
BSELLIT TECHNOLOGY INC.
CONSOLIDATED FINANCIAL STATEMENTS

September 30, 2022

NOTICE TO READER

In accordance with National Policy 51-102 released by the Canadian Securities Administrators, the Company discloses that its auditors have not reviewed these unaudited interim condensed consolidated financial statements, which have been prepared by management and approved by the Audit Committee and Board of Directors.

BnSellit Technology Inc.
Consolidated Interim Statements of Financial Position

As at	Note	September 30, 2022	December 31, 2021
		<i>(unaudited)</i>	<i>(audited)</i>
ASSETS			
Current assets			
Cash		\$ 48,302	\$ 477,951
Accounts receivable		938	-
Prepaid expenses		-	7,680
GST/HST receivable		47,113	58,888
		<u>96,353</u>	<u>544,519</u>
Deposits		28,973	28,973
Equipment	3	3,209	3,331
Right of use asset	4	110,044	186,229
Intellectual property		1,312,598	1,312,598
		<u>\$ 1,551,177</u>	<u>\$ 2,075,650</u>
TOTAL ASSETS			
LIABILITIES			
Current liabilities			
Accounts payable and accrued liabilities		\$ 116,040	\$ 123,268
Lease liability	4	103,844	99,286
		<u>219,884</u>	<u>222,554</u>
10% Convertible debentures due 2024	6	302,045	-
Lease liability	4	8,937	87,400
		<u>310,982</u>	<u>87,400</u>
		<u>530,866</u>	<u>309,954</u>
TOTAL LIABILITIES			
SHAREHOLDERS' EQUITY			
Share capital	5	2,987,547	2,634,213
Contributed surplus		119,578	
Debentures	6	33,630	
Deficit		(2,120,444)	(868,517)
		<u>1,020,311</u>	<u>1,765,696</u>
TOTAL SHAREHOLDERS' EQUITY			
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY			
		<u>\$ 1,551,177</u>	<u>\$ 2,075,650</u>

NOTES:

Going concern	1
Subsequent events	8

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

BnSellit Technology Inc.
Consolidated Interim Statements of Net and Comprehensive Loss
For the periods ended September 30

(unaudited)	Three months ended Sept 30 2022	Three months ended Sept 30 2021	Nine months ended Sept 30 2022	From incorporation to Sept 30 2021
Net revenue				
Gross revenue	\$ 2,347	\$ -	5,565	\$ -
Cost of sales	(2,642)	-	(5,652)	-
	(295)	-	(87)	-
Expenses				
Salaries, wages and benefits	112,274	76,513	393,471	112,104
Subcontractors	102,575	45,762	175,478	60,763
Professional fees	38,799	109,764	97,347	315,487
Investor relations	72,412	-	308,321	-
Share based compensation	119,578	-	119,578	-
Office and administration	35,450	41,971	62,920	51,512
Travel	-	2,997	2,215	2,997
Interest and accretion	10,381	-	15,496	-
Depreciation	25,672	-	77,014	-
	517,141	277,007	1,251,840	542,863
Net and comprehensive loss	\$ (517,436)	\$ (277,007)	(1,251,927)	\$ (542,863)
Basic and diluted loss per share	\$ (0.01)	\$ (0.01)	\$ (0.03)	\$ (0.01)
Weighted number of shares outstanding	46,681,888	45,604,359	46,099,871	37,252,267

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

BnSellit Technology Inc.**Consolidated Interim Statement of Changes in Shareholders' Equity****Nine months ended September 30, 2022**

(unaudited)

	Number of shares	Share capital	Contributed Surplus	Convertible Debentures	Deficit	Total
Balance as at December 31, 2021	45,804,039	\$ 2,634,213	\$ -	\$ -	\$ (868,517)	\$ 1,765,696
Share issuances (note 5)	1,009,526	353,334	-	-	-	353,334
Debenture issuances (note 6)	-	-	-	33,630	-	33,630
Stock options issued (note 5)	-	-	119,578	-	-	119,578
Net and comprehensive loss for the period	-	-	-	-	(1,251,927)	(1,251,927)
Balance as at September 30, 2022	<u>46,813,565</u>	<u>\$ 2,987,547</u>	<u>\$ 119,578</u>	<u>\$ 33,630</u>	<u>\$ (2,120,444)</u>	<u>\$ 1,020,311</u>
Balance as at incorporation	-	\$ -	\$ -	\$ -	\$ -	\$ -
Share issuances	45,866,839	2,725,732	-	-	-	2,725,732
Share redemptions	(62,800)	(62,800)	-	-	-	(62,800)
Share issue costs	-	(28,719)	-	-	-	(28,719)
Net and comprehensive loss for the period	-	-	-	-	(542,863)	(542,863)
Balance as at September 30, 2021	<u>45,804,039</u>	<u>\$ 2,634,213</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (542,863)</u>	<u>\$ 2,091,350</u>

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

BnSellit Technology Inc.
Consolidated Interim Statements of Cash Flows
For the periods ended September 30
(unaudited)

	Nine months ended Sept 30 2022	From incorporation to Sept 30 2021
Operating activities		
Net and comprehensive loss	\$ (1,251,927)	\$ (542,863)
Non-cash items		
Depreciation and amortization	77,014	-
Interest and accretion	15,496	-
Share based compensation	119,578	-
Changes in non-cash working capital		
GST/HST receivable	11,775	(40,610)
Accounts receivable	(938)	-
Prepaid expenses and deposits	7,680	(6,093)
Accounts payable and accrued liabilities	(7,228)	50,475
	<u>(1,028,550)</u>	<u>(539,091)</u>
Investing activities		
Purchase of equipment	(707)	-
Intangible asset expenditures	-	(145,598)
	<u>(707)</u>	<u>(145,598)</u>
Financing activities		
Share issues, net of redemptions	353,334	1,495,932
Issue of convertible debentures	331,000	-
Payments on convertible debentures	(3,886)	-
Share issue costs	-	(28,719)
Lease payments	(80,840)	-
	<u>599,608</u>	<u>1,467,213</u>
Decrease in cash	(429,649)	782,524
Cash, beginning of period	477,951	-
Cash, end of period	<u>\$ 48,302</u>	<u>\$ 782,524</u>

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

BNSELLIT TECHNOLOGY INC.

NOTES TO FINANCIAL STATEMENTS

For the nine months ended September 30, 2022

1. NATURE OF BUSINESS, GOING CONCERN AND STATEMENT OF COMPLIANCE

Nature of Business

BNSELLIT TECHNOLOGY INC. and its wholly owned subsidiary BNSELLIT Technology (US) Incorporated (the "Company") were incorporated under the laws of Alberta on February 4, 2021 and Delaware on May 21, 2021 respectively. The Company holds intellectual property related to the BNSELLIT and BNBUYIT applications for iOS and Android operating systems.

The Company's corporate office is at 122 Judge Road, Unit 2, Toronto, ON, M8Z 5B7. The Company's Class A common shares are listed on the Canadian Securities Exchange ("CSE") under the symbol BNSL.

The unaudited interim condensed financial statements were authorized for issue by the Board of Directors on November 29, 2022.

Going Concern

These unaudited interim condensed consolidated financial statements have been prepared on a going concern basis which assumes the Company will continue operating for the foreseeable future and will be able to realize a return on its assets and discharge its liabilities and commitments in the normal course of business.

The Company's continued existence is dependent upon the commercial success of its intellectual property, and its ability to raise additional capital or financing for which there lies material uncertainty. These unaudited interim condensed consolidated financial statements do not include any adjustments that would be necessary should the Company be unable to continue as a going concern. Such adjustments would be material.

Statement of Compliance

These unaudited interim condensed consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS"), including International Accounting Standard ("IAS") 34, Interim Financial Reporting. These unaudited interim condensed consolidated financial statements do not include all of the information required for full annual audited financial statements and should be read in conjunction with the Company's annual audited financial statements which have been prepared in accordance with IFRS.

BNSELLIT TECHNOLOGY INC.

NOTES TO FINANCIAL STATEMENTS

For the nine months ended September 30, 2022

2. SIGNIFICANT ACCOUNTING POLICIES

Accounting Policies

These unaudited interim condensed consolidated financial statements of the Company have been prepared following the same accounting policies and methods of computation as the annual audited consolidated financial statements at December 31, 2021 except as disclosed below. The disclosures included below are incremental to those included in the annual audited financial statements. These unaudited interim condensed consolidated financial statements should be read in conjunction with the annual audited financial statements and notes thereto for the year ended December 31, 2021.

Share based payment transactions

The fair value of share options granted to employees is recognized as an expense over the vesting period with a corresponding increase in equity. An individual is classified as an employee when the individual is an employee for legal or tax purposes (direct employee) or provides services similar to those performed by a direct employee, including directors of the Company.

The fair value is measured at the grant date and recognized over the period during which the options vest. The fair value of the options granted is measured using the Black-Scholes option-pricing model, taking into account the terms and conditions upon which the options were granted. At the end of each reporting period, the amount recognized as an expense is adjusted to reflect the actual number of share options that are expected to vest.

BNSELLIT TECHNOLOGY INC.

NOTES TO FINANCIAL STATEMENTS

For the nine months ended September 30, 2022

3. EQUIPMENT

	Computer equipment
Cost	
As at December 31, 2021	\$ 3,919
Additions	707
As at September 30, 2022	<u>\$ 4,626</u>
Accumulated amortization	
As at December 31, 2021	\$ 588
Amortization for the period	829
As at September 30, 2022	<u>\$ 1,417</u>
Net Book Value	
As at December 31, 2021	\$ 3,331
As at September 30, 2022	<u>\$ 3,209</u>

4. RIGHT OF USE ASSET AND LEASE LIABILITY

Right of use asset	
As at December 31, 2021	\$ 194,694
Additions	-
As at September 30, 2022	<u>\$ 194,694</u>
Accumulated amortization	
As at December 31, 2021	\$ 8,465
Amortization for the period	76,185
As at September 30, 2022	<u>\$ 84,650</u>
Net Book Value	
As at December 31, 2021	\$ 186,229
As at September 30, 2022	<u>\$ 110,044</u>
Lease liability	
As at December 31, 2021	\$ 186,686
Lease interest	6,935
Lease payments	(80,840)
As at September 30, 2022	<u>\$ 112,781</u>
Less: current portion	(103,844)
As at September 30, 2022	<u>\$ 8,937</u>

The Company is committed to future lease payments as follows:

2022 - \$26,946

2023 - \$89,824

BNSELLIT TECHNOLOGY INC.

NOTES TO FINANCIAL STATEMENTS

For the nine months ended September 30, 2022

5. SHARE CAPITAL

(a) Capital

Authorized with an unlimited number of the following shares:

Class A voting common shares

Class B non-voting common shares

Issued:

Class A common shares	Number of Shares	Value
Balance at December 31, 2021	45,804,039	\$ 2,634,213
Issued (a)	1,009,526	353,334
Balance as at September 30, 2022	46,813,565	\$ 2,987,547

- (i) On July 12, 2022, the Company issued 1,009,526 Class A common shares at a deemed issue price of \$0.35 per Class A common share to settle debt in the amount of \$353,334.

(b) Stock option plan

On June 10, 2022 the shareholders of the Company approved a stock option plan (the "Plan") under which the directors of the Company may grant options to qualified directors, officers and consultants of the Company. The exercise price of the options cannot be less than the closing price of the Company's shares on the trading day preceding the date of grant and the trading day. The maximum term of any option cannot exceed ten years. The maximum aggregate number of common shares under option at any time under the Plan shall not exceed 10% of the issued and outstanding Class A common shares on a non-diluted basis at any time.

A summary of the Company's stock option activity for the nine months ended September 30, 2022 is as follows:

	Number Of Options	Weighted- Average Exercise Price
Outstanding, December 31, 2021	-	\$ -
Granted during the period	3,310,000	0.375
Outstanding, September 30, 2022	3,310,000	0.375

On July 20, 2022, the Company granted 3,205,000 stock options to employees, directors and consultants at a price of \$0.375 expiring five years from the grant date. On August 9, 2022, the Company granted 105,000 stock options to employees and consultants at a price of \$0.375 expiring five years from the grant date. All options vest over two years with one-third vesting immediately, one-third vest one year from the grant date and one-third vest two years from the grant date.

BNSELLIT TECHNOLOGY INC.

NOTES TO FINANCIAL STATEMENTS

For the nine months ended September 30, 2022

5. SHARE CAPITAL - Continued

(b) Stock option plan - continued

The weighted average remaining contractual life and weighted average exercise price of options outstanding and of options exercisable as at September 30, 2022 are as follows:

Exercise Price	Options Outstanding			Options Exercisable	
	Number Outstanding	Weighted-Average Exercise Price	Average Remaining Contractual Life (years)	Number Exercisable	Weighted-Average Exercise Price
\$0.375	3,310,000	\$0.375	4.8	1,103,334	\$0.375

6. CONVERTIBLE DEBENTURES

On June 6, 2022 (\$100,000), June 30, 2022 (\$46,000), July 4, 2022 (\$90,000) and September 12, 2022 (\$95,000), the Company issued 10% convertible debentures in the principal amount of \$331,000.

The convertible debentures mature eighteen months from the issue date and are convertible at any point prior to maturity, at the option of the debenture holders, into Class A common shares of the Company at a price of \$0.25 per Class A common share. Interest on the principal amount outstanding is calculated and payable on the 30th of each month and was first payable on June 30, 2022.

If the volume weighted average price of the Class A common shares, on the Canadian Securities Exchange, for 10 consecutive trading days equals or exceed \$0.60, the Company may force conversion of all of the principal amount of the convertible debentures at the conversion price, upon giving the holder fifteen days advance written notice.

Upon initial recognition, the Company allocated the proceeds between the components based on the fair value of the debt and the residual to the equity component. The fair value of the liability component of \$297,370 was determined using a market rate of 17%. The value of the equity component amounted to \$33,630.

As at September 30, 2022, the outstanding balances associated with the convertible debenture were as follows:

	Sept 30, 2022	Dec 31, 2021
Liability component of the convertible debenture		
Additions	\$ 297,370	\$ -
Accretion	4,675	-
Interest	3,886	-
Interest paid	(3,886)	-
	<u>\$ 302,045</u>	<u>\$ -</u>

BNSELLIT TECHNOLOGY INC.

NOTES TO FINANCIAL STATEMENTS

For the nine months ended September 30, 2022

7. RELATED PARTY TRANSACTIONS

Compensation of key management personnel

The remuneration expense of directors and other members of key management personnel during nine months ended September 30, 2022 was as follows:

	2022	2021
Salaries, consulting and benefits	\$ 60,000	\$ -
Share based compensation	76,776	-
	<u>\$ 136,776</u>	<u>\$ -</u>

8. SUBSEQUENT EVENTS

The Company issued \$112,000 and \$50,000 convertible debentures (see note 6) on October 24, 2022 and November 10, 2022, respectively. \$32,000 of the October 24, 2022 convertible debentures were issued to insiders of the Company.