management personnel are the persons responsible for the planning, directing and controlling the activities of the Company and includes both executive and non-executive directors, and entities controlled by such persons. The Company considers all directors and officers of the Company to be key management personnel. The following are the remuneration of the Company's related parties:

	For the nine months ended January 31, 2025	For the nine months ended January 31, 2024
		$
Management and consulting fees	180,000	34,128
Management fees included in cost of sales	52,574	32,007
Software development costs (Note 5)	40,000	–
	272,574	66,135

8. Related Party Transactions (continued)

Balances

At January 31, 2025, the Company owed $3,909 (April 30, 2024 – $9,349) to the Chief Financial Officer ("CFO") and director of the Company for expenses incurred on behalf of the Company, and $102,500 (April 30, 2024 – $63,000) to a company controlled by the CFO and director of the Company for management and consulting fees. The amounts owing are unsecured, non-interest bearing and have no specified terms of repayment.

At January 31, 2025, the Company owed $28,500 (April 30, 2024 - $31,500) of management and consulting fees to a company controlled by the Chief Executive Officer of the Company. The amount owing is unsecured, non-interest bearing and has no specified terms of repayment.

At January 31, 2025, the Company owed $18,750 (April 30, 2024 - $31,500) of management and consulting fees to the President of the Company, and $3,150 (April 30, 2024 - $3,150) to a company controlled by the President of the Company for expenses incurred on behalf of the Company. The amount owing is unsecured, non-interest bearing and has no specified terms of repayment.

At January 31, 2025, the Company owed a total of $24,768 (April 30, 2024 - $95,000) for software license fees to companies controlled by directors and officers of the Company. The amount owing are payable under the terms of their related software license agreements (Note 5).

At January 31, 2025, the Company owed $nil (April 30, 2024 – $5,462) of consulting expense to a company controlled by the Chief Technology Officer ("CTO") of the Company. At January 31, 2025, there is a prepaid balance of $4,123 (April 30, 2024 - $nil) to the CTO within due to related parties for consulting fees. The amount owing is unsecured, non-interest bearing and has no specified terms of repayment.

As at April, 2024, the Company owed a total of $20,772 to former officers and directors of the Company. During the nine months ended January 31, 2025, the amounts were reclassified from due to related parties to accounts payable and accrued liabilities.

On October 2, 2024, the Company issued 500,000 common shares at $0.05 per share to settle related party payable of $25,000 owed to a controlled by the CFO of the Company, a company controlled by the CEO of the Company and the President of the Company (Note 9).

Upon closing of the amalgamation with 1396015 B.C. Ltd. on July 31, 2024 (Note 3), the Company assumed an amount payable of $134,700 to LGM, a company controlled by the CFO and director of the Company. Upon closing of the amalgamation with 1378871 B.C. Ltd. on November 14, 2024 (Note 4), the Company assumed promissory notes receivable owing from LGM, with principal amounts totaling $134,250 and accrued interest receivable of $4,385, net of an allowance of $108,007. The promissory notes receivable are unsecured, bear interest at 8% per annum and have maturity dates ranging from March 31, 2025 to February 28, 2026. During the nine months ended January 31, 2025, the Company loaned an additional $80,000 to LGM and recognized accrued interest receivable of $1,923. As at January 31, 2025, the Company was owed a net amount of $85,858 (April 30, 2024 – $nil) from LGM.

9. Share Capital

Authorized

- Unlimited number of common shares without par value
- Up to 400,000 Class A Preferred Series 1 Convertible Shares without par value (Non-voting, convertible to 25 common shares of the Company for each Class A Preferred Series 1 Convertible Share)

Issued share capital

On October 2, 2024, the Company issued 500,000 common shares with a fair value of $25,000 to settle related party payables of $25,000 as described in Note 8.

On July 31, 2024, the Company issued 560,000 common shares with a fair value of $392,000 pursuant to the amalgamation agreement with 1396015 B.C. Ltd. as disclosed in Note 3.

On August 20, 2024, the Company effected a 10-for-1 share consolidation. All share and per share amounts have been retrospectively presented to reflect the share consolidation.

On November 14, 2024, the Company issued 20,000,000 units consisting of 20,000,000 common shares with a fair value of $1,000,000 and 20,000,000 warrants with a fair value of $297,434 pursuant to the amalgamation agreement with 1378871 B.C. Ltd. as disclosed in Note 4. Each unit consists of one common share, one-half of one warrant to purchase a common share at $0.10 per share for a period of 2 years from the closing date, and one-half of one warrant to purchase a common share at $0.15 per share for a period of 2 years from the closing date. The fair value of the warrants were determined using the Black-scholes Option Pricing Model with the following weighted average assumptions: Risk-free rate – 3.18%, volatility - $95.22%, expected life - $2 years, dividend yield – nil).

Omnibus Share Incentive Plan

The Company has adopted an equity incentive plan, which provides that the Board of Directors of the Company may from time to time, in its discretion, and in accordance with the Canadian Securities Exchange requirements, grant to directors, officers, employees, consultants and service providers, non-transferable stock options, share unit or deferred share unit ("DSU") to purchase common shares, provided that the number of common shares reserved for issuance will not exceed 10% of the Company's issued and outstanding common shares. Options will be exercisable for a period of up to a maximum of ten years from the date of grant. Share units and DSUs entitle the recipient participant to receive a cash payment equal to the market share value or allow the participant to acquire shares of the Company upon settlement.

In connection with the foregoing, the number of common shares reserved for issuance to any one optionee in any 12 month period will not exceed five percent (5%) of the issued and outstanding common shares, the number of common shares reserved for issuance to consultants in any 12 month period will not exceed two percent (2%) of the issued and outstanding common shares and the number of common shares reserved for issuance to all persons providing investor relations activities in any 12 month period will not exceed one percent (1%) of the issuance and outstanding common shares. As at January 31, 2025, the Company has no options, shares units and DSUs granted under the Omnibus Share Incentive Plan.

(Unaudited - Expressed in Canadian dollars)

9. Share Capital (continued)

Warrants

A summary of the continuity of the Company's warrants for the period ended January 31, 2025 is as follows:

	Number of warrants	Weighted average exercise price $
Balance, April 30, 2024	1,511,000	1.00
Issued	20,000,000	0.13
Balance, January 31, 2025	21,511,000	0.19

Warrants outstanding and exercisable at January 31, 2025 are as follows:

Number of warrants	Exercise price $	Expiry date	Weighted average remaining life
1,313,500	1.00	April 26, 2028	3.24
197,500	1.20	June 22, 2028	3.39
10,000,000	0.10	November 14, 2026	1.79
10,000,000	0.15	November 14, 2026	1.79
21,511,000			

The weighted average remaining life of the warrants is 1.89 years.

10. Segmented Information

For the nine months ended January 31, 2025, and 2024, the Company operated in a single operating segment and evaluates the performance of the business as a single segment. The Company's primary source of revenue is the sale of software EMT Plug-in that allows for automated reconciliation for electronic money transfer records. All of the Company's sales are considered to occur in one demographic market, Canada.

The Company's gross revenue for the nine months ended January 31, 2025, and 2024 was $11,362 and $125,580, respectively. During the nine months ended January 31, 2025, 100% of revenues were derived primarily from EMT Plug-in subscriptions and a total of 66% of revenues represents the sale of EMT Plug-in subscriptions from one customer. During the nine months ended January 31, 2024, 100% of revenues were derived primarily from EMT Plug-in subscriptions and 82% of revenues represented the sale of EMT Plug-in subscriptions from two customers.

11. Capital Management

The Company's objective in managing capital is to ensure sufficient liquidity to fund research and development and engage in sales and marketing activities while at the same time taking a conservative approach toward financial leverage and management of financial risk. The Company's capital is composed entirely of equity. The Company uses capital to finance its operating losses. There is substantial uncertainty that the Company will be able to continue to finance its operating losses.

The Company currently funds these requirements from cash raised through the issuance of common shares. There is a risk that the Company will not be able to raise funds through the issuance of shares or on terms advantageous to the Company or its shareholders. The Company's objectives when managing capital are to ensure that the Company will have enough liquidity to continue to develop its software and services and engage in sales and marketing activities in order to obtain returns on investment.

The Company monitors its capital on the basis of the adequacy of its cash resources to fund its business plan. There is no external restriction on the Company's capital. The Company did not initiate any changes to its capital management strategy during the period ended January 31, 2025. The Company is not subject to externally imposed capital requirements.

12. Financial Instruments

The Company's financial instruments consist of cash, trade and other receivables, accounts payable and accrued liabilities, loans payable and due to related parties and the carrying values approximate their fair values because of the relatively short-term nature of the instruments. These estimates are subjective and involve uncertainties and matters of significant judgment and therefore cannot be determined with precision. Changes in assumption could significantly affect the estimates.

<u>There are three levels of the fair value hierarchy as follows:</u>

Level 1: Values based on unadjusted quoted prices in active markets that are accessible at the measurement date for identical assets or liabilities.

Level 2: Values based on quoted prices in markets that are not active or model inputs that are observable either directly or indirectly for substantially the full term of the asset or liability.

Level 3: Values based on prices or valuation techniques that require inputs that are both unobservable and significant to the overall fair value measurement.

The Company's cash is considered to be Level 1 within the fair value hierarchy.

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

<u>Foreign exchange risk</u>

The Company's functional and reporting currency is the Canadian dollar and major purchases are transacted in Canadian dollars. As a result, the Company's exposure to foreign currency risk is minimal.

12. Financial Instruments (continued)

Credit risk

The Company's cash is held in large Canadian financial institutions. The Company has not experienced nor is exposed to any significant credit losses. Credit risk is the risk of loss associated with a counterparty's inability to fulfill its payment obligations. Financial instruments that potentially subject the Company to significant concentrations of credit risk consist primarily of cash, and trade and other receivables. The carrying amount of cash, and trade and other receivables represent the maximum exposure to credit risk, and as at January 31, 2025, this amounted to $254,064 (April 30, 2024 – $487,192).

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Financial liabilities with fixed interest rates over a specified period of time expose the Company to cash flow interest rate risk. The Company does not hold any financial liabilities with variable interest rates. The Company does maintain bank accounts which earn interest at variable rates, but it does not believe it is currently subject to any significant interest rate risk.

Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company has a planning and budgeting process in place to help determine the funds required to support the Company's normal operating requirements on an ongoing basis. The Company aims to have sufficient funds to meet its short-term business requirements, taking into account its anticipated cash flows from its ability to raise equity capital or borrowing sufficient funds and its holdings of cash and cash equivalents.

Price risk

The ability of the Company to explore its new software technologies and the future profitability of the Company are directly related to the market price of software subscriptions. The Company monitors prices to determine the appropriate course of action to be taken by the Company.

12. Subsequent Event

On February 20, 2025, the Company entered into a License and Services Agreement, whereby the Company agreed to grant a non-exclusive and non-transferable license to market, distribute and sublicense its Gateway technology within Canada for an initial term of 1 year. The initial term will automatically renew for an additional 1 year period, unless one party provides the other party with a notice of non-renewal at least 30 days prior to the commencement of the next renewal term. In consideration for the license, the licensor agreed to pay the Company $6,000 to complete the installation of the Gateway technology. In addition, the licensor agreed to pay per-call fees for use of the Gateway technology ranging from $2,500 for 5,000 calls to $7,000 for 20,000 calls, which will be invoice by the Company on a monthly basis.

On March 4,2025 the Company entered into a Settlement Agreement and Release with Daniel Cvitanovich, ELDGR Solutions Ltd and Origin Confirmed Ltd. All claims and counterclaims were discontinued on a without costs basis.