Wellfield Technologies Inc.

Condensed Interim Consolidated Financial Statements

Nine and three months ended December 31, 2024 and 2023

(Expressed in Canadian dollars)

The accompanying unaudited condensed interim consolidated financial statements of Wellfield Technologies Inc. (the "Company") have been prepared by and are the responsibility of management and have not been reviewed by the Company's auditors.

Wellfield Technologies Inc.

Consolidated Statements of Financial Position

(Expressed in Canadian dollars)

	Note	As at December 31, 2024 ($)	As at March 31, 2024 ($)
Assets			
Current assets			
Cash and cash equivalents		**78,204**	27,095
Receivables	5	**122,322**	642,956
Prepaid expenses and deposits		**583,318**	748,652
Cryptocurrency held for operating activities		**22,915**	28,147
Income taxes receivable		**332,067**	337,272
		1,138,826	1,784,122
Non-current assets			
Property and equipment		**83,845**	121,111
Intangible assets	6	**5,326,888**	5,644,847
Goodwill	7	**9,455,895**	9,113,939
Total assets		**16,005,454**	16,664,019
Liabilities			
Current liabilities			
Accounts payable and accrued liabilities	8	**9,249,966**	7,643,799
Loan in cryptocurrency	9	**3,562,674**	2,514,542
Income taxes payable		**499,799**	488,817
Convertible debentures	10	**1,299,652**	1,924,362
Non-convertible debenture	11	**2,482,187**	1,693,750
		17,094,278	14,265,270
Non-current liabilities			
Convertible debentures	11	**6,635,679**	6,635,679
Other liabilities		**-**	18,808
		6,635,679	6,654,487
Total liabilities		**23,729,957**	20,919,757
Equity			
Share capital	14	**65,265,236**	64,358,672
Contributed surplus		**5,416,576**	5,667,122
Warrant reserve		**8,505,594**	8,463,567
Deficit		**(89,206,358)**	(84,633,394)
Accumulated other comprehensive income		**2,294,449**	1,888,295
Total equity		**(7,724,503)**	(4,255,738)
Total liabilities and equity		**16,005,454**	16,664,019
Going concern	2		

Approved by the Board of Directors:

N. Sample — Chair of the Board

C. Steinhart — Chair of the Audit Committee

Wellfield Technologies Inc.

Consolidated Statements of Loss and Comprehensive Loss

(Expressed in Canadian dollars, except for number of shares)

	Note	Three months ended December 31,		Nine months ended December 31,	
		2024	2023	**2024**	2023
	Note	**($)**	($)	**($)**	($)
Revenue	13	**543,699**	1,435,490	**1,974,032**	51,336,002
Cost of revenue		**84,340**	515,771	**329,613**	48,590,962
Gross profit		**459,359**	919,719	**1,644,419**	2,745,040
Operating expenses					
Research and development		**319,688**	808,018	**821,769**	2,940,642
Growth and marketing		**45,148**	169,397	**213,318**	533,543
Operations		**(21,646)**	-	**114,492**	-
General and administrative		**971,841**	2,262,626	**2,611,343**	7,179,587
Amortization and depreciation		**182,434**	384,904	**680,432**	1,169,184
		1,497,465	3,624,945	**4,441,354**	11,822,956
Operating loss		**(1,038,106)**	(2,705,226)	**(2,796,935)**	(9,077,916)
Other income (loss)					
Fair value adjustments on financial instruments		**208,042**	390,000	**-**	390,000
Other income (loss)		**(150,100)**	162	**(303,097)**	(82,640)
Finance expense		**(56,309)**	(121,403)	**(308,559)**	(191,598)
Exchange gain (loss)		**(1,212,003)**	(488,362)	**(1,185,138)**	(157,104)
Loss before income taxes		**(2,248,476)**	(2,924,829)	**(4,593,729)**	(9,119,258)
Income tax expense (recovery)		**312,771**	(33,044)	**(20,765)**	(366,580)
Net loss		**(2,561,247)**	(2,891,785)	**(4,572,964)**	(8,752,678)
Other comprehensive income					
Items that may be reclassified to profit or loss					
Foreign currency translation adjustment		**361,866**	(185,295)	**406,154**	(141,007)
Gain on cash flow hedging derivative instruments		**-**	-	**-**	46,058
Total comprehensive loss		**(2,199,381)**	(3,077,080)	**(4,166,810)**	(8,847,627)
Net loss per share					
Net loss per share attributable to common shareholders of the Company (basic and diluted)		**(0.01)**	(0.02)	**(0.03)**	(0.05)
Weighted average number of common shares outstanding (basic and diluted)		**183,053,504**	173,100,206	**182,342,673**	165,305,661

Wellfield Technologies Inc.

Consolidated Statements of Changes in Shareholders' Equity

(Expressed in Canadian dollars, except for number of shares)

	Note	Number of shares	Share capital ($)	Contributed surplus ($)	Warrant reserve ($)	Deficit ($)	Accumulated other comprehensive income ($)	Total equity ($)
Balance as at April 1, 2023		**155,756,456**	**60,083,690**	**3,631,546**	**8,042,654**	**(55,859,345)**	**1,882,840**	**17,781,385**
Share-based payments		**-**	**-**	**1,609,031**	**-**	**-**	**-**	**1,609,031**
Settlement of restricted stock units		**93,750**	**142,500**	**(142,500)**	**-**	**-**	**-**	**-**
Shares issued on investment in Bosonic Inc.		**17,250,000**	**4,089,000**	**-**	**-**	**-**	**-**	**4,089,000**
Equity portion of convertible debenture issuance								
Convertible debenture transaction costs		**-**	**-**	**(40,188)**	**(38,269)**	**-**	**-**	**(78,457)**
Net loss and other comprehensive income		**-**	**-**	**-**	**-**	**(8,847,627)**	**5,455**	**(8,842,172)**
Balance as at December 31, 2023		**173,100,206**	**64,315,190**	**5,057,889**	**8,004,385**	**(64,706,972)**	**1,888,295**	**14,558,787**
Balance as at April 1, 2024		**175,004,968**	**64,358,672**	**5,667,122**	**8,463,567**	**(84,633,394)**	**1,888,295**	**(4,255,738)**
Share-based payments		**-**	**-**	**69,189**	**-**	**-**	**-**	**69,189**
Non-brokered private placement	16	**1,777,777**	**55,977**	**-**	**44,023**	**-**	**-**	**100,000**
Non-brokered private placement transaction costs		**-**	**(2,539)**	**-**	**(1,996)**	**-**	**-**	**(4,535)**
Conversion of debentures	11	**9,643,395**	**597,227**	**(319,735)**	**-**	**-**	**-**	**277,492**
Settlement of debt for equity		**4,264,983**	**255,899**					**255,899**
Net loss and other comprehensive loss		**-**	**-**	**-**	**-**	**(4,572,964)**	**406,154**	**(4,166,810)**
Balance as at December 31, 2024		**190,691,123**	**65,265,236**	**5,416,576**	**8,505,594**	**(89,206,358)**	**2,294,449**	**(7,724,503)**

Wellfield Technologies Inc.

Consolidated Statements of Cash Flows

(Expressed in Canadian dollars)

	Note	**Nine months ended December 31, 2024 ($)**	Nine months ended December 31, 2023 ($)
Operating activities			
Net loss		**(4,572,964)**	(8,752,678)
Items not affecting cash			
Depreciation of property and equipment		**41,712**	79,953
Amortization of intangible assets	7	**638,720**	1,089,231
Interest expense on lease liability		-	584
Unrealized foreign exchange loss (gain)		**33,850**	377,970
Loss on disposition of equipment		-	82,246
Accrued debenture interest and re-financing costs		**308,559**	-
Fair value adjustments on financial instruments		-	(390,000)
Share-based payments		-	1,609,031
Accretion expense		-	106,931
Income tax recovery		**(20,765)**	(366,580)
Changes in non-cash operating working capital items			
Receivables	5	**520,634**	(103,936)
Prepaid expenses and deposits		**165,334**	121,421
Cryptocurrency held for operating activities		**5,232**	1,121,414
Accounts payable and accrued liabilities	9	**1,606,167**	2,830,175
Contract liabilities		-	(643,792)
Cryptocurrencies payable to customers		-	(817,681)
Cash taxes refunded (paid)		**10,982**	266,743
		(1,262,539)	(3,388,968)
Investing activities			
Redemption of term deposits		-	12,000
Proceeds from disposition of equipment		-	2,817
Acquisition of Brane Trust		-	(150,000)
Cash and cash equivalents acquired in consideration of business combinations		-	(700)
		-	(135,883)
Financing activities			
Lease payments		-	(15,151)
Net consolidation of convertible debentures		**(624,710)**	1,213,200
Net ammendment of non-convertible debentures		**788,437**	1,668,875
Increase in loans in cryptocurrencies	10	**1,048,132**	-
Proceeds from private placement		**100,000**	-
Net change in due to/from related parties		-	(46,580)
		1,311,859	2,820,344
Effect of foreign exchange rate changes on cash and cash equivalents		**1,789**	91,648
Net increase (decrease) in cash and cash equivalents		**51,109**	(612,859)
Cash and cash equivalents - Beginning		**27,095**	727,967
Cash and cash equivalents - Ending		**78,204**	115,108

1 Nature of operations

Wellfield Technologies Inc. ("the Company" or "Wellfield") was incorporated as 1290447 B.C. Ltd. under the British Columbia Business Corporations Act on February 23, 2021. Wellfield is building technology that unlocks the future of decentralized finance. Wellfield is domiciled in Canada with its registered office located at 666 Burrard Steet, Suite 2500, Vancouver, British Columbia V6C 2X8. The Company listed on the TSX Venture Exchange ("TSXV") and began trading on November 30, 2021 under the ticker symbol “WFLD”.

2 Basis of presentation

Statement of compliance

These unaudited condensed consolidated interim financial statements have been prepared in accordance with IAS 34, Interim Financial Reporting of the International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board (“IASB”) and follow the same accounting policies and methods of application as the Company’s March 31, 2024, consolidated audited annual financial statements. These condensed consolidated interim financial statements do not contain all of the information required for full annual financial statements. Accordingly, they should be read in conjunction with the Company’s most recent annual statements.

These condensed interim consolidated financial statements were approved and authorized for issuance by the Board of Directors on February 28, 2025.

Going concern

These condensed interim 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. The Company incurred a loss of $2,199,381 for the three months ended December 31, 2024, has negative cash flows from operations, and has a deficit of $89,206,358 as of December 31, 2024. 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.

The assessment of the Company's ability to continue as a going concern requires significant judgment and is based on assumptions regarding its ability to raise future capital, successfully develop and market financial services offerings, and achieve profitable operations in the future. These consolidated financial statements do not include any adjustments or disclosures that would be required if assets are not realized and liabilities are not settled in the normal course of operations. If the Company is unable to continue as a going concern, then the carrying value of certain assets and liabilities would require revaluation to a liquidation basis, which could differ materially from the values presented in the consolidated financial statements.

Basis of measurement

The consolidated financial statements have been prepared on the historical cost basis, except for certain assets and liabilities initially recognized in connection with business combinations, and certain financial instruments and derivative financial instruments, which are measured at fair value. All monetary references expressed in these notes are references to Canadian dollar amounts, unless otherwise stated.

Foreign currency

Functional and presentation currency

The presentation currency used in the preparation of these consolidated financial statements is the Canadian dollar. The functional currency for the Company is the Canadian dollar. The functional currency of the Company has been assessed by management based on consideration of the currency and economic factors that mainly influence the Company’s operating costs, financing and related transactions. Specifically, the Company considers the currencies in which expenses are settled as well as the currency in which it receives or raises financing. Changes to these factors may have an impact on the judgment applied in the determination of the Company’s functional currency. Certain of the Company's subsidiaries have functional currencies that are not the Canadian dollar.

(Expressed in Canadian dollars, unless otherwise noted)

2 Basis of presentation (continued)

Foreign currency (continued)

Foreign currency transactions

Foreign currency transactions are recorded at the exchange rate as at the date of the transaction. At each statement of financial position date, monetary assets and liabilities are translated using the period end foreign exchange rate. Non-monetary assets and liabilities in foreign currencies other than the functional currency are translated using the historical rate. All gains and losses on translation of these foreign currency transactions are included in the consolidated statements of loss and comprehensive loss.

Foreign currency translation

The results and financial position of the Company's foreign operations whose functional currency is not the Canadian dollar are translated into the presentation currency using the following procedures: assets and liabilities for each statement of financial position presented (including comparatives) are translated at the closing rate at the date of that statement of financial position; and income and expenses are translated at the average exchange rate for the period, which approximates the exchange rate as at the date of the transaction due to exchange rates experiencing minimal fluctuations. Equity items are translated using the historical rate. All resulting exchange differences are recognized in other comprehensive income.

Basis of consolidation

These consolidated financial statements include the financial statements of the Company and its wholly-owned subsidiaries, which are controlled by the Company ("the Group"). Control is achieved when the parent company is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if, and only if, the Group has all of the following: (i) power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee); (ii) exposure, or rights, to variable returns from its involvement with the investee; and (iii) the ability to use its power over the investee to affect its returns.

The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases. All significant inter-company transactions, balances, income and expenses are eliminated on consolidation.

Details of the Company's material subsidiaries are as follows:

Subsidiary	Jurisdiction Incorporated	Functional Currency	Ownership %
Brane Trust Company Ltd.	Canada	Canadian dollars	100%
CMAMA Limited	Ireland	US dollars	100%
CMAMA US Inc. (formerly MoneyClip Inc.)	United States	US dollars	100%
Money Clip Canada Inc.	Canada	Canadian dollars	100%
New Bit Ventures Ltd.	Israel	US dollars	100%
Seamless Logic Software Limited	Gibraltar	US dollars	100%
Tradewind Markets, Inc.	United States	US dollars	100%
Wellfield Technology IR Limited	Ireland	Euros	100%

3 Significant judgments and estimates

The preparation of the Company's condensed interim consolidated financial statements requires management to make judgments and estimates that affect the reported amounts of assets, liabilities and contingent liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the period. Actual results could differ from these estimates. Estimates are reviewed on an ongoing basis. The significant judgments and estimates made by management are the same as those applied and described in the Company's audited consolidated financial statements for the twelve months ended March 31, 2024.

(Expressed in Canadian dollars, unless otherwise noted)

4 Significant accounting policies

The accounting policies used in these condensed interim consolidated financial statements are consistent with those applied in the Company's audited consolidated financial statements for the twelve months ended March 31, 2024.

Adoption of new or amended accounting standards not yet effective

The Company has not applied new accounting standards and amendments to existing accounting standards that have been issued and have future effective dates. These new standards and amendments are not applicable or are not expected to have a significant impact on the Company's financial statements.

5 Receivables

Receivables consist of the following:

	December 31, 2024 ($)	March 31, 2024 ($)
Due from customers	44,839	53,385
Referral revenue receivable	28,041	2,049
Governmental authorities	21,327	47,752
Other	19,919	489,227
Liquidity providers and financial service providers	7,570	7,128
Credit card clearing companies	626	43,415
	122,322	642,956

6 Intangible assets

Intangible assets consist of the following:

	Acquired Technology ($)	Regulatory Licenses ($)	Brand ($)	Customer Relationships ($)	Total Intangibles ($)
<u>Cost</u>					
March 31, 2023	8,558,833	1,527,876	3,994,942	230,061	14,311,712
Effect of change in exchange rates	5,350	1,919	5,018	289	12,576
March 31, 2024	8,564,183	1,529,795	3,999,960	230,350	14,324,288
Effect of change in exchange rates	264,033	94,723	247,673	14,263	620,692
December 31, 2024	8,828,216	1,624,518	4,247,633	244,613	14,944,980
<u>**Accumulated amortization and impairment**</u>					
March 31, 2023	4,670,105	258,551	337,923	4,095	5,270,674
Amortization	716,427	305,310	399,036	28,723	1,449,496
Impairment	987,402	964,290	-	-	1,951,692
Effect of change in exchange rates	3,650	1,644	2,149	136	7,579
March 31, 2024	6,377,584	1,529,795	739,108	32,954	8,679,441
Amortization	310,706	-	305,984	22,030	638,720
Effect of change in exchange rates	142,632	94,723	59,543	3,033	299,931
December 31, 2024	6,830,922	1,624,518	1,104,635	58,017	9,618,092
Net book value as of March 31, 2024	2,186,599	-	3,260,852	197,396	5,644,847
Net book value December 31, 2024	1,997,294	-	3,142,998	186,596	5,326,888

(Expressed in Canadian dollars, unless otherwise noted)

7 Goodwill

Changes in goodwill are as follows:

	Goodwill ($)
<u>**Cost**</u>	
March 31, 2023	30,249,748
Acquisition through business combinations	7,990,806
Effect of change in exchange rates	37,999
March 31, 2024	38,278,553
Effect of change in exchange rates	1,875,381
December 31, 2024	40,153,934
<u>**Accumulated impairment**</u>	
March 31, 2023	21,538,439
Impairment	7,599,119
Effect of change in exchange rates	27,056
March 31, 2024	29,164,614
Effect of change in exchange rates	1,533,425
December 31, 2024	30,698,039
Net book value as of March 31, 2024	9,113,939
Net book value as of December 31, 2024	9,455,895

8 Accounts payable and accrued liabilities

Accounts payable and accrued liabilities consist of the following:

	December 31, 2024 ($)	March 31, 2024 ($)
Trade payables	3,997,024	3,523,118
Accrued liabilities	3,690,121	2,546,112
Government remittances	1,362,618	1,208,294
Other	200,203	366,275
	9,249,966	7,643,799

9 Loans in cryptocurrency

Loans in cryptocurrency consists of the following:

	December 31, 2024		March 31, 2024	
	Units	($)	Units	($)
Short-term credit line (BTC)	22.75	3,069,885	22.75	2,198,929
Related party loan (BTC)	2	263,019	2	193,424
Related party loan (ETH)	11	53,159	11	54,260
Employee loan (BTC)	0.70	96,272	0.7	67,929
Related party loan (other)		80,339		-
		3,562,674		2,514,542

(Expressed in Canadian dollars, unless otherwise noted)

10 Convertible debentures

Convertible debentures consist of the following:

	December 31, 2024 ($)	March 31, 2024 ($)
Current		
Debenture, 0%, convertible at option of Company	1,299,652	1,299,652
Long-term		
Debenture, 0%, December 2025, convertible at option of Company	6,635,679	6,635,679
Total convertible debentures	7,935,331	7,935,331

11 Non-convertible debenture

On August 28, 2024, the Company consolidated debentures held by a single investor into an amended US$1,725,058 non-convertible debenture. The debenture matures on August 28, 2025, and bears interest at 16.4% per annum from the issue date to December 31, 2024, 18% per annum from January 1, 2025, to June 30, 2025, and 21% per annum from July 1, 2025, to maturity. The debenture requires principal repayments of US$675,000 on February 28, 2025, US$675,000 on July 28, 2025, and US$676,592 upon maturity. The debenture provides the lender with security over all present and after-acquired personal property of the Company and accelerated payment where in the event that the Company completes future debt or equity financing for cash, a principal repayment shall be made equal to the lower of the remaining principal balance outstanding and 20% of the net proceeds of such issuance.

12 Related party transactions

Transactions with key management personnel

Key management personnel compensation consists of the following:

	For the three months ended December 31, 2024 ($)	For the three months ended December 31, 2023 ($)	For the nine months ended December 31, 2024 ($)	For the nine months ended December 31, 2023 ($)
Wages, salaries, fees and short-term benefits	344,925	255,082	821,142	566,060
Share-based payments	-	514,934	1,372,394	857,460
	344,925	770,016	2,193,536	1,423,520

(Expressed in Canadian dollars, unless otherwise noted)

13 Revenue

Revenue consists of the following:

	For the three months ended December 31, 2024 ($)	For the three months ended December 31, 2023 ($)	For the nine months ended December 31, 2024 ($)	For the nine months ended December 31, 2023 ($)
Selling of cryptocurrencies - institutions	-	14,918	-	58,262
Selling of cryptocurrencies - consumers	-	277,227	-	51,041,488
Referrals - consumers	471,235	1,075,420	1,812,946	236,252
Transaction revenue - Tradewind	31,310	41,009	76,778	-
Storage revenue - Tradewind	41,154	26,916	84,308	-
	543,699	1,435,490	1,974,032	51,336,002

14 Share capital

Share capital consists of:

	December 31, 2024 ($)	March 31, 2024 ($)
Authorized:		
Unlimited common shares		
Unlimited preferred shares		
Issued:		
189,291,124 common shares (March 31, 2024 - 175,004,968)	65,265,236	64,358,672

In June 2024, the Company completed a $100,000 non-brokered private placement of 1,777,777 Units at $0.05625 each. Each Unit consisted of one common share of the Company and one warrant, exercisable for a common share at $0.09375 for a period of three years from the date of issuance. The gross proceeds and transaction costs were allocated to common shares and warrants based on the relative fair value of the common shares and warrants on the date of issuance.

(Expressed in Canadian dollars, unless otherwise noted)

15 Share-based payments

The Company has established an equity incentive plan, permitting the Company to award its directors, employees and certain non-employees with share-based compensation. Awards permitted under the plan include restricted stock units ("RSUs") and stock options. The maximum number of common shares reserved under the equity incentive plan shall not exceed 10% of the total common shares issued and outstanding. RSUs vest over a period of up to four years, include service conditions only, and will be settled by the issuance of common shares at the settlement date. The option period for stock options shall not exceed ten years. Stock options will be settled in common shares upon exercise.

Restricted stock units ("RSUs")

The following is a summary of changes in RSUs during the three months ended December 31, 2024:

	Number of RSUs
Outstanding at March 31, 2023	8,555,498
Granted during the period	11,416,650
Settled during the period	(93,750)
Forfeited during the period	(4,334,711)
Outstanding at March 31, 2024	**15,543,687**
Granted during the period	-
Settled during the period	-
Forfeited during the period	-
Outstanding at December 31, 2024	**15,543,687**

Stock options

The Company has granted options to a consultant to acquire 300,000 common shares of the Company at an exercise price of $1.25 with an expiry date of December 3, 2023. The number and weighted-average exercise prices of share options are as follows:

	Number of options	**Weighted-average exercise price ($)**
Outstanding at March 31, 2023	300,000	1.25
Granted during the period	-	-
Exercised during the period	-	-
Forfeited or expired during the period	(300,000)	1.25
Outstanding at March 31, 2024	**-**	-
Granted during the period	-	-
Exercised during the period	-	-
Forfeited or expired during the period	-	-
Outstanding at December 31, 2024	**-**	-

(Expressed in Canadian dollars, unless otherwise noted)

16 Warrants

Each warrant entitles the holder to purchase one common share at a set price, at the option of the holder, for a set period of time. The following is a summary of changes in warrants during the three months ended December 31, 2024.

	Number of warrants	Weighted-average exercise price ($)
Outstanding at March 31, 2023	41,204,356	0.85
Issued during the period	7,194,762	0.21
Exercised during the period	-	-
Expired during the period	-	-
Outstanding at March 31, 2024	48,399,118	0.75
Issued during the period	1,777,777	0.09
Exercised during the period	-	-
Expired during the period	(11,037,689)	(1.93)
Outstanding at December 31, 2024	39,139,206	0.39

As at December 31, 2024, the weighted average remaining life and expiry dates of outstanding warrants are as follows:

Weighted average exercise price	Number of warrants	Weighted average remaining life	Expiry date
$ 0.09	1,777,777	2.97 years	19/06/2027
$ 0.09	1,904,762	2.70 years	13/03/2027
$ 0.25	5,290,000	1.09 years	03/08/2025
$ 0.45	30,166,667	1.61 years	08/02/2026

17 Loss per share

Basic and dilutive loss per share is calculated by dividing the net loss attributable to shareholders by the sum of the weighted average number of shares outstanding. As a result of the net losses incurred in the periods ended December 31, 2024 and 2023, the effects of any potentially dilutive instruments would be anti-dilutive.

	For the three months ended December 31, 2024 ($)	For the three months ended December 31, 2023 ($)	For the none months ended December 31, 2024 ($)	For the nine months ended December 31, 2023 ($)
Net loss attributable to common shareholders	(2,561,247)	(2,891,785)	(4,572,964)	(8,752,678)
Weighted average number of common shares outstanding (basic and diluted)	183,053,504	173,100,206	182,342,673	165,305,661
Net loss per share attributable to common shareholders of the Company (basic and diluted)	(0.01)	(0.02)	(0.03)	(0.05)

(Expressed in Canadian dollars, unless otherwise noted)

18 Financial instruments and risk management

The Company is exposed, in varying degrees, to a variety of financial instruments related risks. The fair value of the Company's financial instruments, including cash and cash equivalents, receivables, and accounts payable and accrued liabilities approximates their carrying value due to their short-term nature. Convertible debentures, convertible at the option of the Company have been classified as level 3 within the fair value hierarchy. The loans in cryptocurrency are classified as level 2 within the fair value hierarchy and are measured using the market price of the relevant cryptocurrencies. There have been no changes in levels during the period.

In determining fair value, the Company classifies the fair value of these transactions according to the following hierarchy:

- Level 1 - Quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date.
- Level 2 - Quoted prices for similar assets or liabilities in active markets, or quoted prices for identical or similar assets or liabilities in markets that are not active, or other observable inputs other than quoted prices.
- Level 3 - Unobservable inputs for the asset or liability (unobservable inputs reflect management's assumptions on how market participants would price the asset or liability based on the information available).

The type of risk exposure and the way in which such exposure is managed is provided as follows:

Credit risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. The Company's primary exposure to credit risk is on its receivables. The Company works with only a select few reputable providers and customers to mitigate the risk of potential defaults.

Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting obligations associated with financial liabilities. The Company is exposed to this risk mainly with respect to its accounts payable and accrued liabilities, loans in cryptocurrency, convertible debentures, and long-term debt. The Company manages this risk by managing its working capital and monitoring its ongoing operating requirements. As described in Note 2, the Company's continuation as a going concern is dependent upon its ability to raise capital from new equity or debt, the successful development and marketing of its financial services offerings, and attaining profitable operations in the future.

The Company's contractual undiscounted obligations are as follows:

	Carrying amount	Contractual cash flows	Less than 1 year	1-2 years
Accounts payable and accrued liabilities	$ 9,249,966	$ 9,249,966	$ 9,249,966	$ -
Loans in cryptocurrency	3,562,674	3,562,674	3,562,674	-
Convertible debentures	7,935,331	-	-	-
Non-convertible debentures	2,482,187	2,735,697	2,735,697	-

The loans in cryptocurrency are expected to be settled in their native cryptocurrency. Convertible debentures include non-discounted liabilities with a face value totalling $9,750,000, which the Company holds the discretion to settle through the issuance of common shares. The non-convertible debenture payment schedule is outlined in Note 12.

Financial instruments and risk management (continued)

Market risk (continued)

Foreign currency risk

Currency risk relates to the risk that the fair values or future cash flows of the Company's financial instruments will fluctuate because of changes in foreign exchange rates.

Foreign exchange risk arises from future commercial transactions and recognized assets and liabilities. The Company maintains bank accounts in various currencies in order to effect transactions in these foreign currencies. The Company operates internationally and is exposed to foreign exchange risk arising from various currency exposures, primarily with respect to US dollars, Euros and Israeli new shekels. Substantially all of the Company's revenue is earned in currencies other than the Canadian dollar.

19 Capital management

The Company's capital structure consists of all components of shareholders' equity. The Company's objective when managing capital is to maintain adequate levels of funding to support the current operations and the necessary corporate and administrative functions to facilitate these activities. This is done primarily through equity financing. Future financings are dependent on market conditions and there can be no assurance the Company will be able to raise funds in the future. The Company is not subject to externally imposed capital requirements and the Company's overall strategy with respect to capital risk management remains unchanged from the prior period.