mobilum

MOBILUM TECHNOLOGIES INC.

Consolidated Financial Statements

For the Nine Months Ended November 30, 2023 and 2022

(Expressed in U.S. Dollars)

Page

INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

NOTICE OF NO AUDITOR REVIEW OF INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

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

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

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

January 29, 2024

(Expressed in U.S. Dollars)

	Note		November 30, 2023		February 28, 2023
ASSETS			**Unaudited**		
Current assets					
Cash	4	**$**	**26,586**	$	985,341
Accounts receivable	5		**101,595**		96,284
Prepaid expenses and deposits	6		**3,356**		153,486
Total current assets		**$**	**131,538**	$	1,235,111
Non-current assets					
Right-of-use asset	10	**$**	**-**	$	6,544
Equipment	9		**-**		1,824
Intangible assets	8		**-**		906,421
Investments	17		**1**		9,186
Total assets		**$**	**131,539**	$	2,159,086
LIABILITIES					
Current liabilities					
Accounts payable and accrued liabilities	13	**$**	**415,474**	$	1,792,075
Due to related parties	16		**808,196**		549,907
Current portion of lease liability	12		**-**		8,351
Total current liabilities		**$**	**1,223,670**	$	2,350,333
Long-term Loan	12		**100,120**		-
Government loan	14		**29,451**		26,121
Total liabilities		**$**	**1,353,241**	$	2,376,454
SHAREHOLDERS' EQUITY (DEFICIENCY)					
Share capital	17	**$**	**60,477,401**	$	60,477,401
Reserves	16,17		**8,503,503**		8,277,980
Accumulated other comprehensive losses			**(2,059,376)**		(785,027)
Deficit			**(68,143,230)**		(68,187,722)
Total shareholders' equity			**(1,221,702)**		(217,368)
Total liabilities and shareholders' equity (deficit)		**$**	**131,539**	$	2,159,086

Nature of operations and going concern (Note 1)
Disposal of Subsidiaries (Note 23)
Contingencies (Note 24)

Approved On behalf of the Board of Directors on January 29, 2024.

"Wojciech Kaszycki"
Wojciech Kaszycki, Director

"Robert Niziol"
Robert Niziol, Director

MOBILUM TECHNOLOGIES INC.
(FORMERLY TECHX TECHNOLOGIES INC.)
Interim Consolidated Statements of Comprehensive Loss
For the Years Ended November 30, 2023 and 2022
(Expressed in U.S. Dollars)

	Note	Nine Months Ended November 30, 2023	Nine Months Ended November 30, 2022	Three Months Ended November 30, 2023	Three Months Ended November 30, 2022
OPERATING EXPENSES					
Consulting fees		**70,344**	442,808	**26,332**	132,793
Depreciation of equipment		**-**	18,732	**-**	4,020
IT Services		**-**	372,135	**-**	372,135
Marketing and selling		**1,321**	173,237	**5**	34,575
Research and development		**-**	1,554	**-**	(28)
General office expenses		**96,291**	306,975	**61,370**	(510,879)
Lease interest		**-**	541	**-**	-
Interest and accretion	11	**4,258**	21,479	**3,300**	18,689
Management fees, director fees, salaries and wages	15	**430,099**	640,895	**273,200**	500,203
Professional fees		**69,327**	211,405	**27,782**	(185,970)
Rent		**-**	32,569	**-**	11,205
Other expenses		**-**	718,334	**-**	166,767
Stock-based compensation	17	**225,523**	-	**225,523**	-
Transfer agent and filing fees		**29,567**	48,921	**26,020**	25,227
Total expenses		**926,730**	**2,989,585** -	**643,532**	**568,737**
OTHER INCOME (EXPENSES)					
Loss on revaluation of digital currencies		**-**	(9,152)	**-**	1,390,533
Gain/(loss) on disposal of subsidiary		**957,196**	-	**-**	
Foreign exchange gain (loss)		**897**	68,827	**(486)**	(54,778)
Total		**958,093**	59,675	**(486)**	1,335,755
Income from discontinued operations		**9,071**	-	**-**	-
NET LOSS		**44,492**	(1,787,782)	**(486)**	2,113,703
OTHER COMPREHENSIVE INCOME (LOSS)					
Cumulative translation adjustment		**(1,274,349)**	861,475	**11,173**	507,130
TOTAL COMPREHENSIVE LOSS		**$ (1,229,857)**	$ (926,307)	**$ 10,687**	$ 2,620,833
LOSS PER SHARE, Basic and Diluted		**(0.008)**	$ (0.01)	**$ 0.00**	$ 0.02

MOBILUM TECHNOLOGIES INC.
(FORMERLY TECHX TECHNOLOGIES INC.)
Interim Consolidated Statements of Cash Flows
For the Years Ended November 30, 2023, and 2022
(Expressed in U.S. Dollars)

	Period Ended	
	November 30, 2023	**November 30, 2022**
Cash Provided By (Used In)		
Operating Activities		
Net Loss for the period	**44,492**	(1,787,782)
Items not affecting cash :		
Depreciation of property and equipment	**-**	18,732
Accretion	**3,329**	(2,642)
Share based Compensation	**225,523**	-
Depreciation of right-of-use assets	**6,544**	19,489
Impairment of tangible assets	**1,824**	-
Loss on revaluation of digital currencies	**-**	(9,152)
Impairment of intangible asset	**906,421**	-
Changes in non-cash working capital:		
Accounts receivable	**(5,312)**	(3,295,386)
Digital currencies	**-**	395,318
Prepaid expenses and deposits	**150,130**	102,893
Accounts payable and accrued liabilities	**(1,376,606)**	213,571
Customer deposits	**-**	(22,398)
Net cash provided by (used in) operating activities	**(43,655)**	(4,367,357)
Investing Activities		
Acquisition of investment	**-**	(9,255)
Acquisition of property and equipment	**-**	(18,622)
Net Proceeds from GIC	**9,190**	-
Net cash provided by (used in) investing activities	**9,190**	(27,877)
Financing Activities		
Lease Payment	**(8,351)**	-
Proceeds from long term loan	**100,120**	-
Due to related parties	**258,289**	(41,587)
Net cash provided by (used in) financing activities	**350,058**	(41,587)
Increase (decrease) in cash	**315,593**	(4,436,821)
Effect of foreign exchange rate changes on cash	**(1,274,348)**	837,306
Cash, beginning of the period	**985,341**	4,528,580
Cash, end of the period	**26,586**	929,065

Supplemental cash flow disclosure (Note 22). The accompanying notes are an integral part of these interim condensed consolidated financial statements.

MOBILUM TECHNOLOGIES INC.
(FORMERLY TECHX TECHNOLOGIES INC.)
Interim Consolidated Statements of Changes in Equity
For the years ended November 30, 2023 and 2022
(Unaudited, Expressed in U.S. Dollars)

		Share capital (Note 17)						
	Note	Shares issued[1]	Amount	Reserves	Accumulated other comprehensive loss	Non-controlling interest	Deficit	Total
Balance, March 1, 2022		**158,197,920**	**$ 60,341,497**	**$ 8,413,884**	**$ (1,688,664)**	**$ -**	**$ (56,872,121)**	**$ 10,194,596**
Comprehensive loss for the period		-	-	-	861,475	-	(1,787,782)	(926,307)
Equity Rewards	7,14	2,680,218	135,904	(135,904)	-	-	-	-
Balance, August 31, 2022		160,878,138	60,477,401	8,277,980	(827,189)	-	(58,659,903)	$ 9,268,289
Balance, March 1, 2023		**160,878,138**	**$ 60,477,401**	**$ 8,277,980**	**$ (785,027)**	**-**	**$ (68,187,722)**	**$ (217,368)**
Comprehensive loss for the period		-	-	-	(1,274,349)	-	44,492	(1,229,857)
Stock-based compensation		-	-	225,523	-	-	-	225,523
Balance, August 31, 2023		**160,878,138**	**$ 60,477,401**	**$ 8,503,503**	**$ (2,059,376)**	**$ -**	**$ (68,143,230)**	**$ (1,221,702)**

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

1. NATURE OF OPERATIONS AND GOING CONCERN

Mobilum Technologies Inc. (the "Company") was incorporated on June 11, 2010 underthe Laws of British Columbia. The Company is traded on the Canadian Securities Exchange ("CSE") under the symbol MBLM. On July 21, 2021, the Company changed its name from "TechX Technologies Inc." to "Mobilum Technologies Inc." to reflect the adoption of the umbrella brand "Mobilum". The CSE symbol changed from "TECX" to "MBLM". The Company is dedicated to revolutionizing established industries by providing payment processing solutions with powerful payment integrations, smart contract technology, and digital remittances to manage cryptocurrency businesses online. The Company has its head office at 700-838 W Hastings Street, Vancouver, BC V6C 0A6.

The Company incurred a comprehensive loss for the nine-month ended November 30, 2023, of $1,274,349 (November 30, 2022 -- $926,307). As at November 30, 2023, the Company had a working capital of negative $1,092,131 (February 28, 2023 – -$1,115,222) and an accumulated deficit of $67,767823 (February 28, 2023 – $68,187,722). The Company's ability to continue operations in the normal course of business is dependent upon establishing sufficient cash flows from its business development projects, or on the receipt of additional debt or equity financing. The nature and significance of these conditions along with the continuing losses and accumulated deficit indicates the existence of material uncertainty, which casts significant doubt about the Company's ability to continue as a going concern. These consolidated financial statements do not give effect to any adjustments which would be necessary should the Company be unable to continue as a going concern and, therefore, be required to realize its assets and discharge its liabilities in other than the normal course of business and at amounts different than those reflected in the consolidated financial statements. Such adjustments could be material.

2. BASIS OF PRESENTATION

Statement of compliance

These consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standard Board (“IASB”) and interpretations of the International Financial Reporting Interpretations Committee (“IFRIC”). A description of accounting standards and interpretations that have been adopted by the Company can be found in the notes of the audited consolidated financial statements for the years ended February 28, 2023 and February 28, 2022. These consolidated financial statements include all necessary disclosures required for consolidated financial statements but do not include all disclosures required for annual financial statements.

These interim condensed consolidated financial statements are authorized for issue by the Board of Directors on **January 29, 2024**.

These consolidated financial statements have been prepared on a historical cost basis. In addition, these consolidated financial statements have been prepared using the accrual basis of accounting.

Functional and Presentation Currency

These consolidated financial statements are presented in U.S. dollars unless otherwise noted. The financial statements of each company within the consolidated group are measured using the currency of the primary economic environment in which the entity operates (the functional currency). The functional currency of Mobilum Technologies Inc. (“parent”) (formerly TechX Technologies Inc.) and TechX Labs Inc. (formerly LiteLink Labs Inc.) is the Canadian dollar (“CAD”), the functional currency of AXS Innovations Inc. and Mobilum Technologies USA Inc. is the U.S. dollar, functional currency of Mobilum OU and Mobilum Technology UAB is Euro (“EUR”) and functional currency of Mobilum Pay Sp. z o.o. is Polish Zloty (“PLN”).

Basis of consolidation

These interim condensed consolidated financial statements include the accounts of the Company and its wholly owned legal subsidiaries on aconsolidated basis after the elimination of intercompany transactions and balances. Subsidiaries are entities the Company controls when it is exposed, or has rights, to variable returns from its involvement and can affect those returns through its power to direct the relevant activities of the entity. The Company’s parent and subsidiaries are as below:

Entity	Place of incorporation	Economic Interest	Status
Mobilum Technologies Inc. (“MBLM”)	British Columbia, Canada	Parent	Active
AXS Innovations Inc. (“AXS”)	British Columbia, Canada	100%	Active
TechX Labs Inc. (“Labs”)	British Columbia, Canada	100%	Active
Mobilum Technologies USA Inc. (“Mobilum USA”)	Wyoming, United States	100%	Active
Mobilum OU (“Mobilum OU”)	Tallin, Estonia	100%	Sold
Mobilum Pay Sp. z.o.o. (“Mobilum Pay”)	Warsaw, Poland	100%	Sold
Mobilum Technology UAB (“Mobilum UAB”)	Vilnius, Lithuania	100%	Sold

All inter-company transactions, balances, income and expenses are eliminated on consolidation.

2. BASIS OF PRESENTATION (continued)

Use of estimates and judgments

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

Critical Judgments

The preparation of these consolidated financial statements requires management to make judgments:

i) Going concern: The going concern of the Company is previously discussed in Note 1.

ii) Functional currency: The functional currency of the Company and its subsidiaries is the currency of the primary economic environment in which each entity operates. The Company has determined the functional currency of the legal parent and subsidiaries as described above. Determination of the functional currency may involve certain judgments to determine the primary economic environment. The functional currency may change if there is a change in events and conditions which determines the primary economic environment.

iii) Intangibles – impairment: The application of the Company's accounting policy for intangible assets requires judgment in determining whether it is likely that future economic benefits will flow to the Company, which may be based on assumptions about future events or circumstances. Estimates and assumptions may change if new information becomes available. At least annually or whenever there is an indicator for impairment management evaluates the recoverable amount, which is the higher of an asset's fair value less costs to sell and value in use. Intangibles are written down to their recoverable amount when a decline is identified. The determination of the recoverable amount requires the use of management's best assessment of the related inputs into the valuation models, such as future cash flows and discount rates.

iv) Revenue recognition: The Company's revenue is comprised of OTC trading infrastructure services and payment processing solutions (such as widget integration) performed for a third party. Revenues are recognized when performance of services have occurred in accordance with contractual obligations. The Company recognizes revenue in an amount that reflects the transaction price and satisfaction of performance obligations. The area of judgment includes identifying the performance obligation per the definition within IFRS 15 *Revenue from Contracts with Customers* and determining whether control has passed to the customer.

Key sources of estimation uncertainty

Because a precise determination of many assets and liabilities is dependent upon future events, the preparation of consolidated financial statements in conformity with IFRS requires management to make estimates that affect the reported amounts of assets and liabilities and the disclosure of assets and liabilities at the date of the consolidated financial statements and the reported amounts of expenses during the reporting periods. Actual results could differ from those estimates, and such differences could be material. Significant estimates made by management affecting the consolidated financial statements include:

i) Recovery of deferred tax assets: Judgment is required in determining whether deferred tax assets are recognized on the consolidated statements of financial position. Deferred tax assets, including those arising from un-utilized tax losses, require management to assess the likelihood that the Company will generate taxable earnings in future years, in order to utilize recognized deferred tax assets. Estimates of future taxable income are based on forecast cash flows from operations and the application of existing tax laws in each jurisdiction. To the extent that future cash flows and taxable income differ significantly from estimates, the ability of the Company to realize the net deferred tax assets recorded at the reporting date could be impacted. Additionally, future changes in tax laws in the jurisdictions in which the Company operates could limit the ability of the Company to obtain tax deductions in future years.

2. BASIS OF PRESENTATION (continued)

Use of estimates and judgments (continued)

ii) Determination of asset fair values and allocation of purchase consideration: Significant asset acquisitions require judgments and estimates to be made at the date of acquisition in relation to determining the relative fair value of computing equipment and future acquisition rights and the allocation of the purchase consideration over the fair value of the assets. The information necessary to measure the fair values as at the acquisition date of assets acquired requires management to make certain judgments and estimates about future events, including but not limited to availability of hardware and expertise, future production opportunities, future digital currency prices and future operating cost.

iii) The estimated fair value of financial assets and liabilities, by their very nature, are subject to measurement uncertainties.

iv) Depreciation: Depreciation of computing equipment is an estimate of its expected life. In order to determine the useful life of computing equipment, assumptions are required about a range of computing industry market and economic factors, including required hash rates, technological changes, availability of hardware, production costs and other factors. The estimates are reviewed at least annually and are updated if expectations change because of technical obsolescence or legal and other limits to use. A change in the useful life or residual value will impact the reported carrying value of the intangible assets resulting in a change in related depreciation expense.

v) Valuation of share-based compensation: The Company uses the Black-Scholes option pricing model for valuation of share-based compensation. Option pricing models require the input of subjective assumptions including expected price volatility, risk-free interest rate, and forfeiture rate. Changes in the input assumptions can materially affect the fair value estimate and the Company’s earnings and equity reserves.

vi) Significant judgment is required in determining the provision for income taxes. Provisions for taxes are made using the best estimate of the amount expected to be paid based on a qualitative assessment of all relevant factors. The Consolidated Entity reviews the adequacy of these provisions at the end of the reporting period. However, it is possible that at some future date an additional liability could result from audits by taxing authorities. Where the final outcome of these tax-related matters is different from the amounts that were initially recorded, such differences will affect the tax provisions in the period in which such determination is made. Management believes they have adequately provided for the probable outcome of these matters; however, the final outcome may result in a materially different outcome than the amount included in the tax liabilities. The Consolidated Entity is subject to income taxes in the jurisdictions in which it operates. Significant judgement is required in determining the provision for income tax. There are many transactions and calculations undertaken during the ordinary course of business for which the ultimate tax determination is uncertain. The Consolidated Entity recognizes liabilities for anticipated tax audit issues based on the Consolidated Entity's current understanding of the tax law. Where the final tax outcome of these matters is different from the carrying amounts, such differences will impact the current and deferred tax provisions in the period in which such determination is made.

vii) Goodwill and other indefinite life intangible assets: The Consolidated Entity tests annually, or more frequently if events or changes in circumstances indicate impairment, whether goodwill and other indefinite life intangible assets have suffered any impairment. The recoverable amounts of cash-generating units have been determined based on value-in-use calculations. These calculations require the use of assumptions, including estimated discount rates based on the current cost of capital and growth rates of the estimated future cash flows.

3. SIGNIFICANT ACCOUNTING POLICIES

Cash and cash equivalents

Cash and cash equivalents include cash on hand, deposits held at call with financial institutions and other short-term, highly liquid investments with original maturities of six months or less that are readily convertible to known amount of cash and subject to an insignificant risk of change value.

Digital currencies and fiat currencies due from liquidity providers (Note 6)

The Company includes balances of fiat and digital currencies being held in custody by the liquidity providers as current assets. Digital currencies are carried at their fair value and adjusted at each reporting date for revaluation gains and losses through profit and loss as well as when digital currencies are exchanged or sold for traditional (fiat) currencies, such as the U.S. dollar.

The Company, through its wholly owned subsidiary Mobilum OU, provides infrastructure for cryptocurrency on-ramp and off-ramp transactions and facilitates those transactions for a fee. Given the nature of fiat to crypto transactions, this process necessitates adequate sums of cryptocurrency typically in the least volatile form known as a stable coin such as USDT or USDC. Stable coin is easily and rapidly translated into other forms of cryptocurrency such as bitcoin. Enough stable coin must be available at the exchange to facilitate and support a complete capital cycle. For instance, a capital cycle for a fiat to crypto exchange and where the fiat is supplied via credit card transaction, the transfer of fiat from the acquirer to crypto operator can be up to 3 days. Therefore, at least 3 days value of daily crypto transactions would have to be held at the liquidity provider or exchange.

IAS 2 states that commodity broker-traders are required to measure their inventories at fair value less costs to sell, with changes in fair value less costs to sell being recognized in profit or loss in the period of the change. It is not clear however how to interpret the measurement exception for commodity broker-traders in the context of cryptocurrencies. On the one hand, following IAS 2's accounting for broker-traders would intuitively seem to be an appropriate approach for those entities that hold cryptocurrencies under a business model which involves actively buying and selling them. On the other hand, cryptocurrencies do not have physical form and analogizing to a scope exception which is specific to commodities might be seen by some as inappropriate.

Management's view is that the lack of clarity over this scope exception means it could be applied to the Company due to its business model under which cryptocurrency assets are acquired with the purpose of selling them in the near future and generating a profit from fluctuations in price and broker-traders' margin.

Fair value of cryptocurrency is determined using the closing price of each coin held at the reporting date quoted on coinmarketcap.com, costs to sell the digital currencies are considered immaterial, and no allowance is made for such costs.

Provisions

Provisions are recognized when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. The expense relating to a provision is presented in the statement of profit or loss net of any reimbursement. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognized as a finance cost

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Financial instruments

The Company classifies its financial assets in the following categories: at fair value through profit or loss ("FVTPL"), at fair value through other comprehensive income ("FVTOCI") and at amortized cost. The classification depends on the purpose for which the financial assets were acquired. Management determines the classification of financial assets at initial recognition. A financial asset is measured at amortized cost if it is held within a business model whose objective is to hold assets and collect contractual cash flows, its contractual terms give rise on specified dates that are solely payments of principal and interest on the principal amount outstanding, and it is not designated as FVTPL.

Equity instruments that are held for trading are classified as FVTPL. For other equity instruments, the Company can make an irrevocable election (on an instrument by-instrument basis) on the day of acquisition to designate them as at FVTOCI.

Financial assets at FVTPL

Financial assets are classified as fair value through profit or loss when the financial asset is held for trading or it is designated as fair value through profit or loss. A financial asset is classified as held for trading if: (i) it has been acquired principally for the purpose of selling in the near future; (ii) it is a part of an identified portfolio of financial instruments that the Company manages and has an actual pattern of short-term profit taking; or (iii) it is a derivative that is not designated and effective as a hedging instrument.

Financial assets classified as fair value through profit or loss are stated at fair value with any gain or loss recognized in the consolidated statements of net loss and comprehensive loss. The net gain or loss recognized incorporates any dividend or interest earned on the financial asset. The Company has classified its investments at fair value through profit or loss.

Financial assets at FVTOCI

Investments are initially recognized at fair value plus transaction costs. Subsequently they are measured at fair value, with gains and losses arising from changes in fair value recognized in other comprehensive income. There is no subsequent reclassification of fair value gains and losses to profit or loss following the derecognition of the investment. The Company has not classified any financial assets at FVOCI.

Financial assets at amortized cost

Financial assets at amortized cost are held within a business model whose objective is to hold financial assets in order to collect contractual cash flows, and that the contractual terms of the financial assets give rise on specified date to cash flows that are solely payments of principal and interest on the principal amount outstanding. Financial assets at amortized cost are initially recognized at fair value and are measured subsequent at amortized cost.

The amortized cost of a financial asset is the amount at which the financial asset is measured at initial recognition minus the principal repayments, plus the cumulative amortization using the effective interest method of any difference between that initial amount and the maturity amount, adjusted for any loss allowance.

Interest income is recognized using the effect interest method and is recognized in interest and other income on the consolidated statements of net and comprehensive loss. The Company has classified its cash, accounts receivable, other receivables, fiat currency included in due from liquidity provider and due from related parties as financial assets at amortized cost.

Derecognition of financial assets

Financial assets are derecognized when they mature or are sold, and substantially all the risks and rewards of ownership have been transferred. Gains and losses on derecognition of financial assets classified as FVTPL or amortized cost are recognized in the consolidated statement of net and comprehensive loss. Gains or losses on financial assets classified as FVTOCI remain within accumulated other comprehensive income.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Impairment of financial assets and contract assets

The Company recognizes loss allowances for expected credit losses ("ECLs") on:

- financial assets measured at amortized cost;
- debt investments measured at FVOCI; and
- contract assets (as defined in IFRS 15).

The Company measures loss allowances at an amount equal to lifetime ECL, except for the following, which are measured as 12-months ECL:

- debt securities that are determined to have low credit risk at the reporting date; and
- other debt securities and bank balances for which credit risk (i.e. the risk of default occurring over the expected life of the financial instrument) has not increased significantly since initial recognition.

Loss allowances for accounts receivables and contract assets are always measured at an amount equal to lifetime ECL. When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECL, the Company considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Company's historical experience and informed credit assessment and including forward-looking information

The Company assumes that the credit risk on a financial asset has increased significantly if it is more than 30 days past due.

The Company considers a financial asset to be in default when:

- the borrower is unlikely to pay its credit obligations to the Company in full, without recourse by the Company to actions such as realizing security (if any is held); or
- the financial asset is more than 90 days past due.

The Company considers a debt security to have low credit risk when its credit risk rating is equivalent to the globally understood definition of 'investment grade'.

Lifetime ECLs are the ECLs that result from all possible default events over the expected life of a financial instrument.

12-months ECLs are the portion of ECL's that result from default events that are possible within the 12 months after thereporting date (or a shorter period if the expected life of the instrument is less than 12 months).

The maximum period considered when estimating ECLs is the maximum contractual period over which the Company is exposed to credit risk.

<u>Measurement of ECLs</u>

ECLs are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the entity expects to receive). ECLs are discounted at the effective interest rate of the financial asset.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Credit-impaired financial assets

At each reporting date, the Company assesses whether financial assets carried at amortized cost and debt securities at FVOCI are credit impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Evidence that a financial asset is credit-impaired includes the following observable data:

- significant financial difficulty of the borrower or issuer;
- a breach of contract such as a default or being more than 90 days past due;
- the restructuring of a loan or advance by the Company on terms that the Company would not consider otherwise;
- it is probable that the borrower will enter bankruptcy or other financial reorganization; or
- the disappearance of an active market for a security because of financial difficulties.

Presentation of allowance for ECL in the consolidated statement of financial position

Loss allowances for financial assets measured at amortized cost are deducted from the gross carrying amount of the assets. For debt securities at FVOCI, the loss allowance is charged to the consolidated statement of net and comprehensive loss and gain.

Impairment of financial assets and contract assets

Write-off

The gross carrying amount of a financial asset is written off (either partially or in full) to the extent that there is no realistic prospect of recovery. This is generally the case when the Company determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. However, financial assets that are written off could still be subject to enforcement activities to comply with the Company's procedures for recovery of amounts due.

Financial liabilities

The Company initially recognizes financial liabilities at fair value on the date that they are originated. All financial liabilities (including liabilities designated at fair value through profit or loss) are recognized initially on the date at which the Company becomes a party to the contractual obligations are discharged or cancelled or expire.

The Company classifies its financial liabilities as either financial liabilities at fair value through profit and loss or amortized cost. Subsequent to initial recognition financial liabilities are classified at amortized cost and measured using the effective interest method. Financial liabilities at fair value are stated at fair value with changes being recognized in profit or loss. The Company has classified its accounts payable, notes payable, lease liability and government loan as financial liabilities at amortized cost. The Company has no financial liabilities designated at FVTPL.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Investments

Investments are initially recorded at cost, being the fair value at the time of acquisition. At the end of each financial reporting period, the Company's management estimates the change in fair value of its investments based on the criteria below and records such change in profit and loss:

- There has been a significant new equity financing with arms-length investors at a valuation above or below the current fair value of the investee company, in which case the fair value of the investment is adjusted to the value at which the financing took place; or
- Based on financial information received from the investee company it is apparent to the Company that the investee company is unlikely to be able to continue as a going concern, in which case the fair value of the investment is adjusted downward; or
- There have been significant corporate, operating, technological or economic events affecting the investee company that, in the Company's opinion, have a positive or negative impact on the investee company's prospects and, therefore, its fair value; or
- The investee company is placed into receivership or bankruptcy.

In addition to the circumstances described above, the Company will take into account general market conditions when determining if an adjustment to the fair value of an investment is warranted at the end of each reporting period. In the absence of the occurrence of any of these events, or any significant change in general market conditions, the fair value of the investment is left unchanged.

Application of the valuation techniques above may involve uncertainties and determinations based on the Company's judgment, and any value estimated from these techniques may not be realized.

Equipment

Equipment is measured at cost less accumulated depreciation and accumulated impairment losses. Cost includes expenditures that are directly attributable to the acquisition of the asset. As well, all expenditures incurred to bring assets to the location and condition necessary for them to be operated in the manner intended by management. Gains and losses on disposal of an item of fixed assets are determined by comparing the proceeds from disposal with the carrying amount of item and are recognized net in profit or loss. Depreciation is calculated over the depreciable amount, which is the cost of an asset less its residual value. Depreciation is recognized in profit or loss over the estimated useful lives of fixed assets, since this most closely reflects the expected pattern of consumption of the future economic benefits embodied in the asset.

The Company rates for depreciation are as follows:

Computer equipment	2 years straight-line
Furniture and office equipment	2 years straight-line
Leasehold improvements	Straight-line over the lease-term

Depreciation methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Intangible assets

The Company owns intangible assets consisting of software and purchased intellectual property. Intangible assets acquired separatelyare measured on initial recognition at cost. Intangible assets acquired in connection with an asset acquisition are initiallyrecorded at fair value. Following initial recognition, intangible assets are carried at initial carrying value less any accumulated amortization and any accumulated impairment losses. Subsequent expenditures are capitalized only when they increase the future economic benefits embodied in the specific asset to which they relate. All other expenditures arerecognized in profit or loss as incurred. The Company does not hold any intangible assets with indefinite lives. Intangible assets with finite lives are amortized over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired.

Research costs are charged to operations when they are incurred. Development costs are capitalized as intangible assets when the Company can demonstrate that the technical feasibility of the project has been established; the Company intends to complete the asset for use or sale and has the ability to do so; the asset can generate probable future economic benefits; the technical and financial resources are available to complete the development; and the Company can reliably measure the expenditure attributable to the intangible assets during its development. Management determined that as at November 30, 2023, it was not yet able to demonstrate with sufficient certainty that it is probable any economic benefits will flow to the Company. Accordingly, all research and development costs incurred to date have been expensed.

The amortization method and period of an intangible asset with a finite life is reviewed at least annually. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset is accounted for by changing the amortization period or method, as appropriate, and are treated as changes in accounting estimates. Amortization is recognized in profit or loss on a straight-line basis over the estimated useful lives of intangible assets. During the nine months ended November 30, 2023, no depreciation was taken for the Company’s intangible assets.

Goodwill

Goodwill arises on the acquisition of a business. Goodwill is not amortized. Instead, goodwill is tested annually for impairment, or more frequently if events or changes in circumstances indicate that it might be impaired, and is carried at cost less accumulated impairment losses. Impairment losses on goodwill are taken to profit or loss and are not subsequently reversed

Impairment of non-financial assets

The Company reviews the carrying amounts of its non-financial assets, including property and equipment and intangible assets, when events or changes in circumstances indicate the assets may not be recoverable. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss, if any. Where it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs. Assets carried at fair value, such as digital currencies, are excluded from impairment analysis.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows to be derived from continuing use of the asset or cash generating unit are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. Fair value less cost to sell is the amount obtainable from the sale of an asset or cash-generating unit in an arm's length transaction between knowledgeable, willing parties, less the cost of disposal. When a binding sale agreement is not available, fair value less costs to sell is estimated using a discounted cash flow approach with inputs and assumptions consistent with those of a market participant. If the recoverable amount of an asset or cash generating unit is estimated to be less than its carrying amount, the carrying amount of the asset or cash-generating unit is reduced to its recoverable amount. An impairment loss is recognized immediately in net income. Where an impairment loss subsequently reverses, the carrying amount of the asset or cash-generating unit is increased to the revised estimate of its recoverable amount, such that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognized.

Right-of-use asset and lease obligation

Lessees are required to initially recognize a lease liability for the obligation to make lease payments and a right-of-use asset for the right to use the underlying asset for the lease term. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability, adjusted for lease prepayments, lease incentives received, the lessee's initial direct cost (e.g., commissions) and an estimate of restoration, removal and dismantling costs. Subsequently, lessees accrete the lease liability to reflect interest and reduce the liability to reflect lease payments made, and the related right-of-use asset is depreciated in accordance with the depreciation requirements of IAS *16 Property and Equipment*. Right-of-use assets are subject to impairment testing under IAS *36 Impairment of Assets*. Other leases are operating leases and are recognized on a straight-line basis in the Company's consolidated statements of loss and comprehensive loss. Please also see Note 9 – Right-of-Use Assets.

A contract is or contains a lease if the contract conveys a right to control the use of an identified asset for a period of time in exchange for consideration. The Company recognizes a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, and subsequently at cost less any accumulated depreciation and impairment losses, and is adjusted for certain re-measurements of the lease liability.

The right-of-use assets are depreciated using the straight-line method from the commencement date to the end of the lease term or the end of the useful life of the right-of-use asset. The estimated useful life of the right-of-use assets are determined on the same basis as those of property and equipment. The determination of the depreciation period is dependent on whether the Company expects that the ownership of the underlying asset will transfer to the Company by the end of the lease term or if the cost of the right-of-use asset reflects that the Company will exercise a purchase option.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Company's incremental borrowing rate. The incremental borrowing rate reflects the rate of interest that the lessee would have to pay to borrow the funds necessary to obtain an asset of similar value in a similar economic environment with similar terms and conditions.

The lease liability is subsequently increased by the interest cost on the lease liability and decreased by lease payments made. It is re-measured when there is a change in future lease payments arising from a change in an index or rate, a change in the estimate of the amount expected to be payable under a residual value guarantee, or as appropriate, changes in the assessment of whether a purchase or extension option is reasonably certain to be exercised or a termination option is reasonably certain not to be exercised. The Company applies judgment to determine the lease term for some lease contracts which contain renewal options.

The Company does not recognize right-of-use assets and lease liabilities for leases of low-value assets and leases with lease terms that are less than 12 months. Lease payments associated with these arrangements are instead recognized as an expense over the term on either a straight-line basis, or another systematic basis if more representative of the pattern of benefit.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Income taxes

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

Deferred tax is recorded based on temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The following temporary differences are not provided for: goodwill not deductible for tax purposes; the initial recognition of assets or liabilities that affect neither accounting nor taxable loss; and differences relating to investments in subsidiaries to the extent that they will probably 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 reporting 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.

Additional income taxes that arise from the distribution of dividends are recognized at the same time as the liability to pay the related dividend. Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Company intends to settle its current tax assets and liabilities on a net basis.

Share capital

Common shares and preferred shares are classified as equity. Transaction costs directly attributable to the issue of common shares and share purchase options are recognized as a deduction from equity, net of any tax effects. For unit offerings, the proceeds from the issuance of units are allocated between common shares and share purchase warrants using the residual method, allocating fair value to the common shares first, and then to the share purchase warrants.

Share-based compensation

The Company grants stock options to acquire common shares of the Company to directors, officers, employees, and consultants. An individual is classified as an employee when the individual is an employee for legal or tax purposes or provides services similar to those performed by an employee. The fair value of stock options is measured on the date of grant, using the Black-Scholes option pricing model, and is recognized over the vesting period. At each reporting date, the Company revises its estimates of the number of options that are expected to vest, based on the non-market vesting conditions. Consideration paid for the shares on the exercise of stock options is credited to share capital.

In situations where equity instruments are issued to non-employees and some or all of the goods or services received by the entity as consideration cannot be reliably measured, they 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 rendered. Expired stock options are transferred from reserves to deficit.

Loss per share

The Company presents basic loss per share for its common shares, calculated by dividing the loss attributable to common shareholders of the Company by the weighted average number of common shares outstanding during the period. Diluted loss per share does not adjust the loss attributable to common shareholders or the weighted average number of common shares outstanding when the effect is anti-dilutive.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Related party transactions

Parties are considered to be related if one party has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operating decisions. Related parties may be individuals or corporate entities. A transaction is considered to be a related party transaction when there is a transfer of resources or obligations between related parties. Related party transactions that are in the normal course of business and have commercial substance are measured at exchange amount.

Revenue recognition

IFRS 15, *Revenue from Contracts with Customers* ("IFRS 15") was issued to replace IAS 18, *Revenue* and IAS 11, *Construction Contracts* and related interpretations such as IFRIC 13, *Customer Loyalty Programs*. IFRS 15 introduces a single contract-based five-step model that applies to contracts with customers and two approaches for the recognition of revenue: at a point in time or over time.

The Company adopted IFRS 15 effective March 1, 2019. The adoption of this standard did not have a material impact on the Company's consolidated financial statements.

The Company uses the following five-step contract-based analysis of transactions to determine if, when and how much revenue can be recognized:

1. Identify the contract with a customer;
2. Identify the performance obligation(s) in the contract;
3. Determine the transaction price;
4. Allocate the transaction price to the performance obligation(s) in the contract; and
5. Recognize revenue when or as the Company satisfies the performance obligation.

These revenue-generating activities of the Company have a single performance obligation and revenue is recognized at the point in time when control of the product transfers to the customer and the Company's obligations have been fulfilled. This generally occurs when the product is shipped or delivered to the customer, depending upon the method of distribution and shipping terms set forth in the contract.

Revenue is measured as the amount of consideration the Company expects to receive in exchange for the sale of the Company's product or the services rendered by the Company.

The Company primarily generates revenue through OTC trading transaction fees charged on its platform for providing the trading infrastructure and through providing payment processing solution to third parties. Services comprise a single performance obligation to provide a payment processing rails or a crypto asset matching service when customers buy, sell, or convert crypto assets on the platform. OTC trading infrastructure agreements specify a quoted, fixed price for depositing the assets, subsequently the company provides a trading infrastructure. That is, the Company via its subsidiary is an agent in those transactions between customers and present revenue for the fees earned on a net basis. Contracts for other payment processing solutions specify transaction fee charged on the platform based on volume of transactions – in that case the company also acts like an agent and recognizes the revenue earned on a net basis.

Judgment is required in determining whether the Company is the principal or the agent in transactions between customers. Management evaluated the presentation of revenue on a gross or net basis based on whether the Company controls the crypto asset provided before it is transferred to the customer (gross) or whether the Company acts as an agent by arranging for other customers on the platform to provide the crypto asset to the customer (net).

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

When there are transactions that are not controlled the crypto asset being provided before it is transferred to the buyer, the control period is relatively short-term, the front-end inventory risk related to the crypto asset is negligible as the Company procures the crypto asset once the order is confirmed, and the Company is responsible for fulfilment of the crypto asset insofar as to transfer the crypto asset to the customer as soon as practically possible. When there are transactions that the Company does not control, the crypto asset being provided before it is transferred to the buyer, do not have inventory risk related to the crypto asset, and are not responsible for the fulfilment of the crypto asset. In some cases, the Company does set the price for the crypto asset – subsequently the order is fulfilled at the market rate established by another arm's length platforms. As a result, the Company acts as agent in facilitating the ability for a customer to purchase crypto assets from another customer.

The Company considers its performance obligation satisfied and recognize revenue at the point in time when the transaction is processed. Payment processing solution contracts with customers are usually open-ended and can be terminated by the Company without a termination penalty. Therefore, contracts are defined at the transaction level and do not extend beyond the service already provided. The Company charges a fee at the transaction level. The transaction price, represented by the trading fee, is calculated based on volume and may vary depending on the payment type and the value of the transaction.

Transaction revenue includes reductions in revenue from transaction fee reversals that may not be recovered from customers and including but not limited to market volatility in foreign exchange and increased transaction prices from our partners. Such reversals are rare and occur when the customer disputes a transaction processed on their credit card or their bank account for a variety of reasons and seeks to have the charge reversed after we have processed the transaction. The total transaction price is allocated to the single performance obligation. While the Company recognizes transaction fee reversals due to transaction reversals as a reduction of net revenue, crypto asset losses due to transaction reversals are included in transaction expenses.

Research and development

The primary components of research and development expenses are employee compensation and benefits, professional services, contractor services, and product development.

Foreign exchange

Transactions in currencies other than the functional currency of the Company and its subsidiaries are recorded at exchange rates prevailing on the dates of the transactions. At the end of each reporting period, the monetary assets and liabilities of the Company that are denominated in foreign currencies are translated at the rate of exchange at the reporting date while non- monetary assets and liabilities are translated at historical rates. Revenues and expenses are translated at the exchange rates approximating those in effect on the date of the transactions. These exchange gains and losses arising on translation into functional currency are recognized through profit or loss.

The financial results and position of foreign operations whose functional currency is different from the Company's presentation currency are translated as follows:

- assets and liabilities are translated at period-end exchange rates prevailing at that reporting date, and
- income and expenses are translated at average exchange rates for the period.

Exchange differences arising on translation of foreign operations are recognized in other comprehensive income and recorded in the Company's foreign currency translation reserve in equity. These differences are recognized in the profit or loss in the period in which the operation is disposed.

(Unaudited, Expressed in U.S. Dollars)

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Business combinations

The acquisition method of accounting is used to account for business combinations regardless of whether equity instruments or other assets are acquired. The consideration transferred is the sum of the acquisition-date fair values of the assets transferred, equity instruments issued, or liabilities incurred by the acquirer to former owners of the acquiree and the amount of any non-controlling interest in the acquiree. For each business combination, the non-controlling interest in the acquiree is measured at either fair value or at the proportionate share of the acquiree's identifiable net assets. All acquisition costs are expensed as incurred to profit or loss. On the acquisition of a business, the Consolidated Entity assesses the financial assets acquired and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic conditions, the Consolidated Entity's operating or accounting policies and other pertinent conditions in existence at the acquisition-date. The difference between the acquisition-date fair value of assets acquired, liabilities assumed and any non-controlling interest in the acquiree and the fair value of the consideration transferred and the fair value of any pre-existing investment in the acquiree is recognized as goodwill. If the consideration transferred and the pre-existing fair value is less than the fair value of the identifiable net assets acquired, being a bargain purchase to the acquirer, the difference is recognized as a gain directly in profit or loss by the acquirer on the acquisition-date, but only after a reassessment of the identification and measurement of the net assets acquired, the non-controlling interest in the acquiree, if any, the consideration transferred and the acquirer's previously held equity interest in the acquirer. Business combinations are initially accounted for on a provisional basis. The acquirer retrospectively adjusts the provisional amounts recognized and also recognizes additional assets or liabilities during the measurement period, based on new information obtained about the facts and circumstances that existed at the acquisition-date. The measurement period ends on either the earlier of (i) 12 months from the date of the acquisition or (ii) when the acquirer receives all the information possible to determine fair value.

4. CASH

The Company operates in different jurisdictions and keeps cash in different currencies as a result. The table below shows the USD equivalent of currencies held as at November 30, 2023 and February 28, 2023:

	30-Nov-23	28-Feb-23
US Dollar	**$ 4,708**	$ 84,714
Canadian Dollar	**21,850**	7,018
EURO	**28**	504,044
Polish Zloty	**-**	389,596
Swedish Krona	**-**	(20)
Swiss Franc	**-**	(12)
	$ 26,586	$985,341

(Unaudited, Expressed in U.S. Dollars)

5. ACCOUNT RECEIVABLE

		30-Nov-23		28-Feb-23
Trade receivable	**$**	**-**	$	57,548
Sales tax receivable		**28,228**		27,832
Other receivable		**1,715,834**		1,653,371
		1,744,062		1,738,751
Allowance for doubtful accounts		**(26,588)**		(26,588)
Allowance for XPort receivable		**(351,637)**		(351,637)
Allowance for uBuck receivable		**(1,264,242)**		(1,264,242)
	$	**101,595**	$	96,284

Trade receivable – net of allowance as at November 30, 2023 consists of trade receivables amounting to $nil (February 28, 2023 – $57,548).

The Company's sales taxes receivable of $28,228 (February 28, 2023 – $27,832) arise from Goods and Services Tax ("GST") due from the Canada Revenue Agency and Estonian Tax and Custom Board.

During the year ended February 28, 2022, the Company divested from XPort subsidiary (acquired in 2021). Subsequently, balances due from the subsidiary of $351,637 have been reclassified as other receivable. However, due to uncertainties regarding the collectability of the loan, the Company wrote down this receivable and recognized an impairment loss of $351,637 in the consolidated statement of loss and comprehensive loss.

During the year ended February 28, 2022 the Company divested from uBuck subsidiary (acquired in 2019). Subsequently, balances due from the subsidiary of $1,264,242 has been reclassified as other receivable. However, due to uncertainties regarding the collectability of the loan, the Company wrote down this receivable and recognized an impairment loss of $1,264,242 in the consolidated statement of loss and comprehensive loss.

(Unaudited, Expressed in U.S. Dollars)

6. PREPAID EXPENSES AND DEPOSITS

The Company's prepaid expenses and deposits consist of the following:

		31-Aug-23		28-Feb-23
Prepaid insurance		**3,356**		82,818
Other prepaid expenses		**-**		70,668
	$	**3,356**	$	153,486

Prepaid expenses mostly pertain to directors and officer's liability insurance incurred subsequent to November 30, 2023

7. ACQUISITIONS AND INVESTMENTS

Investment in CatalX CTS Ltd.

During the year ended February 28, 2022, the Company completed the acquisition of a 19% stake in CatalX CTS Ltd. ("CatalX") by issuing 15,000,000 common shares, paying $414,182 cash and paying a finders' fee to an arm's-length party of 750,000 common shares valued at $772,147. The investment was recognized with a total value of $16,629,266 at fair value through other comprehensive income.
At February 28, 2022, management assessed the investment for impairment, and after careful consideration determined that the value had deteriorated significantly. Therefore, the Company wrote down the investment to $1 and recognized an impairment loss of $16,093,268.

Acquisition of Mobilum OU

On May 25, 2021, the Company signed an asset purchase agreement to purchase 100% of the issued and outstanding shares of Mobilum OU. Mobilum OU, incorporated in Tallin, Estonia on November 2, 2018, is a fintech company that builds integrations for small and large businesses to accept payments and manage their cryptocurrency businesses online. Mobilum OU is also a licensed financial institution offering Visa - Mastercard payment methods. The combined entities will leverage Mobilum OU's technical expertise, and seasoned management team with the Company's unique patent-pending technology and strong cash position resulting from the private placements (Note 18).

On July 19, 2021, the closing date of the transaction, the Company issued 26,666,667 common shares to Mobilum OU shareholders at a fair value of $0.317 per share for a total aggregate consideration of $8,464,613.

The fair value of the net assets acquired approximated their book values at acquisition date, except for Technology which fair value was determined using the cost approach in accordance with IFRS 13 – fair value measurement. The technology acquired relates to Mobilum OU's proprietary technical framework underlying its customizable widget and payment processing platforms. The technology consists of the following main platforms: (a) Mobilum CORE API ("Core API");
(b) Mobilum Wallet ("Wallet") – utilizes Core API to be a one-stop-shop application for retail customers willing to buy, hold and spend both fiat and crypto assets; and (c) Mobilum Payment Widget ("Widget") – a fully functional, configurable and customizable payment widget, which can be placed on any webpage or mobile application in order to allow customers to buy cryptocurrencies using payment cards.

(Unaudited, Expressed in U.S. Dollars)

7. ACQUISITIONS (continued)

The table below summarizes the valuation techniques and significant inputs for the valuation of the identifiable assets and liabilities acquired from Mobilum OU:

Identifiable Assets and Liabilities	Valuation technique	Significant Inputs
Working Capital	Cost/carrying value	Book value at date of acquisition
Property and equipment	Cost/carrying value	Book value at date of acquisition
Shareholder loans	Cost/carrying value	Book value at date of acquisition
Intercompany loan	Cost/carrying value	Book value at date of acquisition
Technology	Fair Value using cost approach (cost of reproducing the intangible asset)	All development costs attributable to the technology including cost of materials, cost of labor, allocated support costs for the technology and a developer profit margin to arrive at total reproduction costs

The following table summarizes the fair value of the consideration transferred and the estimated fair values assigned to each major class of assets acquired and liabilities assumed at July 19, 2021 acquisition date:

Total Consideration		
FV of common shares	$	8,464,613
Restricted stock discount		(1,523,630)
Total Consideration	**$**	**6,940,983**
Net identifiable assets acquired (liabilities assumed)		
Cash	$	65,478
Accounts receivable		135,052
Adjustment to prepaid expenses and deposits		2,599
Digital currencies		4,132,682
Equipment		117,623
ROU Asset		50,752
Intangible assets		4,335,656
Account payable and accrued liabilities		(1,409,227)
Customer deposit		(614,368)
Due to related parties		(216,406)
Lease liability		(53,673)
Loan from TechX Technologies		(2,706,349)
Net assets acquired	$	3,839,780
Purchase price allocation		
Net identifiable assets acquired	$	3,839,780
Goodwill		3,101,203
	$	**6,940,983**

(Unaudited, Expressed in U.S. Dollars)

7. ACQUISITIONS (continued)

Goodwill arose in the acquisition as the cost of acquisition included a control premium. In addition, the consideration paid for the acquisition reflected the benefit of expected revenue growth and future market development. These benefits were not recognized separately from goodwill, as they do not meet the recognition criteria for identifiable intangible assets. None of the goodwill arising on these acquisitions is expected to be deductible for tax purposes.

On May 8th of 2023, the company divested its ownership of Mobilum OU and its subsidiary Mobilum Pay. As such, the company no longer has any assets nor exposure to cryptocurrencies or anything activities within this industry.

Acquisition of XPort

On April 29, 2021, the Company signed an asset purchase agreement to purchase 100% of the issued and outstanding shares of XPort, which was incorporated in Kowloon, Hong Kong on June 10, 2020. XPort initially was setting a goal to develop into a merchant services fiat-to-crypto gateway on-ramp solution offering credit card processing for cryptocurrency exchanges, wallets and other cryptocurrency businesses.

On May 5, 2021, the Company issued 5,250,100 common shares to XPort shareholders at a fair value of $0.804 per share for a total aggregate consideration of $4,222,151. On June 3, 2021, the transaction was closed following the transfer of XPort shares to the Company.

The fair value of the net assets acquired approximated their book values at acquisition date, except for Technology which fair value was determined using the cost approach in accordance with IFRS 13 – fair value measurement.

The table below summarizes the valuation techniques and significant inputs for the valuation of the identifiable assets and liabilities acquired from XPort:

Identifiable Assets and Liabilities	Valuation technique	Significant Inputs
Working Capital	Cost/carrying value	Book value at date of acquisition
Technology	Fair Value using cost approach (cost of reproducing the intangible asset)	All development costs attributable to the technology including cost of materials, cost of labor, allocated support costs for the technology and a developer profit margin to arrive at total reproduction costs

XPort did not meet the definition of a business per IFRS. Therefore, the acquisition is accounted for as an asset acquisition rather than an acquisition of a business.

(Unaudited, Expressed in U.S. Dollars)

7. ACQUISITIONS (continued)

The following table summarizes the fair value of the consideration transferred and the estimated fair values assigned to each major class of assets acquired and liabilities assumed at June 3, 2021 acquisition date:

Total Consideration		
FV of common shares	$	4,819,223
Restricted stock discount		(597,072)
Total Consideration	**$**	**4,222,151**
Net identifiable assets acquired (liabilities assumed)		
Technology		4,126,897
Foreign currency translation adjustment		95,254
Net assets acquired	**$**	**4,222,151**

8. INTANGIBLE ASSETS

Intangible assets are comprised of the following:

		OTC and Widget Trading Platform and Algobot		Digital Currencies		**Intangible Assets**
Balance, February 28, 2022	$	4,335,656	$	1,048,609	$	5,384,265
Additions		-		(392,188)		(392,188)
Impairment of intangible assets		(4,085,656)		-		(4,085,656)
Disposal of intangible assets		-		-		-
Effect of FX		-		-		-
Balance, February 28, 2023	$	250,000	$	656,421		906,421
Change resulted due to Disposal of subsidiaries		(250,000)		(656,421)		(906,421)
Balance ,November 30, 2023	**$**		**$**	**-**	**$**	**-**

During the nine month ended as at November 30, 2023, the Company sold its wholly-owned subsidiary Mobilum OU and Mobilum Pay which resulted in the exclusion of intangible assets at the consolidated statement.

8. INTANGIBLE ASSETS (continued)

As at:	August 31, 2023		February 28, 2023	
	Units	**($)**	**Units**	**($)**
Fiat currency:				$ **283,489**
Digital coins:				
AAVE	-	-	$ **24**	$ **1,844**
ADA	-	-	**3,814.06**	**1,344**
Atom	-	-	**5.50**	**68**
BAL	-	-	**0.90**	**6**
BAT	-	-	**45.00**	**13**
BTC	-	-	**12.07**	**279,502**
COMP	-	-	**0.10**	**5**
CRV	-	-	**8.00**	**8**
DAI	-	-	**4.90**	**5**
USDT	-	-	**6,817**	**6,817**
USDC	-	-	**39,904**	**39,904**
DOT	-	-	**404**	**2,562**
LTC	-	-	**8.33**	**781**
ETH	-	-	**10.62**	**17,346**
ENJ	-	-	**9.00**	**4**
DOGE	-	-	**2,456.46**	**198**
LINK	-	-	**3.25**	**23**
LUNA	-	-	**13.22**	**23**
MKR	-	-	**0.04**	**28**
NEO	-	-	**4.37**	**52**
OMG	-	-	**5.86**	**10**
XRP	-	-	**26,485**	**9,989**
SNX	-	-	**8**	**22**
XTZ	-	-	**40**	**47**
Sushi	-	-	**3**	**4**
SOL	-	-	**2**	**98**
UNI	-	-	**24**	**156**
MATIC	-	-	**9,768**	**11,753**
TRX	-	-	**3,665**	**253**
YFI	-	-	**0**	**66**
	$	-		$ **656,421**

Liquidity providers are institutions holding fiat currencies and digital currencies in custody, for the purpose of facilitating on-ramp and off-ramp transactions.

Amounts due are for advances made to an exchange or liquidity provider. Exchanges and liquidity providers convert fiat into digital coin to facilitate and expedite the capital cycle of fiat to crypto exchange on behalf the Company and its clients using the Company's payments solutions platform. In order to expedite the process, the exchange or liquidity provider must maintain a float of digital coin to facilitate transaction. Given the nature of fiat to crypto transactions, this process necessitates adequate sums of cryptocurrency.
The fair value of digital currencies held in custody by the liquidity providers was determined using the closing price of the coin at the end of the period quoted on coinmarketcap.com.

8. INTANGIBLE ASSETS (continued)

Trading Signals Platform

In April 2021, the Company signed an agreement to acquire 100% of the Cryptobuddy.ai predictive cryptocurrency trading signals platform, through its wholly owned subsidiary, Bull Market Media Inc. On April 28, 2021, the Company issued 5,341,880 common shares of the Company valued at $5,101,091. Key features of these proprietary technology include predictive analytics, data analysis, forecasts, user-friendly interface, and variety of cryptocurrencies monitored. During the period it was determined that volatility of the target market cast significant doubt on the ability of the asset to generate future economic benefits. It was determined that the fair value of the asset was lower than their carrying value, therefore the Company recorded an impairment loss of $4,959,495.

Digital Payment Platform

On June 29, 2021, the company finalized the acquisition of 100% ownership interest of XPort Digital Limited (or "XPort") and transferred 5,252,100 common shares to XPort shareholders as consideration (Note 18). For the purposes of IFRS 3, XPort did not meet the definition of a business and therefore, the transaction was deemed as an asset acquisition.

Upon evaluation, the Company determined that the fair value of the shares issued was the most reliable measurement for the intangibles. Therefore, the technology acquired was valued using IFRS 2, *Share-based payment*. Shares were issued on May 5, 2021 for a total consideration of $4,222,151. Hence, the Company recognized an intangible asset for the same amount. During the year ended February 28, 2023, the Company divested from the subsidiary and disposed of the digital payment platform in that process.

OTC and Widget Trading Platform and Algo Trading Bot Software

In July 2021, the company finalized the acquisition of 100% ownership interest of Mobilum OU ("Mobilum OU") and transferred 26,666,667 common shares to Mobilum OU shareholders as consideration (Note 18). Under IFRS 3 the Company was required to allocate fair value of consideration between the tangible and intangible assets acquired, with any residual being assigned to goodwill. The identifiable asset acquired is proprietary technical framework underlying its customizable widget and payment processing platforms. It consists of: Core API, application to spend fiat or crypto assets, and Mobilum Payment Widget, a fully functional, configurable, and customizable payment software, which can be placed on any webpage or mobile application in order to allow customers to buy cryptocurrencies using payment cards.

Upon evaluation, the Company determined that cost reproduction method was the most reliable measurement for the identified intangibles. Management provided a detail summary of costs required to recreate the technology acquired and valuation has been conducted by the professional valuator. It was calculated that the total Fair Value of developed technology acquired as at valuation date $4,335,656 Hence, the Company recognized an intangible asset for the same amount.

In addition, the Company initially recognized $82,123 for the Algo Trading Bot software that has been developed by Mobilum OU. During the year, and additional $216,792 was incurred to further develop the Algo Trading Bot. The software was then put to use in the Company's operations but was discontinued shortly after the year-end. The Company recognized an impairment of $298,915 for the Algo Trading Bot software.

(Unaudited, Expressed in U.S. Dollars)

9. EQUIPMENT

Equipment consisted of the followings as at November 30,2023 and February 28, 2023:

	Computer Equipment	Digital Currency Computing Equipment	Furniture and Office Equipment	Leasehold Improvements	Total
Cost:					
At February 28, 2022	$ 56,363	$ 1,338,438	$ 5,782	$ 11,667	$ 1,412,250
Additions	770	-	-	-	770
At February 28, 2023	$ 57,133	$ 1,338,438	$ 5,782	$ 11,667	$ 1,413,020
Additions	-	-	-	-	-
At Nov 30, 2023	**$ 57,133**	**$ 1,338,438**	**$ 5,782**	**$ 11,667**	**$ 1,413,020**
Depreciation:					
At February 28, 2022	$ (54,470)	$ (1,338,438)	$ (5,782)	$ (11,667)	$(1,410,357)
Depreciation	(839)	-	-	-	(839)
At February 28, 2023	$ (55,309)	$ (1,338,438)	$ (5,782)	$ (11,667)	$(1,411,196)
Write off	(1,824)	-	-	-	(1,824)
At Nov 30, 2023	**$ (57,133)**	**$ (1,338,438)**	**$ (5,782)**	**$ (11,667)**	**$(1,413,020)**
Net book value:					
At February 28, 2022	$ 1,824	$ -	$ -	$ -	$ 1,824
At Nov 30, 2023	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**

10. RIGHT-OF-USE ASSET

During the year ended November 30, 2023, the Company assumed an office lease through the acquisition of its subsidiary Mobilum OU. The lease liability was measured at the present value of the estimated remaining lease payments and discounted using the market lending rate of 6% at July 19, 2021 (the acquisition date of Mobilum OU).

The following table shows the changes of the Company's right-of-use assets for the periods ended November 30, 2023, and the year ended February 28, 2023:

		30-Nov-23	28-Feb-23
Balance, beginning	**$**	**6,544**	32277
Depreciation for the period		**(6,544)**	(23,539)
Effects of foreign exchange		**-**	(2,195)
Balance, ending		**-**	6,544

(Unaudited, Expressed in U.S. Dollars)

11. LEASE LIABILITIES

The following tables show the continuity of lease obligations for the periods ended November 30, 2023, and February 28, 2023:

	Building Lease - uBuck	Office Lease - MobilumOU	Total
Balance, February 28, 2022	$ -	$ 40,366	$ 40,366
Additions	-	839	839
Accretion of lease liabilities	-		-
Lease payments	-	(31,290)	(31,290)
Effects of foreign exchange	-	(1,564)	(1,564)
Settlement	-	-	-
Transferred to related party	-	-	-
Balance, February 28, 2023	$ -	$ 8,351	8,351
Lease payments	-	(8,351)	(8,351)
Balance, November 30, 2023	**$ -**	**$ -**	**$ -**

On March 30, 2021, uBuck entered into a new lease agreement with the same lessor to lease a smaller office. The old lease was in effect terminated and a new lease commenced on April 1, 2021 with a term of one year, renewable for another year. The new lease liability amounting to $69,471 was estimated based on a monthly fee of $3,281 per month for the first 12 months and $3,380 per month for the second year discounted using the Company's incremental borrowing rate of 15%. This lease liability is amortized using the effective interest method.

During the year ended February 28, 2022, the Company divested from uBuck, therefore, lease liabilities associated with uBuck were derecognized in the consolidated statements of financial position (Note 25).

During the year ended February 28, 2022, the Company assumed an office lease through the acquisition of its subsidiary Mobilum OU. The lease term is until June 2023 with monthly payments of €2,500 (increased from monthly lease payments of €1,000 on February 1, 2022). The lease liability was estimated based on these monthly payments and the market lending rate of 6%. This lease liability is amortized using the effective interest method.

(Unaudited, Expressed in U.S. Dollars)

12. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

As at November 30, 2023 and February 28, 2023, the Company's Accounts payable and accrued liabilities are as follows:

	November 30, 2023	February 28, 2023
Trade payables	**361,688**	$990,860
Accrued liabilities	**44,995**	45,265
Prepayments from Customers	-	752135
Payroll payable	**8,792**	3,815
Total accounts payable and accrued liabilities	**$415,475**	**$1,792,075**

13. GOVERNMENT LOAN

Canada Emergency Business Account ("CEBA")

Due to the outbreak of the COVID-19 pandemic, the federal government of Canada introduced the Canada Emergency Business Account ("CEBA") which provides an interest-free loan ("CEBA Loan") of $40,000 CAD to eligible businesses. Repayment of $30,000 CAD of the $40,000 CAD loan balance on or before December 31, 2023 will result in a loan forgiveness of the remaining $10,000 CAD.

In April 2020, the Company received $28,447 ($40,000 CAD) in accordance with the CEBA loan. In December 2020, the federal government of Canada introduced an expansion to the CEBA in the amount of $15,544 ($20,000 CAD) ("CEBA expansion") whereby eligible businesses can receive this amount in addition to the original $40,000 CAD. Up to $10,000 CAD of the CEBA expansion is forgivable if repaid on or before December 31, 2023. The Company received the $20,000 CAD expansion to the CEBA loan in error as it is not considered a Canadian Controlled Private Corporation. The $20,000 CAD expansion to CEBA was subsequently repaid.

Any loan balance remaining after December 31, 2023 will be converted to a 2-year loan with an interest rate of 5% per annum paidmonthly effective January 1, 2023. The full balance must be repaid by no later than December 31, 2025.

This liability is recognized in accordance with IFRS 9, *Financial Instruments* as a financial liability at amortized cost. The benefit of below-market rate shall be measured as the difference between the initial carrying value of the loan (being the present value of a similar loan at market rates) and the proceeds received.

The Company has estimated the initial carrying value of the first CEBA loan at $19,116 ($26,880 CAD) and the second CEBA loan at $11,394 ($14,661 CAD) before repayment, using a discount rate of 15%, which was the estimated rate for asimilar loan without the interest-free component. The total difference of $13,481 ($18,460 CAD) will be accreted to each CEBA loan liability over the term of the CEBA Loan and offset to other income on the consolidated statements of net and comprehensive loss.

During the nine month period ended November 30, 2023 total accretion expense recognized for the CEBA loans amounted to $4,255 (February 28, 2023 – nil).

(Unaudited, Expressed in U.S. Dollars)

14. SEGMENTED INFORMATION

During the period ended November 30, 2023, the Company generated revenues from its transactional services segment through the subsidiary Mobilum OU based in Europe and recognized the revenue on a net basis.

As of reporting date, the Company estimated costs directly attributable to facilitating the transactions as being immaterial. These are primarily related to assets deposited by the customers of inventory nature but held in custody by the liquidity providers.
The Company is currently reviewing costing procedures for the purpose of improving financial reporting process in this area.

For the nine months ended November 30, 2023 by type of product:

	OTC	Other	Total
Revenue	$ -	$ 4,058	$ 4,058
	$ -	$ 4,058	$ 4,058
Other current assets	-	131,537	131,537
Other non-current assets	-	1	1
Total assets	$ -	$ 131,538	$ 131,538
Total liabilities	$ -	$ 1,353,241	$ 1,353,241

For the nine months ended November 30, 2023 by geographical region:

	Europe	North America	Total
Revenue	$ -	$ 4,058	$ 4,058
	$ -	$ 4,058	$ 4,058
Other current assets	-	131,537	131,537
Other non-current assets	-	1	1
Total operating assets	$ -	$ 131,538	$ 131,538
Total liabilities	$ -	$ 1,353,241	$ 1,353,241

During the nine months ended November 30, 2023, the Company generated revenues from its software development segment and only in one geographical region, North America.

(Unaudited, Expressed in U.S. Dollars)

15. RELATED PARTY TRANSACTIONS

Related parties include key management personnel and companies under the control of key management personnel. Key management personnel include those persons having authority and responsibility for planning, directing, and controlling the activities of the Company as a whole. The Company has determined that key management personnel consist of members of the Board, management of the Company and its subsidiaries.

As at November 30, 2023 and February 28, 2023, the Company has the following amounts due to its related parties:

Related party		November 30, 2023		February 28, 2023
Loans due to Company controlled by the former CEO	**$**	**522,679**	$	502,028
Corporate Secretary				4,244
Chief Operating Officer		**-**		163
Directors' fees		**285,517**		43,473
	$	**808,196**		549,907

During the nine months ended November 30, 2023 and 2022, key management compensation consisted of the following:

Compensation		November 30, 2023		August 31, 2022
Consulting fees	**$**	**25,155**	$	128,856
Management fees, director fees, salaries and wages		**407,249**		279,810
Accounting fees		**-**		9,764
Share-based compensation		**225,523**		135,904
	$	**657,926**	$	554,334

16. SHARE CAPITAL

Authorized

Unlimited common shares without par value.

Share capital

Share issuances for period ended November 30,2023

On April 12, 2022, the Company issued 1,180,218 shares in equity rewards to a new director.

On May 2, 2022, the Company issued 1,500,000 shares in equity rewards to the new CEO.

Shares issuance for the year ended February 28, 2022

On April 13, 2021, the Company closed a non-brokered private placement financing for total gross proceeds of $7,997,242 (CA$10,000,000). The Company issued 20,000,000 units at a price of CA$0.50 per unit. Each unit is comprised of one common share and one-half of one transferable warrant. Each whole warrant will entitle the holder to purchase one additional common share for a period of 60 months at a price of CAD $1.00 per share, subject to accelerated expiry.

On April 15, the Company issued 15,000,000 shares for the acquisition of 19% ownership interest in CatalX Exchange Inc. (Note 8). The Company also issued 750,000 shares to finders in connection with the transaction.

On April 28, 2021, the Company issued 5,341,880 shares for the acquisition of an intangible asset (Note 9).

On May 4, 2021, the Company issued 5,252,100 shares for the acquisition of XPort Digital Limited (Note 8 and 9).

On May 27, 2021, the Company entered into a debt settlement transaction with an arm’s length party wherein the Company settled an indebtedness of CAD $105,000 by issuing 164,062 common shares. Total of CAD $105,000 was invoiced for consulting and settled in the reporting period. Shares were issued on June 1, 2021 with fair market value of $91,297.

On July 19, 2021, the Company issued 26,666,667 shares for the acquisition of Mobilum OÜ (Note 8).

On February 25, 2022, the Company issued 1,804,500 shares in equity awards for the directors.

16. SHARE CAPITAL (continued)

Stock options

The Company has a Rolling Stock Option Plan whereby the maximum number of common shares reserved for issue under the plan shall not exceed 20% of the outstanding common shares of the Company, as at the date of the grant. The exercise price of each option granted under the plan may not be less than the Discounted Market Price (as that term is defined in the policies of the CSE). Options may be granted for a maximum term of five years from the date of the grant, are non- transferable and expire within 90 days of termination of employment, consulting arrangement or holding office as a director or officer of the Company, are subject to vesting provisions as determined by the Board of Directors and, in the case of death, expire within one year thereafter. Upon death, the options may be exercised by legal representation or designated beneficiaries of the holder of the option.

On March 8, 2021, the Company has granted an aggregate 300,000 incentive stock options (the "Options") to the officers of the Company. The Options are exercisable at CA$0.46 per share for a period of five years from the date of grant. The fair value was estimated using the Black-Scholes pricing model with estimated, stock price of CA$0.46, volatility 197%, risk-free rate 0.92%, dividend yield 0%, and expected life of 5 years. With these assumptions, the fair value of options was determined to be $110,707 (CA$134,243).

On April 14, 2021, the Company has granted an aggregate 450,000 incentive stock options to directors and advisors. The Options are exercisable at CA$1.19 per share for a period of two years from the date of grant and subject to vesting over two years. The fair value was estimated using the Black-Scholes pricing model with estimated, stock price of $1.25, volatility 201%, risk-free rate 0.49%, dividend yield 0%, and expected life of 3 years. With these assumptions, the fair value of options was determined to be $427,028 (CA$517,814), which will be expensed over the vesting period.

On May 26, 2021, the Company granted an aggregate 6,050,000 incentive stock options (the "Options") to directors, officers and consultants of the Company. The Options are exercisable at CA$0.80 per share for a period of three years from the date of grant. The fair value was estimated using the Black-Scholes pricing model with estimated, stock price of CA$0.75, volatility 202%, risk-free rate 0.49%, dividend yield 0%, and expected life of 5 years. With these assumptions, the fair value of options was determined to be $3,433,765 (CA$4,163,783).

In June 2021, the Company granted an aggregate 625,000 incentive stock options (the "Options") to officers and employees of the Company. The Options are exercisable at CA$0.71 per share for a period of five years from the date of grant and vesting over a four-year period.

On September 8, 2021, the Company granted an aggregate 300,000 incentive stock options (the "Options") to employees and consultants of the Company. The Options are exercisable at CA$0.435 per share for a period of five years from the date of grant and are subject to vesting over four years. The fair value was estimated using the Black-Scholes pricing model with estimated, stock price of CA$0.430, volatility 362%, risk-free rate 0.49%, dividend yield 0%, and expected life of 5 years. With these assumptions, the fair value of options was determined to be $107,954 (CA$139,995). The Company also entered into a consulting agreement (the “Agreement”) with Soykan Garipoglu (the “Consultant”) to provide investor relations services. Under the terms of the Agreement, the Consultant shall provide the services in consideration of a monthly payment of CAD $3,500. The Consultant has received 50,000 stock options, exercisable at a price of $0.435 per share and valid for a 3-year term. The options vest quarterly over a 1-year period.

(Unaudited, Expressed in U.S. Dollars)

16. SHARE CAPITAL (continued)

On October 22, 2021, the Company granted an aggregate 1,400,000 incentive stock options (the "Options") to directors and consultants of the Company. The Options are exercisable at CA$0.360 per share for a period of five years from the date of grant. The fair value was estimated using the Black-Scholes pricing model with estimated, stock price of CA$0.360, volatility 362%, risk-free rate 0.95%, dividend yield 0%, and expected life of 5 years. With these assumptions, the fair value of options was determined to be $361,987 (CA$469,425).

On December 3, 2021, the Company granted an aggregate 200,000 incentive stock options (the "Options") to management of the Company. The Options are exercisable at CA$0.385 per share for a period of five years from the date of grant and portion is subject to vesting stages. The fair value was estimated using the Black-Scholes pricing model with estimated, stock price of CA$0.380, volatility 362%, risk-free rate 1.09%, dividend yield 0%, and expected life of 5 years. With these assumptions, the fair value of options was determined to be $55,641 (CA$70,753).

In January 2022, the Company granted an aggregate 4,850,000 incentive stock options (the "Options") to directors, advisors, and employees of the Company. The Options are exercisable at CA$0.28 per share for a period of five years from the date of grant and portion is subject to vesting stages. 4,200,000 of the Options granted to the Directors replaced cancelled options granted in May 2021 and therefore were accounted for as modification. The fair value was estimated using the Black-Scholes pricing model with estimated, stock price of CA$0.280, volatility 160.88%, risk-free rate 1.12%, dividend yield 0%, and expected life of 5 years. With these assumptions, the aggregate fair value of options was determined to be $919,536 (CA$1,169,282).

On February 25, 2022, the Company granted an aggregate 1,750,000 incentive stock options (the "Options") to management, employees and consultants of the Company. 1,650,00 of the Options are exercisable at CA$0.150 per share for a period of five years from the date of grant and portion is subject to vesting stages. 100,00 of the Options are exercisable at CA$0.280 per share for a period of five years from the date of grant and portion is subject to vesting stages. The fair value was estimated using the Black-Scholes pricing model with estimated, stock price of CA$0.160, volatility 159.35%, risk-free rate 1.61%, dividend yield 0%, and expected life of 5 years. With these assumptions, the aggregate fair value of options was determined to be $204,560 (CA$260,126).

A summary of the stock option transactions for the November 30 ,2023 and the year ended February 28, 2023 is as follows:

	Number of Option	**Weighted Average Exercise Price**
Balance, February 28, 2022	17,865,000	$0.780
Change for the period	-	-
Balance, February 28, 2023	**17,865,000**	**0.780**
Change for the period	-	-
Balance, November 30, 2023	**17,865,000**	**$0.78**

(Unaudited, Expressed in U.S. Dollars)

16. SHARE CAPITAL (continued)

During the nine months ended November 30, 2023 no new warrants were granted.

The fair value of options granted is estimated on the grant date using the Black-Scholes option pricing model using the following weighted average variables:

	November 30, 2023	February 28, 2023
Risk-free interest rate	N/A	N/A
Expected option life in years	N/A	N/A
Expected stock price volatility	N/A	N/A
Expected dividend rate	N/A	N/A
Fair value per option (CAD)	N/A	N/A
Stock price at grant date (CAD)	N/A	N/A

The expected stock price volatility is determined based on available market data of similar entities in and is calculated on a weighted average basis dependent upon the number of options granted at each grant date.

As at November 30, 2023, the Company had options outstanding, enabling the holders to acquire the following number of common shares:

Expiry Date	Weighted average Exercise Price	Numbers of options outstanding	Numbers of options exercisable	Weighted average remaining contractual life (year)
June 6, 2023	$ 0.875	400,000	400,000	0.00
November 9, 2023	0.875	200,000	200,000	0.00
January 14, 2024	0.175	5,940,000	5,940,000	0.13
April 14, 2024	1.190	450,000	225,000	0.28
June 1, 2024	0.875	200,000	166,667	0.51
March 8, 2026	0.460	300,000	300,000	2.26
May 26, 2026	0.800	1,350,000	1,350,000	2.49
June 11, 2026	0.710	475,000	211,109	2.52
September 8, 2026	0.435	350,000	87,500	2.78
October 22, 2026	0.360	1,400,000	768,750	2.90
December 3, 2026	0.385	200,000	25,000	3.01
January 5, 2027	0.280	4,850,000	4,362,500	3.10
February 25, 2027	0.150	1,650,000	362,500	3.24
February 25, 2027	0.280	100,000	16,666	3.24
	0.214	**17,865,000**	**14,415,692**	**1.84**

(Unaudited, Expressed in U.S. Dollars)

16. SHARE CAPITAL (continued)

Warrants

A summary of the warrant transactions for the nine months ended November 30, 2023 and February 28, 2023 is as follows:

	Number of warrants		Weighted average exercise price
Balance outstanding, February 28, 2022	-		-
Granted	10,351,000	$	1
Balance outstanding, February 28, 2023	**-**		**-**
Change for the period	-		-
Balance outstanding, November 30, 2023	**10,351,000**	**$**	**1**

As at November 30,2023 the Company had the following warrants outstanding, enabling the holders to acquire the followingnumber of common shares:

Expiry Date	Exercise Price	Numbers of warrants outstanding	Numbers of warrants exercisable	Weighted average remaining contractual life (year)	Weighted average exercise price
April 13, 2026	$ 1.000	10,351,000	10,351,000	2.87	$ 1.000
		10,351,000	**10,351,000**	**2.87**	**$ 1.000**

In January 2022 The Company announced its intention to initiate a normal course issuer bid ("NCIB") through the facilities of the Canadian Securities Exchange. Under the NCIB, the Company intends to acquire up to 7,819,671 common shares (the "Shares") in the capital of the Company, representing approximately 5 % of its issued and outstanding common shares. The NCIB commenced on February 7, 2022 and will end no later than February 7, 2023.

17. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

Financial instruments

The fair value of financial assets and financial liabilities at amortized cost is determined in accordance with generally accepted pricing models based on discounted cash flow analysis or using prices from observable currentmarket transactions. The Company considers that the carrying amount of all its financial assets and financial liabilities recognized at amortized cost in the consolidated financial statements approximates their fair value due to the demand nature or short- term maturity of these instruments.

a. Level 1 fair value measurements are those derived from quoted prices in active markets for identical assets or liabilities.
b. Level 2 fair value measurements are those derived from inputs other than quoted prices included within Level 1, that are observable either directly or indirectly.
c. Level 3 fair value measurements are those derived from valuation techniques that include inputs that are not based on observable market data.

The Company's financial instruments consist of cash, accounts receivable, sales tax receivable, investments, due from related parties, accounts payable, notes payable and demand loans, lease liabilities, loans payable and amounts due to related parties.

The Company's financial instruments are exposed to certain financial risks. The risk exposures and the impact on the Company's financial instruments are summarized below.

(Unaudited, Expressed in U.S. Dollars)

17. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (continued)

Financial risk management (continued)

The following table summarizes at what level these financial instruments are valued at November 30, 2023 and February 28. 2023:

	Level 1	Level 2	Level 3	Total
	$	$	$	$
Financial Instruments				
Investments	-	-	1	1
Total Financial Instruments	-	-	1	1

Financial risk management

Management has overall responsibility for the establishment and oversight of the Company's risk management framework.

Financial instrument risk exposure

The Company is exposed in varying degrees to a variety of financial instrument related risks. The Board approves and monitors the risk management processes.

Credit risk

Credit risk is the risk of financial loss to the Company if the counterparty to a financial instrument fails to meet its payment obligations. The Company has no material counterparties to its financial instruments with the exception of the financial institutions which hold its cash. The Company's credit risk arises from it deriving revenues from one major customer group (2022 – one customer). Payments from this customer group are usually received within less than 30 days and management does not believe the Company has a material exposure to credit risk from this group.

Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. There is a risk that the Company may not be able to meet its financial obligation when they are due. All of the Company's financial liabilities have contractual maturities of 30 days or are due on demand and are subject to normal trade terms. As of November 30, 2023, the Company has no financial assets that are past due or impaired due to credit risk defaults.

Market Risk

Market risk is the risk of loss that may arise from changes in market factors such as interest rates, commodity and equity prices, and foreign exchange rates.

a. 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. The Company is not exposed to significant interest rate risk.

b. Price risk

Price risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because ofchanges in prices. The Company's investments are exposed to price risk.

c. Foreign exchange risk

Foreign exchange risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in the foreign currency exchange rates. The Company's presentation currency is the U.S. dollar and historically, major purchases have been transacted in U.S. dollars, while all of the financings to date have been completed in Canadian dollars. As the Company's revenues and general and administrative costs are primarily denominated in Canadian dollars, the Company will be exposed to effects of fluctuations in foreign exchange. The fluctuation of the Canadian dollar against the U.S. dollar will consequently impact the profitability of the Company and may also affect the value of the Company's assets and liabilities and the amount of shareholders' equity.

18. CAPITAL MANAGEMENT

The Company manages its capital to maintain its ability to continue as a going concern and to provide returns to shareholders and benefits to other stakeholders. The capital structure of the Company consists of equity comprised of issued share capital and reserves.

The Company manages its capital structure and makes adjustments to it in light of economic conditions. The Company, upon approval from its Board of Directors, will balance its overall capital structure through new shareissues or by undertaking other activities as deemed appropriate under the specific circumstances. The Company is not subject to externally imposed capital requirements and the Company's overall strategy with respect to capitalrisk management remains unchanged for the period ended November 30, 2023.

19. COMMITMENTS AND CONTINGENCIES

From time to time, the Company has committed to temporarily securely store crypto assets it holds on behalf of customers and responsible for compliance with anti-money laundry legislation. As such, the Company may be liable to its customers for losses arising from theft or loss of private keys and for non-compliance with regulations. The Company has no reason to believe it will incur any expense associated with such potential liability because (i) it has no known or historical experience of claims to use as a basis of measurement, (ii) it accounts for and continually verifies the amount of crypto assets within its control, and (iii) it has established security around custodial private keys to minimize the risk of theft or loss. Since the risk of loss is remote, the Company had not recorded a liability at November 30, 2023.

20. SUPPLEMENTAL NON-CASH DISCLOSURE

The Company incurred the following non-cash expenditures:

		November 30, 2023		February 28, 2023
Share-based compensation	$	-	$	-
Shares issued for investment in CatalX		-		-
Shares issued for acquisition of intangible assets		-		-
Shares issued as part of directors' and management compensation		**225,523**		**135,904**
Fair value of agent warrants granted		-		-

(Unaudited, Expressed in U.S. Dollars)

21. BREAKDOWN OF OPERATING EXPENSES AND OTHER INCOME (EXPENSES)

The Company's General and Administrative expenses for the years November 30, 2023 and 2022 are as follows:

		Nine Months Ended		Three Months Ended	
	Note	November 30, 2023	November 30, 2022	November 30, 2023	November 30, 2022
OPERATING EXPENSES					
Consulting fees		**70,344**	442,808	**26,332**	132,793
Depreciation of equipment		**-**	18,732	**-**	4,020
IT Services		**-**	372,135	**-**	372,135
Marketing and selling		**1,321**	173,237	**5**	34,575
Research and development		**-**	1,554	**-**	(28)
General office expenses		**96,291**	306,975	**61,370**	(510,879)
Lease interest		**-**	541	**-**	-
Interest and accretion	11	**4,258**	21,479	**3,300**	18,689
Management fees, director fees, salaries and wages	15	**430,099**	640,895	**273,200**	500,203
Professional fees		**69,327**	211,405	**27,782**	(185,970)
Rent		**-**	32,569	**-**	11,205
Other expenses		**-**	718,334	**-**	166,767
Stock-based compensation	17	**225,523**	-	**225,523**	-
Transfer agent and filing fees		**29,567**	48,921	**26,020**	25,227
Total expenses		**926,730**	**2,989,585** -	**643,532**	**568,737**

The Company's other income (expenses) for the nine months ended November 30, 2023, and 2022 are as follows:

OTHER INCOME (EXPENSES)				
Loss on revaluation of digital currencies	**-**	(9,152)	**-**	1,390,533
Gain/(loss) on disposal of subsidiary	**957,196**	-	**-**	
Foreign exchange gain (loss)	**897**	68,827	**(486)**	(54,778)
Total	**958,093**	59,675	**(486)**	1,335,755

(Unaudited, Expressed in U.S. Dollars)

22. DISPOSAL OF SUBSIDIARIES

During the year ended February 28, 2022 the Company decided to divest from two subsidiaries: uBuck (acquired in 2019) and XPort Limited (acquired in 2021). Subsequently to the portfolio review executed by the board, it has been assessed, that the activities of both subsidiaries are no longer aligned with the company core competencies. Divestiture has been executed in order to simplify the Company structure and re-align management's focus on growing its core businesses.

Details of disposal of subsidiaries:

uBuck

Details of disposal of subsidiaries	**February 28, 2022**	
Consideration received	**$**	**1**
Carrying amount of net assets sold		**(2,012,417)**
Gain on disposal of subsidiary	**$**	**(2,012,416)**

The carrying amounts of assets and liabilities as at the date of disposal:

	February 28, 2022	
Cash and cash equivalents	**$**	**184,518**
Other current assets		**26,499**
Right-of-use assets		**63,681**
Investments		**2,092**
Total assets	**$**	**276,790**
Accounts payable	**$**	**(73,535)**
Current liabilities		**(32,552)**
Due to related parties		**(1,264,242)**
Non-current liabilities		**(31,880)**
Non-controlling interest		**(886,998)**
Total liabilities	**$**	**(2,289,207)**
Net assets	**$**	**(2,012,417)**

XPort Limited

Details of disposal of subsidiaries	**February 28, 2022**	
Consideration received	**$**	**1**
Carrying amount of net assets sold		**3,953,074**
Loss on disposal of subsidiary	**$**	**3,953,075**

(Unaudited, Expressed in U.S. Dollars)

22. DISPOSAL OF SUBSIDIARIES (continued)

The carrying amounts of assets and liabilities as at the date of disposal:

		February 28, 2022
Cash and cash equivalents	$	**202,100**
Technology		**2,100,609**
Property and equipment		**2,003**
Intangible assets		**2,000,000**
Total assets	$	**4,304,712**
Accounts payable	$	**-**
Due to related parties		**(351,638)**
Non-current liabilities		**-**
Total liabilities	$	**(351,638)**
Net assets	$	**3,953,074**

On May 7, 2023, the Company entered into a share purchase agreement with TTP Limited whereby the Purchaser will purchase from the Company all of the issued and outstanding shares of Mobilum Pay Sp. Z o.o, legal entity code 0000871351, address UL. PLAC Powstancow Warsawy 2, 00- 030, Warsaw, Poland, representing a 100% interest in Mobilum Pay.

Mobilum OU

Details of disposal of subsidiaries	**May 31, 2023**
Consideration received	-
Carrying amount of net assets sold	**(2,258,062)**
Loss on disposal of subsidiary	**(2,258,062)**

	31-May-23
Cash and cash equivalents	**516,745**
Accounts Receivable	**42,175**
Investment in subsidaries	**669,103**
Intangible assets	**63,177**
Total assets	**1,291,200**
Accounts payable	**(756,375)**
Due to related parties	**(2,792,887)**
Non-current liabilities	-
Total liabilities	**(3,549,262)**
Net assets	**(2,258,062)**

(Unaudited, Expressed in U.S. Dollars)

Mobilum Pay

Details of disposal of subsidiaries	**31-May-23**
Consideration receivable	**$250,000**
Carrying amount of net assets sold	**-52,550**
Gain on disposal of subsidiary	**$197,450**

		31-May-23
Cash and cash equivalents	$	430,420
Accounts Receivable		1,391
Due from related parties		450,732
Total assets		882,543
Accounts payable		(451,962)
Due to related parties		(483,131)
Non-current liabilities	-	
Total liabilities		(935,093)
Net assets	$	(52,549.98)

Mobilum Technolgies, following the divestiture of Mobilum OU and Mobilum Pay., is in the process of redefining its operations. The company is actively engaged in licensing discussions and is making every effort to establish a new revenue stream. Until this objective is met,, there is heightened degree of uncertainty with regards to the company's ability to remain an ongoing venture.

23. CONTINGENCIES

During the nine month period ended November 30,2023 , the company received claims from two sources. One claim is a lawsuit from a former vendor for $73,631.25. The company has recognized this as liability as it is expected to result in an outflow of resources.

In March of 2023, the organization received a statement of claim from an investor in a co-investor in a mutual investment known as Ubuck. As stated in this agreement, this investor's investment was "guaranteed" by the management of a former operating company known as LiteLink. Citing "break of claim", this obligation flows to the existing company where the investor is seeking damages amounting to their total investment in Ubuck of USD$900K. Management is seeking a fair settlement to this issue to avoid unnecessarily costs related to litigation.