
PUDO INC.

CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

FOR THE THREE AND NINE MONTH PERIODS ENDED

NOVEMBER 30, 2024 and 2023

(EXPRESSED IN CANADIAN DOLLARS)

(UNAUDITED)

NOTICE TO READER

The accompanying unaudited condensed interim consolidated financial statements of PUDO Inc. have been prepared by and are the responsibility of management. The unaudited condensed interim consolidated financial statements have not been reviewed by the Company's auditors.

PUDO Inc.**Condensed Interim Consolidated Statements of Financial Position
(Expressed in Canadian Dollars)
(Unaudited)**

As at	Notes	November 30, 2024	February 29, 2024
Assets			
Current assets			
Cash		\$ 110,541	\$ 155,725
Restricted short-term investment		26,302	25,850
Trade and other receivables	3, 5	513,017	370,999
Prepaid expenses and deposits		82,417	97,117
Total current assets		732,277	649,691
Non-current assets			
Equipment	6	795	1,526
Intangible assets	7	46,315	45,002
Total assets		\$ 779,387	\$ 696,219
Liabilities			
Current liabilities			
Trade and other payables	8, 12	\$ 1,025,752	\$ 796,271
Total liabilities		1,025,752	796,271
Shareholders' equity			
Share capital	9	9,177,037	9,177,037
Stock option reserve	10	1,028,421	895,348
Accumulated other comprehensive (loss)		(13,314)	(1,789)
Deficit		(10,438,509)	(10,170,648)
Shareholders' equity (deficit)		(246,365)	(100,052)
Total liabilities and shareholders' (deficit)		\$ 779,387	\$ 696,219

Nature of operations and going concern (note 1)

Commitments and contingencies (note 13)

Approved by the Board of Directors:

"Thomas Bijou"

Director

"Richard Cooper"

Director

See accompanying notes to the unaudited condensed interim consolidated financial statements

PUDO Inc.**Condensed Interim Consolidated Statements of Loss and Comprehensive Loss
(Expressed in Canadian Dollars)
(Unaudited)**

	Notes	Three Months Ended November 30,		Nine Months Ended November 30,	
		2024	2023	2024	2023
Revenue	3	\$ 948,554	\$ 799,026	\$ 2,685,627	\$ 2,392,321
Cost of sales	11, 12	(612,680)	(489,787)	(1,826,786)	(1,416,840)
Gross profit		335,874	309,239	858,841	975,481
Administrative expenses	11	(301,060)	(298,585)	(993,629)	(1,115,128)
Share-based compensation	12	(43,126)	(87,035)	(133,073)	(269,339)
Net loss		(8,312)	(76,381)	(267,861)	(408,986)
Other comprehensive loss - Translation of foreign subsidiary		3,860	(1,152)	(11,525)	(1,152)
Comprehensive loss for the period		(4,452)	(77,533)	(279,386)	(410,138)
Loss per share - basic and diluted		\$ (0.00)	\$ (0.00)	\$ (0.01)	\$ (0.02)
Weighted average number of shares outstanding - basic and diluted		27,271,007	27,271,007	27,271,007	27,271,007

See accompanying notes to the unaudited condensed interim consolidated financial statements

PUDO Inc.
Condensed Interim Consolidated Statements of Changes in
Shareholders' (Deficiency) Equity
(Expressed in Canadian Dollars)
(Unaudited)

	# of Common Shares	Share Capital	Stock Option Reserve	Accumulated Other Comprehensive Income (Loss)	Deficit	Total
Balance, February 28, 2023	27,271,007	\$ 9,177,037	\$ 538,974	\$ -	\$ (9,672,761)	\$ 43,250
Share-based compensation	-	-	269,339	-	-	269,339
Comprehensive loss for the nine month period ended November 30, 2023	-	-	-	(1,152)	(408,986)	(410,138)
Balance, November 30, 2023	27,271,007	\$ 9,177,037	\$ 808,313	\$ (1,152)	\$ (10,081,747)	\$ (97,549)
Share-based compensation	-	-	87,035	-	-	87,035
Comprehensive loss for the three month ended February 29, 2024	-	-	-	(637)	(88,901)	(89,538)
Balance, February 29, 2024	27,271,007	\$ 9,177,037	\$ 895,348	\$ (1,789)	\$ (10,170,648)	\$ (100,052)
Share-based compensation	-	-	133,073	-	-	133,073
Comprehensive loss for the nine month period ended November 30, 2024	-	-	-	(11,525)	(267,861)	(279,386)
Balance, November 30, 2024	27,271,007	\$ 9,177,037	\$ 1,028,421	\$ (13,314)	\$ (10,438,509)	\$ (246,365)

See accompanying notes to the unaudited condensed interim consolidated financial statements

PUDO Inc.**Condensed Interim Consolidated Statements of Cash Flows****(Expressed in Canadian Dollars)****(Unaudited)**

	Notes	Nine Months Ended November 30, 2024	Nine Months Ended November 30, 2023
Cash flows used in operating activities			
Net loss for the period		\$ (267,861)	\$ (408,986)
Adjustments for:			
Amortization	6, 7	22,818	25,064
Share-based compensation	12	133,072	269,339
Allowance for doubtful accounts	5	(17,992)	(10,406)
Net change in working capital:			
Restricted short-term investment		(452)	(218)
Trade and other receivables		(124,026)	(135,357)
Prepaid expenses and deposits		14,700	18,562
Trade and other payables		229,481	212,278
Cash flows used in operating activities		(10,260)	(29,724)
Cash flows used in investing activities			
Purchase of intangible assets	7	(23,400)	(29,619)
Cash flows (used) received in investing activities		(23,400)	(29,619)
Cash flows received in financing activities		Nil	Nil
Change in cash during the period		(33,660)	(59,343)
Cash, beginning of period		155,725	177,925
Effect of translation of foreign currency		(11,524)	(1,152)
Cash, end of period		\$ 110,541	\$ 117,430

See accompanying notes to the unaudited condensed interim consolidated financial statements

PUDO Inc.

Notes to Condensed Interim Consolidated Financial Statements Three and Nine Months Ended November 30, 2024 and 2023 (Expressed in Canadian Dollars) (Unaudited)

1. Nature of operations and going concern

The principal activity of PUDO Inc. (the "Company") is using technology to improve the connection between e-commerce and consumers. The Company deploys its' technology to provide consumers with convenient locations to pick-up or drop-off e-commerce parcels. Through collaboration with online retailers, third party logistics companies ("3PL"), Software as a Service ("SaaS") and courier companies, consumers can take secure delivery of their parcels or drop-off returns where it's convenient, when it's convenient for them.

Existing businesses, such as convenience stores or gas stations, provide services as a PUDOpoint™ ("PUDOpoint"). PUDOpoints are typically open extended hours, seven days a week to make it convenient for busy consumers to quickly and efficiently collect what they've ordered online or drop off what they need to return. The Company deploys its technology to provide consumers with convenient PUDOpoints (the "Network") to pick-up and drop-off ("PUDO") e-commerce parcels.

The Company's services provide courier companies and retailers with a presence in a broad variety of locations to better serve their customers. Not only convenient, these services can also save money. Couriers don't have to attempt delivery a second or third time or make other arrangements with customers who aren't home. Retailers can ship directly to PUDOpoints saving residential delivery costs and reducing the risk of theft or spoilage. PUDO also helps retailers reduce the cost and increase the convenience of their returns program. Consumers can drop off pre-labeled parcels at any PUDOpoint for processing back to the retailer. The Company's registered office is at 6600 Goreway Drive, Unit D, Mississauga, Ontario, L4V 1S6. The Company is listed on the Canadian Securities Exchange ("CSE"), trading under the symbol "PDO" and is currently a member of the CSE Composite Index.

Going Concern

These condensed interim consolidated financial statements have been prepared with the assumption 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 operations. As at November 30, 2024, the Company had a working capital deficiency of \$293,475 (February 29, 2024 – \$146,580), had not yet achieved profitable operations, had used cash from operating activities of \$10,260 for the nine-month period ended November 30, 2024 (nine month period ended November 30, 2023 – cash received of \$29,724), had a deficit of \$10,438,509 as at November 30, 2024 (February 29, 2024 \$10,170,648) and had shareholders' deficiency of \$246,365 (February 29, 2024 – \$100,052). These conditions reflect material uncertainties which cast significant doubt about the Company's ability to continue as a going concern. 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. While the Company has been successful in raising the necessary funding to continue operations in the past, there is no assurance that it will be able to do so in the future. These condensed interim consolidated financial statements do not include the adjustments that would be necessary should the Company be unable to continue as a going concern. Such adjustments could be material.

2. Basis of preparation

(a) Statement of compliance

The Company applies International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB"). These unaudited condensed interim consolidated financial statements have been prepared in accordance with International Accounting Standard 34 - Interim Financial Reporting. Accordingly, they do not include all of the information required for full annual financial statements required by IFRS as issued by the IASB.

The same accounting policies and methods of computation are followed in these unaudited condensed interim consolidated financial statements as compared with the most recent annual consolidated financial statements as at and for the year ended February 29, 2024. Any subsequent changes to IFRS that are given effect in the Company's

PUDO Inc.

Notes to Condensed Interim Consolidated Financial Statements Three and Nine Months Ended November 30, 2024 and 2023 (Expressed in Canadian Dollars) (Unaudited)

2. Basis of preparation (continued)

annual consolidated financial statements for the year ending February 28, 2025, could result in restatement of these unaudited condensed interim consolidated financial statements.

The condensed interim consolidated financial statements of the Company for the three and nine month periods ended November 30, 2024 were approved and authorized for issue by the Board of Directors on January 8, 2025.

(b) Basis of presentation

The condensed interim consolidated financial statements have been prepared on a historical cost basis. In addition, these condensed interim consolidated financial statements have been prepared using the accrual basis of accounting except for cash flow information.

(c) Basis of consolidation

The condensed interim consolidated financial statements comprise the financial statements of the Company and its wholly-owned subsidiaries PUDOpoint Inc., Grandview Gold (USA) Inc., and Recuperacion Realzada, S.A.C.

Subsidiaries consist of entities over which the Company is exposed to, or has rights to, variable returns as well as the ability to affect those returns through the power to direct the relevant activities of the entity. Subsidiaries are fully consolidated from the date control is transferred to the Company and are de-consolidated from the date control ceases. The financial statements include all the assets, liabilities, revenues, expenses and cash flows of the Company and its subsidiaries after eliminating inter-entity balances and transactions.

3. Financial risk management

(a) Fair values

The carrying amounts of, cash, restricted short-term investment, trade and other receivables, trade and other payables approximate their fair values, given their short-term nature.

(b) Financial risk factors

The Company's activities expose it to a variety of financial risks, including credit risk, liquidity risk, market risk, and capital risk management. This note discloses information about the Company's exposure to each of the above risks, their objectives, policies and processes for measuring and managing risk and their management of capital.

The Board of Directors has the overall responsibility for the establishment and oversight of the Company's risk management framework. The Company's risk management policies are established to identify and analyze the risks faced by the Company, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities.

(i) Credit risk

Credit risk is the risk that an issuer or counterparty will be unable or unwilling to meet commitments it has entered into with the Company. The financial assets that potentially expose the Company to credit risk consist principally of cash or other receivables. The extent of the Company's exposure to credit risk approximate their carrying values are recorded in the Company's consolidated statement of financial position. A significant portion of the Company's revenues are from one customer. This customer is comprised of three different businesses operated independently under common control.

PUDO Inc.

Notes to Condensed Interim Consolidated Financial Statements Three and Nine Months Ended November 30, 2024 and 2023 (Expressed in Canadian Dollars) (Unaudited)

3. Financial risk management (continued)

	Three Months Ended November 30,		Nine Months Ended November 30,	
	2024	2023	2024	2023
Revenue from #1 customer	\$ 315,218	\$ 252,385	\$ 987,426	\$ 892,005
% of total revenue	33%	33%	37%	40%
Revenue from #2 customer	\$ 191,433	158,009	\$ 528,123	502,568
% of total revenue	20%	21%	20%	22%
Revenue from #3 customer	\$ 115,088	169,694	\$ 373,619	517,889
% of total revenue	12%	22%	14%	23%

	As at November 30, 2024	As at February 29, 2024
Accounts Receivable from #1 Customer	\$ 73,633	\$ 50,779
% of total accounts receivable	14%	14%
Accounts Receivable from #2 Customer	\$ 83,318	\$ 58,008
% of total accounts receivable	16%	16%
Accounts Receivable from #3 Customer	\$ 26,286	\$ 30,769
% of total accounts receivable	5%	8%

The maximum exposure to credit risk at the reporting date was:

	November 30, 2024	February 29, 2024
Cash	\$ 110,541	\$ 155,725
Restricted short-term investment	26,302	25,850
Trade and other receivables	513,017	370,999
	\$ 649,860	\$ 552,574

(ii) 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's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to finance its operations and to mitigate the effects of fluctuations in cash flows. See going concern discussion in note 1.

The following are the contractual maturities of financial liabilities:

November 30, 2024	1 Year or Less	Greater than 1 year	Total
Trade and other payables	\$ 1,025,752	\$ -	\$ 1,025,752

February 29, 2024	1 Year or Less	Greater than 1 year	Total
Trade and other payables	\$ 796,271	\$ -	\$ 796,271

PUDO Inc.

Notes to Condensed Interim Consolidated Financial Statements Three and Nine Months Ended November 30, 2024 and 2023 (Expressed in Canadian Dollars) (Unaudited)

3. Financial risk management (continued)

In order to meet such cash commitments, the Company will be required to generate sufficient cash inflows from operating and financing activities.

(iii) Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates and interest rates will affect the Company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return. All of the Company's equipment and intangible assets are located in Canada.

Revenue by geographic region for the three and nine month periods is as follows:

	Three Months Ended November 30,		Nine Months Ended November 30,	
	2024	2023	2024	2023
Canada	\$ 914,304	\$ 754,734	\$ 2,566,291	\$ 2,258,014
United States of America	34,250	44,292	119,336	134,307
	\$ 948,554	\$ 799,026	\$ 2,685,627	\$ 2,392,321

Revenue by service for the three and nine month periods is as follows:

	Three Months Ended November 30,		Nine Months Ended November 30,	
	2024	2023	2024	2023
Returns	\$ 516,304	\$ 371,457	\$ 1,430,641	\$ 1,067,663
For Pick UP	161,774	106,304	410,630	353,163
Failed First Attempts	97,598	113,672	290,359	359,697
Third Party Logistics	73,659	110,471	252,686	329,069
Direct to PUDO	55,768	51,313	172,062	149,064
KinekPoints and other	43,451	45,809	129,249	133,665
	\$ 948,554	\$ 799,026	\$ 2,685,627	\$ 2,392,321

(iv) Currency risk

Since the Company has a bank account denominated in US dollars, it is exposed to foreign currency risk due to fluctuations in the exchange rate. The Company purchases goods and services and generates revenues in Canadian dollars and US dollars. Since the Company reports its results in Canadian dollars, the functional currency of the Company, it is exposed to changes in the value of the US dollar relative to that of the Canadian dollar.

As at November 30, 2024 and February 29, 2024, the Company and its subsidiaries had cash, trade and other receivables and trade and other payables denominated in US dollars as follows:

PUDO Inc.

Notes to Condensed Interim Consolidated Financial Statements Three and Nine Months Ended November 30, 2024 and 2023 (Expressed in Canadian Dollars) (Unaudited)

3. Financial risk management (continued)

As at November 30, 2024	USD	CAD Equivalent
Cash	\$ 29,370	\$ 41,148
Trade and other receivables	161,907	226,832
Trade and other payables	(60,632)	(84,946)
	\$ 130,645	\$ 183,034

As at February 29, 2024	USD	CAD Equivalent
Cash	\$ 72,657	\$ 98,596
Trade and other receivables	50,585	68,644
Trade and other payables	(43,536)	(59,078)
	\$ 79,706	\$ 108,162

(v) Interest rate risk

The Company's exposure to risks of changes in market interest rates relates primarily to its cash and short-term investment balances. The Company regularly analyzes its interest rate exposure, giving consideration to potential renewals of existing positions, alternative financial positions and the mix of fixed and variable interest rates.

(vi) Capital risk management

The Company reviews and manages its capital position from time to time to maintain a balance between its liability and equity levels. The Company uses the capital contributed by investors to finance its working capital requirements. The Board of Directors does not establish quantitative return on capital criteria for management but rather relies on the expertise of the Company's management to sustain future developments of the business. The Company defines capital as shareholder's equity, loans and borrowings. As at November 30, 2024, the Company had shareholders' deficiency of \$246,365 (February 29, 2024 – \$100,052).

The Company's capital management objectives, policies and processes have remained materially unchanged during the nine-month period ended November 30, 2024, and the year ended February 29, 2024.

(vii) Sensitivity analysis

Based on management's knowledge and experience in the financial markets, the Company believes the following movements are reasonably possible over the year. Sensitivity to a plus or minus 10% change in the US-Canadian dollar foreign exchange rate, based on the current US dollar denominated balances as at November 30, 2024, would affect the net loss by approximately plus or minus \$13,000 during a year.

4. Critical accounting estimates and judgments

The Company makes estimates and judgments that affect the reported amounts of assets and liabilities within the next year. Estimates and judgments are regularly evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

PUDO Inc.

Notes to Condensed Interim Consolidated Financial Statements Three and Nine Months Ended November 30, 2024 and 2023 (Expressed in Canadian Dollars) (Unaudited)

4. Critical accounting estimates and judgments (continued)

Intangible assets and equipment

The useful life of intangible assets and equipment is determined by management at the time the software and equipment is acquired and brought into use and is regularly reviewed for appropriateness. For unique software products controlled by the Company, the estimated life is based on management's historical experience with similar products as well as anticipation of future events which may impact their life such as changes in technology. In the determination of carrying values and impairment charges, management looks at the higher of recoverable amount or fair value less costs to sell (in the case of non-financial assets) and at objective evidence, for a significant or prolonged decline of fair value on financial assets indicating impairment. These determinations and their individual assumptions require that management make a decision based on the best available information at each reporting period. The Company reviews property and equipment and intangible assets for impairment whenever events or changes in circumstances indicate that the carrying value may not be recoverable.

Impairment of financial assets

All financial assets except for those at FVTPL are reviewed for impairment at least at each reporting date to identify whether there is any objective evidence that a financial asset or group of financial assets is impaired.

Income, value added, withholding and other taxes

The Company is subject to income, value added, withholding and other taxes. Judgment is required in determining the Company's provisions for taxes, including the recognition and measurement of any potential deferred tax assets. The Company recognizes liabilities for anticipated tax audit issues based on estimates of whether additional taxes will be due. The determination of the Company's income, value added, withholding and other tax liabilities requires interpretation of complex laws and regulations. The Company's interpretation of taxation law as applied to transactions and activities may not coincide with the interpretation of the tax authorities. All tax related filings are subject to government audit and potential reassessment subsequent to the financial statement reporting period. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the tax related accruals and deferred income tax provisions in the period in which such determination is made.

Share-based compensation

The Company measures the cost of equity-settled transactions with employees, consultants, officers and directors by reference to the fair value of the equity instruments at the date on which they are granted. Estimating fair value for share-based compensation transactions requires determining the most appropriate valuation model, which is dependent on the terms and conditions of the grant. Assumptions are made and judgment is used in applying valuation techniques.

Functional and presentation currency

In determining the functional currency of the parent and its subsidiaries, the Company considers the currency that mainly influences sales and the cost of providing goods and services in each jurisdiction in each the Company operates. The Company also considered secondary indicators including the currency in which funds from financing activities are denominated, the currency in which funds are retained and whether the activities of the subsidiaries are carried out as an extension of the Company or if they are carried out with a degree of autonomy.

Going concern

The assessment of the Company's ability to continue as a going concern involves judgment regarding future funding available to increase revenues and working capital requirements.

These assumptions and judgments include estimating the future volatility of the stock price, expected dividend yield, future employee turnover rates and future employee stock option exercise behaviours and corporate performance. Such judgments and assumptions are inherently uncertain. Changes in these assumptions affect the fair value estimates.

PUDO Inc.

Notes to Condensed Interim Consolidated Financial Statements Three and Nine Months Ended November 30, 2024 and 2023 (Expressed in Canadian Dollars) (Unaudited)

4. Critical accounting estimates and judgments (continued)

Valuation of shares issued for non-cash considerations

The Company makes estimates and judgments in determining the value of shares issued for non-cash consideration.

5. Trade and other receivables

	November 30, 2024	February 29, 2024
Trade receivables	\$ 410,465	\$ 262,312
Allowance for doubtful accounts	(40,553)	(22,561)
Other receivables	143,105	131,248
	\$ 513,017	\$ 370,999

Allowance for doubtful accounts as at November 30, 2024 was \$ 40,553 (February 29, 2024 – \$ 22,561).

The following is an aging analysis of the Company's trade receivables:

	Total Receivable	Aging in Days			
		Current	31 to 60	61 to 90	91+
February 29, 2024	\$ 370,996	\$ 286,356	\$ 50,047	\$ 2,694	\$ 31,899
November 30, 2024	\$ 513,017	\$ 421,270	\$ 30,052	\$ 10,187	\$ 51,508

6. Equipment

Scanners and Tablets	Cost	Accumulated Amortization	Net Book Value
Balance at February 28, 2023	\$ 325,516	\$ 321,387	\$ 4,129
Additions / amortization	1,819	4,422	(2,603)
Balance at February 29, 2024	\$ 327,335	\$ 325,809	\$ 1,526
Additions / amortization	-	731	(731)
Balance at November 30, 2024	\$ 327,335	\$ 326,540	\$ 795

7. Intangible assets

Computer Software	Cost	Accumulated Amortization	Net Book Value
Balance at February 28, 2023	\$ 774,391	\$ 739,328	\$ 35,063
Additions / amortization	37,400	27,461	9,939
Balance at February 29, 2024	\$ 811,791	\$ 766,789	\$ 45,002
Additions / amortization	23,400	22,087	1,313
Balance at November 30, 2024	\$ 835,191	\$ 788,876	\$ 46,315

PUDO Inc.

Notes to Condensed Interim Consolidated Financial Statements Three and Nine Months Ended November 30, 2024 and 2023 (Expressed in Canadian Dollars) (Unaudited)

8. Trade and other payables

	November 30, 2024	February 29, 2024
Trade payables	\$ 851,667	\$ 603,595
QST payable	2,111	4,100
Other payables	119,323	152,483
Accrued liabilities	52,651	36,093
	\$ 1,025,752	\$ 796,271

Trade payables are non-interest bearing and payable within thirty (30) days.

9. Share capital

(a) Authorized

Unlimited number of common shares with no par value.

Unlimited number of preference shares. The preference shares are without par value, redeemable, non-voting and non-participating (none currently issued and outstanding).

(b) Issued

Common Shares	Number	Amount
Balance, February 28, 2023	27,271,007	\$ 9,177,037
Common share activity	-	-
Balance, February 29, 2024	27,271,007	\$ 9,177,037
Common share activity	-	-
Balance, November 30, 2024	27,271,007	\$ 9,177,037

10. Stock option reserve

The Company maintains an employee stock option plan under which the Board of Directors, or the compensation committee of the Board of Directors, may from time to time grant to employees, officers, directors or consultants of the Company, options to acquire common shares in such numbers, for such terms and at such exercise prices, as may be determined by the Board of Directors or the compensation committee of the Board of Directors.

The stock option plan provides that the maximum number of common shares in the capital of the Company that may be reserved for issuance for all purposes under the stock option plan shall not exceed 20% of the total issued and outstanding common shares.

PUDO Inc.

Notes to Condensed Interim Consolidated Financial Statements Three and Nine Months Ended November 30, 2024 and 2023 (Expressed in Canadian Dollars) (Unaudited)

10. Stock option reserve (continued)

The following table reflects the continuity of stock options for the nine-month period ended November 30, 2024 and the year ended February 29, 2024:

	Number of stock options	Exercise Price
Balance, February 28, 2023	2,275,545	\$ 1.13
Stock Options activity	-	-
Balance, February 29, 2024	2,275,545	\$ 1.13
Stock Options activity	-	-
Balance, November 30, 2024	2,275,545	\$ 1.13

The following table reflects the actual stock options issued and outstanding as at November 30, 2024:

	Exercise Price (\$)	Remaining contractual life (years)	Number of options outstanding	Options vested (exercisable)	Estimated grant date fair value (\$)
July 17, 2025	1.14	0.63	213,750	213,750	223,792
July 17, 2025	1.75	0.63	135,000	135,000	129,739
July 17, 2025	0.81	2.25	569,445	379,630	367,071
March 1, 2027	0.80	2.09	1,357,350	650,397	525,275
	1.13	1.40	2,275,545	1,378,777	1,245,877

11. Expenses categorized by nature

	Three Months Ended November 30,		Nine Months Ended November 30,	
	2024	2023	2024	2023
Cost of sales				
External processing charges	\$ 610,641	\$ 488,008	\$ 1,821,227	\$ 1,411,326
Computer and web access charges	2,039	1,779	5,559	5,514
	\$ 612,680	\$ 489,787	\$ 1,826,786	\$ 1,416,840

PUDO Inc.

Notes to Condensed Interim Consolidated Financial Statements Three and Nine Months Ended November 30, 2024 and 2023 (Expressed in Canadian Dollars) (Unaudited)

11. Expenses categorized by nature (continued)

Administrative expenses	Three Months Ended November 30,		Nine Months Ended November 30,	
	2024	2023	2024	2023
Salaries and Benefits (note 12)	\$ 168,353	\$ 99,672	\$ 523,303	\$ 524,692
General and administrative expenses	68,367	70,601	203,944	234,558
Consulting Fees	23,018	49,191	96,579	91,699
Agent and filing fees	16,198	15,501	40,337	42,240
Accounting and office	10,325	9,054	30,804	28,072
Professional fees	9,054	25,648	27,456	68,776
Travel and business development	5,139	6,316	19,068	45,553
Investor relations	4,591	14,359	37,552	52,952
Foreign exchange loss (gain)	(12,058)	(224)	(8,231)	1,522
Amortization (notes 6 and 7)	8,073	8,467	22,817	25,064
	\$ 301,060	\$ 298,585	\$ 993,629	\$ 1,115,128

12. Related party balances and transactions

During the three and nine month periods ended November 30, 2024 and 2023, the Company incurred bookkeeping fees, office rental, and warehouse sorting costs to a company with a common officer and director. Warehouse sorting is included in cost of sales in the amount \$29,549 for the three month period ended November 30, 2024 and \$76,299 for the nine month period ended November 30, 2023 (November 30, 2023 - \$14,491 and \$50,638 respectively). Bookkeeping fees and office rental are included in accounting and office expense for the three month period ended November 30, 2024 in the amount of \$3,054 and for the nine month period ended November 30, 2024 in the amount of \$9,162 (November 30, 2023 - \$3,054 and \$10,072 respectively).

During the three and nine month periods ended November 30, 2024 and 2023, the Company had the following transactions with shareholders, management and directors:

	Three Months Ended November 30,		Nine Months Ended November 30,	
	2024	2023	2024	2023
Share Based Compensation	\$ 43,126	\$ 87,035	\$ 133,073	\$ 269,339
Salaries and benefits	24,855	-	74,098	115,703
Consulting fees	10,325	52,191	48,804	84,299
	\$ 78,306	\$ 139,226	\$ 255,975	\$ 469,341

As at November 30, 2024, balances payable to the related parties noted above amounted to \$304,914 (February 29, 2024 - \$176,928) and are included in trade and other payables. These balances are unsecured, non-interest bearing and are due on demand.

As at November 30, 2024, balance receivable from a related party noted above amounted to \$28,127 (February 28, 2024 - \$27,674) and are included in the account receivables.

PUDO Inc.

Notes to Condensed Interim Consolidated Financial Statements

Three and Nine Months Ended November 30, 2024 and 2023

(Expressed in Canadian Dollars)

(Unaudited)

13. Commitments and contingencies

The Company has entered into various agreements for services, which if terminated by the Company would not have any significant impact on the Company's consolidated financial statements. These amounts have not been accrued in the condensed interim consolidated financial statements as at November 30, 2024.