MINEHUB TECHNOLOGIES INC.

Consolidated Financial Statements

For the Years Ended January 31, 2025 and 2024

(Expressed in Canadian Dollars)

DALE MATHESON CARR-HILTON LABONTE LLP
CHARTERED PROFESSIONAL ACCOUNTANTS

dmcl.ca

Independent Auditor's Report

To the Shareholders of Minehub Technologies Inc.

Opinion

We have audited the consolidated financial statements of Minehub Technologies Inc. (the "Company"), which comprise the consolidated statements of financial position as at January 31, 2025 and 2024, and the consolidated statements of comprehensive loss, changes in shareholders' equity and cash flows for the years then ended, and notes to the consolidated financial statements, including material accounting policy information (collectively referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at January 31, 2025 and 2024, and its financial performance and its cash flows for the years then ended in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board (IASB).

Basis for Opinion

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

Material Uncertainty Related to Going Concern

We draw attention to Note 1 to the financial statements, which describes events or conditions that indicate 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 financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Except for the matter described in the Material Uncertainty Related to Going Concern section, we have determined that there are no other key audit matters to communicate in our report.

Other Information

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

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

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

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

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

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

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Conclude on the appropriateness of management's use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

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

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

DMCL.

DALE MATHESON CARR-HILTON LABONTE LLP
CHARTERED PROFESSIONAL ACCOUNTANTS
Vancouver, BC

May 27, 2025

MINEHUB TECHNOLOGIES INC.
Consolidated Statements of Financial Position
(Expressed in Canadian Dollars)

	Notes	January 31, 2025	January 31, 2024
Assets			
Current assets			
Cash		$ 262,200	$ 3,869,376
Receivables	4	440,802	466,934
Prepaid expenses		223,950	139,445
Investment	5	2,182,671	-
Total current assets		3,109,623	4,475,755
Intangible assets, net	3,6	659,552	766,826
Total assets		**$ 3,769,175**	**$ 5,242,581**
Liabilities			
Current liabilities			
Trade payables and accrued liabilities	7,11	$ 649,360	$ 1,215,371
Convertible debt	8	-	866,675
Short-term loans	8	757,130	-
Deferred revenue	12	13,177	372,756
Total current liabilities		1,419,667	2,454,802
Non-current liabilities			
Deferred revenue	12	6,589	19,766
Total liabilities		1,426,256	2,474,568
Shareholders' equity			
Share capital	9	36,512,994	31,227,928
Equity component of convertible debt reserve	8,10	-	88,029
Equity compensation reserve	9,10	2,204,289	2,414,059
Deficit		(36,374,364)	(30,962,003)
Total shareholders' equity		2,342,919	2,768,013
Total liabilities and shareholders' equity		**$ 3,769,175**	**$ 5,242,581**

Nature of and continuance of operations (Note 1)
Subsequent events (Note 17)

Approved on behalf of the Board:

" Vince Sorace "
Vince Sorace, Director

" Troy Bullock "
Troy Bullock, Director

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

MINEHUB TECHNOLOGIES INC.
Consolidated Statements of Comprehensive Loss
(Expressed in Canadian Dollars)

		Years ended	
	Notes	**January 31, 2025**	**January 31, 2024**
Revenue	12	$ 2,019,913	$ 2,009,166
Cost of sales	13	1,162,049	1,147,878
Gross margin		857,864	861,288
Operating expenses			
Research and development	13	3,067,572	4,566,016
Sales and marketing	13	1,091,053	522,286
General and administrative	3,13	2,204,105	2,730,041
Stock-based compensation	9,11,13	515,626	325,553
Amortization	6,13	107,274	93,860
Total operating expenses		(6,985,630)	(8,237,756)
Net loss from operations		(6,127,766)	(7,376,468)
Other income (expenses)			
Interest and accretion expense	8,13	(85,455)	(114,333)
Other income	12	3,265	988,901
Gain on debt remeasurement	8	-	90,006
Gain on investment	5	20,411	-
Foreign exchange gain (loss)		(51,210)	(70,738)
Total other income (expenses)		(112,989)	893,836
Net and comprehensive loss		$ (6,240,755)	$ (6,482,632)
Loss per share – basic and diluted		$ (0.09)	$ (0.14)
Weighted Average Number of Shares Outstanding	9	72,756,758	45,485,866

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

MINEHUB TECHNOLOGIES INC.
Consolidated Statements of Changes in Shareholders' Equity
(Expressed in Canadian dollars)

	Notes	Share Capital: Number of Shares	Share Capital: Amount	Equity Compensation Reserve	Equity Component of Convertible Debt Reserve	Deficit	Total Shareholders' Equity (Deficit)
Balance, January 31, 2023		38,806,737	$ 22,901,097	$ 2,349,144	$ 88,029	$ (25,388,552)	$ (50,282)
Shares issued for cash, net of share issue cost	9	25,239,621	6,620,725	607,480	-	-	7,228,205
Shares issued pursuant to acquisition	3,9	4,088,317	1,706,106	-	-	-	1,706,106
Compensation warrants	9	-	-	41,063	-	-	41,063
Fair value reclass of expired warrants	9	-	-	(504,426)	-	504,426	-
Fair value reclass of expired options	9	-	-	(404,755)	-	404,755	-
Stock-based compensation	9,11	-	-	325,553	-	-	325,553
Net and comprehensive loss for the year		-	-	-	-	(6,482,632)	(6,482,632)
Balance, January 31, 2024		68,134,675	31,227,928	2,414,059	88,029	(30,962,003)	2,768,013
Options exercised	9	7,500	2,981	(1,106)	-	-	1,875
Warrants exercised	9	765,664	336,618	(30,353)	-	-	306,265
Shares and warrants issued pursuant to Abaxx transaction, net of share issue costs	9	18,141,838	4,945,467	46,428	-	-	4,991,895
Transfer of convertible debt	8	-	-	-	(88,029)	88,029	-
Fair value reclass of expired warrants	9	-	-	(281,274)	-	281,274	-
Fair value reclass of expired options	9	-	-	(459,091)	-	459,091	-
Stock-based compensation	9,11	-	-	515,626	-	-	515,626
Net and comprehensive loss for the year		-	-	-	-	(6,240,755)	(6,240,755)
Balance, January 31, 2025		87,049,677	$ 36,512,994	$ 2,204,289	$ -	$ (36,374,364)	$ 2,342,919

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

MINEHUB TECHNOLOGIES INC.
Consolidated Statements of Cash Flows
(Expressed in Canadian dollars)

	Years ended	
	January 31, 2025	**January 31, 2024**
Cash provided by (used in):		
Operating activities		
Net loss	$ (6,240,755)	$ (6,482,632)
Item not affecting cash:		
Interest expense and accretion	85,455	114,333
Amortization	107,274	93,860
Stock-based compensation	515,626	325,553
Gain on debt remeasurement	-	(90,006)
Change in fair value of investment	(20,411)	-
Non-cash finance expense	-	11,792
Unrealized foreign exchange (gains) losses	12,057	-
Changes in non-cash working capital items:		
Receivables	29,785	(30,785)
Prepaid expenses	(84,505)	54,520
Trade payables and accrued liabilities	(581,720)	861,951
Deferred revenue	(372,756)	237,034
Net cash used in operating activities	(6,549,950)	(4,904,380)
Investing activities		
Cash acquired in acquisition, net of acquisition costs	-	351,386
Proceeds from sale of investment	2,939,816	-
Net cash provided by investing activities	2,939,816	351,386
Financing activities		
Proceeds from issuance of shares, net of issue costs	-	7,269,268
Share issuance costs incurred pursuant to Abaxx transaction	(110,182)	-
Loan repayment	(645,000)	-
Loan received	450,000	-
Proceeds from stock option and warrant exercises	308,140	-
Net cash provided by financing activities	2,958	7,269,268
Increase (decrease) in cash	(3,607,176)	2,716,274
Cash, beginning	3,869,376	1,153,102
Cash, ending	$ 262,200	$ 3,869,376
Non-cash transactions:		
Shares issued pursuant to acquisition	$ -	$ 1,706,106
Shares issued pursuant to Abaxx transaction	$ 5,102,077	$ -

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

1. Nature and continuance of operations

MineHub Technologies Inc. (the "Company" or "MineHub") was incorporated in the province of British Columbia on February 19, 2018. The Company is engaged in the development and operation of a digital supply chain platform for the commodity markets. The Company's registered and records office is 2501-550 Burrard Street, Vancouver, British Columbia, V6C 0A8. The Company's head office is located at 918-1030 West Georgia Street, Vancouver, British Columbia, V6E 2Y3. The Company's common shares are listed on the TSX Venture Exchange ("TSX-V") under the ticker MHUB and quoted on the OTCQB under the ticker MHUBF.

These consolidated financial statements have been prepared on the assumption that the Company will continue as a going concern, meaning it will continue in operation for the foreseeable future and will be able to realize assets and discharge liabilities in the ordinary course of operations. Different bases of measurement may be appropriate if the Company is not expected to continue operations for the foreseeable future. As at January 31, 2025, the Company has generated modest revenues and has incurred losses since inception. The Company's continuation as a going concern is dependent on its ability to generate future cash flows and/or obtain additional financing. These factors indicate the existence of a material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern. Management intends to finance operating costs over the next twelve months with cash on hand, loans from directors and companies controlled by directors and/or private placements of common stock. There is a risk that additional financing will not be available on a timely basis or on terms acceptable to the Company. These consolidated financial statements do not reflect any adjustments that may be necessary if the Company is unable to continue as a going concern, and such adjustments could be material.

These consolidated financial statements were authorized for issue by the Board of Directors on May 27, 2025.

2. Material accounting policy information

(a) Statement of compliance
The consolidated financial statements of the Company have been prepared in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board ("IASB").

(b) Basis of preparation

The consolidated financial statements have been prepared on an accrual basis except for cash flow information and are based on historical costs modified where applicable. The consolidated financial statements are presented in Canadian dollars unless otherwise noted. The policies set out below were consistently applied to all periods presented unless otherwise noted.

(c) Use of estimates and assumptions

The preparation of consolidated financial statements in accordance with IFRS requires the Company to make estimates and assumptions concerning the future. The Company's management reviews these estimates and underlying assumptions on an ongoing basis, based on experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Revisions to estimates are adjusted for prospectively in the period in which the estimates are revised.

Estimates and assumptions where there is significant risk of material adjustments to assets and liabilities in future accounting periods include fair value measurements for financial instruments, the recoverability and measurement of deferred tax assets and valuation of intangible assets and goodwill.

(d) Material judgments

The preparation of consolidated financial statements in accordance with IFRS requires the Company to make judgments, apart from those involving estimates, in applying accounting policies. The most significant judgments, estimates and assumptions applied to the Company's consolidated financial statements include:

2. Material accounting policy information (Continued)

(d) Material judgments (Continued)

- The assessment of the Company's ability to continue as a going concern and whether there are events or conditions that may give rise to significant uncertainty;
- Whether the expenditures incurred on the development of the Company's platform meet the criteria for recognition as an intangible asset pursuant to IAS 38 *Intangible Assets*. The Company has determined that to date the Company's platform under development does not meet the capitalization criteria. Consequently, the expenditures incurred that are directly attributable to its development have been expensed;
- The Company uses the Black-Scholes Option Pricing Model for valuation of stock-based compensation. Option pricing models require the input of subjective estimates and assumptions including expected price volatility, interest rate and forfeiture rate. Changes in the input estimates and assumptions can materially affect the fair value estimate and the Company's earnings and equity reserves;
- The Company uses significant judgment to assess whether services sold in a customer contract are considered distinct and should be accounted for as separate performance obligations. Non-distinct services are combined with other goods or services to form a single performance obligation. The Company also applies judgment to determine the estimated hours to completion which affects the timing of revenue recognized for services. Estimated hours to completion are continually and routinely revised based on changes in the progress of customer contracts;
- Management applied judgment with respect to whether the acquisition completed was considered an asset acquisition or business combination. The assessments required management to assess the inputs, processes and outputs of the acquired assets at the time of acquisition; and
- Each intangible asset is amortized over its estimated useful life. Estimated useful lives are determined based on current facts and past management experience and take into consideration current and forecasted demand.

(e) Basis of consolidation

These consolidated financial statements include the accounts of the Company and its wholly-owned subsidiaries, Minehub (USA) Inc., Yitong Digital Trade (Shanghai) Network Technology Development Co. Ltd. ("MineHub Technologies China"), MineHub Technologies Singapore Pte Ltd, Minehub Technologies Netherlands B.V (wound up December 18, 2024), and CMDTY UK Ltd. All inter-company balances and transactions have been eliminated upon consolidation.

(f) Intangible assets

Intangible assets acquired from third parties are measured initially at their fair value and either classified as indefinite life or finite life depending on their characteristics. Internally generated intangible assets, such as development costs, are capitalized only when the product is technically and commercially feasible, the costs of generating the asset can be reliably measured, and there is an adequate plan to complete the project. Where these criteria are not met, these costs are expensed as development costs. Intangible assets with indefinite lives are tested for impairment at least annually and intangible assets with finite lives are reviewed for indicators of impairment at least annually.

(g) Foreign currency translation

The functional currency of each entity is the currency of the primary economic environment in which that entity operates. The consolidated financial statements are presented in Canadian dollars which is the parent company's and its subsidiaries' functional and presentation currency.

Foreign currency transactions are translated into functional currency using the exchange rates prevailing at

2. Material accounting policy information (Continued)

(g) Foreign currency translation (Continued)

the date of the transaction or the average exchange rate for the period. Foreign currency monetary items are translated at the period-end exchange rate. Non-monetary items measured at historical cost continue to be carried at the exchange rate at the date of the transaction. Non-monetary items measured at fair value are reported at the exchange rate at the date when fair values were determined.

The monetary assets and liabilities of foreign operations are translated into Canadian dollars at period-end exchange rates and their revenue and expense items are translated at average exchange rates for the period. Non-monetary items measured at historical cost continue to be carried at the exchange rate at the date of the transaction. The resulting exchange differences are included in net loss for the period.

(h) Income taxes

Current income tax

Current income tax assets and liabilities for the current period are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date. Current income tax relating to items recognized directly in other comprehensive income or equity is recognized in other comprehensive income or equity and not in profit or loss. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred income tax

Deferred income tax is provided using the asset and liability method on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes. The carrying amount of deferred income tax assets is reviewed at the end of each reporting period and recognized only to the extent that it is probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilized. Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. Deferred income tax assets and deferred income tax liabilities are offset, if a legally enforceable right exists to set off current tax assets against current income tax liabilities and the deferred income taxes relate to the same taxable entity and the same taxation authority.

(i) Financial instruments

(i) Classification

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

2. Material accounting policy information (Continued)

(i) Financial instruments (Continued)

(ii) Measurement

Financial assets and liabilities at amortized cost
Financial assets and liabilities at amortized cost are initially recognized at fair value plus or minus transaction costs, respectively, and subsequently carried at amortized cost less any impairment.

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

(iii) Impairment of financial assets at amortized cost

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

(iv) Derecognition

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

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

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

(j) Share capital

Common shares are classified as equity. Transaction costs directly attributable to the issue of common shares and stock options are recognized as a deduction from equity, net of any tax effects.

(k) Loss per share

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

2. Material accounting policy information (Continued)

(l) Share-based payments

Share-based payments to employees are measured at the fair value of the instruments issued and amortized over the vesting periods. Share-based payments to non-employees are measured at the fair value of goods or services received or the fair value of the equity instrument 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 corresponding amount is credited to the share-based payment reserve. The fair value of options is determined using the Black-Scholes Option Pricing Model. The number of shares and options expected to vest is reviewed and adjusted at the end of each reporting period such that the amount recognized for services received as consideration for the equity instruments granted, shall be based on the number of equity instruments that eventually vest.

(m) Revenue recognition

Revenue is recognized by applying the five-step model under IFRS 15, Revenue from Contracts with Customers. The Company recognizes revenue when services and performance obligations are satisfied.

<u>Subscription-based services</u>
The Company offers subscriptions for software as a service (SaaS), which allow customer access to the Company's software platform over the contract period. The revenue from this subscription service is recognized ratably over the contract period, commencing on the date the customer enters into the subscription agreement and the customer has the right to use and access the platform. Contract assets representing unbilled services rendered are included in "Receivables" in the consolidated statements of financial position. Contract liabilities representing amounts invoiced before the recognition of services are presented under "Deferred revenue" in the consolidated statements of financial position.

<u>Other services</u>
Revenue from customization of software that is not distinct, is recognized as a combined performance obligation using the percentage-of-completion method based primarily on labour hours. The percentage-of-completion method based on labour hours requires the Company to make judgments to determine the estimated hours to completion which affects the timing of revenue recognized.

(n) Business combinations

The Company uses the acquisition method of accounting, in accordance with IFRS 3 Business Combinations, when a business combination occurs and an acquirer obtains control of one or more businesses. The total consideration paid for the acquisition is the aggregate of the fair values of assets acquired, liabilities assumed, and equity instruments issued in exchange for control of the acquiree at the acquisition date. The acquisition date is the date when the Company obtains control of the acquiree.

The identifiable assets acquired and liabilities assumed are recognized at their acquisition date fair values, except for deferred taxes and share-based payment awards where IFRS provides exceptions to recording the amounts at fair value. Goodwill represents the difference between total consideration paid and the fair value of the net identifiable assets acquired. Acquisition costs incurred are expensed in the consolidated statement of comprehensive loss.

(o) Goodwill

Goodwill corresponds to the excess of the cost of an acquisition over the acquisition-date fair value of the acquirer's interest in net identifiable assets acquired and liabilities assumed. Goodwill is recognized as an asset at cost and is subsequently measured at cost less any accumulated impairment losses. Goodwill is

2. Material accounting policy information (Continued)

(o) Goodwill (Continued)

tested annually for impairment or whenever there is an indication that its value may be impaired. Impairment losses are recognized in profit or loss and are not subsequently reversed.

(p) Accounting standards issued but not yet effective

A number of new standards, amendments to standards and interpretations are effective for annual periods beginning on or after January 31, 2025, and have not been early adopted in preparing these consolidated financial statements. None of these are expected to have a material effect on the consolidated financial statements.

<u>IFRS 18 Presentation and Disclosure in Financial Statements</u>
In April 2024, the IASB issued IFRS 18, Presentation and disclosure in financial statements ("IFRS 18"), which replaces IAS 1, Presentation of financial statements. IFRS 18 introduces a specified structure for the income statement by requiring income and expenses to be presented in three defined categories (operating, investing and financing), and by specifying certain defined totals and subtotals. Where company-specific measures related to income statement disclosure are provided ("management-defined performance measures"), IFRS 18 requires additional disclosure around those management-defined performance measures in the financial statements. IFRS 18 also provides additional guidance on principles of aggregation and disaggregation which apply to the primary financial statements and the notes. IFRS 18 does not affect the recognition and measurement of items in the financial statements, nor does it affect which items are classified in other comprehensive income and how these items are classified.

This standard is effective for reporting periods beginning on or after January 1, 2027, including for interim financial statements. Retrospective application is required and early application is permitted. The Company is currently assessing the effect of this new standard to its consolidated financial statements in future periods.

(q) Comparative figures

Certain comparative figures have been reclassified to conform with the current year's presentation. Amounts from consulting and office and miscellaneous have been reclassified to payroll and contractor expenses.

3. Business Combination

On March 10, 2023, the Company issued 4,088,317 common shares to the shareholders of Waybridge Technologies Inc. ("Waybridge") pursuant to an agreement to purchase certain assets and assume certain liabilities from Waybridge and all the equity securities of the Waybridge UK entity, CMDTY UK Ltd. (Note 9). Waybridge had inputs, as well as substantial processes in place generating outputs. As a result, the acquisition of the Waybridge assets and liabilities acquired was determined to be a business combination under IFRS 3 Business Combinations.

In accordance with IFRS 3, the equity consideration was measured at fair value on the date of acquisition, the date control was obtained over the assets acquired and liabilities assumed. The purchase price allocation based on the fair value of assets acquired and liabilities assumed at the acquisition date are as follows:

(Expressed in Canadian dollars)

3. Business Combination (Continued)

Fair Value of 4,088,317 shares issued as consideration	$	1,706,106
Allocated to:		
Tangible assets:		
Cash		668,199
Accounts receivable		154,823
Other non-cash working capital		22,398
Intangible assets:		
Backlog (Note 6)		110,239
Technology (Note 6)		260,741
Goodwill (Note 6)		489,706
Total	$	1,706,106

The goodwill represented the excess of the purchase price over the fair value of net assets acquired. It was attributable to the workforce acquired and expected synergies from combining operations. None of the goodwill is deductible for tax purposes.

In connection with the transaction, the Company incurred $316,813 of acquisition costs, which were expensed in the consolidated statement of comprehensive loss within general and administrative expenses.

The receivables acquired in the transaction have a fair value of $154,823, which approximates the gross contractual amounts receivable. The best estimate at the acquisition date of the contractual cash flow for which collection is uncertain is $Nil.

The financial results of Waybridge have been included in the Company's consolidated statements from March 10, 2023, and include revenue of $1,314,854 for the year ended January 31, 2024 and net and comprehensive loss of $2,936,386 for the year ended January 31, 2024. If the Waybridge acquisition had been effective on February 1, 2023, the consolidated pro forma revenue is estimated to be $2,123,435 and pro forma net and comprehensive loss is estimated to be $7,011,207 for the year ended January 31, 2024. The pro forma results of the operations are not intended to reflect the actual results that would have occurred had the acquisition closed on February 1, 2023. Further, the pro forma results of the operations are not necessarily indicative of the results that may be generated by the Company in the future or reflect future events that may occur following the acquisition in subsequent periods.

4. Receivables

		January 31, 2025		January 31, 2024
Accounts receivable	$	370,127	$	399,148
Sales taxes recoverable		70,675		67,786
	$	440,802	$	466,934

5. Investment

During the year ended January 31, 2025 the Company received 456,359 shares of Abaxx Technologies Inc. ("Abaxx") with a fair value of $5,102,077 as part of the share exchange agreement (Note 9). The shares are listed on CBOE and OTCQX. During the year ended January 31, 2025, 259,367 shares were sold for proceeds of $2,939,816. As at January 31, 2025 the Company held 196,992 shares recorded at their fair value of $2,182,671 by reference to the share price of Abaxx resulting in a fair value gain on investment of $20,411.

(Expressed in Canadian dollars)

6. Intangible assets and goodwill

		Backlog		Technology		Total
Cost						
Balance, January 31, 2023	$	-	$	-	$	-
Additions (Note 3)		110,239		260,741		370,980
Balance, January 31, 2024 and 2025	$	110,239	$	260,741	$	370,980
Accumulated amortization						
Balance, January 31, 2023	$	-	$	-	$	-
Amortization		(48,227)		(45,633)		(93,860)
Balance, January 31, 2024	$	(48,227)	$	(45,633)	$	(93,860)
Amortization		(55,122)		(52,152)		(107,274)
Balance, January 31, 2025	$	(103,349)	$	(97,785)	$	(201,134)
Net book value						
Balance, January 31, 2024	$	62,012	$	215,108	$	277,120
Balance, January 31, 2025	$	6,890	$	162,956	$	169,846

The useful life of backlog was determined to be 2 years and the useful life of technology is determined to be 5 years. Intangible assets are amortized using the straight-line method.

Additionally, the Company recognized goodwill of $489,706 on the acquisition of Waybridge during the year ended January 31, 2024 (Note 3).

The Company performed its annual test for goodwill impairment as at January 31, 2025. The Company did so by comparing the carrying value of the cash generating unit against its fair value less costs of disposal. The fair value less costs of disposal of the cash generating unit requires the use of assumptions. The fair value less costs of disposal calculation included the application of revenue multiples of comparable companies and an estimated costs of disposal percentage. The fair value less costs of disposal of the cash generating unit was determined to be higher than its carrying amount; therefore, no impairment was recorded.

7. Trade payables and accrued liabilities

		January 31, 2025		January 31, 2024
Trade payables (Note 11)	$	457,242	$	893,991
Accrued liabilities (Note 11)		192,118		321,380
	$	649,360	$	1,215,371

(Expressed in Canadian dollars)

8. Convertible debt and short-term loans

		2020 Convertible Debenture (Note 8(a))		**2021 Convertible Debenture** (Note 8(b))		**Short-Term Loans** (Note 8(c))		**Total**
Balance, January 31, 2023	$	821,570	$	20,778	$	-	$	842,348
Change in fair value on extension		(87,638)		(2,368)		-		(90,006)
Accretion of convertible debenture		73,841		1,942		-		75,783
Interest accrued		37,550		1,000		-		38,550
Balance, January 31, 2024	$	845,323	$	21,352	$	-	$	866,675
Repayment of convertible debenture		(495,000)		-		-		(495,000)
Accretion of convertible debenture		39,463		1,051		-		40,514
Interest accrued		6,712		500		37,729		44,941
New promissory note issued		-		-		450,000		450,000
Repayment of promissory note		-		-		(150,000)		(150,000)
Transfer of convertible debt		(396,498)		(22,903)		419,401		-
Balance, January 31, 2025	$	-	$	-	$	757,130	$	757,130

(a) On July 31, 2020, the Company entered into an agreement to combine four outstanding short-term loans into convertible debentures with a principal amount of $791,000. The lenders have an option to convert all or a portion of the principal amount of $664,500 and accrued interest into units of the Company at $0.25 per unit and $126,500 into common shares of the Company at $0.25 per share, which expired July 31, 2024. Each unit consists of one common share of the Company and one-half share purchase warrant entitling the holder to purchase one share of the Company at an exercise price of $0.50 per unit until July 31, 2025.

The convertible debenture is a compound financial instrument as it includes both liability and equity components. On initial recognition, the Company determined the fair value of the liability component on the date of issue to be $702,971. The fair value of the liability was determined by calculating the fair value of the future cash flows of the loan assuming a discount rate of 12%. The equity component of the debenture was determined to be $88,029, which comprises of the principal value less the liability component.

On April 14, 2023, the lenders extended convertible promissory debentures to July 31, 2024, which resulted in a gain on debt modification of $87,638.

On February 5, 2024, the Company repaid $495,000 of the principal amount.

(b) On September 4, 2021, $20,000 of the principal from the loan described in Note 8(a) was assigned to a new lender with the same terms. On April 14, 2023, the Company extended convertible promissory note to July 31, 2024, which resulted in a gain on debt modification of $2,368.

(c) On July 31, 2024, the outstanding principal and interest amounts for the convertible debentures were transferred into loans payable from the same counterparties at an interest rate of 5% per annum and are repayable on demand. As the loans are no longer convertible the equity component of the convertible debentures ($88,029), was transferred to deficit.

8. Convertible debt and short-term loans (Continued)

On July 30, 2024 the Company entered into a promissory note for a principal amount of $450,000 at an interest rate of 8% per annum. An arrangement fee of $9,000 was incurred in connection with the promissory note. The Company made a $150,000 partial repayment of the promissory note on January 23, 2025 and another partial repayment of $100,000 on April 15, 2025. The promissory note is repayable on June 30, 2025.

9. Share capital

Authorized share capital

Unlimited common shares without par value.

Issued share capital

At January 31, 2025, there were 87,049,677 issued and fully paid common shares (2024 – 68,134,675).

On March 1, 2024, the Company effected a consolidation of its issued share capital on a two pre-consolidation common shares for one new common share basis. All references to the number of shares and per share amounts have been retrospectively restated to reflect the consolidation.

Share issuance

<u>Year Ended January 31, 2025:</u>

On July 31, 2024, the Company entered into a share exchange agreement with Abaxx for the purpose of developing a strategic partnership to drive digitization more broadly within the physical commodities markets. Under the share exchange agreement, MineHub received 219,167 Abaxx common shares in exchange for the issuance of 8,333,333 common shares of MineHub (Note 5). Additionally, Abaxx received 8,333,333 common share purchase warrants of MineHub, exercisable for a period ending November 15, 2024 at a price of $0.35 per common share.

The share exchange closed in two tranches:

(a) On August 23, 2024, the Company issued 4,166,667 common shares with a fair value of $1,166,667 and 8,333,333 common share purchase warrants in exchange for 109,584 shares of Abaxx. Using the residual value method, $46,428 was allocated to the common share purchase warrants.

(b) On September 9, 2024, the Company issued 4,166,666 common shares with a fair value of $1,208,712 in exchange for 109,583 shares of Abaxx.

On September 9, 2024, the Company issued 481,975 common shares with a fair value of $154,232 in respect of financial advisory services rendered in relation to the share exchange agreement. These were recorded as share issuance costs.

On December 27, 2024, the Company issued 8,810,000 common shares with a fair value of $2,680,270 in exchange for 237,192 shares of Abaxx.

On December 27, 2024, the Company issued 516,530 common shares with a fair value of $144,628 in respect of financial advisory services rendered in relation to the share exchange agreement. These were recorded as share issuance costs.

The Company incurred cash share issuance costs of $110,182 during the year ended January 31, 2025.

9. Share capital (Continued)

The Company issued 765,664 common shares for 765,664 warrants exercised during the month of January 2025 at an exercise price of $0.40 per warrant. The average share price on the dates of exercise was $0.62.

The Company issued 7,500 common shares for 7,500 stock options exercised on January 21, 2025 at an exercise price of $0.25 per option. The share price on the date of exercise was $0.60.

Year Ended January 31, 2024:

On March 10, 2023, the Company issued 4,088,317 common shares with a fair value of $1,706,106 to the shareholders of Waybridge pursuant to the purchase of certain assets from the company (Note 3).

On April 14, 2023, the Company issued 2,037,500 common shares and 1,018,750 share purchase warrants for gross proceeds of $1,018,750 pursuant to the closing of a non-brokered private placement. Each share purchase warrant is exercisable at $0.80 for 2 years. Using the residual value method, $142,625 of the gross proceeds were allocated to the share purchase warrants. The Company incurred cash share issuance costs of $51,724 and issued 33,750 broker warrants with a fair value of $8,385, which were valued using the Black-Scholes Option Pricing Model with the following assumptions: Average risk-free interest rate of 3.62%; expected life of 2 years; expected volatility of 117.5% and dividend yield of $Nil.

On June 9, 2023, the Company issued 2,500,000 common shares and 1,250,000 share purchase warrants for gross proceeds of $1,000,000 pursuant to the closing of a non-brokered private placement. Each share purchase warrant is exercisable at $0.80 for 2 years. Using the residual value method, the value of the share purchase warrants was $Nil. The Company incurred cash share issuance costs of $4,111.

On October 13, 2023, the Company issued 2,343,937 common shares and 1,171,969 share purchase warrants for gross proceeds of $1,500,120 pursuant to the closing of a non-brokered private placement. Each share purchase warrant is exercisable at $1.00 for 2 years. Using the residual value method, $281,273 of the gross proceeds were allocated to the share purchase warrants. The Company incurred cash share issuance costs of $39,850 and issued 24,056 broker warrants with a fair value of $3,784 which were valued using the Black-Scholes Option Pricing Model with the following assumptions: Average risk-free interest rate of 4.77%; expected life of 1 years; expected volatility of 122.9% and dividend yield of $Nil.

On January 31, 2024, the Company issued 18,358,183 common shares and 18,358,180 share purchase warrants for gross proceeds of $4,038,800 pursuant to the closing of a non-brokered private placement. Each share purchase warrant is exercisable at $0.40 for 3 years. Using the residual value method, $183,582 of the gross proceeds were allocated to the share purchase warrants. The Company incurred cash share issuance costs of $192,718 and issued 503,664 broker warrants with a fair value of $28,894 which were valued using the Black-Scholes Option Pricing Model with the following assumptions: Average risk-free interest rate of 4.17%; expected life of 1 years; expected volatility of 115.3% and dividend yield of $Nil.

Escrow

At January 31, 2025, there were no shares in escrow (2024 – 2,103,543).

(Expressed in Canadian dollars)

9. Share capital (Continued)

Warrants

Warrant transactions are summarized as follows:

	Number of warrants	Weighted average exercise price
Warrants outstanding, January 31, 2023	1,892,639	$ 2.10
Issued	22,360,369	$ 0.48
Expired	(936,389)	$ 1.18
Warrants outstanding, January 31, 2024	23,316,619	$ 0.58
Issued	8,333,333	$ 0.35
Exercised	(765,664)	$ 0.40
Expired	(9,338,139)	$ 0.62
Warrants outstanding, January 31, 2025	21,546,149	$ 0.48

Details of warrants outstanding as at January 31, 2025 are as follows:

Exercise Price	Expiry Date	Balance, end of year
$0.80	April 17, 2026 (1)	1,018,750
$0.80	April 17, 2025	33,750
$0.80	June 9, 2025	1,250,000
$1.00	October 13, 2025	1,171,969
$0.40	January 31, 2027	18,071,680
		21,546,149

(1) During the year ended January 31, 2024, 1,018,750 warrants were extended by one year to a new expiry date of April 17, 2026.

At January 31, 2025, the weighted-average remaining contractual life of warrants outstanding was 1.79 years.

Stock options

The Company has an incentive stock option plan, which provides that the Board of Directors of the Company may from time-to-time, in its discretion, grant to directors, officers, employees and technical consultants to the Company, non-transferable stock options to purchase common shares, provided that the number of common shares reserved for issuance will not exceed a rolling 10% of the Company's issued and outstanding common shares at the time the options are granted.

Stock options transactions are summarized as follows:

	Number of options	Weighted average exercise price
Options outstanding, January 31, 2023	3,287,500	$ 0.78
Issued	1,550,000	0.56
Forfeited/expired	(916,875)	1.10
Options outstanding, January 31, 2024	3,920,625	$ 0.62
Issued	4,287,500	0.27
Exercised	(7,500)	0.25
Forfeited/expired	(1,597,188)	0.55
Options outstanding, January 31, 2025	6,603,437	$ 0.41
Options exercisable, January 31, 2025	3,624,375	$ 0.50

(Expressed in Canadian dollars)

9. Share capital (Continued)

Details of stock options outstanding and exercisable as at January 31, 2025 is as follows:

Range of exercise prices	Number of options	Weighted average remaining contractual life (years)	Number of options exercisable
$0-$0.24	965,937	0.61	479,375
$0.25-$0.49	3,072,500	2.02	816,250
$0.50-$0.75	2,350,000	0.66	2,113,750
$1.00-$1.25	107,500	0.02	107,500
$1.75-$1.99	17,500	0.01	17,500
$2.00-$2.25	90,000	0.02	90,000
	6,603,437	3.33	3,624,375

The fair value of each option granted during the year ended January 31, 2025 was estimated at the time of grant using the Black-Scholes Option Pricing Model with the following weighted average assumptions. The expected volatility reflects the historical volatility in the price of the Company's shares over the expected life.

	January 31, 2025	January 31, 2024
Exercise price	$0.27	$0.55
Risk-free interest rate	3.43%	3.37%
Expected life	5 years	5 years
Volatility factor	115%	117%
Dividend yield	0%	0%
Fair value	$0.17	$0.43

During the year ended January 31, 2025, the Company recorded $515,626 (2024 - $325,553) in stock-based compensation expense. During the year ended January 31, 2025, 1,597,188 options were cancelled, accordingly $459,091 was transferred to deficit (2024 – 916,875 options were cancelled, accordingly $404,755 was transferred to deficit).

10. Reserves

Equity compensation reserve

The equity compensation reserve records items recognized as stock-based compensation expense until such time that the stock options are exercised, at which time the corresponding amount will be transferred to share capital. If the options expire unexercised and cancelled, the amount recorded is transferred to deficit.

Equity component of convertible debt reserve

The convertible debt reserve records the equity component of convertible debt with liability and equity components. On conversion, the amount recorded is transferred to share capital. On July 31, 2024, the outstanding principal and interest amounts for the convertible debentures were transferred to loans payable from the same counterparties at an interest rate of 5% per annum and are repayable on demand. As the loans are no longer convertible the equity component of the convertible debentures ($88,029), was transferred to deficit.

11. Related party transactions

For the years ended January 31, 2025 and 2024, the Company had no transactions with related parties as defined in IAS 24 – *Related Party Disclosures*, except those pertaining to transactions with key management and director

(Expressed in Canadian dollars)

11. Related party transactions (Continued)

personnel in the ordinary course of their employment, or as disclosed below.

Key management and director compensation is as follows:

	Year Ended January 31, 2025	2024
Aggregate compensation	$ 709,781	$ 602,885
Stock-based compensation (Note 9)	181,783	150,183
	$ 891,564	$ 753,068

At January 31, 2025, included in trade payables and accrued liabilities is $61,850 (2024 - $5,750) due to directors and officers or companies controlled by directors and officers. These amounts are unsecured, non-interest bearing and have no fixed payment terms (Note 7).

12. Revenue and other income

The following table presents revenue from contracts with customers disaggregated by service type:

	Year Ended January 31, 2025	2024
Software as a service revenue	$ 1,683,641	$ 1,443,267
Professional services	336,272	565,899
	$ 2,019,913	$ 2,009,166

During the year ended January 31, 2025, five customers each exceeded 10% of total revenue, each comprising between 10% and 35%. During the year ended January 31, 2024, five customers each exceeded 10% of total revenue, each comprising between 11% and 33%.

As at January 31, 2025, four customers each exceeded 10% of total accounts receivable, comprising 12%, 15%, 18%, and 49%, respectively. As at January 31, 2024, four customers each exceeded 10% of total accounts receivable, each comprising between 11% and 58%.

The following table provides information about deferred revenue (contract liability):

	January 31, 2025	January 31, 2024
Balance, beginning	$ 392,522	$ 155,488
Increase due to customer invoices issued, excluding amounts recognized as revenue during the year	-	392,522
Decrease from revenue recognized that was included in the deferred revenue balance at the beginning of the year	(372,756)	(155,488)
Balance, ending	$ 19,766	$ 392,522
Deferred revenue – current	$ 13,177	$ 372,756
Deferred revenue – non-current	$ 6,589	$ 19,766

On May 16, 2023, the Company entered into a Concentrates Application Development Agreement with Sumitomo Corporation ("Sumitomo") under which Sumitomo agreed to fund future development costs subject to certain terms, conditions, and covenants. The Company received $968,383 from Sumitomo during the year ended January 31, 2024, representing the full amount of funding to be provided under the arrangement. The funding was recognized as other income during the year ended January 31, 2024.

(Expressed in Canadian dollars)

13. Expense by nature

Effective February 1, 2024, the Company elected to change the presentation of its consolidated statements of comprehensive loss by classifying expenses by function under IAS 1 – *Presentation of Financial Statements*, from the previous classification by nature. The change in classification would improve relevance to readers, with increased comparability with companies in the same industry with similar operations.

The following table presents expenses by nature:

	Years ended January 31, 2025	Years ended January 31, 2024
Payroll and contractor expenses	$ 5,516,752	$ 5,959,097
Office and miscellaneous	590,199	635,746
Professional fees	518,745	636,234
Stock-based compensation	515,626	325,553
Marketing	357,858	475,449
Administrative services	146,035	231,245
Management fees	115,700	280,066
Consulting	113,000	367,871
Amortization	107,274	93,860
Travel	97,415	100,773
Interest expense and accretion	85,455	114,333
Regulatory fees	65,405	72,930
Development costs	3,670	206,810
	$ 8,233,134	$ 9,499,967

Certain comparative figures have been reclassified to conform with the current year's presentation. Amounts from consulting and office and miscellaneous have been reclassified to payroll and contractor expenses and interest and accretion expense has been reclassified from operating expenses to other income (expenses).

14. Income taxes

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

	Year ended January 31, 2025	Year ended January 31, 2024
Net loss before income taxes	$ (6,240,755)	$ (6,482,632)
Statutory tax rate	27.0%	27.0%
Expected income tax recovery at the statutory tax rate	(1,685,005)	(1,750,311)
Effect of difference in tax rates	187,855	165,988
Finance costs	(29,749)	(77,869)
Non-deductible expenses and other	328,625	144,463
Deferred tax assets not recognized	1,198,274	1,517,729
Income tax recovery	$ -	$ -

14. Income taxes (Continued)

Details of deferred tax assets are as follows:

	January 31, 2025	January 31, 2024
Non-capital losses	$ 6,263,555	$ 5,357,925
Share-issue costs	144,439	215,080
Development costs	2,874,081	2,557,074
Investment	5,695	-
Intangible assets	54,306	13,723
Valuation allowance	(9,342,076)	(8,143,802)
Net deferred tax asset	$ -	$ -

The Company has incurred losses of $24,229,958 for tax purposes which are available to reduce future taxable income. The losses expire between 2039 and 2045.

15. Financial instruments and risks

(a) Fair values

The fair values of cash, receivables, investment, trade payables, short-term loans and convertible debt approximate their carrying values due to the short-term to maturities of these financial instruments.

(b) Interest rate risk

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company is not exposed to interest rate risk.

(c) Credit risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. The Company's primary exposure to credit risk is in its cash. The risk in cash is managed through the use of a major financial institution which has a high credit quality as determined by rating agencies. For accounts receivable, the Company performs ongoing credit evaluations. Credit risk is assessed as low.

(d) Foreign exchange rate risk

Foreign exchange risk is the risk that the Company's financial instruments will fluctuate in value as a result of movements in foreign exchange rates. The Company is exposed to foreign exchange risk on fluctuations related to cash, receivables, and trade payables denominated in US Dollars, Euros, British Pound Sterling, Chinese Renminbi, and Singapore Dollars. The Company has significant liabilities denominated in foreign currencies; therefore, foreign exchange risk is assessed as high.

The following is an analysis of Canadian dollar equivalent of financial assets and liabilities that are denominated in US dollars:

	January 31, 2025	January 31, 2024
Cash	$ 121,363	$ 199,992
Receivables	366,600	357,121
Trade payables	(106,087)	(127,132)
	$ 381,876	$ 429,981

15. Financial instruments and risks (Continued)

(d) Foreign exchange rate risk (Continued)

The following is an analysis of Canadian dollar equivalent of financial assets and liabilities that are denominated in Euros:

	January 31, 2025	January 31, 2024
Cash	$ -	$ 2,592
Trade payables	(33)	(11,483)
	$ (33)	$ (8,891)

The following is an analysis of Canadian dollar equivalent of financial assets and liabilities that are denominated in British Pound Sterling:

	January 31, 2025	January 31, 2024
Cash	$ 1,227	$ 13,611
Receivables	2,356	6,466
Trade payables	(314,613)	(605,528)
	$ (311,030)	$ (585,451)

The following is an analysis of Canadian dollar equivalent of financial assets and liabilities that are denominated in Singapore dollars:

	January 31, 2025	January 31, 2024
Cash	$ -	$ 2,412
Trade payables	(982)	(16,548)
	$ (982)	$ (14,136)

The following is an analysis of Canadian dollar equivalent of financial assets and liabilities that are denominated in Chinese Renminbi:

	January 31, 2025	January 31, 2024
Cash	$ 5,508	$ 10,196
Trade payables	(1,982)	(9,794)
	$ 3,526	$ 402

Based on the above net exposures, as at January 31, 2025, a 5% change in the Canadian dollar relative to the currencies listed below would impact the Company's net loss by:

	January 31, 2025	January 31, 2024
US dollar	$ 19,000	$ 22,000
Euro	-	500
British Pound Sterling	15,550	30,000
Singapore dollar	50	700
Chinese Renminbi	200	20
	$ 34,800	$ 53,220

15. Financial instruments and risks (Continued)

(e) Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they become due. The Company requires funds to finance its business development activities. In addition, the Company needs to raise equity financing to carry out its research and development activities. There is no assurance that financing will be available or, if available, that such financing will be on terms acceptable to the Company. Liquidity risk is assessed as high.

16. Capital management

The Company's capital structure consists of share capital. The Company manages its capital structure and makes adjustments to it, based on the funds available to the Company. The Board of Directors does not establish quantitative return on capital criteria for management, but rather relies on the expertise of the Company's management to sustain future development of the business. The Company is dependent on external financing to fund its activities. In order to carry out research and development and pay for administrative costs, the Company will spend its existing working capital and raise additional amounts as needed. Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company, is reasonable. There were no changes in the Company's approach to capital management since inception. The Company is not subject to externally imposed capital requirements.

17. Subsequent events

Subsequent to January 31, 2025, 245,772 warrants were exercised at $0.40 and 517,500 stock options were exercised at a weighted average exercise price of $0.45.

Subsequent to January 31, 2025, 33,750 warrants expired and 85,000 stock options were forfeited.

On April 13, 2025 the Company entered into a short-term loan for $750,000 which bears interest at 7% per annum and is repayable on June 30, 2025.