INVERITE INSIGHTS INC.
(FORMERLY MARBLE FINANCIAL INC.)

Consolidated Financial Statements

For the fifteen months ended March 31, 2024 and the year ended December 31, 2022
(Expressed in Canadian Dollars)

INDEPENDENT AUDITOR'S REPORT

To the Shareholders of Inverite Insights Inc.

Opinion

We have audited the accompanying consolidated financial statements of Inverite Insights Inc. (the "Company"), which comprise the consolidated statements of financial position as at March 31, 2024, and the consolidated statements of loss and comprehensive loss, changes in shareholders' equity, and cash flows for the fifteen month period then ended, and notes to the consolidated financial statements, including material accounting policy information.

In our opinion, these consolidated financial statements present fairly, in all material respects, the financial position of the Company as at March 31, 2024, and its financial performance and its cash flows for the fifteen month period then ended in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board (IFRS Accounting Standards).

Basis for Opinion

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

Material Uncertainty Related to Going Concern

We draw attention to Note 1 of the consolidated financial statements, which indicates that the Company has an accumulated deficit of $22.5 million as at March 31, 2024, and the Company's current liabilities exceed its current assets by $3.4 million. As stated in Note 1, these events and conditions indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Key Audit Matters

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

In addition to the matter described in the Material Uncertainty Related to Going Concern section, we have determined the matters described below to be the key audit matters to be communicated in our auditor's report.

Impairment of Goodwill

As described in Notes 3 and 4 to the consolidated financial statements, the carrying amount of the Company's Goodwill balance was $1.4 million all of which related to the Inverite Verification cash generating unit. Management conducts an impairment test for goodwill annually during the fourth quarter, or more frequently, if events or circumstances indicate the carrying value of goodwill may be impaired. Where the recoverable amount of a cash generating unit (CGU) to which goodwill has been allocated is lower than the CGU's carrying value, the related goodwill is impaired. The recoverable amount of an asset or a CGU is the greater of its value in use and its fair value less costs of disposal. An impairment loss is recognized if the carrying amount of an asset or CGU exceeds its estimated recoverable amount. In the fourth quarter, management used significant judgment in determining the recoverable amount of the Inverite Verification CGU. The recoverable amount is based on the value in use model using a discounted cash flow model, which include the use of key assumptions such as expected revenue growth, margins projections, and the discount rate. As a result of the impairment test performed, the Company concluded that the value of goodwill was not impaired.

The principal considerations for our determination that performing procedures relating to the goodwill impairment assessment of the Inverite Verification CGU is a key audit matter are: (i) the significant judgment by management when developing the estimate of the recoverable amount for the Inverite Verification CGU; (ii) a high degree of auditor judgment, subjectivity, and effort in performing procedures and evaluating management's key assumptions related to expected revenue growth, margins projections, and the discount rate; and (iii) the audit effort involved the use of professionals with specialized skill and knowledge.

Addressing the matter involved performing procedures and evaluating audit evidence in connection with forming our overall opinion on the consolidated financial statements. Our audit procedures included, among others:

- Obtaining an understanding of the relevant controls relating to management's annual goodwill impairment assessment.
- Testing management's process for developing the estimate of the recoverable amounts of the Inverite Verification CGU.
- Testing the completeness and accuracy of the underlying data used in the discounted cash flow model.
- Evaluating the reasonableness of the key assumptions used by management related to expected revenue growth, margins projections and the discount rate.
- Evaluating the reasonableness of the assumptions used by management related to expected revenue growth and the margins projections involved assessing whether the assumptions used by management were reasonable considering (i) the current and past performance of the Inverite Verification CGU; (ii) the consistency with external market and industry data; and (iii) whether these assumptions were consistent with evidence obtained in other areas of the audit.
- Utilizing professionals with specialized skill and knowledge to assist in evaluating (i) the appropriateness of the discounted cash flow model; and (ii) the reasonableness of the discount rate assumption.

Completeness and Accuracy of Revenues

As described in Note 3 to the consolidated financial statements, the Company's Verification fees revenues was $1.2 million The Company enters into contracts with its customers to provide access to the verification services. Significant effort is required by the Company to determine the completeness and accuracy of revenue recognized relating to Verification fees.

The principal considerations for our determination that performing procedures relating to the completeness and accuracy of revenues is a key audit matter are (i) understanding the contractual arrangements with customers and the consistency with the online platform, and (ii) the audit effort involved the use of professionals with specialized skill and knowledge.

Addressing the matter involved performing procedures and evaluating audit evidence in connection with forming our overall opinion on the consolidated financial statements. These procedures included among others:

- Obtaining an understanding of the Company's processes and controls to understand and design appropriate audit procedures to test the completeness and accuracy of revenues recognized.
- Utilizing professionals with specialized skill and knowledge to assist in testing the completeness and accuracy of the verification revenues.
- Examining and evaluating the contractual terms and transaction rates identified in underlying agreements with customers for consistency with the amounts recorded in the financial statements.

Other Matters

The consolidated financial statements of the Company for the year ended December 31, 2022, were audited by another auditor who expressed an unmodified opinion on those statements on May 30, 2023.

Other Information

Management is responsible for the other information. The other information obtained at the date of this auditor's report includes Management's Discussion and Analysis.

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

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

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

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

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

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

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

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

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

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

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Company to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit. We remain solely responsible for our audit opinion.

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

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

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

The engagement partner on the audit resulting in this independent auditor's report is Reshma Mahase.

Davidson & Company LLP

Vancouver, Canada

Chartered Professional Accountants

July 26, 2024

INVERITE INSIGHTS INC. (FORMERLY MARBLE FINANCIAL INC.)
Consolidated Statements of Financial Position
(Presented in Canadian Dollars)

AS AT	Note		March 31, 2024		December 31, 2022
ASSETS					
Current assets					
Cash		$	56,596	$	44,005
Accounts receivable			107,362		109,995
Loans receivable – current	6		81,686		246,858
Prepaid expenses			7,490		33,854
			253,134		434,712
Loans receivable	6		118,780		351,900
Property, equipment, and right-of-use assets	7		12,021		21,837
Intangible assets	8		826,365		1,328,089
Goodwill	4		1,399,824		1,399,824
Total assets		$	2,610,124	$	3,536,362
LIABILITIES AND SHAREHOLDERS' DEFICIENCY					
Current liabilities					
Accounts payable	15	$	1,294,873	$	998,649
Accrued liabilities			666,707		365,412
Interest payable	15		145,528		462,374
Contingent earn-out provision	4		-		681,000
Convertible debentures	9, 15		794,287		803,000
Loans payable	10, 15		751,723		265,023
Unearned revenue			-		56,433
Bonds payable	12		-		5,220,097
			3,653,118		8,851,988
Deferred income tax liability	17		223,416		320,416
Loans payable	10		430		6,880
Total liabilities			3,876,964		9,179,284
Shareholders' deficiency					
Share capital	14		19,702,594		14,601,337
Shares issuable	14		67,800		67,800
Equity component of convertible debentures	9		63,974		71,079
Reserves	14		1,374,292		1,158,521
Accumulated deficit			(22,475,500)		(21,541,659)
Total shareholders' deficiency			(1,266,840)		(5,642,922)
Total liabilities and shareholders' deficiency		$	2,610,124	$	3,536,362

Nature of operations and going concern (Note 1); **Events after the reporting period** (Note 20)

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

Approved on behalf of the Board of Directors on July 26, 2024.

"Karim Nanji" Director *"Farhan Abbas"* Director

INVERITE INSIGHTS INC. (FORMERLY MARBLE FINANCIAL INC.)
Consolidated Statements of Loss and Comprehensive Loss
(Presented in Canadian Dollars)

	Note		For the 15 month period ended March 31, 2024		For the year ended December 31, 2022
Revenues					
Verification fees		$	1,204,267	$	728,503
Loan interest revenue	6		153,236		201,630
Subscription fees			89,571		94,300
Marketing service fees			105,931		53,630
Service fees and other			1,057		13,192
Total revenues			1,554,062		1,091,255
Operating expenses					
Administration costs			250,767		652,646
Amortization	7, 8		379,554		227,377
Bad debts expense and allowance for loan impairment	6		69,895		289,594
Consulting fees	15		798,510		749,456
Investor relations			154,049		139,899
Marketing			259,062		126,328
Professional fees			318,228		250,371
Salary and benefits	15		1,789,232		1,954,338
Share based payments	14, 15		273,131		288,033
Software and platform technology services			773,405		401,302
Transfer agent and filing fees			54,660		25,679
Total operating expenses			5,120,493		5,105,023
Finance costs					
Interest expense	9, 10, 12		369,453		653,635
Accretion expense	9, 13		30,879		96,360
Loss on settlement of convertible debentures	9		-		6,870
Total finance costs			400,332		756,865
Other income (expenses)					
Gain on settlement of bonds	12		2,940,648		-
Loss on settlement of interest payable	9		(7,140)		-
Gain on settlement of debts			30,034		-
Impairment loss on intangible assets	8		(106,985)		(503,814)
Increase in earn-out provision	4		(2,148)		(69,595)
Write-off of accounts (receivable) payable			10,434		(14,255)
Total other income (expenses)			2,864,843		(587,664)
Net loss before income taxes			(1,101,920)		(5,358,297)
Deferred income tax - reversal of temporary difference	17		97,000		66,016
Net loss and comprehensive loss		$	(1,004,920)	$	(5,292,281)
Basic and diluted loss per common share		$	(0.01)	$	(0.05)
Weighted average number of shares outstanding – basic and diluted			167,835,478		99,264,731

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

INVERITE INSIGHTS INC. (FORMERLY MARBLE FINANCIAL INC.).
Consolidated Statements of Changes in Shareholders' Deficiency
(Presented in Canadian Dollars)

	Share Capital							
	Number of shares	**Amount**	**Subscriptions received in advance**	**Shares issuable**	**Stock option and warrant reserves**	**Equity component of convertible debentures**	**Accumulated Deficit**	**Total**
Balance, December 31, 2021	93,220,153	$ 12,162,422	$ -	$ 67,800	$ 983,738	$ 115,338	$(16,293,637)	$ (2,964,339)
Shares issued under RSU plan (Note 14)	800,000	113,250	-	-	(113,250)	-	-	-
Shares issued for private placement (including agent shares) (Note 14)	21,027,477	1,466,671	-	-	-	-	-	1,466,671
Shares issued for warrant exercises (Note 14)	4,883,988	488,399	-	-	-	-	-	488,399
Shares issued for earn-out provision (Note 14)	1,577,000	370,595	-	-	-	-	-	370,595
Convertible debentures redeemed (Note 9)	-	-	-	-	-	(44,259)	44,259	-
Share-based payments (Note 14)	-	-	-	-	288,033	-	-	288,033
Net loss for the year	-	-	-	-	-	-	(5,292,281)	(5,292,281)
Balance, December 31, 2022	121,508,618	$ 14,601,337	$ -	$ 67,800	$ 1,158,521	$ 71,079	$(21,541,659)	$ (5,642,922)
Disposal of subsidiaries	-	(600)	-	-	-	-	-	(600)
Shares issued under RSU plan (Note 14)	600,000	49,500	-	-	(49,500)	-	-	-
Shares issued for options exercised (Note 14)	600,000	30,000	-	-	-	-	-	30,000
Subscriptions received in advance (Note 14)	-	-	220,000	-	-	-	-	220,000
Shares issued for private placement (including agent shares) (Note 14)	24,034,970	1,364,760	(220,000)	-	(7,860)	-	-	1,136,900
Shares issued for bond settlements (Note 14)	44,298,850	2,834,572	-	-	-	-	-	2,834,572
Shares issued for settlement of accounts payable (Note 14)	1,835,893	97,035	-	-	-	-	-	97,035
Shares issued for earn-out provision (Note 14)	2,907,011	683,148	-	-	-	-	-	683,148
Shares issued for settlement of interest payable (Note 14)	714,027	42,842	-	-	-	-	-	42,842
Share-based payments (Note 14)	-	-	-	-	273,131	-	-	273,131
Equity component of convertible debentures (Note 9)	-	-	-	-	-	(7,105)	71,079	63,974
Net loss for the period	-	-	-	-	-	-	(1,004,920)	(1,004,920)
Balance, March 31, 2024	196,499,369	$ 19,702,594	$ -	$ 67,800	$ 1,374,292	$ 63,974	$(22,475,500)	$ (1,266,840)

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

INVERITE INSIGHTS INC. (FORMERLY MARBLE FINANCIAL INC.)
Consolidated Statements of Cash Flows
(Presented in Canadian Dollars)

	Note	For the period between January 1, 2023 and March 31, 2024	For the year ended December 31, 2022
CASH FROM OPERATING ACTIVITIES			
Net loss for the period		$ (1,004,920)	$ (5,292,281)
Items not affecting cash:			
Amortization	7,8	379,555	227,377
Accrued interest on bonds payable		22,861	81,787
Lease accretion	13	-	3,676
Share based payments	14	273,131	288,033
Accretion on convertible debentures	9	30,879	92,684
Interest from sublease		-	(3,245)
Impairment of intangible assets	8	106,985	503,814
Gain on settlement of debt		(30,034)	-
Loss on settlement of convertible debentures	9	-	6,870
Loss on settlement of interest payable	9	7,140	-
Gain on settlement of bonds	12	(2,940,648)	-
Write-off of accounts (receivable) payable		10,434	(14,255)
Contingent earn-out provision	4	2,148	69,595
Loss on write-off of subsidiaries		(600)	-
Changes in non-cash working capital items:			
Accounts receivables		2,633	(5,612)
Interest receivable		(7,956)	61,117
Loans receivable		406,248	641,086
Prepaid expenses		26,364	39,065
Unearned revenue		(56,433)	43,177
Accounts payable		422,859	472,987
Accrued liabilities		301,295	78,346
Deferred income tax liability		(97,000)	(66,016)
Interest payable		285,326	263,496
Net cash used in operating activities		(1,859,732)	(2,508,299)
CASH FROM INVESTING ACTIVITIES			
Acquisition of property, equipment, and right-of-use assets	7	-	(5,942)
Acquisition of Accumulate.ai assets	5	25,000	(125,000)
Net cash used in investing activities		25,000	(130,942)
CASH FROM FINANCING ACTIVITIES			
Common shares issued, net of share issuance costs	14	1,356,900	1,955,070
Proceeds from loans received	9	550,035	1,096,528
Options exercised		30,000	-
Sublease payments received		-	114,040
Payment of loans payable	10	(89,612)	(940,164)
Payment of lease liabilities	13	-	(128,906)
Redemption of convertible debenture	9, 15	-	(500,000)
Redemption of bonds	12	-	(20,000)
Net cash generated by financing activities		1,847,323	1,576,568
Change in cash during the period		12,591	(1,062,673)
Cash, beginning of the period		44,005	1,106,678
Cash, end of the period		$ 56,596	$ 44,005
Interest received		$ 102,971	$ 165,631
Interest paid (bonds, convertible debentures and loans)		$ 11,441	$ 191,762

Supplemental cash flow information (Note 19)

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

1. NATURE OF OPERATIONS & GOING CONCERN

Inverite Insights Inc. (Formerly Marble Financial Inc. "Inverite", collectively with its subsidiaries, the "Company") was incorporated. under the Business Corporation Act (British Columbia) on July 7, 2015. The head office of the Company is located at Suite 404-999 Canada Place, Vancouver, British Columbia, V6C 3E2. Inverite's common shares are listed for trading on the Canadian Securities Exchange ("CSE") under the symbol "INVR," quoted on the OTC Pink market under the symbol "INVRF" and on the Frankfurt Stock Exchange under the symbol "2V00".

On January 25, 2024, Marble Financial Inc. changed its name to Inverite Insights Inc. to better reflect the primary business of the Company.

In December 2023, the Company changed the fiscal year end to March 31, 2024. The financial statements reflect the operations for the fifteen month period compared with prior year of twelve months.

The Company's primary business activities is a AI-driven software provider specializing in real-time financial data which empowers business lenders and financial institutions to transact more effectively with consumers seeking credit more effectively through innovative solutions for data enrichment, identify-KYC, risk management and compliance. Inverite Verification Inc., the Company's wholly owned subsidiary, operates as a cloud-based transactional and Risk Model as a Service ("RMaaS") platform and offers Open Banking and consumer-directed finance solutions, consisting of banking verification solutions to the financial services industry for income verification, credit decisioning, fraud reduction, and know-your client/anti-money laundering purposes. The Company has offered solutions to underbanked consumers through its MyMarble Platform, which is a consumer facing user interface ("UI") platform designed to provide consumers access to personalized granular solutions in the areas of, budgeting, credit insights, financial literacy and education, combined savings and credit rebuilding tool and a credit improvement subscription program. The Company has also offered marketing services to find qualified underbanked consumers interested in purchasing a vehicle for its clients focussed in the auto sales, through its wholly owned subsidiary, Accumulate.ai Software Ltd. For the underbanked consumers that fall short on achieving credit, the Company's proprietary Point Deduction Technology ("PDT") provides customers with a prescriptive ability to understand, build and maintain a positive credit report and credit score, gain specific and unique budgetary and credit insights with access to financial education and literacy. During the period ended March 31, 2024, the Company suspended allocating resources to MyMarble and Accumulate.ai, and discontinued the operations. The Company prioritizes resources towards Inverite Verification on a go forward basis and changes revenue segment to Inverite Verification.

These consolidated financial statements have been prepared on the basis of a going concern which assumes the Company will be able to realize its assets and discharge its liabilities in the normal course of business. As at March 31, 2024 the Company had a working capital deficit of $3,399,984 (December 31, 2022 – $8,417,276), a shareholders' deficiency of $1,266,840 (December 31, 2022 – $5,642,922) and an accumulated deficit of $22,475,500 (December 31, 2022 – $21,541,659) and therefore will need ongoing funding to continue its operations. The Company's ability to continue as a going concern is dependent on its ability to obtain the necessary capital either through external financing sources or organically through growing in expansion and services to meet its obligations and repay its liabilities arising from normal business operations when they come due, which in part, depends on prevailing market conditions and operational success. While the Company has been successful in securing financings in the past, there is no assurance that it will be able to do so in the future. These uncertainties cast significant doubt upon the Company's ability to continue as a going concern. These consolidated financial statements do not reflect the adjustments or reclassification which would be necessary if the Company were unable to continue its operations in the normal course of business.

2. BASIS OF PRESENTATION

Statement of compliance

The Company prepared these consolidated financial statements in accordance with International Accounting Standards (IFRS Accounting Standards) as issued by the International Accounting Standards Board ("IASB").

Basis of measurement

These consolidated financial statements are prepared on the historical cost basis, except for certain items recorded at fair value consolidated financial statements are presented in Canadian dollars, which is the Company's functional currency.

Basis of consolidation

The Company's consolidated financial statements include Inverite and its wholly owned subsidiaries as follows:

Company	Place of Incorporation	Effective Interest
Inverite Verification Inc. (**"Inverite Verification"**)	British Columbia	100%
Accumulate.ai Software Ltd. (**"Accumulate.ai"**)	Canada	100%
Score-Up Inc. (**"Score-Up"**)	Ontario	100%
Credit Meds Corp. (**"Credit Meds"**)	Ontario	100%
1301771 B.C. Ltd. (**"1301771"**)	British Columbia	100%
TPFM The Phoenix Fund Management Ltd. (**"TPFM"**)	British Columbia	100%
TPF The Phoenix Fund Inc. (**"TPF"**)	British Columbia	100%

On September 1, 2022, Accumulate.ai was incorporated under the Canada Business Corporations Act and extra-provincially registered under the Business Corporations Act (British Columbia) in British Columbia on September 2, 2022. Accumulate.ai was created for the purposes of acquiring certain assets related to a marketing service business (see Note 5).

On February 29, 2024, the Company as a part of its corporate restructuring and focus on its Inverite Verification platform moving forward, voluntarily dissolved Accumulate.ai Software Ltd., Credit Meds Corp., 1301771 B.C. Ltd, and TPF The Pheonix Fund Inc.

Control is achieved where the Company has power over an entity, has exposure or rights to variable returns from its involvement with the entity and has the ability to use its power over the entity to affect the amount of the investor's returns. Subsidiaries are included in the consolidated financial statements from the date control commences until the date control ceases. All inter-company balances, transactions, revenues and expenses have been eliminated on consolidation.

Comparative Figures

Certain figures in the comparative period consolidated statements of financial position, consolidated statements of (loss) income and comprehensive (loss) income, consolidated statements of changes in equity and consolidated statement of cash flows have been reclassified to meet the current presentation.

In the current year, the Company reclassified finders' fees to be presented with private issuances rather than disclosing them separately. Additionally, accounts payable and accrued liabilities, which were previously presented as one line item, have now been disclosed separately.

3. MATERIAL ACCOUNTING POLICY INFORMATION

Comparative Figures *(continued)*

The contingent earn-out provision, previously disclosed on the cash flow statement as two separate items - shares issued for the earn-out provision (as an item not affecting cash) and the remainder settlement of the earn-out provision through issuance of shares (as a change in non-cash working capital items) - is now presented solely as a change in items not affecting cash for the increase in the earn-out provision during the year.

These reclassifications were made to better reflect the nature of these transactions within the financial statements.

Cash and cash equivalents

Cash and cash equivalents comprise of cash deposits.

Financial Instruments

i) Recognition, classification, and measurement

The Company initially recognizes loans and receivables and all other financial assets and on the date the Company becomes a party to the contractual provisions of the financial instrument. Financial assets and liabilities are initially measured and recognized at fair value. Subsequent to initial recognition, the Company's financial assets are classified as at fair value through profit or loss ("FVTPL") or at amortized cost. Financial liabilities are classified and subsequently measured at amortized cost, unless otherwise designated by the Company as FVTPL.

Financial assets at FVTPL

A financial asset is required to be classified as FVTPL unless it is measured at amortized cost or at fair value through other comprehensive income. Financial assets at FVTPL are initially measured at fair value with directly attributable transaction costs recognized in profit or loss. Subsequent to initial recognition, financial assets at FVTPL are measured at fair value and changes therein, including any contingent earn out provision, interest or dividend income, are recognized in profit or loss.

Financial assets at amortized cost

Financial assets are measured at amortized cost if the financial asset is held within a "hold to collect" business model, and if the contractual cash flows associated with the financial asset are solely payments of principal and interest on the principal amount of debt outstanding. Financial assets with a "hold to collect" business model exist when the Company's primary objective is to collect contractual cash flows on the assets rather than selling them. Financial assets classified as amortized cost are initially recognized at fair value, and subsequently measured at amortized cost using the effective interest method, less any allowance for losses.

The Company's financial assets measured at amortized cost consist of cash, accounts receivable and loans receivable.

Financial Liabilities

Financial liabilities are measured at amortized cost unless otherwise designated by the Company as FVTPL. The Company's financial liabilities measured at amortized cost consists of accounts payable, interest payable, convertible debentures, loans payable and bonds payable.

3. MATERIAL ACCOUNTING POLICY INFORMATION *(continued)*

Financial Instruments *(continued)*

ii) Fair value of financial instruments

Financial instruments recognized in the consolidated statements of financial position at fair value. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between unrelated participants at the measurement date. Fair values of accounts receivable, accounts payable, loans payable, contingent earn-out provision and convertible debentures approximate their carrying values due to their short-term nature.

Long-term liabilities, however, may differ significantly from their carrying values due to the time value of money and market fluctuations over extended periods.

When measuring the fair value of an asset or liability, the Company uses observable market data as far as possible. Fair values are categorized into different levels in a fair value hierarchy based on the inputs used in the following valuation techniques:

- Level 1: inputs are unadjusted quoted prices in active markets for identical assets or liabilities;
- Level 2: inputs other than quoted prices in Level 1 that are observable for the asset or liability, either directly or indirectly; and
- Level 3: inputs for the asset or liability that are not based on observable market data.

Cash is measured at amortized cost based on a Level 1 designation. Contingent earn-out provision is measured at fair value through profit and loss based on a Level 3 designation.

iii) Impairment of financial assets

The Company assesses impairment of financial assets at each reporting date. A financial asset is impaired if there is objective evidence that one or more loss events, occurring after the initial recognition of the asset, impacts the estimated future cash flows of the financial asset. Objective evidence that financial assets are impaired includes significant financial and other difficulty of the borrower or issuer, default or delinquency of a borrower, restructuring of amounts due on terms that the Company would not consider otherwise, other indications that a borrower or issuer will enter bankruptcy and adverse changes in the payment status of the borrower.

Loss allowances are estimated for expected credit losses resulting from default events that are possible within 12 months after the reporting date, and for lifetime expected losses for financial assets where the credit risk increased significantly since initial recognition and for accounts receivable.

For the purpose of an individual evaluation of impairment, the amount of impairment loss on a financial asset is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the current effective interest rate determined under the contract.

For the purpose of a collective evaluation of impairment, financial assets are characterized on the basis of similar risk characteristics. Those characteristics are relevant to the estimation of future cash flows for such assets by being indicative of the counterparties' ability to pay all amounts due according to the contractual terms of the financial assets being evaluated. Future cash flows of financial assets that are collectively evaluated for impairment are estimated on the basis of historical loss experience for the assets with credit risk characteristics similar to those being evaluated.

3. MATERIAL ACCOUNTING POLICY INFORMATION *(continued)*

Financial Instruments *(continued)*

The carrying amount of the financial assets are reduced through the use of an allowance account and the amount of the loss is recognized in profit or loss. If in a subsequent period, the amount of the impairment loss decreases and the decrease can be objectively linked to an event occurring after the impairment was recognized, the previously recognized impairment loss is reversed by adjusting the allowance account. The amount of the reversal is recognized in profit or loss.

iv) Derecognition of financial instruments

Financial assets are derecognized when the contractual rights to receive the cash flows from these assets have ceased to exist or the assets have been transferred and substantially all the risks and rewards of ownership of the assets are also transferred. If the Company has neither transferred nor retained substantially all the risks and rewards of the transferred financial asset, it assesses whether it has retained control over the transferred asset. If control has been retained, the Company recognizes the transferred asset to the extent of its continuing involvement. If control has not been retained, the Company derecognizes the transferred asset. Any difference between the carrying amount of the asset and the consideration which is determined to have been received is recognized in profit or loss.

The Company derecognizes a financial liability when its contractual obligations are discharged or cancelled or expire. Any difference between the carrying amount of the liability extinguished and the consideration paid is recognized in profit or loss.

For long-term liabilities, derecognition may involve additional considerations such as the time value of money, market conditions at the time of derecognition, and any adjustments due to changes in the fair value of the liability over time. These factors can lead to variations between the carrying amount and the final settlement amount, which are then recognized in profit or loss to reflect the true economic impact of the transaction.

Interest revenue, interest expense and accretion expense

Interest revenue and interest expense are recognized in profit or loss using the effective interest method. The effective interest method uses the rate that exactly discounts the estimated future cash payments and receipts through the expected life of the financial asset or financial liability to the carrying amount of the financial asset or financial liability. When calculating the effective interest rate, the Company estimates future cash flows considering all contractual terms of the financial instrument but does not consider future credit losses.

The calculation of the effective interest method includes all fees and costs paid or received between parties to the contract that are an integral part of the effective interest rate. Transaction costs include incremental costs that are directly attributable to the acquisition or issue of a financial asset or liability. Loan origination fees and fees that are considered to be adjustments to loan yield are recognized using the effective interest method. The effective interest method capitalizes fees and transaction costs on the consolidated statement of financial position and amortizes them to interest income over the expected life of the related financial asset or financial liability. Once a financial asset has been written down as a result of an impairment loss, interest revenue is recognized using the rate of interest used to discount the future cash flows for the purpose of measuring the impairment loss.

Accretion expense is recognized as the carrying amount of a liability increases over time, typically associated with initially discounted liabilities. The discount is amortized until settlement, increasing the liability's carrying amount. The Company's expense is recognized in profit or loss using the effective interest rate method, reflecting the time value of money and ensuring liabilities are recorded at their present value.

3. MATERIAL ACCOUNTING POLICY INFORMATION *(continued)*

Verification fees

The Company provides verification services for financial institutions and other businesses. The Company generates revenue through fees charged to their clients for their verification services. Verification fees are recorded as revenue at the point in time when the service is completed and when collectability is reasonably assured.

Marketing service fees

The Company offers marketing services to clients who use their software and/or services. The Company records marketing service fee revenue over the term of the underlying service contract as the marketing services are provided, or on a monthly basis if there is no underlying service contract, when collectability is reasonably assured.

Subscription fees

The Company offers web-based software solutions to its consumers and may either bill its consumers monthly or for a specified subscription term. The Company records subscription fee revenue over the term of the underlying service contract, or on a monthly basis if there is no underlying service contract, when collectability is reasonably assured.

Service fees

Service fees include loan fees, late payment fees and other fees related to administering loans to the Company's consumers. Services fees are recorded as revenue when collectability is reasonably assured and the service is completed.

Property, equipment and right-of-use assets

Office furniture and equipment are recorded at cost less accumulated depreciation and accumulated impairment losses. Depreciation is recorded using either the declining balance or the straight-line method and is intended to depreciate the costs of assets over their estimated useful lives:

Office furniture	20% declining balance
Computer hardware	55% declining balance
Leasehold improvements	3 years straight line
Right-of-use assets	3 years straight line

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

Intangible assets

Expenditure on research activities is recognized in profit or loss as incurred. Development expenditure is capitalized only if the expenditure can be measured reliably, the product or process is technically and commercially feasible, future economic benefits are probable and the Company intends to and has sufficient resources to complete development and to use or sell the asset. Otherwise, it is recognized in profit or loss as incurred. Subsequent to initial recognition, development expenditure is measured at cost less accumulated amortization and any accumulated impairment losses.

Amortization is recorded annually using the straight-line method and is intended to amortize the costs of the intangible assets over their estimated useful lives:

3. MATERIAL ACCOUNTING POLICY INFORMATION *(continued)*

Intangible assets *(continued)*

Internally generated software	7 years straight line
Score-Up platform	7 years straight line
Credit Meds software	7 years straight line
Inverite platform	7 years straight line
Accumulate.ai assets	7 years straight line
Trademark	Indefinite

Amortization methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate. The useful life, depreciation method, and residual value of an asset are reviewed at least each year-end and any changes are accounted for prospectively as a change in accounting estimate. Depreciation of an asset ceases at the earlier of the date that the asset is classified as held for sale and the date that the asset is derecognized.

Goodwill

Goodwill arises from a business combination as the excess of the consideration transferred over the identifiable net assets acquired. After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill is allocated to the cash-generating unit (CGU) that is expected to benefit from the related business combination. The CGU is tested for impairment annually and whenever there is an indication that the CGU may be impaired. The impairment testing methodology is based on a comparison between the recoverable amount (higher of fair value less costs to sell and value-in-use of the CGU) and the net asset carrying value (including goodwill). If the recoverable amount of the CGU is less than the carrying amount of the CGU, the impairment loss is first allocated to reduce the carrying amount of any goodwill allocated to the CGU and then to the other assets of the CGU. An impairment loss is recognized immediately in profit or loss. Any impairment loss in respect of goodwill is not reversed.

Goodwill recorded at December 31, 2022 arose from the acquisition of Inverite and is allocated to the Company's Inverite CGU. The annual impairment test of goodwill was performed as at March 31, 2024 and did not result in an impairment loss.

Impairment of non-financial assets

At the end of each reporting period, the Company reviews the carrying amounts of long-lived assets to determine whether there is an indication that those assets have suffered any impairment. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment charge (if any).

The recoverable amount used for this purpose is the higher of the fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows 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.

If the recoverable amount of an asset is estimated to be less than its recorded amount, the recorded amount of the asset is reduced to its recoverable amount. An impairment charge is recognized immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease. Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, to a maximum amount equal to the carrying amount that would have been determined had no impairment loss been recognized for the asset in prior years.

3. MATERIAL ACCOUNTING POLICY INFORMATION *(continued)*

Leases

The lease liability is measured at amortized cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, or if there is a change in the estimate or assessment of the expected amount payable under a residual value guarantee, purchase, extension, or termination option. Variable lease payments not included in the initial measurement of the lease liability are charged directly to profit.

Income taxes

Income tax expense is composed of current and deferred taxes. Current and deferred taxes are recognized in profit or loss except to the extent that it relates to items recognized directly in shareholders' deficiency or in other comprehensive income.

Current tax

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable or receivable in respect of previous years.

Deferred tax

Deferred tax is recognized with respect to temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, based on the laws that have been enacted or substantively enacted at the reporting date. Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities against current tax assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realized simultaneously.

A deferred tax asset is recognized for unused tax losses, tax credits and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be utilized. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

Provisions

Provisions are recorded when a present legal or constructive obligation exists as a result of past events where it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate of the amount of the obligation can be made.

The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at the consolidated statement of financial position date, considering the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows. When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, the receivable is recognized as an asset when it is virtually certain that reimbursement will be received and the amount receivable can be measured reliably.

3. MATERIAL ACCOUNTING POLICY INFORMATION*(continued)*

Share capital

Financial instruments issued by the Company are classified as equity only to the extent that they do not meet the definition of a financial liability. The Company's common shares are classified as equity instruments. Incremental costs directly attributed to the issuance of new shares are shown in equity as a reduction, net of tax, of the proceeds received on issue.

When shares recognized as equity are repurchased, the amount of the consideration paid, which includes directly attributable costs, is recognized as a deduction from equity. Repurchased shares are classified as treasury shares and are presented in the treasury share reserve.

Loss per share

The Company presents the basic and diluted loss per share data 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 year. Diluted loss per share is determined by adjusting the loss attributable to common shareholders and the weighted average number of common shares outstanding for the effects of all dilutive potential common shares. As at March 31, 2024 and December 31, 2022, the Company's potential common shares from outstanding share purchase options and warrants have not been considered in calculating diluted earnings per share as their effect would be anti-dilutive.

Use of Estimates and Judgments

The preparation of these consolidated financial statements requires management to make estimates and judgments and to form assumptions that affect the reported amounts and other disclosures in these consolidated financial statements. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances. The results of these assumptions form the basis of making the judgments about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates under different assumptions and conditions.

The estimates and underlying assumptions are reviewed on an ongoing basis. Changes to accounting estimates are recognized in the period in which the estimate is revised and all future periods which are affected by the change in estimate. The principal areas where critical estimates and judgments have been applied are described below:

<u>Impairment losses on loans receivable</u>
The Company regularly reviews its loans receivable for potential impairment. In determining whether an impairment loss should be recorded in profit or loss, the Company considers whether there is any observable data indicating that an increase in the credit risk or a decrease in the estimated future cash flows from a loan has occurred. This evidence may include observable data indicating that there has been an adverse change in the payment status of the borrower. Management uses estimates based on valuation techniques including the discounted cash flow model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of estimation is required. The estimates include future market interest rates.

3. MATERIAL ACCOUNTING POLICY INFORMATION *(continued)*

Use of Estimates and Judgments *(continued)*

Impairment of intangible assets and goodwill

Intangible assets which are available for use and have a definite useful life are assessed for indicators of impairment at the end of each reporting period. If indicators of impairment exist, the Company will test those intangible assets for impairment. The Company tests intangible assets with an indefinite useful life, intangible assets which are not yet ready for use, and goodwill on an annual basis. Significant judgment is required in determining the useful lives and recoverable amounts of these assets, evaluating the appropriate allocation of assets to cash-generating units, and assessing whether certain events or circumstances constitute objective evidence of impairment. Estimates of the recoverable amounts of these assets rely on certain inputs and assumptions, including future cash flows and discount rates, and may be sensitive to changes in these inputs and assumptions. Future cash flows are based on revenue projections and allocated costs which are estimated based on historical and forecast results and business initiatives. Discount rates are based on an assessment of current market assessments of the time value of money and the risks specific to the asset or cash-generating unit.

Income taxes

Income tax expenses recorded in these consolidated financial statements are not final until tax returns are filed and accepted by taxation authorities. Therefore, results of operations in future reporting periods may be affected by the difference between the income tax expense estimates and the final tax assessments. Estimation of income taxes includes evaluating the recoverability of deferred tax assets based on an assessment of the ability to use the underlying future tax deductions against future taxable income. The assessment is based on enacted tax acts and estimates of future taxable income.

Business combinations

Management determines whether assets acquired, and liabilities assumed constitute a business. A business consists of inputs and processes applied to those inputs that have the ability to create outputs. On April 12, 2021, Inverite completed the acquisition of 100% of the shares of Inverite (Note 4) which was accounted for as a business combination at fair value in accordance with IFRS 3, “Business Combinations” as the operations of Inverite meet the definition of a business. The acquired assets and assumed liabilities were adjusted to their fair values assigned through completion of a purchase price allocation, as described in Note 4. On October 18, 2022, Accumulate.ai completed the acquisition of certain assets related to a marketing services business (Note 5) which was accounted for as a business combination at fair value in accordance with IFRS 3, “Business Combinations” as the operations of the assets met the definition of a business. The purchase price allocation process resulting from a business combination requires management to estimate the fair value of identifiable assets acquired including intangible assets and liabilities assumed. The valuations are closely linked to the assumptions used by management on the future performance of the related assets and the discount rates applied.

4. ACQUISITION OF INVERITE VERIFICATION

On April 12, 2021, the Company acquired all of the issued and outstanding shares of Inverite Verification for a purchase price of $1,460,000 plus an earn out provision of up to $2,500,000 which will be based on a multiple of annual incremental revenues (“AIR”) of Inverite Verification over the two consecutive one-year periods following the closing date, payable in cash or common shares at the option of the Company. The effective price of any common shares issued in satisfaction of the payment of any portion of the earn-out amount will be the greater of (i) the volume weighted average price of the common shares of the Company for the 10 consecutive trading days preceding the last day of the applicable earn-out period, and (ii) closing share price on the last trading day prior to the closing date, which was $0.235 per share.

(Presented in Canadian Dollars)

4. ACQUISITION OF INVERITE VERIFICATION *(continued)*

The fair value of the consideration transferred has been allocated to the assets acquired and liabilities assumed based on their estimated fair values at the date of acquisition as follows:

Purchase price consideration		
Cash	$	1,460,000
Estimated fair value of earn-out provision		982,000
	$	2,442,000
Assets acquired and liabilities assumed		
Working capital	$	37,378
Loan payable		(40,000)
Deferred income tax liability		(386,432)
Intangible assets		1,431,230
Goodwill		1,399,824
	$	2,442,000

A reconciliation of the earn-out provision subsequent to the date of acquisition is as follows:

Earn-out provision, December 31, 2021	$	982,000
Settled through the issue of 1,577,000 shares (Note 14)		(370,595)
Increase in earn out provision		69,595
Earn-out provision, December 31, 2022		681,000
Increase in earn out provision		2,148
Settled through the issue of 2,907,011 shares (Note 14)		(683,148)
Earn-out provision, March 31, 2024	$	-

5. ACQUISITION OF ACCUMULATE.AI ASSETS

On October 18, 2022, Accumulate.ai, a subsidiary of the Company, completed the acquisition of certain assets related to a marketing services business for consideration of up to CDN$550,000. The purchase price payable is comprised of: (i) a cash payment of $125,000 paid on closing, of which $25,000 was paid into escrow, and (ii) an earn-out of up to $425,000 equal to 33-1/3% of the net income of the acquired business realized during the eight successive quarterly financial reporting periods following the closing date. On October 19, 2023, the Company entered into an agreement with the vendor whereby the vendor agreed to return the $25,000 held in escrow back to the Company.

Subject to regulatory approval, the earn-out will be paid in the form of common shares of Inverite issued from treasury, calculated based on the volume weighted average closing trading price (“VWAP”) of Inverite common shares on the Canadian Securities Exchange for the five prior trading days ending three trading days prior to the end of each financial quarter. The earn-out shall cease and be of no further effect if the net income of the business is negative for two successive fiscal quarters during the earn-out period. As at March 31, 2024, the earn-out provision had ceased as net income was negative for two successive fiscal quarters.

The transaction was accounted for as a business combination and, as the assets and operations acquired meet the definition of a business, all transaction costs were expensed.

(Presented in Canadian Dollars)

5. ACQUISITION OF ACCUMULATE.AI ASSETS *(continued)*

The fair value of the consideration transferred has been allocated to the assets acquired and liabilities assumed based on their estimated fair values at the date of acquisition as follows:

Purchase price consideration		
Cash	$	125,000
Assets acquired and liabilities assumed		
Intangible assets		125,000

During the period ended March 31, 2024, the Company impaired the carrying values for the Accumulate ai intangible assets to $nil and recorded an impairment loss in the aggregate amount of $89,419.

6. LOANS RECEIVABLE

The Company previously provided loans to consumer debtors who met the Company's evaluation criteria and who would use the borrowed funds to settle debts under formal restructuring plans (Consumer Proposals) agreed upon by the creditors of the consumer debtors as well as loans provided to consumers pursuant the Company's Boost loan program. The majority of the loans issued to consumer debtors and Boost loans were unsecured. The debt restructuring loans receivable generally bear interest between 18.99% and 24.99% and mature between three and seven years from the date of issuance. Boost loans are 12-month interest free installments loans used to finance a 12-month subscription to the Company's MyMarble Premium subscription product. During the period ended March 31, 2024, the Company discontinued MyMarble subscription services and Boost loans.

Loans receivable and interest receivable

		March 31, 2024		December 31, 2022
Unsecured personal loans	$	316,599	$	750,160
Less: allowance for loan impairment		(116,133)		(151,402)
Total loans and interest receivable, net of allowance for loan impairment		200,466		598,758
Interest receivable, current portion		(13,295)		(5,339)
Loans receivable, current portion		(68,391)		(241,519)
Loans receivable – non-current portion	$	118,780	$	351,900

Reconciliation of allowance for loan impairment

		March 31, 2024		December 31, 2022
Balance, beginning of the year	$	151,402	$	98,289
Change in provision for impairment losses		(35,269)		53,113
Balance, end of the period	$	116,133	$	151,402

The Company makes estimates of expected loan receivable impairment losses based on the probability of credit losses occurring and considering the delinquency of the loans outstanding, past experiences regarding losses, and an ongoing assessment of the market and of individual consumer debtors. The Company also categorizes its loans by the number of days the loan payments are past due and estimates the probability of credit losses within these categories. The allowance for credit losses is maintained at a level that the Company considers adequate to absorb credit-related losses over the next 12 months, where loan payments are current and credit risk has not significantly increased, and over the lifetime of the loan, where loan payments are past due or credit risk has significantly increased.

(Presented in Canadian Dollars)

6. LOANS RECEIVABLE *(continued)*

The allowance for credit losses of $116,133 represents 36.68% of the Company's outstanding loans receivable balance, inclusive of interest receivable, as at March 31, 2024 (December 31, 2022 – 20.18%). The increase in allowance for credit losses as a percentage of the loan portfolio is due to an increase in the proportion of loans where payments are past due and a change in the expectation of loan repayments partly as a result of factors that impact on the financial condition of the Company's consumer debtors.

A loan receivable is considered past due when a consumer debtor has not made a payment by the contractual due date and written off when the consumer debtor has declared bankruptcy or applied for a consumer protection, or the Company has sent the loan receivable to an external collection agency for collections. During the period ended March 31, 2024, the Company recovered $32,438 (December 31, 2022 – write off of $247,654) in loans and interest receivable.

Loans receivable past due

The following tables present the carrying values of loans that are past due but which have not been written off because: (i) the Company is in continuous contact with the consumer debtor and the Company and the consumer debtor have established an appropriate repayment plan, or (ii) the loan receivable is secured and the fair value of the collateral is sufficient to cover the carrying value of the loan receivable.

March 31, 2024	**30-60 days**	**61-90 days**	**Over 90 days**	**Total**
Personal loans	$ 12,194	$ 4,251	$ 129,466	$ 145,911
Total past due	$ 12,194	$ 4,251	$ 129,466	$ 145,911

December 31, 2022	**30-60 days**	**61-90 days**	**Over 90 days**	**Total**
Personal loans	$ 16,940	$ 17,227	$ 132,557	$ 166,724
Total past due	$ 16,940	$ 17,227	$ 132,557	$ 166,724

Contractual maturities

The contractual maturities of loans receivable as at March 31, 2024 are as follows:

	Under 1 year	**1-5 years**	**Over 5 years**	**Total**
Unsecured personal loans and interest receivable	$ 142,735	$ 165,740	$ 8,125	$ 316,599
Less: allowance for credit losses				(116,133)
Loans and interest receivable, net				$ 200,466

(Presented in Canadian Dollars)

7. PROPERTY, EQUIPMENT, AND RIGHT-OF-USE ASSETS

	Leasehold Improvement	Right-of-use assets	Furniture	Computers	Total
Cost					
December 31, 2021	$ 5,404	$ 30,218	$ 35,361	$ 38,344	$ 109,327
Additions	-	292	-	5,650	5,942
Disposals	-	-	-	-	-
December 31, 2022	$ 5,404	$ 30,510	$ 35,361	$ 43,994	$ 115,269
Additions	-	-	-	-	-
March 31, 2024	$ 5,404	$ 30,510	$ 35,361	$ 43,994	$ 115,269
Accumulated Amortization					
December 31, 2021	$ 5,404	$ 30,218	$ 20,512	$ 22,860	$ 78,994
Amortization	-	292	2,970	11,176	14,438
December 31, 2022	$ 5,404	$ 30,510	$ 23,482	$ 34,036	$ 93,432
Amortization	-	-	2,970	6,847	9,817
March 31, 2024	$ 5,404	$ 30,510	$ 26,452	$ 40,883	$ 103,249
Carrying values					
December 31, 2022	$ -	$ -	$ 11,879	$ 9,958	$ 21,837
March 31, 2024	$ -	$ -	$ 8,909	$ 3,111	$ 12,020

(Presented in Canadian Dollars)

8. INTANGIBLE ASSETS

	Internally developed software	Score-Up platform	Credit Meds software	Trademark	Inverite Verification platform	Accumulate. ai assets	Total
Cost							
December 31, 2021	$ 439,200	$ 246,893	$ 60,000	$ 17,567	$ 1,431,230	$ -	$2,194,890
Acquisition	-	-	-	-	-	125,000	125,000
December 31, 2022	$ 439,200	$ 246,893	$ 60,000	$ 17,567	$ 1,431,230	$ 125,000	$2,319,890
Acquisition (refund)	-	-	-	-	-	(25,000)	(25,000)
March 31, 2024	$ 439,200	$ 246,893	$ 60,000	$ 17,567	$ 1,431,230	$ 100,000	$2,294,890
Amortization and Impairment Losses							
December 31, 2021	$ 114,003	$ 59,666	$ -	$ -	$ 101,379	$ -	$ 275,048
Amortization	43,921	24,689	-	-	143,123	1,206	212,939
Impairment loss	281,276	162,538	60,000	-	-	-	503,814
December 31, 2022	$ 439,200	$ 246,893	$ 60,000	$ -	$ 244,502	$ 1,206	$ 991,801
Amortization	-	-	-	-	360,363	9,375	369,738
Impairment loss	-	-	-	17,567	-	89,419	106,985
March 31, 2024	$ 439,200	$ 246,893	$ 60,000	$ 17,567	$ 604,865	$ 100,000	$ 1,468,525
Carrying value							
December 31, 2022	$ -	$ -	$ -	$ 17,567	$ 1,186,728	$ 123,794	$ 1,328,089
March 31, 2024	$ -	$ -	$ -	$ -	$ 826,365	$ -	$ 826,365

Due to the uncertainty in the timing and amount of future cash flows from operations and unobservable market values for comparable intellectual property, the Company wrote down the carrying values for each of its internally developed software, Score-Up platform and CreditMeds software to $nil and recorded an impairment loss in the aggregate amount of $503,814 during the year ended December 31, 2022. The recoverable amount was determined on the basis of value in use, using a discount rate of 22.9%. The Company may continue to develop these platforms and software and if so, revisit the recoverable amount at each reporting period.

Due to the uncertainty in the timing and amount of future cash flows from operations and unobservable market values for comparable intellectual property, the Company wrote down the carrying values for the Accumulate ai assets to $nil and recorded an impairment loss in the aggregate amount of $89,419 during the period ended March 31, 2024. The recoverable amount was determined on the basis of value in use, using a discount rate of 21.62%. On October 19, 2023, Inverite and its wholly owned subsidiary, Accumulate.ai Software, entered into an agreement with the vendor of the Accumulate.ai assets, whereby the vendor agreed to return the $25,000 held in escrow back to the Company.

(Presented in Canadian Dollars)

8. INTANGIBLE ASSETS *(continued)*

In the current year, the Company changed its business name to Inverite Insights Inc. and wrote down the trademark's intangible value to $Nil. Furthermore, the Company revised the useful economic life of the Inverite Verification platform assets, comprising acquired software and related technological processes, from 10 years to 7 years. This adjustment reflects management's assessment of the technology's efficiency and usage in light of the Company's evolving activities. As a result, the Company recorded accelerated depreciation of $360,363 for the period ended March 31, 2024. These assets are now expected to be fully depreciated by fiscal year-end 2028, with a remaining net book value of $826,365 as of March 31, 2024.

9. CONVERTIBLE DEBENTURES

On April 7, 2021, the Company closed a non-brokered private placement of unsecured convertible debentures (the "New Debentures") with an aggregate principal amount of $1,303,000. The New Debentures had a 15-month term from the date of issuance and accrue simple interest at a rate of 10% per annum, payable semi-annually. The principal amount of the New Debentures and all accrued but unpaid interest are convertible, at the option of the holder, into units at a price of $0.30 per unit. Each unit is comprised of one common share and one-half of one share purchase warrant, with a whole warrant exercisable to purchase a common share at a price of $0.45 until 21 months after the closing date. The Company may force conversion of the principal amount into units at $0.30 per unit if at any time after four months and a day after the closing date, the common shares have traded or closed on the CSE at $0.60 or more for 10 consecutive trading days. In connection with the private placement, the Company paid an aggregate of $40,150 in finder fees and issued an aggregate of 133,832 finder warrants with an estimated fair value of $9,641 using the Black-Scholes pricing model using the following weighted average assumptions:

Risk-free rate	0.26%
Expected life of finder warrants	1.25 years
Annualized volatility	80%
Dividend rate	0%

Each finder warrant is exercisable into one common share at a price of $0.30 for a period of 15 months following closing. (See Note 14).

In August 2021, the Company entered into amending agreements with the New Debentures holders to extend the maturity date from July 7, 2022 to December 31, 2022, and in respect of the underlying warrants issuable on conversion to extend their expiry date from January 7, 2023 to June 30, 2023. On November 28, 2022, $500,000 New Debentures, plus outstanding accrued interest thereon, were used as payment to settle subscriptions in a non-brokered private placement. See Notes 14 and 15. A loss on settlement of $6,870 was recorded.

On February 21, 2023 the Company entered into agreements with convertible debenture holders to settle convertible debentures with a principal amount of $803,000 which matured on December 31, 2022 through the issuance of new convertible debentures. $71,079 was transferred from equity portion of convertible debentures to deficit as a result. On March 6, 2023, Inverite issued an aggregate of $814,440 principal amount of new convertible debentures (the "2023 Debentures") in exchange for the full settlement and discharge owing on the $803,000 principal amount of convertible debentures that matured on December 31, 2022 plus unpaid accrued interest thereon of $11,440. The 2023 Debentures mature on July 31, 2023 and bear simple interest at a rate of 10% payable on the maturity date. The principal amount of the 2023 Debentures were convertible, at the option of the holder, into common shares of Inverite at a price of $0.10 per share, subject to a forced conversion provision.

(Presented in Canadian Dollars)

9. CONVERTIBLE DEBENTURES *(continued)*

On August 14, 2023, the Company settled accrued interest payable of $35,701 to July 31, 2023 related to the 2023 Debentures through the issuance of 714,027 common shares at $0.06 per share. A loss on settlement of $7,140 was recorded. On September 28, 2023, the Company entered into new agreements with the convertible debenture holders to settle the 2023 Debentures with a principal amount of $814,440 that had matured on July 31, 2023, through the issuance of new convertible debentures. In exchange for the full settlement and discharge of the $814,440 principal amount of 2023 Debentures, plus unpaid accrued interest of $12,942, the Company issued an aggregate of $827,382 principal amount of new convertible debentures on September 28, 2023 (referred to as the ”2024 Debentures”). The 2024 Debentures are set to mature on September 28, 2024, and they bear simple interest at a rate of 10%, payable on April 1, 2024 and on maturity. The principal amount of the 2024 Debentures is convertible at the option of the holder at $0.07, and any accrued interest on any principal converted will be concurrently paid in common shares at a deemed price per share, which is determined as the greater of the most recent closing price for the common shares preceding the date of conversion and $0.05.

The following is a continuity of the liability component of the Debentures and New Debentures:

	March 31, 2024	December 31, 2022
Balance, beginning of year	$ 803,000	$ 1,203,446
Issue of New Debentures	1,641,822[1]	-
Equity component of New Debentures	(63,974)	-
Payments	-	-
Redemption	(1,617,440)[1]	(493,130)
Accretion of convertible debentures	30,879	92,684
Balance, end of year	$ 794,287	$ 803,000

(1) See description of convertible debenture transactions above. The Company issued 2024 Debentures of $827,382 to replace 2023 Debentures of $814,440 and interest of $12,942. No cash proceeds received or used in relation to the issuance or redemption of convertible debentures during the period.

10. LOANS PAYABLE

	March 31, 2024	December 31, 2022
BDC Loans	$ 5,590	$ 20,375
Loans from related parties (Note 15)	-	50,000
Other loans	666,563	131,528
CEBA Loans	80,000	70,000
Total loans payable	752,153	271,903
Loans payable – current	(751,723)	(265,023)
Loans payable – non-current	$ 430	$ 6,880

The BDC Loans, acquired through the acquisition of Score-Up in 2019, bear interest at 8.05% per annum, require monthly payments inclusive of principal and interest, and mature on May 10, 2023, and October 10, 2024. During the period ended March 31, 2024, the Company made aggregate payments on the BDC Loans in the amount of $16,399 inclusive of interest and administration fees of $1,614.

As at March 31, 2024, the Company owed an aggregate of $Nil principal amount of loans to related parties (December 31, 2022 - $50,000). As at March 31, 2024, the Company owed an aggregate of $666,563 (December 31, 2022 - $131,528) of loans to a company controlled by a significant shareholder (>10%) which bear interest at a rate of 12% per annum and have no fixed terms of repayment.

10. LOANS PAYABLE *(continued)*

During the period ended December 31, 2020, the Company received a $40,000 Canada Emergency Business Account loan (the "CEBA Loan"). The CEBA Loan carries interest at 5% per annum with full principal repayment due on December 31, 2026. As part of the acquisition of Inverite Verification, the Company acquired an additional $40,000 of CEBA loans under the same repayment terms as the CEBA Loan.

11. CREDIT FACILITY AGREEMENT

On July 26, 2021 the Company secured funding for new Fast-Track loans through a definitive credit facility agreement (the "Credit Facility Agreement") amongst Inverite, 1301771, TPFM, and CHP Agent Services Inc. ("CHP"), a subsidiary of Cypress Hills Partners Inc. The Credit Facility Agreement provides for a $10 million credit facility to Inverite, through 1301771 as borrower, with TPFM as servicing agent for originations, adjudications, administration and monitoring of the new Fast-Track loans or other loans as approved by CHP and the lenders, and CHP acting as administrative and collateral agent on behalf of the lenders. The aggregate amount of the funding is determined as a selected percentage (the "Advance Rate") of the outstanding Eligible Customer Loans (as defined in the Credit Facility Agreement) in the loan portfolio, adjusted for customer loan payments received less accrued but unpaid amounts owing to CHP and the Lenders under the Credit Facility Agreement (the "Borrowing Base"), with an initial Advance Rate at 95% (the maximum) and a minimum threshold of 80%. The current amount of the credit facility is $10,000,000 (the "Facility Amount"), with an option to increase the amount to $20,000,000 upon mutual agreement. Interest is charged at Canadian Prime (subject to a ceiling of 5.0% and a floor of 3.5%) plus 13%, with a provisional discount if the Advance Rate is less than 95%. The maturity date for all funds advanced is three years after the date of the first funding advance, with an option to extend for a further two years upon mutual agreement. In connection with the Credit Facility Agreement, 1301171 has provided a general security agreement ("GSA") and each of Inverite and TPFM has provided a limited guarantee and a "bad act" guarantee together with a GSA. Upon borrowing funds, the Company must also maintain $300,000 in unrestricted cash, and the Company has provided CHP with board of director observer rights and a right of first refusal on any additional debt or securitization financing beyond the Facility Amount. As at March 31, 2024 and December 31, 2022, $nil has been borrowed pursuant to the Credit Facility Agreement. During the period ended March 31, 2024, the Company ceased offering Fast-Track loans and determined that it no longer requires pursuit of the Credit Facility Agreement.

12. BONDS

Effective April 6, 2023, Inverite entered into bond assumption and assignment agreements with TPF such that Inverite assumed all of the obligations related to the bond and interest payables pursuant to TPF bonds outstanding as at April 6, 2023. Effective April 6, 2023, Inverite also entered into debt settlement agreements ("Debt Settlement Agreements") with each of the holders of the bonds outstanding in order to complete the bond restructuring transaction to settle an aggregate of $5,775,220 of bond and interest debt (the "Bond Debt Restructuring"). Pursuant to the Debt Settlement Agreements, bondholders agreed to settle their bond and accrued interest amounts outstanding through a combination of shares for debt, debt forgiveness and/or waiver of interest expense accrued from Q1 2022 to April 6, 2023.

On April 6, 2023, Inverite closed the first tranche of the Bond Debt Restructuring with certain bondholders. Inverite settled an aggregate of $4,150,544 of bonds payable and accrued interest payable outstanding through a combination of shares for debt ($3,210,872 settled through issuance of 33,644,957 shares), debt forgiveness ($460,873) and waiver of interest ($478,799). As a result, Inverite recorded a gain on debt settlement of $1,795,396.

(Presented in Canadian Dollars)

12. BONDS *(continued)*

On May 16, 2023, Inverite closed the second and final tranche of the Bond Debt Restructuring with the remaining bondholders. Inverite settled an aggregate of $1,624,676 of bonds payable and accrued interest payable outstanding through a combination of shares for debt ($858,543 settled through issuance of 10,653,893 shares), debt forgiveness ($620,543) and waiver of interest ($145,590). As a result, Inverite recorded a gain on debt settlement of $1,145,252. As a result of the two closings, the Company eliminated all of its bond debt and bond interest obligations.

	March 31, 2024	December 31, 2022
10% bonds – original offering (Note 12(a))	$ -	$ 672,696
9% bonds – new offering (Note 12(b))	-	670,307
8% bonds – new offering (Note 12(b))	-	20,000
10% bonds – amended (Note 12(c))	-	3,607,095
10% bonds – new offering (Note 12(c))	-	250,000
Total bonds, net of associated transaction costs	-	5,220,097
Bonds payable – current	-	(5,220,097)
Bonds payable – non-current	$ -	$ -

a) 10% bonds – original offering

During previous years, the Company had issued an offering memorandum (the "Original Offering") for unsecured bonds of up to a maximum of 15,000 bonds at a price of $1,000 per bond, for expected total gross proceeds of $15,000,000. The Original Offering was closed on July 15, 2016 when the New Offering commenced (Note 12(b)).

At the time of purchase, subscribers elected one of the following options with respect to the 10% interest payable on the bonds:

- a bond which entitled the holder to 10% simple interest per annum, payable quarterly at the equivalent quarterly rate of 2.5% within 15 business days of March 15, June 15, September 15 and December 15 of each year during the term of the bond; or
- a bond which entitled the holder to 10% compound interest calculated annually and payable on the date the bonds are redeemed by the Company in accordance with the terms of the Original Offering.

In the absence of written notice from the bondholder on or before August 31, 2018, the bonds shall mature on November 30, 2023 (the "Second 10% Maturity Date").

Subject to (i) an annual maximum redemption limit of 10% of the bonds outstanding as of the last day of the previous calendar year, and (ii) cash flow of the Company, any individual bondholder may request an early redemption by providing 90 days prior written notice (the "Early Redemption Notice"). Bondholders who redeem some or all of their bonds prior to the First and/or Second 10% Maturity Dates are subject to the following redemption fees:

12. BONDS *(continued)*

- Early Redemption Notice received between December 1, 2018 and November 30, 2019 - a redemption fee equal to 5% of the principal amount of the bonds being redeemed by the Company.
- Early Redemption Notice received between December 1, 2019 and November 30, 2020 - a redemption fee equal to 4% of the principal amount of the bonds being redeemed by the Company.
- Early Redemption Notice received between December 1, 2020 and November 30, 2021 - a redemption fee equal to 3% of the principal amount of the bonds being redeemed by the Company.
- Early Redemption Notice received between December 1, 2021 and November 30, 2022 - a redemption fee equal to 2% of the principal amount of the bonds being redeemed by the Company.
- Early Redemption Notice received between December 1, 2022 and November 29, 2023 - a redemption fee equal to 1% of the principal amount of the bonds being redeemed by the Company.

Redemption fees are deducted by the Company from the redemption amount to be paid to the bondholder.

During the year ended December 31, 2022, $20,000 bonds under the Original Offering were redeemed.

b) 8% and 9% bonds – new offering

On July 15, 2016, the Company issued a new offering memorandum (the "New Offering") for a maximum of 50,000 unsecured bonds, at a price of $1,000 per bond, for expected total gross proceeds of $50,000,000 and comprising of one year 8% bonds and three year 9% bonds. The 8% bonds can be redeemed on the first anniversary of the date of issue to the bondholder (the "First 8% Maturity Date") and the 9% bonds can be redeemed on the third anniversary of the date of issue to the bondholder (the "First 9% Maturity Date").

At the time of purchase, the subscribers elected one of the following two options with respect to the 8% or 9% interest payable on the bonds:

- the bond entitled the holder to 8% or 9% simple interest per annum, payable monthly at the equivalent monthly rate of 0.67% or 0.75%, respectively, within 15 business days of the end of each month, during the term of the bond; or

- the bond entitled the holder to 8% or 9% compound interest calculated annually and payable on the date the bond is redeemed by the Company in accordance with the terms of the New Offering.

In the absence of written notice from the bondholder at least 90 days prior to the First 8% Maturity Date or the First 9% Maturity Date, the bonds shall mature on the following dates:

- in the case of the 8% bonds, on the next occurring anniversary of the First 8% Maturity Date if at least 90 days prior to such anniversary a redemption notice has been delivered (the "Subsequent 8% Maturity Date"); and
- in the case of the 9% bonds, on the third anniversary of the First 9% Maturity Date (the "Second 9% Maturity Date").

On each Subsequent 8% Maturity Date and the Second 9% Maturity Date, the Company can redeem all 8% bonds that have not been reinvested (that is, where the maturity date has not been extended) and all 9% bonds, respectively, outstanding on that date by payment of the principal amount of the bonds and all accrued and unpaid interest thereon. Subject to (i) an annual maximum redemption limit of 10% of the bonds outstanding as of the last day of the previous calendar year, and (ii) cash flow of the Company, any individual bondholder may request redemption of some or all of their bonds by providing 90 days prior written notice (the "Early Redemption Notice").

12. BONDS *(continued)*

8% bondholders who redeem some or all of their bonds prior to the First and/or Subsequent 8% Maturity Date are subject to a redemption fee equal to 2.5% of the principal amount of the bonds being redeemed by the Company.

9% bondholders who redeem some or all of their bonds prior to the First and/or Second 9% Maturity Date are subject to the following redemption fees:

- Early Redemption Notice received on or after the second anniversary, but prior to the third anniversary, of the date the bond was issued – a redemption fee equal to 2% of the principal amount of the bonds being redeemed by the Company, except where a bondholder's request is in accordance with the First 9% Redemption Notice.
- Early Redemption Notice received on or after the third anniversary, but prior to the fourth anniversary, of the date the bond was issued – a redemption fee equal to 6% of the principal amount of the bonds being redeemed by the Company.
- Early Redemption Notice received on or after the fourth anniversary, but prior to the fifth anniversary, of the date the bond was issued – a redemption fee equal to 4% of the principal amount of the bonds being redeemed by the Company.
- Early Redemption Notice received on or after the fifth anniversary, but prior to the sixth anniversary, of the date the bond was issued – a redemption fee equal to 2% of the principal amount of the bonds being redeemed by the Company.

Redemption fees are deducted by the Company from the redemption amount to be paid to the bondholder.

c) Amended 10% bonds

On November 15, 2018, the Company amended the terms of 10% bonds (Note 12(a)) with a total principal value of $3.08 million and 8% bonds (Note 12(b)) with a total principal value of $415,000. The maturity date of the bonds has been extended from November 30, 2018 to November 30, 2023, with principal repayments to be made in 16 equal instalments, payable on the 15th day of March, June, September and December of each year beginning on March 15, 2020. Interest on the outstanding principal of the 10% bonds accrue at 10% simple interest per annum and is due on a quarterly basis, beginning on December 15, 2018. On November 15, 2018, the Company further amended the repayment of interest to commence on March 15, 2019. Interest on the outstanding principal of the 8% bonds is payable on a monthly basis. The Company has deferred the principal repayments until the Company is in a position to make the cash payments.

The amendments of the bond terms became effective on March 21, 2019 when the initial public offering was completed and the Company became a reporting issuer.

On June 26, 2018, the Company issued additional bonds with a principal amount of $250,000 with the same terms as the amended bonds.

(Presented in Canadian Dollars)

13. LEASE LIABILITIES

On January 21, 2021, the Company entered into a sublease agreement of its head office, commencing May 1, 2021 and expiring August 30, 2022. The sublease is for the amount of $214,474 per annum and will reduce the Company's minimum lease payments by $114,040 over the sublease term. During the year ended December 31, 2021, the Company recorded a loss of $1,884 on recognition of the sublease and derecognized the corresponding right-of-use asset.

As at December 31, 2022 and March 31, 2024, the balance of lease liabilities was $nil.

The following is a reconciliation of the changes in the lease liabilities:

		March 31, 2024		December 31, 2022
Opening balance	$	-	$	125,230
Lease accretion		-		3,676
Payments		-		(128,906)
Lease liabilities	$	-	$	-

14. SHARE CAPITAL

Authorized share capital

- An unlimited number of common shares without par value.
- An unlimited number of non-voting shares without par value.
- An unlimited number of special shares without par value.

Issued share capital

As at March 31, 2024, Inverite had 196,499,369 (December 31, 2022 – 121,508,618) common shares issued and outstanding. No non-voting shares and no special shares are issued and outstanding.

During the period ended March 31, 2024, Marble completed the following share issuances:

a) Inverite issued a total of 12,913,300 $0.05 Units inclusive of finder's fee shares, for proceeds of $625,330 through non-brokered private placements.

b) Inverite issued a total of 11,121,670 $0.07 Units inclusive of finder's fee shares, for proceeds of $731,570 through non-brokered private placements.

c) Inverite issued a total of 44,298,850 common shares to settle $4,069,415 of bond and accrued interest payables as a part of the Bond Debt Restructuring transaction involving TPF and the holders of TPF bonds.

d) Inverite issued a total of 600,000 common shares pursuant to the vesting of restricted share units. An aggregate of $49,500 was transferred from reserves to share capital.

e) Inverite issued 600,000 common shares in exchange for the exercise of 600,000 options, each having an exercise price of $0.05.

14. SHARE CAPITAL *(continued)*

Issued share capital *(continued)*

f) Inverite issued 2,907,011 common shares at a deemed price of $0.235 per share in satisfaction of the year two earnout provision related to the acquisition of Inverite Verification (see Note 4).

g) Inverite issued 1,835,893 common shares at a fair market value of $0.05 per share in exchange for settling a total of $102,275 in accounts payable.

h) Inverite issued 714,027 common shares at a fair market value of $42,842 to settle $35,701 of accrued interest payable pursuant to the 2023 Debentures (see Note 9).

During the year ended December 31, 2022, Inverite completed the following share issuances:

a) Inverite issued a total of 1,366,000 $0.07 Units, inclusive of finder's fee shares, for proceeds of $95,620 through non-brokered private placements.

b) Inverite issued 19,586,437 $0.07 Units for an aggregate subscription amount of $1,371,051. An aggregate of $542,167 was settled through the exchange of currently outstanding convertible debentures and interest thereon, of which $325,300 was with related parties. The original loan agreements were terminated, and the principal amount of loans and outstanding interest to October 31, 2022, totaling $728,884 (of which $435,021 was with related parties), were treated as subscription advances towards subscriptions in the first tranche closing (See Notes 9 and 15).

c) Inverite announced that it would temporarily reduce the exercise price of its warrants (other than warrants issued as compensation to agents and finders) (the "Eligible Warrants") to $0.10 for a period of 30 days ending on June 24, 2022. If an Eligible Warrant was exercised at the reduced exercise price within the 30-day period, each common share issued on exercise would be accompanied by an additional common share purchase warrant entitling the holder to purchase one common share of the company at a price of $0.20 until December 24, 2023. Upon the expiry of the 30-day period, any unexercised Eligible Warrants reverted to their original exercise price and expiry date. Between May 31, 2022, and June 24, 2022, Inverite issued an aggregate of 4,883,998 common shares pursuant to the exercise of Eligible Warrants at a price of $0.10 per share for proceeds of $488,399 and issued an aggregate of 4,883,988 warrants exercisable at $0.20 per share until December 24, 2023.

d) Inverite issued a total of 800,000 common shares pursuant to the vesting of restricted share units. An aggregate of $113,250 was transferred from reserves to share capital.

e) Inverite issued 1,577,000 common shares at a deemed price of $0.235 per share in satisfaction of the year one earnout provision related to the acquisition of Inverite Verification.

Shares Issuable

On January 22, 2021, Inverite launched a 12-month online marketing campaign through AGORACOM Internet Relations Corp. The total cost of the campaign was $75,000 plus applicable taxes, payable through the issuance of common shares with the first 20% of the fee payable on the commencement date and 20% at the end of each of the third, sixth, ninth and twelfth months thereafter. Inverite issued 40,843 common shares on January 27, 2021 from treasury, for the first installment of the fee plus applicable taxes. The fair value of the 40,843 common shares was determined to be $15,000 plus tax. As at March 31, 2024, Inverite had not issued shares representing the fees payable for the second, third, fourth and fifth installments. As a result, Inverite has recorded $67,800 of shares issuable. Subsequent to the year end March 31, 2024, Inverite had not issued the shares.

(Presented in Canadian Dollars)

14. SHARE CAPITAL *(continued)*

Shares Issuable *(continued)*

On December 13, 2023, 600,000 options with an exercise price of $0.05 have been exercised, the Company received $30,000 and recorded as shares issuable as of March 31, 2024. The Company issued 600,000 shares during the period ended March 31, 2024.

Subscriptions received in advance

During the period ended March 31, 2024, the Company received $220,000 from directors of the Company as an advance to a private placement and recorded as subscriptions received in advance. During the period ended March 31, 2024, the Company issued 4,400,000 $0.05 Units for proceeds of $220,000 pursuant to a non-brokered private placement.

Share purchase options

The Company has a share purchase option plan (the "Share Purchase Option Plan") under which it is authorized to grant options for the acquisition of its common shares to directors, employees and consultants up to a maximum of 10% of the issued and outstanding common shares of Inverite at the time the plan was adopted. The exercise price shall not be less than the market price of Inverite's common shares as at the grant date and in accordance with CSE policies. The options may be granted for a maximum term of five years. Options granted to directors, employees and consultants, other than consultants engaged in investor relations activities, will generally be subject to standard vesting provisions as to 25% on the date of grant and 25% on each anniversary date, such that all share purchase options fully vest over three years from the date of grant, unless otherwise determined by Inverite's Board of Directors. Share purchase options granted to consultants engaged in investor relations activities will vest in stages over a minimum period of twelve months, pursuant to the Share Purchase Option Plan and as determined by Inverite's Board of Directors.

During the period ended March 31, 2024, Inverite granted and aggregate of 7,845,000 share purchase options (December 31, 2022 – 6,925,000). The weighted average fair value of the options granted during the period ended March 31, 2024, was approximately $0.06 per option (December 31, 2022 - $0.04). The fair value was estimated using the Black-Scholes option pricing model using the following weighted average inputs:

	March 31 2024	December 31 2022
Risk-free interest rate	3.9%	3.0%
Expected volatility	102%	81%
Expected dividends	0%	0%
Expected life	2.5 years	2.5 years
Grant date share price	$ 0.06	$ 0.09
Exercise price	$ 0.06	$ 0.12

Expected volatility was determined based on the historical volatility of Inverite's common shares over a period commensurate with the expected option life. The expected option life incorporates an estimate of early exercise.

During the period ended March 31, 2024, Inverite recognized $242,333 (December 31, 2022 - $189,942) as net share-based payments for options vesting.

(Presented in Canadian Dollars)

14. SHARE CAPITAL *(continued)*

Share purchase options *(continued)*

A summary of share purchase option activity is as follows:

	Number of share purchase options		Weighted Average Exercise Price
Balance, December 31, 2021	6,350,000	$	0.27
Granted	6,925,000		0.12
Expired / Cancelled / Forfeited	(4,350,000)		0.28
Balance, December 31, 2022	8,925,000	$	0.15
Granted	7,845,000		0.06
Exercised	(600,000)		0.05
Expired / Cancelled / Forfeited	(2,625,000)		0.16
Balance, March 31, 2024	13,545,000	$	0.10
Exercisable, March 31, 2024	8,223,750	$	0.11

The weighted average remaining contractual life of the options outstanding as at March 31, 2024 is 3.57 years.

Details of share purchase options outstanding as at March 31, 2024 are as follows:

Expiry Date		Exercise Price	Number Outstanding	Number Exercisable
September 23, 2024	$	0.25	500,000	500,000
November 1, 2024	$	0.21	175,000	175,000
December 3, 2024	$	0.21	250,000	250,000
December 30, 2024	$	0.20	100,000	100,000
January 23, 2025	$	0.20	100,000	100,000
March 2, 2025	$	0.19	100,000	100,000
March 31, 2025	$	0.13	250,000	250,000
March 31, 2025	$	0.10	500,000	250,000
March 31, 2025	$	0.055	1,310,000	327,500
December 7, 2025	$	0.05	250,000	250,000
December 30, 2025	$	0.23	150,000	150,000
April 28, 2027	$	0.13	1,850,000	1,237,500
May 16, 2027	$	0.13	750,000	750,000
July 29, 2027	$	0.09	50,000	25,000
October 18, 2027	$	0.10	1,500,000	1,250,000
October 31, 2027	$	0.10	600,000	300,000
January 31, 2028	$	0.08	100,000	50,000
February 28, 2028	$	0.08	25,000	12,500
April 25, 2028	$	0.08	200,000	50,000
July 6, 2028	$	0.08	500,000	125,000
December 7, 2028	$	0.05	1,600,000	1,300,000
February 15, 2029	$	0.055	2,685,000	671,250
			13,545,000	8,223,750

(Presented in Canadian Dollars)

14. SHARE CAPITAL *(continued)*

Warrants

As at March 31, 2024, an aggregate of 28,208,317 common share purchase warrants are outstanding. A summary of the warrant activity is as follows:

	Number of warrants	Weighted Average Exercise Price
Balance, December 31, 2021	18,227,470	$ 0.16
Granted	15,360,205	0.14
Exercised	(4,883,988)	0.10
Expired / Cancelled	(13,343,482)	0.22
Balance, December 31, 2022	15,360,205	0.14
Granted	17,732,100	0.10
Expired / Cancelled	(4,883,988)	0.20
Balance, March 31, 2024	28,208,317	$ 0.11

The weighted average remaining contractual life of the warrants outstanding as at March 31, 2024 is 1.27 years.

Details of warrants outstanding as at March 31, 2024 are as follows:

Expiry Date	Exercise Price	Number Outstanding
November 28, 2024	$ 0.11	9,793,217
December 15, 2024	$ 0.11	683,000
January 3, 2025	$ 0.11	393,000
January 23, 2025	$ 0.11	430,000
March 13, 2025	$ 0.11	835,000
March 30, 2025	$ 0.11	430,000
April 27, 2025	$ 0.11	714,500
June 13, 2025	$ 0.11	429,000
July 12, 2025	$ 0.11	414,500
July 27, 2025	$ 0.11	400,000
August 11, 2025	$ 0.11	429,000
August 29, 2025	$ 0.11	357,500
September 13, 2025	$ 0.11	393,000
September 27, 2025	$ 0.10	1,100,000
November 10, 2025	$ 0.10	1,100,000
December 28, 2025	$ 0.10	550,000
February 6, 2026	$ 0.10	1,960,000
February 16, 2026	$ 0.10	4,400,000
March 11, 2026	$ 0.10	2,596,600
March 26, 2026	$ 0.10	800,000
		28,208,317

14. SHARE CAPITAL *(continued)*

Restricted Share Units

During the year ended December 31, 2020, Inverite adopted a long-term restricted share unit plan (the "RSU Plan"). The restricted share units ("RSUs") entitle directors, officers, consultants or employees to acquire common shares of Inverite, based on vesting provisions determined by Inverite's Board of Directors at the time of grant.

During the period ended March 31, 2024, Inverite granted 1,400,000 RSUs.

- On April 1, 2023 the Company granted 400,000 RSUs to a consultant. 25% of the RSUs vest on each of July 1, 2023, October 1, 2023, January 1, 2024 and April 1, 2024.
- On April 28, 2023, the Company granted an aggregate of 1,000,000 RSUs to consultants which vest as up to 25% of the RSUs on each of July 1, 2023, October 1, 2023, January 1, 2024 and April 1, 2024, subject to meeting other performance based vesting criteria. 1,000,000 of these RSUs were cancelled during the period.

During the year ended December 31, 2022, Inverite granted an aggregate of 1,300,000 RSUs to consultants. Of these:

- 300,000 vest as to 50% on April 2, 2022 and 50% on July 2, 2022. Inverite valued the 300,000 RSUs at $39,000, to be recognized over the vesting term of the RSUs;
- 300,000 vest as to 25% on July 28, 2022, and 25% every three months thereafter. Inverite valued the 300,000 RSUs at $28,500, to be recognized over the vesting term of the RSUs. 150,000 of these RSUs were cancelled during the period;
- 400,000 vest as to 25% on August 16, 2022, and 25% every three months thereafter. Inverite valued the 400,000 RSUs at $40,000, to be recognized over the vesting term of the RSUs. 300,000 of these RSUs were cancelled during the period;
- 300,000 vest on January 2, 2023. Inverite valued the 300,000 RSUs at $27,000, to be recognized over the vesting term of the RSUs.

During the period ended March 31, 2024, Inverite recognized $30,798 as share-based payments related to RSUs (December 31, 2022 - $98,091). As at March 31, 2024, 100,000 RSUs are outstanding (December 31, 2022 – 300,000).

15. RELATED PARTY TRANSACTIONS

Related parties of the Company include key management personnel, companies controlled by key management personnel and close family members of key management personnel. Key management personnel are persons having authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly, including any directors (whether executive or otherwise) of the Company. Key management personnel are composed of the board of directors and executive leadership team.

Compensation

Salaries paid to the Company's key management personnel for the period ended March 31, 2024 totaled $520,000 respectively (December 31, 2022 - $416,000).

15. RELATED PARTY TRANSACTIONS *(continued)*

Consulting fees
Consulting fees paid to the Company's key management personnel and companies controlled by key management personnel for the period ended March 31, 2024 totaled $288,550 respectively (December 31, 2022 - $201,616). As at March 31, 2024, accounts payable included an aggregate of $326,748 (December 31, 2022 - $164,200) owing to key management personnel and companies controlled by key management personnel.

Omnibus Equity Incentive plan
Included in the share-based payments for the period ended March 31, 2024 is $179,987 respectively (December 31, 2022 - $149,172) related to the fair value of share purchase options and/or RSUs vested for key management personnel.

Loans and Other Transactions
As at March 31, 2024, loans payable included an aggregate of $Nil (December 31, 2022 - $50,000) loans received from directors of the Company and a company controlled by a director. The loans bear interest at a rate of 12% per annum and have no fixed terms of repayment.

On February 16, 2024, directors of the Company participated in a non-brokered private placement for 3,850,000 $0.05 Units for proceeds of $192,500.

On September 27, 2023, a director of the Company participated in a non-brokered private placement for 1,100,000 $0.05 Units for proceeds of $55,000.

On March 13, 2023, a director of the Company participated in a non-brokered private placement for 150,000 $0.07 Units for proceeds of $10,500.

On November 28, 2022, directors of the Company participated in a non-brokered private placement for 4,647,143 $0.07 Units with an aggregate of $325,300 of subscriptions were settled through the exchange of outstanding convertible debentures and accrued interest thereon. The Company also entered into agreements in November 2022 with directors of the Company, whereby the original loan agreements were terminated and the principal amount of loans and outstanding interest to October 31, 2022, totaling 6,214,586 $0.07 Units with an aggregate $435,021 were also agreed to be treated as subscription advances towards subscriptions in the above-noted private placement closing. (See Note 14).

During the period ended March 31, 2024, the Company incurred an aggregate of $8,988 (December 31, 2022 - $36,159) of interest expense pursuant to loans held by directors of the Company and a company controlled by a director. As at March 31, 2024, interest payable included an aggregate of $Nil (December 31, 2022 - $838) of interest due to directors of the Company and a company controlled by a director.

16. CAPITAL RISK MANAGEMENT

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern, to provide our solutions to benefit our customers and clients, to provide returns to shareholders and benefits to our stakeholders, and to maintain a flexible capital structure which optimizes the cost of capital to an acceptable risk. The Company considers its capital for this purpose to be its shareholders' deficiency, convertible debentures, loans and bonds. The Company manages the capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. To maintain or adjust the capital structure and the amount of cash, the Company may issue common shares or debt or acquire or dispose of assets. In order to facilitate the management of its capital requirements, the Company prepares annual expenditure budgets that are updated as necessary depending on various factors, including successful capital deployment and general industry conditions. The annual and updated budgets are approved by the Board of Directors.

(Presented in Canadian Dollars)

17. INCOME TAXES

a. The significant components of the Company's deferred tax assets and liabilities are as follows:

	March 31, 2024	December 31, 2022
Deferred tax assets (liabilities)		
Non-capital losses	$ 9,000	$ -
Debt with accretion	(9,000)	-
Intangible assets	(223,000)	(320,417)
Net deferred tax liability	$ (223,000)	$ (320,417)

b. A reconciliation of income taxes at statutory rates with the reported taxes is as follows:

	March 31, 2024	December 31, 2022
Loss for the year	$ (1,101,920)	$ (5,358,297)
Expected income tax (recovery)	(298,000)	(1,446,740)
Adjustments:		
Change in statutory, foreign tax, foreign exchange rates and other	-	274,479
Permanent differences	74,000	-
Adjustment to prior years provision versus statutory tax returns and expiry of non-capital losses	388,000	-
Expiry of non-capital losses	-	(42,787)
Change in unrecognized deductible temporary differences	(261,000)	1,149,032
Recovery of income taxes recognized	$ (97,000)	$ (66,016)

(Presented in Canadian Dollars)

17. INCOME TAXES *(continued)*

c. The significant components of the Company's temporary differences, unused tax credits and unused tax losses that have not been included on the consolidated statement of financial position are as follows:

	March 31, 2024	Expiry Date Range	December 31, 2022	Expiry Date Range
Temporary Differences				
Share issue costs	54,000	2045 to 2048	139,000	2023 to 2046
Allowable capital losses	118,000	No expiry date	-	No expiry date
Property and equipment	655,000	No expiry date	639,000	No expiry date
Right-of-use assets/Lease liability	-	No expiry date	30,000	No expiry date
Non-capital losses	17,898,000	2034 to 2044	18,881,000	2034 to 2042

18. RISK MANAGEMENT FRAMEWORK

The Company's risk management policies are established by the Board of Directors to set appropriate risk tolerance limits. Management's responsibility is to identify and analyze the risks faced by the Company and to monitor risks and adherence to limits and implement controls. Risk management policies and systems are reviewed periodically to reflect changes in market conditions and changes in the performance of the loans receivable.

The Company issued various fixed rate bonds to bondholders and seeks to earn an interest rate margin by investing these funds in loans receivable from consumer debtors. This business activity results in a consolidated statement of financial position that consists primarily of financial instruments. The primary types of financial risk which arise from the Company's activities are credit risk, liquidity risk and market risk.

Credit risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. The Company is exposed to this risk through its cash held at a financial institution, accounts receivable, interest receivable and loans receivable. For these financial assets recognized on the consolidated statement of financial position, the maximum exposure to credit risk is their carrying amount.

The Company's cash is held at a reputable Canadian financial institution. The Company has not experienced any loss on these accounts, although the balances in the accounts may exceed the insurable limits. The Company considers credit risk from cash to be minimal.

Accounts receivable are due primarily from Inverite and Accumulate.ai customers and are generally collected within 30 days. The Company has not provided an expected credit loss allowance against accounts receivable.

The Company's interest receivable and loans receivable are receivable from its consumer debtors. One of the Company's prior business activities was to provides loans to high-risk individual borrowers under consumer proposals. The Company attempts to mitigate the credit risk from its consumer debtors by performing a due diligence process on the consumer debtors prior to funding loans. Consumer debtors were referred to the Company by various industry partners, which screened potential consumer debtors for their ability and willingness to repay their obligations and avoid bankruptcy. In addition, the Company performed additional due diligence work which included, but was not limited to, verifying income, monthly expenditures, assets and liabilities of the consumer debtors. In addition, after the initial loan was provided to the consumer debtor the Company continuously monitors the loan receivable. Certain of the Company's loans receivable are secured by vehicles and general security agreements over all of the current and after-acquired assets of the consumer debtor.

(Presented in Canadian Dollars)

18. RISK MANAGEMENT FRAMEWORK *(continued)*

Concentration of credit risk exists as the majority of the consumer debtors have comparable geographical and economic characteristics. Consumer debtors are primarily considered high risk individual borrowers and reside in Canada. The maximum credit risk exposure of the Company's loans and interest receivable is $200,466 (2022 - $598,758).

Liquidity risk

Liquidity risk describes the risk that the Company will not be able to meet its current and future cash flow needs, both expected and unexpected, without materially affecting its daily operations or overall financial condition. As at March 31, 2024, the Company had current assets of $253,134 to settle current liabilities of $3,653,118. The Company manages liquidity risk through the management of its capital structure as outlined in Note 16.

As at March 31, 2024, the contractual maturity of financial liabilities is as follows:

	Less than 3 months	Between 3 months to 1 year	Between 1 and 2 years	Between 2 and 5 years	Greater than 5 years	Total
Accounts payable and accrued liabilities	$ 1,961,580	$ -	$ -	$ -	$ -	$ 1,961,580
Interest payable	145,528	-	-	-	-	145,528
Loans payable	1,290	750,433	430	-	-	752,153
Convertible debentures	-	794,287	-	-	-	794,287
	$ 2,108,398	$ 1,544,720	$ 430	$ -	$ -	$ 3,653,548

Market Risk

In the normal course of its operations, the Company may engage in transactions that give rise to market risk. Market risk is the risk of uncertainty arising from possible market price movements and their impact on the future performance of the Company. Market price movements could adversely affect the value of the Company's financial assets and expected future cash flows. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return for a given level of risk.

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. As at March 31, 2024, the Company is not exposed to significant interest rate risk as the Company's financial instruments are all fixed-rate financial assets or fixed rate financial liabilities. Therefore, the Company considers its exposure to interest rate risk to be minimal.

(Presented in Canadian Dollars)

19. SUPPLEMENTAL CASH FLOW INFORMATION

For the period ended	**March 31, 2024**	**December 31, 2022**
Convertible debentures issued	1,641,822	-
Redemption of convertible debentures	(1,617,440)	-
Redemption of convertible debentures interest	(24,382)	-
RSUs issued	49,500	7,125

During the period ended March 31, 2024, the Company settled previously issued debentures and accrued interest thereon through the issuance of new debentures. On March 6, 2023, Inverite issued an aggregate of $814,440 principal amount of 2023 Debentures in exchange for the full settlement and discharge owing on the $803,000 principal amount of convertible debentures that matured on December 31, 2022 plus unpaid accrued interest of $11,440. The 2023 Debentures matured on July 31, 2023 and on September 28, 2023, the Company entered into new agreements with the 2023 Debenture holders to settle the 2023 Debentures through the issuance of new convertible debentures. In exchange for the full settlement and discharge of the $814,440 principal amount of 2023 Debentures, plus unpaid accrued interest of $12,942, the Company issued an aggregate of $827,382 of 2024 Debentures.

20. EVENTS AFTER THE REPORTING PERIOD

On April 1, 2024, Inverite granted 400,000 RSU to an arm's length business consultant.

On April 12, 2024, Inverite granted 400,000 RSU and 1,050,000 PSU to an arm's length business consultant.

On April 22, 2024, Inverite issued an aggregate of 100,000 common shares pursuant to the vesting of restricted share units. An aggregate of $7,500 was transferred from reserves to share capital as a result.

On April 24, 2024, Inverite issued 1,020,000 $0.05 Units for proceeds of $51,000 pursuant to a non-brokered private placement.

On April 30, 2024, Inverite granted 2,000,000 RSU and 4,000,000 options to a director of the Company. The options expire five years from the date of the grant and vest in equal one-quarter amounts starting six months from the date of grant and are exercisable at $0.05 per share.

On May 10, 2024, Inverite issued 1,100,000 $0.05 Units for proceeds of $55,000 pursuant to a non-brokered private placement.

On May 16, 2024, Inverite granted 400,000 RSU and 600,000 options to an arm's length financial consultant. Each RSU, upon vesting, is redeemable into one common share. Each SO has an exercise price of $0.05 and a term of five years from the grant date. The SO's vest as to 25% every six months in arrears from the grant date.

On May 27, 2024, Inverite issued 1,700,000 $0.05 Units for proceeds of $85,000 pursuant to a non-brokered private placement.

On June 14, 2024, Inverite issued 28,571 common shares from a partial exercise of convertible debentures.

On June 21, 2024, Inverite announces a non-brokered private placement of up to 40 million units at $0.05 cents per unit ("$0.05 Units") for gross proceeds of up to $2,000,000. Each unit is composed of a common share and one whole warrant exercisable to purchase a common share at a price of $0.10 for a period of two years.

20. EVENTS AFTER THE REPORTING PERIOD *(continued)*

On June 27, 2024, Inverite issued 1,100,000 $0.05 Units for proceeds of $55,000 pursuant to a non-brokered private placement.

On July 9, 2024, Inverite issued 2,700,000 $0.05 Units for proceeds of $135,000 pursuant to a non-brokered private placement.

On July 22, 2024, Inverite issued an aggregate of 200,000 common shares pursuant to the vesting of restricted share units. An aggregate of $9,000 was transferred from reserves to share capital as a result.

On July 25, 2024, Inverite issued 6,000,000 $0.05 Units for proceeds of $300,000 pursuant to a non-brokered private placement and paid $15,400 to an agent as a finders' fees.