EURO ASIA PAY HOLDINGS INC.

Financial Statements

For the years ended September 30, 2021 and 2020

Expressed in Canadian Dollars

DALE MATHESON CARR-HILTON LABONTE LLP
CHARTERED PROFESSIONAL ACCOUNTANTS

INDEPENDENT AUDITORS' REPORT

To the Shareholders of Euro Asia Pay Holdings Inc.

Opinion

We have audited the financial statements of Euro Asia Pay Holdings Inc. (the "Company"), which comprise the statements of financial position as at September 30, 2021 and 2020, and the statements of loss and comprehensive loss, changes in shareholders' equity (deficiency) and cash flows for the years then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at September 30, 2021 and 2020, and its financial performance and its cash flows for the years then ended in accordance with International Financial Reporting 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 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 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 is sufficient and appropriate to provide a basis for our opinion.

Material Uncertainty Related to Going Concern

We draw attention to Note 1 to the financial statements, which describes events or conditions that 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.

Other Information

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

Our opinion on the 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 financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. 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 Financial Statements

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

In preparing the 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.
(cont'd)

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the 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 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 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 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 financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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.

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

DMCL

DALE MATHESON CARR-HILTON LABONTE LLP
CHARTERED PROFESSIONAL ACCOUNTANTS

Vancouver, BC
February 2, 2022

MOORE

An independent firm
associated with Moore
Global Network Limited

EURO ASIA PAY HOLDINGS INC.

Statement of Financial Position

(Expressed in Canadian Dollars)

	September 30, 2021	September 30, 2020
ASSETS		
Current Assets		
Cash and cash equivalents	**$ 612,526**	$ 235,367
Receivables (Note 4)	**26,243**	83,831
Prepaid expenses	**95,690**	76,235
Total Current Assets	**734,459**	395,433
Non-Current Asset		
Equipment (Note 5)	**4,263**	6,215
TOTAL ASSETS	**$ 738,722**	$ 401,648
LIABILITIES AND SHAREHOLDERS' DEFICIENCY		
Current Liabilities		
Trade payables and accrued liabilities (Note 6)	**$ 344,968**	$ 129,295
Loan and accrued interest payable (Note 9)	**439,154**	382,092
Total Current Liabilities	**784,122**	511,387
Non-Current Liabilities		
Government loan payable (Note 7)	36,229	25,103
Total Liabilities	**820,351**	536,490
Shareholders' Equity (Deficiency)		
Share capital (Note 8)	**7,443,356**	5,605,000
Reserve (Note 8)	**1,090,521**	676,985
Accumulated deficit	**(8,615,506)**	(6,416,827)
Total Shareholders' Deficiency	**(81,629)**	(134,842)
TOTAL LIABILITIES AND SHAREHOLDERS' DEFICIENCY	**$ 738,722**	$ 401,648

Nature and Continuance of Operations (Note 1)

Commitments (Note 10)

Subsequent Events (Note 14)

Approved on behalf of the Board:

"Morris Chen"
Morris Chen, Director

"Donald Kirkwood"
Donald Kirkwood, Director

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

EURO ASIA PAY HOLDINGS INC.

Statement of Loss and Comprehensive Loss

(Expressed in Canadian Dollars)

	Year ended September 30, 2021	Year ended September 30, 2020
REVENUE	$ 13,272	$ 38
COST OF REVENUE	3,377	18
GROSS PROFIT	9,895	20
OPERATING EXPENSE		
Consulting fees (Note 10)	130,440	119,454
Depreciation (Note 5)	6,488	11,036
General and administrative (Note 7, 9 and 10)	922,569	649,761
Marketing	400,770	188,349
Professional fees (Note 10)	135,129	126,390
Research and development (Note 9)	278,567	550,368
Share-based payments (Note 8 and 9)	389,474	372,517
Total Operating Expenses	2,263,437	2,017,876
OTHER ITEMS		
Interest income	173	4,430
Government grant (Note 7)	11,191	15,508
Gain on sale of equipment	3,072	-
Other Income (Note 9)	40,427	-
Total Other Items	54,863	19,938
NET LOSS AND COMPREHENSIVE LOSS	$ (2,198,679)	$ (1,997,918)
WEIGHTED AVERAGE NUMBER OF COMMON SHARES OUTSTANDING		
BASIC	64,870,353	59,611,111
DILUTED	64,870,353	59,611,111
NET LOSS PER SHARE – Basic and diluted	$ (0.03)	$ (0.03)

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

EURO ASIA PAY HOLDINGS INC.
Statement of Changes in Shareholders' Equity (Deficiency)
(Expressed in Canadian Dollars)

			Reserve			
	Number of Shares	Amount	Share-Based Payment	Other	Accumulated Deficit	Total Shareholders' Equity (Deficiency)
September 30, 2019	**59,611,111**	**$ 5,605,000**	**$ 278,517**	**$ -**	**$ (4,418,909)**	**$ 1,464,608**
Share-based payments (Note 8)	-	-	372,517	-	-	372,517
Issuance of below market interest rate debt (Note 9)	-	-	-	25,951	-	25,951
Net loss for the year	-	-	-	-	(1,997,918)	(1,997,918)
September 30, 2020	**59,611,111**	**5,605,000**	**651,034**	**25,951**	**(6,416,827)**	**(134,842)**
Issued for cash (Note 8)	8,376,000	2,094,000	-	-	-	2,094,000
Issued to finder (Note 8)	330,000	82,500	-	-	-	82,500
Share issuance costs (Note 8)	-	(363,800)	61,280	-	-	(302,520)
Issuance of below market interest rate debt (Note 9)	-	-	-	15,365	-	15,365
Amortization of deferred benefit (Note 9)	-	-	-	(40,427)	-	(40,427)
Shares issued upon exercise of stock options (Note 8)	75,000	25,656	(12,156)	-	-	13,500
Share-based payments (Note 8)	-	-	389,474	-	-	389,474
Net loss for the year	-	-	-	-	(2,198,679)	(2,198,679)
September 30, 2021	**68,392,111**	**$ 7,443,356**	**$ 1,089,632**	**$ 889**	**$ (8,615,506)**	**$ (81,629)**

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

EURO ASIA PAY HOLDINGS INC.

Statement of Cash Flows

(Expressed in Canadian Dollars)

		For the year ended September 30, 2021		For the year ended September 30, 2020
CASH FLOWS FROM OPERATING ACTIVITIES				
Net loss	**$**	**(2,198,679)**	$	(1,997,918)
Items not affecting cash:				
Depreciation		**6,488**		11,036
Share-based payments		**389,474**		372,517
Interest and accretion expense		**75,083**		8,654
Other Income		**(40,427)**		-
Government grant		**(11,191)**		(15,508)
Gain on sale of equipment		**(3,072)**		-
Changes in non-cash working capital:				
Receivables		**57,588**		206,852
Prepaid expenses		**(29,455)**		153,781
Trade payables and accrued liabilities		**215,334**		(40,580)
Net cash used in operating activities		**(1,538,857)**		(1,301,166)
CASH FLOWS FROM INVESTING ACTIVITIES				
Purchase of equipment		**(4,783)**		(4,581)
Proceeds from sale of equipment		**3,319**		-
Net cash used in investing activities		**(1,464)**		(4,581)
CASH FLOWS FROM FINANCING ACTIVITIES				
Proceeds from CEBA loan		**20,000**		40,000
Proceeds (repayment) of related party loan		**-**		400,000
Proceeds from exercise of stock options		**13,500**		
Net proceeds from IPO		**1,883,980**		-
Net cash provided by financing activities		**1,917,480**		440,000
Change in cash and cash equivalents		**377,159**		(865,747)
Cash and cash equivalents, beginning		**235,367**		1,101,114
Cash and cash equivalents, ending	**$**	**612,526**	$	235,367
Cash and cash equivalents is comprised of:				
Cash	**$**	**583,776**	$	206,617
Short-term investments		**28,750**		28,750
	$	**612,526**	$	235,367

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

1. Nature and Continuance of Operations

Euro Asia Pay Holdings Inc. (the "Company") was incorporated under the British Columbia Business Corporations Act on October 16, 2017. The head office and principal place of business of the Company is located at 100 – 200 Granville Street, Vancouver, British Columbia V6C 1S4. The Company is a financial technology company. From inception to September 30, 2021, the Company has concentrated its efforts on research and development and has incurred costs related to the development of a mobile application platform.

On February 25, 2021, the Company completed its initial public offering (the "IPO") and its common shares were listed for trading on the Canadian Securities Exchange under the symbol "EAP".

These financial statements have been prepared on the basis that the Company will continue as a going concern, which assumes that the Company will be able to realize its assets and satisfy its liabilities in the normal course of business for the foreseeable future. The business of the Company involves a high degree of risk. The Company has not yet generated significant revenue from operations and incurred a net loss of $2,198,679 for the year ending September 30, 2021 and has an accumulated deficit of $8,615,506 as at September 30, 2021. Furthermore, there is no assurance that the Company will be profitable in the future. The continued operations of the Company are dependent on its ability to generate future cash flows from operations or obtain additional financing. These factors raise significant doubt as to the Company's ability to continue as a going concern. These financial statements do not reflect the adjustments to the carrying values of assets and liabilities and the reported expenses and statement of financial position classifications that would be necessary were the going concern assumption be inappropriate. Such adjustments could be material.

In March 2020, the World Health Organization declared coronavirus COVID-19 a global pandemic. This contagious disease outbreak, which has continued to spread, and any related adverse public health developments, has adversely affected workforces, economies, and financial markets globally, potentially leading to an economic downturn. While the impact of COVID-19 is expected to be temporary, the current circumstances are dynamic and the impacts of COVID-19 on business operations cannot be reasonably estimated at this time. There can be no assurance that the Company will not be impacted by adverse consequences that may be brought about by the pandemic's impact on its business, results of operations, financial position and cash flows in the future.

2. Basis of presentation

These financial statements have been prepared on the historical cost basis except for certain assets and financial instruments that are measured at their fair values, as explained in the significant accounting policies below. Historical cost is based on the fair value of the consideration given in exchange for assets.

The financial statements were authorized for issuance on February 2, 2022 by the directors of the Company.

2. Basis of presentation (continued)

(a) Statement of Compliance with International Financial Reporting Standards

The financial statements of the Company have been prepared in accordance with and using accounting policies in compliance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and interpretations of the International Financial Reporting Interpretations Committee ("IFRIC").

(b) Use of Estimates and Judgments

The preparation of the Company's financial statements in accordance with IFRS requires the Company to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, revenues and expenses. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised and in any future periods affected.

Areas requiring a significant degree of estimation include fair value measurements for financial instruments, useful life of equipment, discount rates for estimating fair value of loans and estimating the fair value of share-based payment transactions. Areas requiring a significant degree of judgement included evaluation of research and development costs for capitalization, the recoverability and measurement of deferred tax assets and liabilities, and assessment of the Company's ability to continue as a going concern.

3. Significant Accounting Policies

(a) Cash and Cash Equivalents

The Company considers all highly liquid instruments with a maturity of three months or less at the time of issuance, are readily convertible to known amounts of cash, and which are subject to insignificant risk of changes in value, to be cash equivalents.

(b) Equipment

All equipment is stated at cost less accumulated depreciation and impairment losses. Cost includes expenditures that are directly attributable to the acquisition of the asset. Depreciation commences when the equipment is put into use. Depreciation is recognized in the statement of loss and comprehensive loss using the declining balance method with the following rate:

Computer equipment	55%

(c) Revenue Recognition

The Company recognizes revenue based on the five-step model as follows:

1. Identifying the contract with a customer;
2. Identifying the performance obligations with the contract;
3. Determining the transaction price;
4. Allocating the transaction price to the performance obligations; and
5. Recognizing revenue when/as performance obligation(s) are satisfied.

3. Significant Accounting Policies (continued)

The Company's revenue is derived through subscription fees and margins on customer loads of a prepaid credit card. Subscription fees are recognized as per the terms of the arrangement. Revenue from margins on customer loads are recognized when the underlying transactions have been completed and collection is reasonably assured.

(d) Share-based Payments

The fair value method of accounting is used for share-based payments. Under this method, the cost of stock options and other equity-settled share-based payment arrangements is recorded based on the date of grant estimated fair market value of each tranche using the Black-Sholes Option Pricing Model, and charged to earning over the vesting period. Compensation expense is recognized over the tranche's vesting period by increasing reserves based on the number of awards expected to vest. At the end of each reporting period, the Company revises its estimates of the number of options that are expected to vest based on non-market vesting conditions. It recognizes the impact of the revision of original estimates, if any, in the statement of loss and comprehensive loss, with the corresponding adjustment to equity.

Share-based payment arrangements in which the Company receives goods or services as consideration for its own equity instruments are accounted for as equity-settled share-based payment transactions and measured at the fair value of goods and services received. If the fair value of the goods or services received cannot be estimated reliably, the share-based payment transaction is measured at the fair value of the equity instruments granted at the date the Company receives the goods or services.

(e) Income Taxes

Current income tax

Current income tax assets and liabilities for the current period are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date, in the countries where the Company operates and generates taxable income.

Current income tax relating to items recognized directly in other comprehensive income or equity is recognized in other comprehensive income or equity and not in profit or loss. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred income tax

Deferred income tax is provided using the asset and liability method on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

The carrying amount of deferred income tax assets is reviewed at the end of each reporting period and recognized only to the extent that it is probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilized.

3. Significant Accounting Policies (continued)

Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realized, or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Deferred income tax assets and deferred income tax liabilities are offset, if a legally enforceable right exists to set off current tax assets against current income tax liabilities and the deferred income taxes relate to the same taxable entity and the same taxation authority.

(f) Income and Loss Per Share

Basic income and loss per share amounts are calculated by dividing income or loss attributable to common shareholders of the Company by the weighted average number of common shares outstanding during the reporting period. Diluted income or loss per share amounts are determined by adjusting the weighted average number of common shares outstanding for the effects of all dilutive potential common shares.

(g) Research and Development

Research costs are expensed when incurred. Internally-generated software costs, including personnel costs of the Company's development group, are capitalized as intangible assets when the Company can demonstrate that the technical feasibility of the project has been established; the Company intends to complete the asset for use or sale and has the ability to do so; the asset can generate probable future economic benefits; the technical and financial resources are available to complete the development; and the Company can reliably measure the expenditure attributable to the intangible asset during its development. After initial recognition, internally-generated intangible assets are recorded at cost less accumulated amortization and accumulated impairment losses.

(h) Investment Tax Credits

The Company claims investment tax credits as a result of incurring scientific research and experimental development expenditures ("SR&ED"). SR&ED investment tax credits are recognized when the related expenditures are incurred and there is reasonable assurance of their realization. SR&ED investment tax credits are accounted for as a reduction of research and development expense on the statement of loss and comprehensive loss.

(i) Financial Instruments

The following is the Company's accounting policy for financial instruments under IFRS 9:

Classification

The Company classifies its financial instruments in the following categories: at fair value through profit and loss ("FVTPL"), at fair value through other comprehensive income (loss) ("FVTOCI") or at amortized cost. The Company determines the classification of financial assets at initial recognition. The classification of debt instruments is driven by the Company's business model for managing the financial assets and their contractual cash flow characteristics. Equity instruments that are held for trading are classified as FVTPL. For other equity instruments, on the day of acquisition the Company can make an irrevocable election (on an instrument-by-instrument basis) to designate them as at FVTOCI. Financial liabilities are measured at amortized cost, unless they are required to be measured at FVTPL (such as instruments held for trading

3. Significant Accounting Policies (continued)

or derivatives) or if the Company has opted to measure them at FVTPL. Classification of the Company's financial instruments is as follows:

Financial Assets	
Cash and cash equivalents	FVTPL
Receivables, net of GST	Amortized cost
Financial Liabilities	
Trade payables and due to related parties	Amortized cost
Loans	Amortized cost

Measurement

Financial assets and liabilities at amortized cost
Financial assets and liabilities at amortized cost are initially recognized at fair value plus or minus transaction costs, respectively, and subsequently carried at amortized cost less any impairment. Receivables, trade payables and accrued liabilities, government loan payable, and loan and accrued interest payable are recognized at amortized cost.

Financial assets and liabilities at FVTPL
Financial assets and liabilities carried at FVTPL are initially recorded at fair value and transaction costs are expensed in the statements of loss and comprehensive loss. Realized and unrealized gains and losses arising from changes in the fair value of the financial assets and liabilities held at FVTPL are included in the statements of loss and comprehensive loss in the period in which they arise. Cash and cash equivalents are recognized as FVTPL.

Debt investments at FVTOCI
These assets are subsequently measured at fair value. Interest income calculated using the effective interest method, foreign exchange gains and losses and impairment are recognised in profit or loss. Other net gains and losses are recognised in Other Comprehensive Income ("OCI"). On derecognition, gains and losses accumulated in OCI are reclassified to profit or loss.

Equity investments at FVTOCI
These assets are subsequently measured at fair value. Dividends are recognised as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognised in OCI and are never reclassified to profit or loss.

Impairment of financial assets at amortized cost

The Company recognizes a loss allowance for expected credit losses on financial assets that are measured at amortized cost. At each reporting date, the Company measures the loss allowance for the financial asset at an amount equal to the lifetime expected credit losses if the credit risk on the financial asset has increased significantly since initial recognition. If at the reporting date, the credit risk of the financial asset has not increased significantly since initial recognition, the Company measures the loss allowance for the financial asset at an amount equal to the twelve month expected credit losses. The Company shall recognize in the statements of loss and comprehensive loss, as an impairment gain or loss, the amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date to the amount that is required to be recognized.

3. Significant Accounting Policies (continued)

Derecognition

Financial assets
The Company derecognizes financial assets only when the contractual rights to cash flows from the financial assets expire, or when it transfers the financial assets and substantially all of the associated risks and rewards of ownership to another entity.

Financial liabilities
The Company derecognizes a financial liability when its contractual obligations are discharged, cancelled, or expire. The Company also derecognizes a financial liability when the terms of the liability are modified such that the terms and / or cash flows of the modified instrument are substantially different, in which case a new financial liability based on the modified terms is recognized at fair value.

Gains and losses on derecognition are generally recognized in profit or loss.

(j) Government grants and loans

Government grants are not recognized until there is reasonable assurance that the Company will comply with the conditions attached to them and that the grant will be received. Government grants are recognized in profit or loss on a systematic basis over the periods in which the Company recognizes as expenses the related costs for which the grants are intended to compensate.

The benefit of a government loan at a below-market rate of interest is treated as a government grant, measured as the difference between proceeds received and the fair value of the loan based on prevailing market interest rates.

A forgivable loan from the government is treated as a government grant as long as there is reasonable assurance that the Company will meet the terms for forgiveness of the loan.

(k) 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 or financial asset. The Company's common shares and share warrants are classified as equity instruments. Incremental costs directly attributable to the issuance of new shares or options are shown in equity as a deduction from the proceeds. Proceeds received on the issuance of units, consisting of common shares and warrants are allocated to share capital. The Company uses the residual method to value warrants issued in connection to the issuance of units.

(l) New standards adopted in the reporting period

No new and revised accounting standard was adopted by the Company for annual period beginning on October 1, 2020.

(m) Accounting Standards Issued But Not Yet Effective

There are certain accounting standards or amendments to existing accounting standards that have been issued but have future effective dates are either not applicable or are not expected to have a significant impact on the Company's financial statements.

(Expressed in Canadian Dollars)

4. Receivables

Receivables consist of the following:

	September 30, 2021	September 30, 2020
GST	**$ 16,925**	$ 11,695
Contribution	**-**	72,136
Other	**9,318**	-
	$ 26,243	$ 83,831

During the year ended September 30, 2020 the Company entered into an Industrial Research Assistance Program Contribution Agreement with the National Research Council Canada as represented by its Industrial Research Assistance Program ("NRC-IRAP"). The NRC-IRAP agreed to contribute up to a maximum of $81,312 (the "Contribution") for salary costs incurred by the Company during the period between April 1, 2020 and June 24, 2020. Contributions received are recorded using the cost reduction method in relation to the applicable costs. The Company applied for a Contribution of which $72,136 has been recorded in receivables at September 30, 2020 which was fully received during the year ended September 30, 2021.

5. Equipment

A continuity of the Company's equipment is as follows:

	Computer equipment
Cost:	
Balance, September 30, 2019	$ 12,670
Additions	4,581
Depreciation	(11,036)
Balance, September 30, 2020	6,215
Additions	4,783
Dispositions	(247)
Depreciation	(6,488)
Balance, September 30, 2021	**$ 4,263**

(Expressed in Canadian Dollars)

6. Trade Payables and Accrued Liabilities

Trade payables and accrued liabilities consists of the following:

	2021	2020
Trade payables	**$ 19,188**	$ 50,837
Accrued liabilities	**86,560**	24,517
Amounts due to related parties (Note 9)	**-**	8,573
Payroll liability	**45,206**	45,084
Prepaid card liability	**194,014**	284
	$ 344,968	$ 129,295

7. Government Grant and Loan Payable

On May 13, 2020, under the Canada Emergency Business Account ("CEBA") program, the Company received a $40,000 loan (the "CEBA Loan"). The CEBA Loan was made available on certain terms and conditions, and in reliance on attestations made by the Company in the loan agreement.

The CEBA Loan is an interest-free loan, available to the Company until December 31, 2020. On January 1, 2021, the CEBA Loan was converted to a 2-year, 0% interest term loan, to be repaid by December 31, 2022. If the Company repays $30,000 by December 31, 2022, a balance of $10,000 will be forgiven. If on December 31, 2022, the Company has not repaid the loan, it may exercise the option for a 3-year term extension and, accordingly, a 5% interest rate will be applied during this extension period on any balance remaining.

On February 26, 2021, the Company received an additional $20,000 loan (the "CEBA Expansion") on terms and conditions similar to the CEBA Loan. If the Company repays $10,000 by December 31, 2022, a balance of $10,000 will be forgiven.

The funds from the CEBA Loan and CEBA Expansion may only be used by the Company to pay non-deferrable operating expenses including, without limitation, payroll, rent, utilities, insurance, property tax and regularly scheduled debt service, and may not be used to fund any payments or expenses such as prepayment/refinancing of existing indebtedness, payments of dividends, distributions and increases in management compensation.

Upon initial receipt, the Company recorded the CEBA Loan and CEBA Expansion at fair values of $24,492 and $8,470 respectively, based on a prevailing market rate of 8%. The Company recorded the result of the benefit received from the interest-free CEBA Loan of $1,191 (2020 - $5,508) as a government grant. The portion of the forgivable CEBA Loan of $10,000 (2020 - $10,000) was also treated as a government grant, given reasonable assurance that the Company will meet the terms for forgiveness of the loan.

During the year ended September 30, 2021, the government grant of $11,191 (2020 - $15,508) has been amortized and recognized in the statement of loss and comprehensive loss. For the year ended September 30, 2021, the Company recorded interest and accretion of $2,110 (2020 - $611) and $546 (2020 - $Nil) respectively on the CEBA Loan and CEBA Expansion.

8. Share Capital

(a) Authorized

The Company has authorized an unlimited number of common shares.

(b) Issued share capital

On February 25, 2021, the Company completed the IPO consisting of the sale and issue of 8,376,000 units at a price of $0.25 per unit for gross proceeds of $2,094,000. Each unit included one common share of the Company and one warrant exercisable into one common share at a price of $0.45 per common share until February 25, 2023. In connection with the IPO, the Company paid Canaccord Genuity Corp. (the "Agent") a cash commission of $97,520, a corporate finance fee of $157,500 as a combination of $75,000 cash, of which $20,000 was expensed in the prior year, and 330,000 units at a price of $0.25 per unit valued at $82,500 and reimbursed costs totalling $67,500. Each unit included one common share of the Company and one warrant exercisable into one common share at a price of $0.45 per common share until February 25, 2023. The Company also issued 390,808 finder warrants with a fair value of $61,280. Each warrant is exercisable into one common share at a price of $0.25 per common share until February 25, 2023.

(c) Stock options

Pursuant to the Company's stock option plan, directors of the Company may, from time to time, authorize the issuance of stock options to directors, officers, employees, and consultants of the Company. The terms of the granted options as well as the vesting conditions are at the sole discretion of the directors.

On December 2, 2019, the Company granted 700,000 stock options to directors and an employee of the Company. The options have an exercise price of $0.18 per common share, vest immediately upon grant, and will expire five years after the date of grant on December 2, 2024. During the year ended September 30, 2020 the Company recorded $113,562 of share-based payments related to the granted stock options.

On February 28, 2020, the Company granted 60,000 stock options to employees of the Company. The options have an exercise price of $0.18 per common share, vest immediately upon grant, and will expire five years after the date of grant on February 28, 2025. During the year ended September 30, 2020 the Company recorded $9,696 of share-based payments related to the granted stock options.

On June 26, 2020, the Company granted 1,800,000 stock options to directors, officers, and a consultant of the Company. The options have an exercise price of $0.18 per common share of which 1,100,000 vested immediately upon grant, and will expire five years after the date of grant on June 26, 2025 and 700,000 options vest in quarterly tranches and will expire three years after the date of grant on June 26, 2023. During the year ended September 30, 2020 the Company recorded $177,399 upon granting of the stock options and recognized $53,062 of share-based payments related to the vested stock options.

On August 4, 2021, the Company granted 1,535,000 stock options to directors and employees of the Company. The options have an exercise price of $0.26 per common share, vest immediately upon grant, and will expire five years after the date of grant on August 4, 2026. During the year ended September 30, 2021, the Company recorded $337,120 of share-based payments related to the granted stock options.

During the year ended September 30, 2021, the Company recorded $52,354 (2020 - $18,797) in share-based payments related to the vesting of previously granted stock options.

(Expressed in Canadian Dollars)

8. Share Capital (continued)

Continuity schedule of the incentive stock options is as follows:

	Number of options	Weighted average exercise price
Outstanding, September 30, 2019	1,865,000	$ 0.18
Granted	2,560,000	0.18
Cancelled	(555,000)	0.18
Outstanding, September 30, 2020	3,870,000	0.18
Granted	1,535,000	0.26
Exercised(1)	(75,000)	0.18
Cancelled	(30,000)	0.18
Outstanding, September 30, 2021	5,300,000	0.20

(1)On the date of exercise the Company's shares were trading at $0.26.

Additional information regarding stock options outstanding as at September 30, 2021 is as follows:

Expiry date	Exercise Price	Weighted average remaining contractual life	Number of options outstanding	Number of options vested (exercisable)
September 30, 2023	$ 0.18	2.0 years	1,050,000	1,050,000
June 26, 2023	0.18	1.74 years	700,000	700,000
August 23, 2024	0.18	2.9 years	355,000	355,000
December 2, 2024	0.18	3.18 years	500,000	500,000
February 28, 2025	0.18	3.42 years	60,000	60,000
June 26, 2025	0.18	3.74 years	1,100,000	1,100,000
August 4, 2026	0.26	4.85 years	1,535,000	1,535,000
	$ 0.20	**3.34 years**	**5,300,000**	**5,300,000**

The fair value of options granted was estimated on the date of grant using the Black-Scholes Option Pricing Model assuming no expected dividends and the following assumptions:

(Expressed in Canadian Dollars)

8. Share Capital (continued)

	2021	2020
Expected stock price volatility	126%	145%
Risk-free interest rate	0.78%	0.36% - 1.54%
Expected life of options	5 Years	3-5 Years
Forfeiture rate	0%	0%

As of September 30, 2021, 5,300,000 (September 30, 2020 - 2,895,000) of the stock options had vested and therefore are exercisable.

(d) Warrants

On February 25, 2021, the Company completed the IPO consisting of the sale and issue of 8,376,000 units. Each unit included one common share purchase warrant, with each warrant entitling the holder to purchase one common share of the Company at a price of $0.45 per share for a period of 24 months from the closing date of the IPO.

In connection with the IPO, the Company paid the Agent a corporate finance fee of $157,500 as a combination of $75,000 cash and 330,000 units at a price of $0.25 per unit. Each unit included one common share purchase warrant, with each warrant entitling the Agent to purchase one common share of the Company at a price of $0.45 per share for a period of 24 months from the closing date.

In addition, the Company issued 390,080 warrants to the Agent and its selling group members (the “Agent’s Warrants”), with each Agent’s Warrant exercisable into one unit (an “Agent’s Warrant Unit”) at an exercise price of $0.25 per Agent’s Warrant Unit for a period of 24 months from the closing date. The finder warrants were valued using the Black Scholes Option Pricing model to determine the fair value of the finder warrants. The inputs used to value the finder warrants was a volatility of 126%, risk-free rate of 0.36% and an expected life of 2 years. The Company recorded share-issuance costs of $61,280 in connection to the finder warrants.

Expiry date	Exercise Price	Number of warrants outstanding
February 25, 2023	$ 0.45	8,706,000
February 25, 2023	0.25	390,080
		9,096,080

(e) Share-based payment reserve

The share-based payment reserve records items recognized as share-based payment expense and other share-based payments until such time that the stock options or warrants are exercised, at which time the corresponding amount will be transferred to share capital.

(f) Other reserve

The other reserve records the deferred benefit recognized on loans with related parties. The deferred benefit is amortized over the term of the loan and the amortized portion is recognized as other income.

(g) Escrow Shares

As at September 30, 2021, there were 39,458,334 (2020 – Nil) common shares held in escrow.

(Expressed in Canadian Dollars)

9. Related Party Transactions

(a) Key management personnel

Key management personnel are those persons having the authority and responsibility for planning, directing, and controlling activities of the Company. The key management personnel of the Company are the members of the Company's executive management team and the board of directors. During the years ended September 30, 2021 and 2020, compensation of key management personnel was as follows:

	September 30, 2021	September 30, 2020
Short-term benefits	**$ 464,641**	$ 355,380
Share-based compensation	**159,842**	346,597
Research and development	**18,664**	-
	$ 643,146	$ 701,977

As at September 30,2021, the Company owes $Nil (2020 - $6,998) to key management personnel which is unsecured, non-interest bearing and due on demand.

(b) Transactions with other related parties

During the year ended September 30, 2021, the Company entered into the following transactions with other related parties:

(i) At September 30, 2021 and 2020, two directors of the Company are key management personnel and directors of PayWith Worldwide Inc. ("Paywith"). The Company incurred $nil in research and development expense and $nil (2020 - $30,000) in general and administrative expenses to PayWith. As of September 30, 2021, the Company owes $nil (September 30, 2020 - $1,575) to PayWith, which was unsecured, non-interest bearing and due on demand.

(ii) On August 6, 2020, the Company entered into a loan agreement with a company related to a director of the Company. Under the agreement, the Company received a loan of $400,000 which is unsecured, interest bearing at a rate of 8% per annum and had an original maturity date of November 6, 2021 that was subsequently extended to February 6, 2022 (the "Loan"). The Company determined that the stated interest rate was below market rates and recorded a discount of $25,951 using an annual discount rate of 14%. During the year ended September 30, 2021 the Company amortized $25,062 (2020 - $Nil) of the discount and recognized the amount as other income. For the year ended September 30, 2021, the Company has recorded $57,062 (2020 - $8,043) in interest and accretion expense which has been recorded in general and administrative expenses. Subsequent to the year ended September 30, 2021, the loan and the accrued interests were repaid through a debt-to-equity conversion (Note 14).

(iii) On November 13, 2020, the Company entered into a loan agreement with a company related to a director of the Company. Under the agreement, the Company received a loan of $150,000 which is unsecured, accrues interest at a rate of 8% per annum and had an original maturity date of January 12, 2021 that was subsequently extended to March 31, 2021. The Company determined that the stated interest rate was below market rates and recorded a discount of $15,365 using an annual discount rate of 14%. During the year ended September 30, 2021 the Company amortized $15,365 of the discount and recognized the amount as other income. For the year ended September 30, 2021, the Company has recorded $19,902 in interest and accretion expense which has been recorded in general and administrative expenses. The loan principal plus accrued interest of $4,537 was repaid on March 31, 2021.

(Expressed in Canadian Dollars)

9. Related Party Transactions (continued)

(iv) On February 9, 2021, the Company entered into a loan agreement with a company related to a director of the Company. Under the agreement, the Company received a loan of $150,000 which is unsecured and accrues interest at a rate of 8% per annum. The loan principal plus accrued interest of $1,710 was repaid on March 31, 2021.

10. Commitments

(a) Platform agreement

On July 19, 2019, the Company entered into a platform agreement (the "Platform Agreement") with PayWith and PayWith Canada Inc., a wholly owned subsidiary of PayWith ("PWC"), pursuant to which PayWith and PWC agreed to license the cloud-based technology platform developed and owned by PayWith to the Company in exchange for the payment of certain fees including a monthly flat fee and a volume-based fee. The monthly flat fee is tied to the completion of outstanding deliverables from a Professional Services Agreement dated and effective May 15, 2018 and as amended on July 1, 2018. The volume-based fee is based on 15% of gross monthly revenue generated by the Company upon sales of its product and began accruing on August 1, 2019. During the year ended September 30, 2021, the Company incurred $nil (2020 - $30,000) in monthly flat fees and $nil (2020 - $nil) in volume-based fees.

(b) Consulting agreements

On November 1, 2017, the Company entered into an agreement with a consultant regarding the provision of legal services. The consultant is to be compensated with a monthly fee of $6,000. For the year ended September 30, 2021, the Company recorded $72,000 (2020 - $72,000) in professional fees related to this agreement.

On September 1, 2018, the Company entered into an agreement with a consultant regarding the provision of general administrative, office support and organizational services. The consultant is to be compensated with a monthly fee of $6,000 for the first eight months of the year and $3,000 afterwards. For the year ended September 30, 2021, the Company recorded $60,000 (2020 - $72,000) in consulting fees related to this agreement.

On June 16, 2020, the Company entered into an agreement with a company controlled by the Chief Financial Officer of the Company regarding the provision of chief financial officer services. The company is to be compensated with a monthly fee of $5,000. For the year ended September 30, 2021, the Company recorded $60,000 (2020 - $17,500) in general and administrative expenses related to this agreement.

11. Income Taxes

A reconciliation of the expected income tax recovery to the actual income tax recovery is as follows:

	September 30, 2021 $	September 30, 2020 $
Net loss	**(2,198,679)**	**(1,997,918)**
Statutory income tax rate	**27%**	**27%**
Expected income tax recovery	**(593,643)**	**(539,438)**
Non-deductible items	**115,090**	**103,946**
Other, including rate change	**-**	**-**
Change in unrecognized deferred income tax assets	**478,553**	**435,492**
Tax recovery for the year	**-**	**-**

(Expressed in Canadian Dollars)

11. Income Taxes (continued)

The Company has the following deferred tax assets and liabilities:

	September 30, 2021 $	September 30, 2020 $
Deferred tax assets		
Non-capital losses	**2,052,176**	**1,575,441**
Equipment	**4,845**	**3,027**
Net deferred tax assets	**2,057,021**	**1,578,468**
Unrecognized deferred income tax assets	**(2,057,021)**	**(1,578,468)**
Net deferred income tax assets	**-**	**-**

The Company has accumulated non-capital losses of $7,601,000 which may be deducted in the calculation of taxable income in future years. The non-capital losses expire as follows:

2038	$ 2,016,000
2039	2,207,000
2040	1,612,000
2041	1,766,000
	$ 7,601,000

12. Management of Capital

The Company's capital structure consists of cash and share capital.

The Company manages its capital structure and makes adjustments to it, based on the funds available to the Company. The Board of Directors does not establish quantitative return on capital criteria for management, but rather relies on the expertise of the Company's management to sustain future development of the business.

In order to carry out the planned activities and pay for administrative costs, the Company will spend its existing working capital and raise additional amounts as needed. Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company, is reasonable. There were no changes in the Company's approach to capital management since inception. The Company is not subject to external capital requirements.

(Expressed in Canadian Dollars)

13. Financial Instruments and Risk Management

(a) Categories of Financial Instruments and Fair Value Measurements

	September 30, 2021	September 30, 2020
Financial Assets		
Cash and cash equivalents	**$ 612,526**	$ 235,367
Receivables, excluding GST	**9,318**	72,136
Total financial assets	**$ 621,844**	$ 307,503
Financial Liabilities		
Trade payables and due to related parties	**$ 258,408**	$ 104,778
Loan and accrued interest payable	**439,154**	382,092
Total financial liabilities	**$ 697,562**	$ 486,870

The levels of the fair value hierarchy are as follows:

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

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

(b) Management of Financial Risks

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

Credit Risk
Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. The Company's primary exposure to credit risk is on its cash. The Company manages its credit risk relating to cash through the use of a major financial institution which has a high credit quality as determined by rating agencies. The Company assessed credit risk as low.

Liquidity Risk
Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company's liquidity and operating results may be adversely affected if its access to the capital market is hindered. The Company has nominal sources of revenue and has obligations to meets its administrative overheads and to settle amounts payable to its creditors. The Company has been successful in raising equity financing; however, there is no assurance that it will be able to do so in the future. The Company assesses liquidity risk as high.

14. Financial Instruments and Risk Management (continued)

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

Foreign Exchange Risk
Foreign exchange risk is the risk that the Company's financial instruments will fluctuate in value as a result of movements in foreign exchange rates. The Company is not exposed to any significant foreign exchange risk.

Interest rate risk
Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's cash and cash equivalents consist of cash held in bank accounts and redeemable short-term investment certificates. The Company is not exposed to significant interest rate risk.

15. Subsequent Events

On October 1, 2021, the Company issued an unsecured convertible debenture in the principal amount of $300,000 (the "Debenture") to an investor. The Debenture bears interest at the rate of 8% per annum and has a term of 12 months.

On January 7, 2022, the Company closed a non-brokered unit private placement at a price of $0.25 per unit (the "Offering") for gross proceeds of $575,282. The Company issued and sold an aggregate of 2,301,128 units to various subscribers, with each unit consisting of one common share of the Company and one share purchase warrant. Each warrant is exercisable into one common share of the Company at a price of $0.45 per share for a period of 24 months.

In connection with the Offering, the Company converted an aggregate of $754,049 in outstanding debt relating to the Debenture and the Loan (Note 9 (b) (ii)) into 3,016,196 units on identical terms.