GENERATIVE AI SOLUTIONS CORP.

CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEARS ENDED JANUARY 31, 2024 AND 2023

(Expressed in Canadian Dollars)

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INDEPENDENT AUDITORS' REPORT

To the Shareholders and Directors of Generative AI Solutions Corp.

Opinion

We have audited the consolidated financial statements of Generative AI Solutions Corp. and its subsidiaries (together, the "Company") which comprise:

- the consolidated statements of financial position as at January 31, 2024;
- the consolidated statements of loss and comprehensive loss for the year then ended;
- the consolidated statements of changes in equity for the year then ended;
- the consolidated statements of cash flows for the year then ended; and
- the notes to the consolidated financial statements, including material accounting policy information and other explanatory information.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Company as at January 31, 2024, and its consolidated financial performance and its cash flows for the year then ended in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board.

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 *Auditors' Responsibilities for the Audit of the consolidated financial statements* section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

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. We have fulfilled our other ethical responsibilities in accordance with these requirements.

Material Uncertainty Related to Going Concern

We draw attention to Note 1 of the accompanying consolidated financial statements, which describes matters and conditions that indicate the existence of a material uncertainty that may cast significant doubt about 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 for the year ended January 31, 2024. 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 following key audit matter to communicate in our auditors' report:

<u>Valuation of Investment</u>

We draw your attention to Note 3(a)(ii) – Material accounting estimates and judgments, Note 3(f) – Material accounting policies, and Note 10 – Investment to the consolidated financial statements.

The Company holds a 10% interest in a non-public company, which is measured at fair value through profit or loss. The fair value is determined using Level 3 unobservable inputs. For the year ended January 31, 2024, the Company recorded a $10,468,559 decrease in the fair value of this investment. As of January 31, 2024, the carrying value of the investment was $Nil.

We identified the valuation of investment as a key audit matter due to:

- The magnitude of the decrease in the fair value of the investment and the significant judgment and estimation required by management in determining the fair value of the investment in the absence of observable market information.

- The significant auditor judgment involved in evaluating the reasonableness of management's estimate of the fair value of the investment.

Our approach to addressing this matter included the following procedures:

- Evaluated the design and implementation of controls over management's estimate of the fair value of the Company's investment in the non-public entity
- Assessed the Company's accounting policies for recognizing and measuring the investment in the non-public entity in accordance with IFRS
- Examined publicly available information and information obtained from the investee about its business activities to assess the reasonableness of the assumptions used by management to fair value of the investment in the non-public equity
- Evaluated the appropriateness of the valuation methodology and the reasonableness of significant data and key assumptions used by management
- Assessed the presentation and accuracy of the note disclosure (Note 10)

Other Information

Management is responsible for the other information. The other information comprises the Company's Management Discussion and Analysis to be filed with the relevant Canadian securities commissions.

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 identified above 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.

If, based on the work we have performed on this other information, 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.

Other Matter

The consolidated financial statements of the Company for the year ended January 31, 2023 were audited by another auditor who expressed an unmodified opinion on those consolidated financial statements as at April 12, 2023.

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 as issued by the International Accounting Standards Board, 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.

Auditors' 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 auditors' 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 auditors' 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 auditors' 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 group 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 period and are, therefore, the key audit matters. We describe these matters in our auditors' 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 auditors' report is Artem Valeev.

Manning Elliott LLP

CHARTERED PROFESSIONAL ACCOUNTANTS
Vancouver, British Columbia
May 30, 2024

GENERATIVE AI SOLUTIONS CORP.
CONSOLIDATED FINANCIAL STATEMENTS
For the years ended January 31, 2024 and 2023
(Expressed in Canadian Dollars)

	2024 **$**	2023 $
ASSETS		
Current		
Cash	**1,656,973**	444,885
Accounts and other receivables (Note 6)	**366,652**	-
Prepaid expenses (Note 7)	**710,828**	351,356
	2,734,453	796,241
Non-current		
Intangible assets (Note 9)	**-**	150,000
Equipment (Note 11)	**2,127,476**	-
TOTAL ASSETS	**4,861,929**	946,241
LIABILITIES		
Current		
Accounts payable and accrued liabilities (Note 12)	**106,860**	17,209
Payable on acquisition of intangible asset (Note 9)	**-**	150,000
Deferred revenue	**68,227**	-
Due to related party (Note 12)	**-**	11,875
Convertible and promissory notes (Note 13)	**682,452**	-
Derivative liability (Note 13)	**45,041**	-
	902,580	179,084
Non-current		
Convertible and promissory notes (Note 13)	**267,756**	226,912
TOTAL LIABILITIES	**1,170,336**	405,996
EQUITY		
Share capital (Note 14)	**19,539,018**	428,010
Special warrants	**-**	10,000
Convertible promissory note reserve	**88,200**	88,200
Shares to be issued	**237,500**	-
Contributed surplus	**615,106**	-
Retained earnings (deficit)	**(16,613,274)**	14,035
Equity attributable to shareholders of parent	**3,866,550**	540,245
Non-controlling interest (Note 19)	**(174,957)**	-
TOTAL EQUITY	**3,691,593**	540,245
TOTAL LIABILITIES AND EQUITY	**4,861,929**	946,241

NATURE OF OPERATIONS AND GOING CONCERN (Note 1)
SUBSEQUENT EVENTS (Note 22)

Approved and authorized for issuance on behalf of the Board on May 30, 2024:

/s/ Ryan Selby Director   */s/ Aaron Bowden,* Director

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

GENERATIVE AI SOLUTIONS CORP.
CONSOLIDATED STATEMENTS OF LOSS AND COMPREHENSIVE LOSS
For the years ended January 31, 2024 and 2023
(Expressed in Canadian Dollars)

	2024	2023
	$	$
REVENUE		
Hosting services	**181,757**	-
COST OF SALES		
Amortization of equipment (Note 11)	**440,976**	-
Hosting expenses	**139,337**	-
GROSS LOSS	**(398,556)**	
OPERATING EXPENSES		
Advertising and promotion	**311,404**	-
Bank service charges	**2,815**	-
Legal fees	**228,271**	-
Meals and entertainment	**18,566**	-
Office and miscellaneous	**55,163**	-
Professional fees (Note 12)	**1,015,670**	6,000
Research and development	**309,753**	-
Rent	**31,200**	-
Share-based compensation (Note 12 and 14)	**615,106**	-
Travel expenses	**98,096**	-
Transfer agent	**76,008**	-
	2,762,052	6,000
OPERATING LOSS	**(3,160,608)**	(6,000)
Other expenses (income)		
Accretion and interest expense (Note 13)	**140,357**	-
Business development expense (Note 8)	**3,130,435**	-
Gain on acquisition (Note 5)	**-**	(21,245)
Other income	**(12,554)**	-
Fair value gain – derivative liability (Note 13)	**(299,382)**	-
Foreign exchange gain	**(13,626)**	-
Unrealized exchange gain on convertible debt (Note 13)	**(30,692)**	-
Change in fair value of equity investments (Note 10)	**10,468,560**	-
Impairment of intangible assets (Note 9)	**247,217**	-
Loss on debt settlement (Note 13)	**40,508**	-
Income (loss) before income taxes	**(16,831,431)**	15,245
Current tax expense	**-**	-
Net and comprehensive income (loss) for the year	**(16,831,431)**	15,245
Net loss attributable to		
Shareholders	**(16,627,309)**	-
Non-controlling Interest (Note 19)	**(204,122)**	-
	(16,831,431)	
Earnings (loss) per share (basic)	**(0.25)**	0.00
Weighted average number of common shares (basic)	**68,534,526**	8,924,562

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

GENERATIVE AI SOLUTIONS CORP.
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
For the years ended January 31, 2024 and 2023
(Expressed in Canadian Dollars)

	Number of Shares										
	Common Shares	**Class B Shares**	**Multiple Voting Shares**	**Share Capital**	**Special Warrants**	**Commitment to issue shares**	**Convertible Promissory Note Reserve**	**Contributed Surplus**	**Retained Earnings (Deficit)**	**Non-controlling Interest**	**Total**
				$	**$**	**$**	**$**	**$**	**$**	**$**	**$**
Balance as at January 31, 2022	1,000	-	-	10	-	-	-		(1,210)	-	(1,200)
Issuance of common shares	42,800,000	-	-	428,000	-	-	-	-	-	-	428,000
Recapitalization	(42,800,999)	-	-	-	-	-	-	-	-	-	-
Shares issued for reverse acquisition	42,801,000	-	-	-	-	-	-	-	-	-	-
Convertible debt	-	-	-	-	-	-	88,200	-	-	-	88,200
Issue of special warrants	-	-	-	-	10,000	-	-	-	-	-	10,000
Comprehensive income	-	-	-	-	-	-	-	-	15,245	-	15,245
Balance as at January 31, 2023	**42,801,001**	**-**	**-**	**428,010**	**10,000**	**-**	**88,200**	-	14,035	-	540,245
Private placements	8,175,000	-	-	1,214,675	-	-	-	-	-	-	1,214,675
Elimination of Ultron share capital following RTO	(51,176,001)	-	-	-	-	-	-	-	-	-	-
Common shares issued for the Ultron acquisition	51,176,001	-	-	-	-	-	-	-	-	-	-
RTO transaction	-	4,519,837	1,030	832,401	-	-	-	-	-	-	832,401
Conversion of preferred shares to common shares	-	213,893	(214)	-	-	-	-	-	-	-	-
Conversion to Class B Shares	-	815,611	(816)	-	-	-	-	-	-	-	-
Private Placements subsequent to RTO	9,595,531	-	-	5,373,497	-	-	-	-	-	-	5,373,497
Exercise of special warrants	200,000	-	-	10,000	(10,000)	-	-	-	-	-	-
Acquisition of Global AI Billing	7,500,000	-	-	8,550,000	-	-	-	-	-	-	8,550,000
Acquisition of Pulse AI	3,260,870	-	-	3,310,435	-	-	-	-	-	-	3,130,435
Acquisition of non-controlling interest	-	-	-	-	-	-	-	-	-	29,165	29,165
Shares to be issued	-	-	-	-	-	237,500	-	-	-	-	237,500
Share-based compensation	-	-	-	-	-	-	-	615,106	-	-	615,106
Comprehensive loss	-	-	-	-	-		-	-	(16,627,309)	(204,122)	(16,831,431)
Balance as at January 31, 2024	**71,532,402**	**5,549,341**	**-**	**19,539,018**	**-**	**237,500**	**88,200**	**615,106**	**(16,613,274)**	**(174,957)**	**3,691,593**

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

GENERATIVE AI SOLUTIONS CORP.
CONSOLIDATED STATEMENTS OF CASH FLOWS
For the years ended January 31, 2024 and 2023
(Expressed in Canadian Dollars)

(Expressed in Canadian Dollars)

	2024 $	2023 $
CASH PROVIDED BY (USED IN):		
OPERATING ACTIVITIES		
Net income (loss) for the year	**(16,831,431)**	15,245
Items not affecting cash		
Gain on acquisition	**-**	(21,245)
Accretion and interest expense	**140,357**	-
Business development expenses	**3,130,435**	
Amortization of equipment	**440,976**	-
Fair value gain – derivative liability	**(299,382)**	-
Share-based compensation	**615,106**	-
Change in fair value of equity investment	**10,468,560**	-
Impairment of intangible assets	**247,217**	-
Loss on debt settlement	**40,508**	-
Shares to be issued for consulting services	**237,500**	-
Unrealized exchange gain on convertible debt	**(30,692)**	-
Changes in non-cash working capital balances:		
Accounts and other receivable	**(363,750)**	-
Acquisition costs payable	**(150,000)**	-
Accounts payable and accrued liabilities	**(173,698)**	6,000
Income taxes payable	**(2,900,081)**	-
Deferred revenue	**68,227**	-
Prepaid expenses and deposits	**(315,721)**	(5,000)
Cash used by operating activities	**(5,675,869)**	(5,000)
INVESTING ACTIVITIES		
Cash from RTO transaction	**3,869,250**	-
Purchase of equipment	**(2,568,452)**	-
Cash used by investing activities	**1,300,798**	-
FINANCING ACTIVITIES		
Repayments of promissory notes	(1,001,013)	-
Advances from related party	-	11,875
Proceeds from issue of special warrants	-	10,000
Proceeds from issuance of common shares	6,588,172	428,010
Cash provided by financing activities	**5,587,159**	449,885
CHANGE IN CASH DURING THE YEAR	**1,212,088**	444,885
CASH, BEGINNING OF YEAR	**444,885**	-
CASH, END OF YEAR	**1,656,973**	444,885

Note 18 – Supplemental disclosures to cash flows.

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

1. NATURE OF OPERATIONS AND GOING CONCERN

Generative AI Solutions Corp. (or the "Company") was incorporated in the Province of British Columbia on July 6, 2018, under the Business Corporations Act of British Columbia ("BCBCA") under the name Gamora Capital Corp. On March 11, 2021, the Company changed its name to PODA Lifestyle & Wellness Ltd. On September 27, 2021, the Company changed its name to PODA Holdings, Inc. On June 24, 2022, the Company changed its name to Idle Lifestyle, Inc. On February 4, 2023, the Company changed its name to Generative AI Solutions Corp. The Company's principal business activity is to identify and develop or acquire assets in the artificial intelligence and machine learning technology space.

The Company's head office is located at 550 Burrard Street, Suite 2300, Vancouver, British Columbia, V6C 2B5.

On April 18, 2023, the Company announced that it been had granted approval by the Canadian Securities Exchange ("CSE") to begin trading of its common shares under the symbol "AICO". The listing is the result of the closing of the Company's business combination with Ultron Capital Corp. ("Ultron") pursuant to the terms of the business combination agreement dated February 16, 2023. Under the terms of the business combination agreement, the Company acquired all of the issued and outstanding securities of Ultron in exchange for 51,176,001 common shares of the Company (the "Transaction"). The Transaction resulted in a reverse takeover of the Company by Ultron, which constituted a fundamental change of the Company, as defined in the policies of the CSE. As the Company did not meet the definition of a business as defined by International Financial Reporting Standards ("IFRS") , the Transaction has been accounted for as a share-based payment transaction in accordance with IFRS 2.

In accordance with the principles of reverse takeover accounting, the Company will report the operations of Ultron, and its related historical comparative financial statements in periods prior to the Transaction as its continuing business, except for the legal capital shown in the consolidated statements of changes in equity, which have been adjusted to reflect the share capital of the Company.

The accompanying consolidated financial statements comprise the financial statements of the Company and its legal subsidiaries (Note 2(c)).

These consolidated financial statements have been prepared on the basis of accounting principles applicable to a going concern, which presumes the Company will realize its assets and discharge its liabilities in the normal course of business for at least the next twelve months. During the 2024 year-end, the Company incurred a net loss of $16,831,431 and as at January 31, 2024 and accumulated deficit of $16,788,231. The Company's ability to continue as a going concern and to realize the carrying value of its assets and discharge its liabilities, when due, is dependent upon the Company's ability to execute its business plan which may require additional financing. The timing and availability of additional financing will be determined largely by the performance of the Company and market conditions and there is no certainty that the Company will be able to raise funds as they are required in the future. Although the Company has been successful in the past in obtaining financing, there is no assurance that it will be able to obtain adequate financing in the future or that such financing will be on terms advantageous to the Company. These factors indicate the existence of a material uncertainty that casts significant doubt about the Company's ability to continue as a going concern.

These consolidated financial statements do not reflect adjustments that would be necessary if the going concern assumption were inappropriate. If the going concern basis were not appropriate, adjustments would be necessary to present these consolidated financial statements on a liquidation basis, which could significantly differ from accounting principles applicable to a going concern. Such adjustments could be material.

(Expressed in Canadian Dollars)

2. BASIS OF PREPARATION

a) Statement of compliance

These consolidated financial statements, including comparatives, have been prepared in accordance with IFRS Accounting Standards (“IFRS”) as issued by the International Accounting Standards Board (“IASB”). The principal accounting policies applied in the preparation of these consolidated financial statements are set out below.

These policies have been consistently applied to all years presented.

These consolidated financial statements were authorized for issue by the Board of Directors on May 30, 2024.

b) Basis of measurement

These consolidated financial statements have been prepared on a historical cost basis except for certain non-current assets and financial instruments, which are measured at fair value, as disclosed in Note 3.

The functional and presentation currency of the Company and its subsidiaries is the Canadian dollar.

c) Basis of consolidation

These consolidated financial statements include the financial statements of the Company and the subsidiaries controlled by the Company. The Company controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial statements of the subsidiaries are included in the consolidated financial statements from the date on which control is transferred to the Company until the date that control ceases. All intercompany transactions and balances have been eliminated on consolidation.

Company	Place of Incorporation	Percentage of ownership	Consolidated since
Global AI Billing Corp.	Canada	100%	May 2, 2023
Global AI Newswire Inc.	Canada	70%	May 29, 2023
Ultron Capital Inc.	Canada	100%	April 17, 2023
GenAI Tobacco Inc.	Canada	80%	May 19, 2023
MAI Cloud Solutions Inc.	Canada	100%	June 12, 2023
1431885 B.C. Ltd.	Canada	70%	August 4, 2023
Pulse AI Compute Solutions Inc.	Canada	100%	June 19, 2023
R&R&D Solutions Inc.	Canada	100%	January 31, 2023

3. MATERIAL ACCOUNTING POLICIES

a) Material accounting estimates and judgements

The preparation of the consolidated financial statements in conformity with IFRS requires management to make judgments in applying its accounting policies and estimates and assumptions about the future. These judgments, estimates, and assumptions affect the reported amounts of assets and liabilities at the reporting date and reported amounts of revenues and expenses during the reporting period. Estimates and judgments are continuously evaluated and are based on management's experience and other factors, including expectations of future events that are believed to be reasonable under the circumstance. Actual results may differ from these estimates under different assumptions or conditions. The following discusses the most significant accounting judgments, estimates and assumptions that the Company has made in the preparation of its consolidated financial statements.

Areas of judgement

(i) Going Concern

Determining if the Company has the ability to continue as a going concern is dependent on its ability to achieve profitable operations. Certain judgments are made when determining if the Company will be able to continue as a going concern. Further disclosure is included in Note 1.

(ii) Deferred Tax Asset

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probably that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Management applies judgment in determining the likelihood of future taxable profits.

(iii) Useful Life of Assets

Equipment, and intangible assets are depreciated over their estimated useful lives. Estimated useful lives are determined based on current factors and past experience and take into consideration the anticipated physical life of the asset, the potential for technological obsolescence, and regulations. Accordingly, these estimates are subject to measurement uncertainty.

(iv) Revenue

The Company uses judgement to assess whether contracts contain multiple products and services sold and whether these should be considered distinct and accounted as separate performance obligations or together. Estimates are required when allocating revenue where multiple performance obligations exist in a contract. Judgment is required as to determining when control of the product has been transferred to the customer.

Assumptions and critical estimates

(i) Tax Assets and Liabilities

Provisions for income taxes are made using the best estimate of the amount expected to be paid or recovered based on a qualitative assessment of all relevant factors. The Company reviews the adequacy of these provisions at the end of each reporting period. However, it is possible that at some future date an additional liability could result from audits by tax authorities. Where the final outcome of these tax-related matters is different from the amounts that were initially recorded, such differences will affect the tax provisions in the period in which such determination is made.

Deferred tax assets and liabilities contain estimates about the nature of temporary differences as well as the future tax rates that will apply to the reversal of those differences. Changes in tax laws and rates as well as changes to the expected timing of reversals may have a significant impact on the amounts recorded for deferred tax assets and liabilities. Management closely monitors current and potential changes to tax law and bases its estimates on the best available information at each reporting date.

(ii) Determination of Fair Values

Certain of the Company's assets and liabilities are measured at fair value. In estimating fair value, the Company uses market-observable data to the extent it is available. For equity investments not quoted in an active market, where Level 1 inputs are not available the Company estimates the fair value based on the information described under Note 3(f). Significant judgement or estimate is required to estimate the fair value of the Company's investment in non-public companies.

(iii) Share-Based Payments

The Company utilizes the Black-Scholes Option Pricing Model ("Black-Scholes") to estimate the fair value of stock options granted to directors, officers and consultants. The use of Black-Scholes requires management to make various estimates and assumptions that impact the value assigned to the stock options including the forecast future volatility of the stock price, the risk-free interest rate, dividend yield and the expected life of the stock options. Any changes in these assumptions could have a material impact on the share-based compensation calculation value, however, the most significant estimate is the volatility.

(iv) Impairment of Financial Assets

The Company uses judgement to estimate the ECL which is determined based on stage assessment. The ECL model requires judgement including but not limited to consideration of how changes in economic factors affect the ECLs.

b) Income taxes

Deferred tax assets and liabilities are recognized where the carrying amount of an asset or liability differs from its tax base, except for taxable temporary differences arising on the initial recognition of goodwill and temporary differences arising on the initial recognition of an asset or liability in a transaction which is not a business combination and at the time of the transaction affects neither accounting nor taxable profit or loss.

Recognition of deferred tax assets for unused tax losses, tax credits and deductible temporary differences is restricted to those instances where it is probable that future taxable profit will be available against which the deferred tax asset can be utilized. At the end of each reporting period the Company reassesses unrecognized deferred tax assets. The Company recognizes a previously unrecognized deferred tax asset to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

c) Financial instruments

Financial assets

On initial recognition financial assets are classified as measured at:

i. Amortized cost;

ii. Fair value through other comprehensive income ("FVOCI"); and

iii. Fair value through profit and loss ("FVTPL").

Financial assets are not reclassified subsequent to their initial recognition unless the Company changes its business model for managing financial assets in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

At initial recognition, the Company measures a financial asset at its fair value plus, in the case of a financial asset not at FVTPL, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVTPL are expensed in profit or loss. Financial assets are considered in their entirety when determining whether their cash flows are solely payment of principal and interest.

Subsequent measurement of financial assets depends on their classification:

i. Amortized cost

Financial assets are classified as measured at amortized cost if both of the following criteria are met: 1) the object of the Company's business model for these financial assets is to collect their contractual cash flows; and 2) the asset's contractual cash flows represent "solely payments of principal and interest". After initial recognition, these are measured at amortized cost using the effective interest rate method. Discounting is omitted where the effect of discounting is immaterial. The Company's cash, amounts receivable and deposits are classified as financial assets and measured at amortized cost.

ii. FVOCI

Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at FVOCI. Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains and losses, interest revenue, and foreign exchange gains and losses which are recognized in profit or loss. When the financial asset is derecognized, the cumulative gain or loss previously recognized in OCI is reclassified from equity to profit or loss and recognized in other gains (losses). Interest income from these financial assets is included as finance income using the effective interest rate method.

The Company does not have any assets classified at FVOCI.

iii. FVTPL

Assets that do not meet the criteria for amortized cost or FVOCI are measured at FVTPL. A gain or loss on an investment that is subsequently measured at FVTPL is recognized in profit or loss and presented net as revenue in the Consolidated Statement of Loss and Comprehensive Loss in the period in which it arises.

The Company's cash and its investment is classified at FVTPL.

Financial Liabilities and Equity

Debt and equity instruments are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangement. An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the group entities are recorded at the proceeds received, net of direct issue costs.

Financial liabilities are classified as measured at (i) FVTPL; or (ii) amortized cost.

A financial liability is classified as at FVTPL if it is classified as held-for-trading or is designated as such on initial recognition. Directly attributable transaction costs are recognized in profit or loss as incurred. The amount of change in the fair value that is attributable to changes in the credit risk of the liability is presented in OCI and the remaining amount of the change in the fair value is presented in profit or loss.

The Company classifies its derivative financial liabilities at FVTPL.

Other non-derivative financial liabilities are initially measured at fair value less any directly attributable transaction costs. Subsequent to initial recognition, these liabilities are measured at amortized cost using the effective interest method.

The Company classifies its accounts payable, acquisition costs payable and convertible and promissory notes at amortized cost.

A financial liability is derecognized when the contractual obligation under the liability is discharged, cancelled or expires or its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognized at fair value.

d) Revenue recognition

The Company recognizes revenue under IFRS 15, “Revenue from Contracts with Customers” (“IFRS 15”).

The Company recognizes revenue from providing hosting services with the right to use available equipment computing hours for a period of time.

Hosting fees are recognized as the hosting services are provided to customers on a monthly basis.

e) Equipment

Equipment is recorded at cost less accumulated amortization and accumulated impairment losses, if any.

The cost of an item of equipment consists of the purchase price, any costs directly attributable to bringing the asset to the location and condition necessary for its intended use, initial estimates of the costs of dismantling and removing an item and restoring the site on which it is located, and, where applicable, borrowing costs.

Where an item of equipment is composed of major components with different useful lives, the components are accounted for as separate items of equipment. Expenditures incurred to replace a component of an item of property and equipment that is accounted for separately, including major inspection and overhaul expenditures and building improvements, are capitalized.

Amortization is recognized in operations on a straight-line basis over the estimated useful lives of each asset or component part of an item of equipment, depending on which method (and rate) most closely reflects the expected pattern of consumption of the future economic benefits embodied in the asset.

Equipment	3 years, straight line

Amortization methods and useful lives are reviewed at each annual reporting date and adjusted as appropriate.

f) Fair value measurement

Where fair value is used to measure assets and liabilities in preparing these consolidated financial statements, fair value is the price at which an orderly transaction to sell the asset or to transfer the liability would take place between market participants at the measurement date under current market conditions. Fair values are determined from inputs that are classified within the fair value hierarchy defined under IFRS as follows:

Level 1	Quoted prices (unadjusted) in active markets for identical assets or liabilities
Level 2	Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly
Level 3	Inputs for the asset or liability that are unobservable

Financial instrument classified as Level 3 investments are valued based on information provided by management about actual events or transactions, and that reflect the assumption that market participants would use when pricing the asset or liability.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible by the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants acts in their economic best interest.

The Company holds equity investments consisting of common shares in a non-public company. At the end of each financial reporting period, the Company's management estimates the fair value of its investments based on the criteria below and records such valuations in the consolidated financial statements.

Equity investments are initially recorded at fair value at the time of acquisition. At each reporting period thereafter, the fair value of an investment may, depending on circumstances, be adjusted by taking into account the following circumstances:

- There has been a significant subsequent equity financing provided by outside investors at a valuation above or below the current fair value of the investee, in which case the fair value of the investment is adjusted to reflect the value at which the financing took place;
- Based on financial information received from the investee it is apparent to the Company that the investee is unlikely to be able to continue as a going concern, in which case the fair value of the investment is adjusted downward;
- The investee is placed into receivership or bankruptcy;
- There has been significant corporate, political, operating or economic events affecting the investee that, in the Company's opinion, have a positive or negative impact on the investee's prospects and, therefore, its fair value. In these circumstances, the adjustment to the fair value of the investment will be based on management's judgment and any value estimated may not be ultimately realized or realizable. Such events include, without limitation:
    - receipt or denial of necessary approvals that allow or prevent the investee to proceed with its project(s);
    - release by the investee of positive or negative operating results, which either proves or disproves its business plan; and
    - management personnel changes at the investee level that the Company's management believes will have a very positive or negative impact on the investee's ability to achieve its objectives and build value for shareholders.

In addition to the circumstances described above, the Company will take into account general market conditions when determining if an adjustment to the fair value of an investment is warranted at the end of each reporting period.

Application of the valuation techniques described above may involve uncertainties and determinations based on the Company's judgment and any value estimated from these techniques may not be realized. Estimating the fair value for non-public companies involves a significant amount of judgement using Level 2 and Level 3 inputs. The amount at which an investment could be disposed of may differ from its carrying value due to the availability and/or reliability of information available to, and determinations reached by, the Company. Any fair value estimated by the application of these techniques may not ultimately be realized. Transaction costs incurred in the purchase and sale of investments are recorded as an expense in the statement of comprehensive loss.

g) Share capital

Share capital represents the amount received on the issue of shares, less issuance costs, net of any underlying income tax benefit from these issuance costs. Common shares issued for non-monetary consideration are measured based on their fair value at the date the common shares are issued.

The Company has adopted the residual method with respect to the measurement of common shares and warrants issued as equity units. Warrants that are part of units are assigned a value based on the residual value, if any, and included in the reserves.

h) Earnings (loss) per share

The Company presents basic and diluted earnings (loss) per share data for its common and class B shares, calculated by dividing the earnings (loss) attributable to common shareholders of the Company by the weighted average number of common and class B shares outstanding during the period. Diluted earnings per share is determined by adjusting the earnings attributable to common shareholders and the weighted average number of common and class B shares outstanding for the effects of all dilutive potential common shares. However, the calculation of diluted loss per share excludes the effects of various conversions and exercise of options and warrants that would be anti-dilutive.

i) Impairment of long-lived assets

Long-lived assets, including intangible assets are reviewed for impairment at each statement of financial position date or whenever events or changes in circumstances indicate that the carrying amount of an asset exceeds its recoverable amount. For the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets (the cash-generating unit, or "CGU"). The recoverable amount of an asset or a CGU is the higher of its fair value, less costs to sell, and its value in use. If the carrying amount of an asset exceeds its recoverable amount, an impairment charge is recognized immediately in profit or loss by the amount by which the carrying amount of the asset exceeds the recoverable amount. Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the lesser of the revised estimate of recoverable amount, and the carrying amount that would have been recorded had no impairment loss been recognized previously.

j) Intangible assets

Intangible assets consist of applications powered by artificial intelligence. Costs related to the intangible assets are carried at cost less accumulated amortization and impairment. Intangible assets with indefinite lives are not amortized but are tested annually for impairment. Any impairment of intangible assets is recognized in the statements of comprehensive loss but increases in intangible asset values are not recognized.

Estimated useful lives of intangible assets are shorter of the economic life and the period the right is legally enforceable. The assets' useful lives are reviewed, and adjusted if appropriate, at each statement of financial position date.

k) Research and development

Research costs are expensed as incurred. Development expenditures are capitalized only if development costs 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 to use or sell the asset. Other development expenditures are recognized in profit or loss as incurred.

l) Share-based payments

Share-based payments to employees and others providing similar services are measured at the estimated fair value of the instruments issued on the grant date and amortized over the vesting periods. Share-based payments to non-employees are measured at the fair value of the goods or services received or the fair value of the equity instruments issued if it is determined the fair value of the goods or services cannot be reliably measured, and are recorded at the date the goods or services are received. The amount recognized as an expense is adjusted to reflect the number of awards expected to vest. The offset to the recorded cost is to equity settled share-based payments reserve.

Consideration received on the exercise of stock options is recorded as share capital and the related equity settled share-based payments reserve is transferred to share capital. Charges for options that are forfeited before vesting are reversed from equity settled share-based payment reserve.

Share-based compensation expense relating to deferred share units is accrued over the vesting period of the units based on the quoted market price. As these awards can be settled in cash, the expense and liability are adjusted each reporting period for changes in the underlying share price.

m) Business acquisitions

The Company assesses whether an acquisition should be accounted for as an asset acquisition or a business combination under IFRS 3 Business Combinations. This assessment requires management to make judgments on whether the assets acquired and liabilities assumed constitute a business as defined in IFRS 3 and if the integrated set of activities, including inputs and processes acquired, is capable of being conducted and managed as a business and the Company obtains control of the business inputs and processes.

Judgment is used in determining whether an acquisition is a business combination or an asset acquisition. In a business combination, all identifiable assets, liabilities, and contingent liabilities acquired are recorded at their fair values. Assets are classified into one of three levels in the fair value hierarchy according to the relative reliability of the inputs used to estimate the fair values. The three levels of the fair value hierarchy are:

- 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.

n) Convertible debt

When convertible debentures are issued, the total proceeds are allocated to the liability component and the equity component, which are separately presented on the balance sheet. The liability component is recognized initially at its fair value, determined using a market interest rate for equivalent non-convertible debt. It is subsequently carried at amortized cost using the effective interest method until the liability is extinguished on conversion or redemption of the debt.

The difference between the total proceeds and the liability component is allocated to the conversion option (equity component), which is presented in equity net of deferred tax effect. The carrying amount of the conversion option is not adjusted in subsequent periods. When the conversion option is exercised, its carrying amount will be transferred to the share capital account. When the conversion option lapses, its carrying amount will be transferred to retained earnings.

o) Other comprehensive income (loss)

Comprehensive income (loss) is the change in the Company's net assets that results from transactions, events and circumstances from sources other than the Company's shareholders and includes items that are not included in profit or loss.

4. ACCOUNTING STANDARDS, INTERPRETATIONS AND AMENDMENTS NOT YET EFFECTIVE

The Company adopted the following amendments to accounting standards, which are effective for annual periods beginning on or after January 1, 2023:

Disclosure of accounting policies – amendments to IAS 1 and IFRS Practice Statement 2

The amendments to IAS 1 Presentation of Financial Statements and IFRS Practice Statement 2 Making Materially Judgements provide guidance and examples to help entities apply materiality judgements to accounting policy disclosures. The amendments aim to help entities provide accounting policy disclosures that are more useful by replacing the requirement for entities to disclose their 'significant' accounting policies with a requirement to disclose their 'material' accounting policies and adding guidance on how entities apply the concept of materiality in making decisions about accounting policy disclosures. The amendments have had an impact on the Company's disclosures of accounting policies, but not on the measurement, recognition or presentation of any items in the Company's financial statements.

Definition of accounting estimates – amendments to IAS 8

The amendments to IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors clarify the distinction between changes in accounting estimates, changes in accounting policies and the correction of errors. They clarify how entities use measurement techniques and inputs to develop accounting estimates. The amendments had no impact on the Company's financial statements.

Deferred tax related to assets and liabilities arising from a single transaction – amendments to IAS 12

The amendments to IAS 12 *Income Taxes* narrow the scope of the initial recognition exception, so that it no longer applies to transactions that give rise to equal taxable and deductible temporary differences such as leases and decommissioning liabilities. The amendments had no impact on the Company's financial statements.

The Company has not early adopted any other new accounting standard, interpretation or amendment that has been issued but is not yet effective.

(Expressed in Canadian Dollars)

5. REVERSE TAKEOVER TRANSACTIONS

a) Transaction during the year ended January 31, 2024:

On April 17, 2023, the Company closed the Transaction with Ultron under the terms of the business combination agreement dated February 16, 2023 (Note 1). The transaction was undertaken to establish a presence in the AI industry by leveraging Ultron's existing connections in this field. At the time of the transaction, Ultron was engaged in ongoing negotiations with various vendors and parties regarding potential acquisitions that could significantly enhance revenues in the AI sector. The synergy created by this transaction was expected to position the Company for future success in the AI industry.

Per the agreement, the Company acquired all issued and outstanding securities of Ultron in exchange for 51,176,001 common shares of the Company. Prior to the transaction, the Company had 5,549,341 Class B shares outstanding. Upon completion, former Ultron shareholders held approximately 90% of the total issued and outstanding common shares of the Company, resulting in a reverse takeover of the Company by Ultron. This constituted a fundamental change for the Company as defined by the policies of the CSE.

Since the Company did not meet the definition of a business according to IFRS 3 – *Business Combinations*, the transaction has been accounted for as a share-based payment transaction under IFRS 2 – *Share-based Payment.* Consequently, the transaction has been treated as a capital transaction with Ultron identified as the acquirer, and the equity consideration measured at fair value in accordance with IFRS 2.

For purposes of this transaction, the consideration received was the fair value of the Company's net assets and liabilities, after deducting transaction costs, which on April 17, 2023 was $832,401.

The fair value of the consideration paid of $832,401 has been allocated as follows:

	$
Consideration paid	
Common shares deemed to be issued (5,549,341 at $0.15 per share)	832,401
Cash	3,869,250
Accounts receivable	20,747
Prepaid expenses and deposits	43,751
Due from intercompany	100
Accounts payable	(183,421)
Income taxes payable	(2,900,081)
Total fair value of net assets acquired	850,346
Transaction costs	(17,945)
Fair value of consideration paid	832,401

(Expressed in Canadian Dollars)

b) Transaction during the year ended January 31, 2023:

On January 31, 2023, the Company acquired 100% of the outstanding shares of R&R&D Solutions Inc. ("RRD") (the "Acquisition") through the issue of 42,801,000 common shares of the company to the shareholders of RRD. The Acquisition resulted in the shareholders of RRD acquiring controlof the Company. Therefore, the Acquisition has been accounted for as a reverse acquisition and, as the Company did not meet the definition of a business as defined by IFRS 3 – *Business Combinations*, it has been accounted for as a share-based payment transaction in accordance with IFRS 2. The legal subsidiary, RRD, has been determined to have acquired control of theCompany and is the acquirer for accounting purposes.

The purchase consideration is measured as the fair value of the common shares the accounting acquirer would have had to issue to give previous shareholders of the accounting acquiree thesame percentage equity interest in the resultant combined entity together with the fair value of the deemed replacement of the equity component of the convertible promissory note. The previous shareholders of the accounting acquiree have a nominal interest in the resultant combined entity and therefore the fair value of the common shares was determined to be nominal. The fair value of the deemed replacement of the equity component of the convertible promissory note was measured on the date of the Acquisition using the Black-Scholes optionpricing model with the following assumptions:

Exercise price	$0.10
Share price	$0.05
Expected life	2.92 years
Risk-free interest rate	3.91%
Expected volatility	100%
Dividend rate	Nil

The difference between the fair value of the consideration paid and the fair value of the net assets acquired is recorded as a gain on the acquisition in the consolidated statement of income(loss) and comprehensive income (loss).

Fair value of consideration		
1 common share	$	-
Deemed replacement of equity component of convertible promissory note		88,200
		88,200

Identifiable net assets of the Company acquired by RRD		
Prepaid consulting fee		346,356
Accounts payable and accrued liabilities		(9,999)
Convertible promissory note		(226,912)
		109,445
Gain on acquisition	**$**	**21,245**

(Expressed in Canadian Dollars)

6. ACCOUNT AND OTHER RECEIVABLES

The Company's accounts and other receivable consists of the following

	2024	2023
	$	$
Account receivables	**66,891**	-
GST receivable	**12,822**	-
Current tax receivable	**286,839**	-
Others	**100**	-
	366,652	-

7. PREPAID EXPENSES

On January 10, 2023, the Company entered into a one-year consulting services agreement for a total fee of $367,500 and as at January 31, 2023, $351,356 is recorded as a prepaid expense. The consultant will assist the Company in identifying and facilitating a strategic transaction with an entity which has intellectual property assets in artificial intelligence and machine learning. In addition, the consultant will help the Company raise debt and equity financing and obtain a listing on a recognized stock exchange in North America.

The balance in prepaid expenses as of January 31, 2024, consists of advertising and marketing promotional activities that are being expensed over terms of service.

	2024	2023
	$	$
Prepaid Expenses	**710,828**	351,356
	710,828	351,356

8. BUSINESS DEVELOPMENT EXPENSES

On June 19, 2023, the Company acquired all the outstanding shares of Pulse AI Compute Solutions Inc. ("Pulse AI") from Minework Technologies Pte Ltd. ("Minework") in exchange for 1,630,435 common shares of the Company valued at $1,532,609.

In addition, the Company agreed to issue to Minework certain amounts of additional common shares if the following milestones are achieved:

a) Upon Pulse AI or the Company entering into an agreement to provide services or products to a certain customer, 1,630,435 common shares will be issued (milestone met - 1,630,435 common shares issued); and
b) For each $1,500,000 of committed revenue generated by Pulse AI following the closing date, $1,500,000, up to a maximum of $4,500,000 worth of common shares to be issued.

On July 21, 2023, the Company issued 1,630,435 common shares valued at $1,597,826 due to the first performance milestone being achieved. The acquisition cost as of January 31, 2024, reflects the share consideration issued on June 19, 2023, and July 21, 2023, totaling $3,130,435.

The Company had acquired Pulse AI in order to enter the AI compute business, learn the business to acquire new future customers, and to build a reputation to attract additional customers. At the time of acquisition, there was uncertainty on whether the acquisition would yield any future benefits to the Company. Accordingly, the Company has recorded the $3,130,435 acquisition cost as a business development expense in the statement of comprehensive loss.

9. INTANGIBLE ASSETS

The Company's intangible assets consists of the following.

1. Mobile Application

   On January 31, 2023, the Company acquired 100% of the outstanding shares of R&R&D Solution Inc. thereby obtaining a mobile application powered by artificial intelligence for a purchase price of $150,000. As at January 31, 2024, the application is still in development and thus no amortization expense recorded in 2024. At January 31, 2024, the Company assessed the intangible asset for impairment as a single asset under IAS 36 and noted indicators of impairment due to the product not generating any revenue to date and the uncertainty of whether this product will be developed timely enough to make an impact in the market. As at January 31, 2024, the value-in-use and fair value less cost to dispose of the asset are estimated to be at or close to zero and an impairment loss of $150,000 (2023 - $nil) was recognized in the statement of comprehensive loss.

2. SpeakGPT

   On August 14, 2023, the Company's subsidiary, 1431885 B.C. Ltd. ("Subco") entered into a purchase agreement with Metachain Technologies Inc. ("Metachain") to acquire certain intellectual property assets from Metachain, which include all intellectual property rights, source code, interface and other elements of a software package required to operate an artificial intelligence asset which will function as a virtual assistant mobile application expected to be marketed under the name "SpeakGPT".

   According to the terms of the Purchase Agreement, the total consideration payable by the Company includes USD$50,000 in cash and 300 common shares of Subco at closing. No value was allocated to the shares issued as Subco was a private company without operations or assets and was incorporated to acquire SpeakGPT. The 300 common shares represent 30% of the issued and outstanding equity securities of Subco and accordingly, the USD$50,000 cash consideration was adjusted to account for the 30% non-controlling interest ("NCI") in the SpeakGPT asset held in Subco. Consequently, the total value of the asset was calculated at $97,217 (USD$71,429), with the NCI portion of the asset being $29,165 (USD$21,429). As at January 31, 2024, the SpeakGPT software is still in development and thus no amortization expense recorded in 2024. At January 31, 2024, the Company assessed the intangible asset for impairment under IAS 36 and noted indicators of impairment due to the product not generating any revenue to date and the uncertainty of whether this product will be developed timely enough to make an impact in the market. At the time of the assessment, the value-in-use and fair value less cost to dispose of the asset are estimated to be at or close to zero and an impairment loss of $97,217 was recognized in the statement of comprehensive loss.

(Expressed in Canadian Dollars)

The continuity of the Company's intangible assets are as follows:

		Mobile Application		SpeakGPT		Total
Cost:		-				
At January 31, 2022	$		$	-	$	-
Additions		150,000		-		150,000
Disposals		-		-		-
Impairment		-		-		-
At January 31, 2023	$	150,000	$	-	$	150,000
Intangibles acquired in acquisition		-		-		-
Additions		-		97,217		97,217
Disposals		-		-		-
Impairment		150,000		97,217		247,217
At January 31, 2024	$	-	$	-	$	-
Amortization:						
At January 31, 2022	$	-	$	-	$	-
Amortization charge for the year		-		-		-
At January 31, 2023	$	-	$	-	$	-
Amortization charge for the year		-		-		-
At January 31, 2024	$	-	$	-	$	-
Net Book Value:						
At January 31, 2023	$	150,000	$	-	$	150,000
At January 31, 2024	$	-	$	-	$	-

10. INVESTMENT

On May 9, 2023 the Company acquired all of the securities of Global AI Billing Corp. ("Global AI Billing") in exchange for the issuance of 7.5 million common shares and the assumption of two unsecured promissory notes totaling USD$750,000 and a secured convertible note of USD$500,000 (Note 13). The total consideration for the acquisition was valued at $10,468,560, comprising $8,550,000 for the fair value of the shares issued and $1,918,560 for the fair value of loans issued.

At the time of the transaction, Global AI Billing's sole asset was a 10% interest in Remitz, Inc. ("Remitz"), a private medical billing provider that is developing proprietary artificial intelligence technology to efficiently collect outstanding accounts receivable for medical organizations in the United States. For accounting purposes, the acquisition was treated as an asset purchase since Global AI Billing had no other assets or liabilities apart from the promissory notes and convertible note (Note 10). The 10% equity investment in Remitz has been accounted for in accordance with IFRS 9 – *Financial Instruments* and accordingly, measured at fair value through profit or loss ("FVTPL"). The cost and fair values of the equity investment at January 31, 2024 and 2023 are as follows:

(Expressed in Canadian Dollars)

	January 31, 2024	January 31, 2023
	$	$
Opening Balance	-	-
Addition	10,468,560	-
Change in fair value	(10,468,560)	-
Balance, January 31, 2024	-	-

As of January 31, 2024, the fair value per the Company's investment in Remitz was estimated to be $nil, as its software is still under development and requires substantial additional resources to achieve its intended functionality. Furthermore, significant uncertainties exist regarding Remitz's ability to secure its first customer, generate revenue, and validate its proof of concept. Consequently, a write-down in fair value of $10,468,560 was recognized in the statement of comprehensive loss.

11. EQUIPMENT

On July 27, 2023, the Company purchased equipment for $2,568,452. As at January 31, 2024, the Company has recorded amortization expense on the equipment of $440,976.

	Total
	$
Cost	
Balance, January 31, 2023	–
Additions	2,568,452
Balance, January 31, 2024	2,566,822
Balance, January 31, 2023	–
Depreciation	440,976
Balance, January 31, 2024	440,976
Balance, January 31, 2023	–
Balance, January 31, 2024	**2,127,476**

(Expressed in Canadian Dollars)

12. RELATED PARTY BALANCES AND TRANSACTIONS

Parties are considered to be related if one party has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operating decisions. Parties are also considered to be related if they are subject to common control. Related parties include key management personnel and may be individuals or corporate entities. A transaction is considered to be a related party transaction when there is a transfer of resources or obligations between related parties. Related party transactions are recorded at the exchange amount, being the amount agreed to between the related parties.

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly. Key management personnel include the Company's executive officers and members of the Board of Directors. The Company incurred the following key management compensation during the years ended January 31, 2024 and January 31, 2023:

	2024	2023
	$	$
Professional fees	**267,958**	-
Share-based compensation	**605,765**	-
	873,723	-

The Company accrued the $12,860 (2023 - $nil) in accounts payable and accrued liabilities to a consulting company that has substantial holdings in the Company during the year ended January 31, 2024. This amount is unsecured, bears no interest and has no specific terms of repayment.

As at January 31, 2024, accounts payable and accrued liabilities included $27,920 (2023 - $11,875) due to Directors from the Company. This amount is unsecured, bears no interest and has no specific terms of repayment.

During the year ended January 31, 2024, the Company engaged in the following transactions with Metachain Technologies Inc., a related party due to common directors and its non-controlling interest in one of the Company's subsidiaries (Note 19):

- Research and development expenses of $279,762
- Sale of intangible asset to the Company for $97,217 (Note 9), (Note 19)
- Shares to be issued for consulting services valued at $237,500 (Note 20)

During the year ended January 31, 2024, the Company engaged in the following transactions with consulting firm. The consulting firm is a related party, due to the entity holding a minority interest in the shares of the Company and non-controlling interest in a number of the Company's subsidiaries (Note 19):

- Consulting fees of $12,860 recorded in accrued liabilities
- Consulting fees of $11,875 related to the Ultron RTO recorded in accounts payable (Note 5)

During the year ended January 31, 2024, the Company paid rent of $21,000 (2023 - $nil) to an entity under the control of the Chief Executive Officer of the Company.

13. CONVERTIBLE INSTRUMENTS AND PROMISSORY NOTES

On January 10, 2023, the Company issued a convertible promissory note with a principal amount of $367,500 as payment for a consulting agreement (Note 7). The convertible promissory note does not bear interest and matures on December 31, 2025. The convertible promissory note is convertible into common shares of the Company at $0.10 per common share at the discretion of the holder at any time after October 31, 2025, until the maturity date. The convertible promissory note holder may not exercise the conversion right in respect of any portion of the convertible promissory note if, after the conversion, it would hold more than 10% of the outstanding common shares of the Company. The liability component of the convertible promissory note of $226,912 was measured at the fair value of a similar liability that did not have an equity conversion option using a discount rate of 18%. The difference between the face value of the note and the amount allocated to the liability component was allocated to the equity component. Subsequent to the initial recognition, the liability component of the convertible promissory note is carried at amortized cost. As at January 31, 2024, the amortized cost of the debt was $267,756. The equity component is not subsequently remeasured and remains the same.

On May 2, 2023, the Company issued a secured convertible debenture to Exponential Genomics, Inc.("Exponential") in connection with the Company's acquisition of Global AI Billing Corp (Note 10). The convertible debenture, which has a principal amount of $680,900 (US$500,000) and bears an interest rate of 5% per year, is convertible to the Company's common shares at a price of $0.79 per share and matured on May 2, 2024 (the 'Maturity Date'). The convertible debenture was secured against the Company's 10% interest in Remitz Inc. As the convertible debenture is denominated in USD, the instrument contains an embedded derivative liability. As a result, the Company recognized $606,639 (US$445,469) as the fair value of the liability and $344,423 (US$252,917) as the fair value of the derivative liability on issuance. The embedded derivative liability, on issuance, was valued using the Black-Scholes Option Pricing Model assuming an expected life of one year, expected dividend yield of 0%, a risk-free interest rate of 4.56% and an expected volatility of 145.88%. The embedded derivative liability, as at January 31, 2024, was re-measured to fair value at year-end using the Black-Scholes Option Pricing Model assuming an expected life of 0.25 years, expected dividend yield of 0%, a risk-free interest rate of 5.04% and an expected volatility of 354.70%. Accordingly, the Company recognized a gain on valuation of the derivative liability in the amount of $299,382 in the year ended January 31, 2024. As at January 31, 2024, the carrying value of the convertible debenture was $682,452 and the fair value of the derivative liability is $45,041. Subsequent to the year ended January 31, 2024, the convertible debenture terms have been amended such that, the maturity of the convertible debenture has been extended to May 2, 2025.

On May 2, 2023, the Company issued a promissory note with a principal amount of US$250,000 to Exponential in connection with the Company's acquisition of Global AI Billing Corp (Note 10). The Company agreed to repay the principal on or before April 25, 2025. The loan bears interest at the rate of 5% per annum, compounded annually. As at January 31, 2024, the Company has repaid the US$250,000 to Exponential and recorded a loss on debt settlement of $8,980.

On May 2, 2023, the Company issued a promissory note with a principal amount of US$500,000 to Romatex Trading AG ("Romatex") in connection with the Company's acquisition of Global AI Billing Corp (Note 10). The Company agreed to repay the principal on or before April 15, 2025. The unpaid principal balance outstanding under the loan will bear interest at the rate of 5% per annum, compounded annually. As at January 31, 2024, the Company has repaid the US$500,000 to Romatex and recorded a loss on debt settlement of $31,528.

(Expressed in Canadian Dollars)

	As at January 31, 2024	As at January 31, 2023
	$	$
Balance, beginning of year	**226,912**	-
Additions	**1,574,136**	226,912
Accretion and interest expense	**140,357**	-
Repayments	**(1,001,013)**	-
Loss on debt settlement	**40,508**	-
Foreign exchange	**(30,692)**	-
Balance, end of year	**950,208**	226,912
Current portion	**682,452**	-
Non-current portion	**267,756**	226,912

14. SHARE CAPITAL

Authorized Share Capital

The Company has an unlimited number of common shares and class B shares without par value authorized for issuance.

The Company announced that effective February 13, 2023, the equity securities of the Company, consisting of Subordinate Voting Shares and Multiple Voting Shares of the Company will be consolidated on the basis of one (1) post-consolidated share outstanding for every thirty (30) pre-consolidated share of the same class (the "Share Consolidation"). The Subordinate Shares began trading on a Consolidated basis on the CSE at the open of markets on February 13, 2023. All share and per share figures in these consolidated financial statements have been adjusted on a retroactive basis to reflect the Share Consolidation.

On April 11, 2023, the Company amended its authorized capital by, (i) creating a new class of common shares in the capital of the Company; (ii) redesignating the Subordinate Voting Shares to be Class B Shares; (iii) amending the rights and restrictions of the Class B Shares so that the Class B Shares shall be converted into common shares, such that, on a per-holder basis, 10% of the issued and outstanding Class B Shares will be converted into common shares on a date that is 24 months (April 17, 2025) after the RTO transaction with Ultron Capital Corp., and 15% are to be converted every 3 months thereafter; and (iv) by amending the rights and restrictions of the Multiple Voting Shares such that they are to be converted into Class B Shares immediately upon a resolution of the Board approving the conversion on a 1,000 Class B Shares for each Multiple Voting Share basis.

The holders of Class B Shares are entitled to receive notice of and attend all meetings of the shareholders of the Company, except a meeting of which only the holders of another particular class or series of shares of the Company shall have the right to vote, and will be entitled to one vote in respect of each Class B Share held at such meetings. The holders of Class B Shares will be entitled to receive dividends if, as and when declared by the Board. In the event of liquidation, dissolution or winding-up of the Company, the holders of Class B Shares will be entitled to share rateably in any distribution of the property or assets of the Company, subject to the rights of holders of any other class of securities of the Company entitled to receive assets or property of the Company upon such distribution in priority or rateably with all holders of Common Shares (on an as-converted basis).

Share Transactions

The Company issued the following shares during the period ended January 31, 2024:

(i) On February 8, 2023, the Company issued 213,893 common shares of the Company after the conversion of 214 preferred shares to the former Poda Shareholders.
(ii) On March 7, 2023, the Company completed a private placement for gross proceeds of $1,214,675 by issuance of 8,175,000 common shares and 200,000 common shares upon exercise of special warrants for gross proceeds of $10,000.
(iii) On April 13, 2023, the Company converted all 816 of its outstanding Preferred Multiple Voting Shares into 815,611 Class B shares.
(iv) On April 17, 2023, the Company acquired all of the issued and outstanding securities of Ultron in exchange for 51,176,001 common shares of the Company (Note 5).
(v) On April 17, 2023, the Company issued 5,549,341 common shares valued at $832,401 (Note 5).
(vi) On May 9, 2023, the Company issued 7,500,000 common shares in conjunction with the acquisition of all the securities of Global AI Billing Corp at a value of $8,550,000 (Note 10).
(vii) On June 6, 2023, the Company completed a private placement for gross proceeds of $5,373,497 by issuance of 9,595,531 units. Each unit consists of one common share and one common share purchase warrant at a conversion price of $1.65 per common share for a period of 24 months. The warrants were assigned a $nil value.
(viii) On June 19 2023, the Company issued 1,630,435 common shares at a value of $1,532,609 to acquire Pulse AI Compute Solutions Inc. (Note 8).
(ix) On June 21, 2023, the Company issued 1,630,435 common shares for a performance milestone being satisfied, at a value of $1,597,826 (Note 8).

The Company issued the following shares during the period ended January 31, 2023:

(i) On November 15, 2022, the Company issued 42,800,000 common shares at a price of $0.01 per common share for gross proceeds of $428,000.
(ii) On January 17, 2022, the Company issued 1,000 common shares at a price of $0.01 per common share for gross proceeds of $10.
(iii) On January 31, 2023, pursuant to the Reverse Takeover Transaction, the Company acquired 100% of the then issued and outstanding shares of RRD by issuing 42,801,000 common shares of the Company.

(Expressed in Canadian Dollars)

Warrants

Movements in the number of warrants outstanding and their related weighted average exercise prices are as follows:

	Number of warrants	Weighted average exercise price $
Outstanding, January 31, 2022	1,288,846	21.00
Exercised	(858,335)	(3.00)
Outstanding, January 31, 2023	430,511	56.51
Granted	9,595,531	1.65
Expired	(163,011)	26.17
Outstanding, January 31, 2024	9,863,031	3.64

Warrants outstanding and exercisable as at January 31, 2024 are as follows:

Number of Warrants				
Outstanding	Exercisable	Exercise Price	Expiry Date	Contractual Life of Warrants Remaining
250,000	250.000	$75.00	August 4, 2024	0.51 years
17,500	17,500	$75.00	August 4, 2024	0.51 years
9,595,531	9,595,531	$1.65	June 6, 2025	1.35 years
9,863,031	9,863,031	$3.64		1.33 years

As at January 31, 2024, 9,863,031 warrants are outstanding with a weighted average exercise price of $3.64 and a weighted average remaining contractual life of 1.33 years.

Stock options

The Company has adopted a rolling incentive stock option plan (the “Option Plan”) which provides that the Board of Directors of the Company may from time to time, in its discretion, and in accordance with the applicable stock exchange’s requirements, grant to Directors, officers, employees or consultants to the Company, non-transferable options to purchase common shares. Pursuant to the Option Plan, the number of common shares reserved for issuance will not exceed 15% of the issued and outstanding common shares of the Company. Options and RSU’s granted under the Option Plan can have a maximum exercise term of 10 years from the date of grant. Vesting terms will be determined at the time of grant by the Board of Directors.

On April 17, 2023, the Company granted a total of 4,750,000 incentive stock options to advisors and other eligible persons of the Company. The options vested immediately and are exercisable over a period of five years at a price of $0.15 per share.

On December 12, 2023, the Company granted a total of 500,000 incentive stock options to a Director of the Company. The options are exercisable over a period of five years at a price of $0.22 per share. 50% of the options vest on December 12, 2024 and the remaining 50% vest on December 12, 2025.

(Expressed in Canadian Dollars)

Movements in the number of stock options outstanding and their related weighted average exercise prices are as follows:

	Number of options	Weighted average exercise price $
Outstanding, January 31, 2022	178,835	5.28
Exercised	(149,268)	(4.55)
Forfeitures and cancellations	(6,667)	(3.00)
Outstanding, January 31, 2023	22,900	11.07
Granted	5,250,000	0.16
Outstanding, January 31, 2024	5,272,900	0.20

Stock options outstanding and exercisable as at January 31, 2024 are as follows:

Number of Stock Options				
Outstanding	Exercisable	Exercise Price	Expiry Date	Contractual Life of Options Remaining
400	400	$4.73	March 15, 2024	0.12 years
6,667	6,667	$3.00	January 15, 2026	1.96 years
2,500	2,500	$3.00	March 30, 2026	2.16 years
13,333	13,333	$16.80	November 1, 2026	2.75 years
4,750,000	4,750,000	$0.15	April 17, 2028	4.21 years
500,000	-	$0.22	December 12, 2028	4.87 years
5,272,900	4,772,900	$0.20		4.27 years

As at January 31, 2024, 5,272,900 stock options are outstanding with a weighted average exercise price of $0.20 and a weighted average remaining contractual life of 4.27 years.

For the year ended January 31, 2024, the Company recognized share-based compensation of $615,106 (2023: $nil) related to stock options granted and vested during the year.

Share-based compensation for options granted were measured using the Black-Scholes option pricing model with the following assumptions:

	2024	**2023**
Expected life	5.01 years	-
Volatility	125%	-
Dividend yield	0%	-
Risk-free interest rate	3.15% – 3.44%	-

Option pricing models require the use of highly subjective estimates and assumptions, including the expected stock price volatility. Changes in the underlying assumptions can materially affect the fair value estimate.

(Expressed in Canadian Dollars)

15. FINANCIAL INSTRUMENTS AND RISKS

As at January 31, 2024, the Company's financial instruments are comprised of cash, accounts receivable, accounts payable, convertible and promissory notes payable, and the derivative liability. The fair values of the accounts receivable and accounts payable approximate their carrying values due to their short-term maturity. Fair values of financial instruments are classified in a fair value hierarchy based on the inputs used to determine fair values. The levels of the fair value hierarchy are as follows:

- Level 1: quoted (unadjusted) prices in active markets for identical assets or liabilities.
- Level 2: other techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly
- Level 3: techniques which use inputs which have a significant effect on the recorded fair value that are not based on observable market data.

Set out below is a comparison by class of the carrying amount and fair value of the Company's financial instruments that are carried in the financial statements.

	Carrying Amount		Fair Value	
	January 31, 2024	**January 31, 2023**	**January 31, 2024**	**January 31, 2023**
Financial Assets				
Cash	$ 1,656,973	$ 444,885	$ 1,656,973	$ 444,885
Trade and accounts receivables	366,652	-	366,652	-
Investment in Remitz (Note 10)	-	-	-	-
Total financial assets	$ 2,023,625	$ 444,885	$ 2,023,625	$ 444,885

	Carrying Amount		Fair Value	
	January 31, 2024	**January 31, 2023**	**January 31, 2024**	**January 31, 2023**
Financial Liabilities				
Accounts payable and accrued liabilities	$ 106,860	$ 17,209	$ 106,860	$ 17,209
Acquisition costs payable	-	150,000	-	150,000
Convertible and promissory notes	950,208	226,912	833,752	226,735
Derivative Liability	45,041	-	45,041	-
Total financial liabilities	$ 1,102,109	$ 394,121	$ 985,653	$ 393,944

The following methods and assumptions were used to estimate the fair values:

- Accounts and other receivables, accounts payable and accrued liabilities, other current liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments.
- Fair values of quoted instruments are based on price quotations at the reporting date. The fair value of unquoted instruments and other financial liabilities are estimated by discounting future cash flows using rates currently available for debt on similar terms, credit risk, and remaining maturities.

As at January 31, 2024, the Company held the following financial instruments measured at fair value:

	January 31, 2024	Level 1	Level 2	Level 3
Assets measured at fair value				
Cash	$ 1,656,973	$ 1,656,973	$ -	$ -
Investment in Remitz (Note 10)	-	-	-	-
Total assets measured at fair value	$ 1,656,973	$ 1,656,973	$ -	$ -
Liabilities measured at fair value				
Derivative Liability	45,041	-	-	45,041
Total liabilities measured at fair value	$ 45,041	$ -	$ -	$ 45,041

The fair values of equity investments were calculated using actualized cash flows using market rates in effect at the balance sheet date and written off during the year. The change in fair value of the Company's investment in Remitz (classified as Level 3) is disclosed in Note 10. The key assumptions driving the valuation of the Company's private company investment include but are not limited to the value of completed financings of the investee an projected cash flows.

Promissory notes and convertible debentures are due to arm's length third parties, and on initial recognition the fair value of the notes are measured using relevant market input (Level 3) as disclosed in Note 13. The derivative liability is remeasured at the end of each reporting period using the Black-Scholes option pricing model.

During the year ended January 31, 2024, there were no transfers between Level 1, Level 2 and Level 3 fair value measurements.

Credit risk

Credit risk arises from cash held with banks and financial institutions, as well as credit exposure on any outstanding accounts receivable. The carrying amount of financial assets represents the maximum credit exposure.

Currency risk

Currency risk is the risk that the value of financial assets and liabilities denominated in currencies, other than the functional currency of the Company, will fluctuate due to changes in foreign currency exchange rates. The Company does not use derivative instruments to reduce its exposure to foreign currency risk. The Company is exposed to foreign currency risk through cash held in bank and investment accounts which are denominated in United States dollars (USD). As at January 31, 2024 and 2023, the foreign currency risk was considered minimal.

Interest rate risk

Interest rate risk consists of two components:

(i) To the extent that payments made or received on the Company's monetary assets and liabilities are affected by changes in the prevailing market interest rates, the Company is exposed to interest rate cash flow risk.
(ii) To the extent that changes in prevailing market rates differ from the interest rate in the Company's monetary assets and liabilities, the Company is exposed to interest rate price risk.

(Expressed in Canadian Dollars)

Current financial assets and financial liabilities are generally not exposed to interest rate risk because of their short-term nature and maturity. The Company's amounts due to related parties are non-interest bearing. The Company also has no long-term debt with variable interest rates, so it has no negative exposure to changes in the market interest rate.

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 currently settles its financial obligations out of cash. The ability to do this relies on the Company raising equity financing in a timely manner and by maintaining sufficient cash in excess of anticipated needs.

The following table summarizes the expected maturity of the Company's significant financial liabilities and other liabilities based on the remaining period from the balance sheet date to the contractual maturity date:

As at January 31, 2024 Payments by period

	Less than 1 year	1-3 years	4-5 years	More than 5 years	Total	Carrying Value
Accounts payable and accrued liabilities	$ 106,860	$ -	$ -	$ -	$ 106,860	$ 106,860
Derivative liability	45,041	-	-	-	45,051	45,051
Convertible debenture	682,452	267,756	-	-	950,208	950,208
	$ 834,353	$ 267,756	$ -	-	$ 1,102,119	$ 1,102,119

As at January 31, 2023 Payments by period

	Less than 1 year	1-3 years	4-5 years	More than 5 years	Total	Carrying Value
Accounts payable and accrued liabilities	$ 17,209	$ -	$ -	$ -	$ 17,209	$ 17,209
Due to related party	11,875	-	-	-	11,875	11,875
Acquisition costs payable	-	150,000	-	-	150,000	150,000
Convertible debenture	-	226,912	-	-	226,912	226,912
	$ 29,084	$ 376,912	$ -	-	$ 405,996	$ 405,996

(Expressed in Canadian Dollars)

16. CAPITAL MANAGEMENT

The Company manages its capital structure, consisting of share capital, and will make adjustments to it depending on the funds available to the Company for its future operations. 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.

The Company is dependent on external financing to fund its activities. In order to carry out its planned operations and pay for future general and administrative expenses, the Company expects to issue new shares, issue debt, acquire or dispose of assets or adjust the amount of cash.

Management reviews its capital management approach on an ongoing basis and believes that this approach, given the size of the Company, is reasonable. The Company is not subject to externally imposed capital requirements. There were no changes in the Company's approach to capital management during the years ended January 31, 2024 and 2023.

17. CONCENTRATION OF CUSTOMERS

As at January 31, 2024, the concentration of the Company's revenue is with one customer. Any adverse impact to this customer relationship could negatively impact the Company's operations.

18. SUPPLEMENTAL DISCLOSURES TO CASH FLOWS

	2024	2023
	$	$
Supplemental non-cash disclosures		
Shares issued for intangible assets business development expenses	3,130,435	-
Shares issued for investments	8,550,000	-
Shares issued for RTO	832,401	-

19. NON-CONTROLLING INTEREST

If the Company does not own 100% of the subsidiary or associate (Note 2(d)), the non-controlling interest ("NCI") is classified as a component of equity.

<u>1431885 B.C. Ltd.</u>

In August 2023, the Company and its subsidiary, 1431885 B.C. Ltd. ("Subco"), acquired intellectual property assets (IP Assets) from Metachain Technologies Inc. ("Metachain"), a related party, for USD$50,000 in cash and 300 Subco common shares (Note 7). The acquisition of the IP Assets resulted in the Company holding 70% equity and Metachain holding 30%, giving rise to a non-controlling interest. The IP Assets were valued at $97,217 at acquisition date. During the year, the subsidiary incurred $149,460 in consulting expenses.

<u>Global AI Newswire Inc.</u>

In May 2023, the Company incorporate a new subsidiary, Global AI Newswire Inc. ("Global AI Newswire"), in partnership with a consulting firm that is a related party. Global AI Newswire was created with the intention of developing a newswire service for investors that uses artificial intelligence to perform various functions related to press releases issued by companies listed on a public stock exchange. The incorporation resulted in the

(Expressed in Canadian Dollars)

Company holding 70% of the subsidiary's equity and the consulting firm holding 30%, giving rise to a non-controlling interest. During the year, the subsidiary incurred $394,386 in research and development expenses.

GenAI Tobacco Inc.

In May 2023, the Company incorporate a new subsidiary, GenAI Tobacco Inc. ("GenAI Tobacco"), in partnership with a consulting firm that is a related party. GenAI Tobacco was incorporated with the intention of building a large language model dedicated to harnessing the power of artificial intelligence for the tobacco industry. The incorporation resulted in the Company holding 80% of the subsidiary's equity and the consulting firm holding 20%, giving rise to a non-controlling interest. During the year, the subsidiary incurred $59,017 in research and development expenses.

As of January 31, 2024, non-controlling interest include the following amounts before intercompany eliminations:

		1431885 B.C. Ltd.		Global AI Newswire Inc.		GenAI Tobacco Inc.		Total
NCI Percentage		30%		30%		20%		
Assets	$	-	$	-	$	-	$	-
Liabilities		149,460		394,387		59,017		602,863
Non-controlling interest		44,838		118,316		11,803		174,957
Operating expenses	$	149,460	$	394,387	$	59,017	$	602,863
Impairment of intangible asset		97,217		-		-		97,217
Net loss attributable to non-controlling interest		74,003		118,316		11,803		204,122

There are no items comprising other comprehensive income or loss during the year ended January 31, 2024 that would be attributed to the non-controlling interests. There was no non-controlling interest for the year ended January 31, 2023.

A reconciliation of the beginning and ending balance for non-controlling interests is as follows:

		January 31, 2024		January 31, 2023
Balance - beginning of the year	$	-	$	-
Contribution on date control assumed		29,165		-
Share of net loss		(204,122)		-
Balance - end of the year	$	(174,957)	$	-

(Expressed in Canadian Dollars)

20. COMMITMENTS

On May 4, 2023, the Company entered into a management services agreement with Metachain, whereby 250,000 common shares of the Company would be issued as a one-time signing bonus upon execution of the agreement. As of January 31, 2024, the shares had not been issued. The fair value of the obligation to issue the shares was calculated based on the market price of the shares on May 4, 2023, and recorded in equity. The shares were subsequently issued on May 14, 2024 (Note 22).

21. INCOME TAXES

The following table reconciles the amount of income tax recoverable on application of the combined statutory Canadian federal and provincial income tax rates:

	2024	2023
	$	$
Combined statutory tax rate	27%	27%
Income tax recovery at combined statutory rate	4,544,487	-
Permanent difference and others	(168,399)	-
Change in deferred tax assets not recognized	(4,376,088)	(206,000)
Net deferred tax recovery	-	-

The tax effects of temporary differences that give rise to significant components of the deferred tax assets are presented below:

	2024	2023
	$	$
Non-capital losses carry forward	1,764,139	-
Fair market value adjustments	(92,529)	-
Investments	2,826,511	-
Intangible Assets	66,749	-
Property and equipment	(125,460)	-
Share issuance costs	142,679	206,000
Net deferred tax assets not recognized	4,582,088	206,000

As at January 31, 2024, the Company has approximately $6,533,088 (2023 - $0) of non-capital losses carryforward available to reduce taxable income for future years. These losses expire as follows:

	$
2043	500,052
2044	6,033,796
	6,533,848

22. SUBSEQUENT EVENTS

- On March 7, 2024, the Company through its wholly-owned subsidiary, MAI Cloud Solutions Inc. ("MAI Cloud"), entered into a framework services agreement (the "Services Agreement") with a Cloud, GPU ("Graphics Processing Unit") and AI Infrastructure services provider (the "Provider"), pursuant to which, the Provider has agreed to, among other things, provide the deployment of GPU infrastructure as a service (the "Service") to MAI Cloud for a period of five years (the "Initial Term"), subject to the terms and conditions of the Services Agreement.

  Pursuant to the Services Agreement, the Provider is expected to complete the deployment of the full GPU infrastructure in several stages, over a period of 36 months from the date of the Services Agreement (the "Effective Date") and will deliver AI Infrastructure as service to MAI Cloud for a period of 60 months from each stage services activation date. MAI Cloud retains the right to extend the Initial Term for successive two-year periods ("Extension Periods") and to unilaterally terminate the Services Agreement during the Initial Term or any Extension Periods upon 120 days' written notice to the Provider. The Service Agreement may also be terminated by the Provider or MAI Cloud upon 30 days' written notice, in event of default or breach of contractual obligations in the Services Agreement by either party. On April 25, 2024, the Company made a deposit of USD $500,000 to the Provider for GPU infrastructure work to be performed.

- On May 14, 2024, the Company issued 250,000 shares to Metachain Technologies, Inc. at a price of $0.95 per share per the terms of the Management Services Agreement entered into between the parties on May 4, 2023.