Consolidated Financial Statements

December 31, 2022 and 2021

(expressed in Canadian Dollars "CAD")

December 31, 2022 and 2021

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Independent Auditor's Report

To the Shareholders of Clip Money Inc.:

Opinion

We have audited the consolidated financial statements of Clip Money Inc. and its subsidiaries (the "Company"), which comprise the consolidated statements of financial position as at December 31, 2022 and December 31, 2021, and the consolidated statements of loss and comprehensive loss, shareholders' equity and cash flows for the years then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Company as at December 31, 2022 and December 31, 2021, and its consolidated financial performance and its consolidated cash flows for the years then ended in accordance with International Financial Reporting Standards.

Basis for Opinion

We conducted our audits 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 Consolidated Financial Statements section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audits of the consolidated 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 in the consolidated financial statements, which indicates that the Company has incurred net losses since inception, has accumulated deficits, and negative cash flows from operations for the years ended December 31, 2022 and December 31, 2021.

As stated in Note 1, these events or conditions, along with other matters as set forth in Note 1, indicate that a material uncertainty exists that may cast significant doubt on the Company’s ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

In addition to the matter described in the Material Uncertainty Related to Going Concern section, we have determined the matter described below to be the key audit matters to be communicated in our report.

Existence and Valuation of Intangible Assets

Key Audit Matter Description

Refer to Note 3 and 9 to the consolidated financial statements.

As at December 31, 2022, intangible assets had a carrying value of $2,884,389, representing 22% of the Company's total assets.

As per IAS 36 *Impairment of assets*, the Company is required to assess annually whether any indicators of impairment exist.

We identified the existence and valuation of intangible assets as a key audit matter. There is a significant risk that costs incurred are inappropriately capitalized as intangible assets. Specialized skills and knowledge were required in evaluating the cost of capitalized intangibles, as they require significant judgement and estimate. There is also a significant risk that intangible assets may be impaired due to the technological nature of the Company, and also due to the fact that the Company is pre-revenue as at December 31, 2022 and therefore, cannot reliably predict future cash flows. This resulted in an increased extent of audit effort, including the involvement of information technology specialists.

Audit Response

We responded to this matter by performing procedures in relation to the existence and valuation of intangible assets. Our audit work in relation to this included, but was not restricted to, the following:

- We evaluated the design and determined the implementation of the controls in place for determining when a cost incurred should be capitalized as an intangible, and when an impairment review is required for intangible assets;
- We, on a sample basis, reviewed costs capitalized as intangibles during the period ending December 31, 2022, to ensure they were in accordance with intangible asset recognition criteria as per IAS 38 *Intangible assets*;
- Based on the assessment performed, we engaged an internal information technology expert to determine whether costs capitalized as at December 31, 2022 reflect the actual effort that would be required if a third party was engaged to recreate the intangibles developed, in order to provide assurance that capitalized costs are not in excess of the scope of the intangible developed;
- We obtained management's impairment indicator assessment for intangible assets. We reviewed the conclusions and any assumptions made in the impairment indicator assessment process and obtained audit evidence to test the reasonableness of management's conclusions and assumptions; and
- We assessed whether the disclosures in relation to intangible assets are appropriate and meet the requirements of the financial reporting framework.

Other Information

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

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

In connection with our audits of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audits 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 on this other information, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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

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

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

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

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an 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 consolidated financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

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

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our 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 consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Company to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our 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 Jeff Eckstein.

April 27, 2023

Winnipeg, Manitoba

MNP LLP

Chartered Professional Accountants

Clip Money Inc.

Consolidated Statements of Financial Position

December 31, 2022 and 2021

(Expressed in Canadian Dollars "CAD")

	2022	2021
ASSETS		
Current assets		
Cash (Note 5)	**$ 2,007,938**	$ 1,220,247
Receivables	**458**	322
Prepaid expenses (Note 6)	**220,191**	303,462
Total current assets	**2,228,587**	1,524,031
Non-current assets		
Equipment and fixtures, net (Note 7)	**1,050,625**	294,834
Right-of-use assets, net (Note 8)	**7,184,532**	5,666,103
Intangible assets, net (Note 9)	**2,884,389**	2,398,202
Total non-current assets	**11,119,546**	8,359,139
TOTAL ASSETS	**$ 13,348,133**	$ 9,883,170

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

Clip Money Inc.

Consolidated Statements of Financial Position

December 31, 2022 and 2021

(Expressed in Canadian Dollars "CAD")

	2022	2021
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current liabilities		
Trade and other payables (Note 10)	**$ 2,118,993**	$ 1,229,169
Current portion of government loans (Note 11)	**46,662**	36,209
Current portion of lease liability (Note 8)	**1,426,482**	815,918
Convertible debt (Note 12)	**-**	1,437,400
Derivative liability (Note 12)	**-**	375,000
Total current liabilities	**3,592,137**	3,893,696
Non-current liabilities		
Government loans (Note 11)	**57,282**	57,883
Long-term lease liability (Note 8)	**6,907,041**	5,376,723
Total non-current liabilities	**6,964,323**	5,434,606
TOTAL LIABILITIES	**10,556,460**	9,328,302
SHAREHOLDERS' EQUITY		
Share capital (Note 13)	**22,498,167**	8,543,930
Contributed surplus	**4,914,506**	865,292
Accumulated other comprehensive income	**38,079**	-
Accumulated deficit	**(24,659,079)**	(8,854,354)
TOTAL SHAREHOLDERS' EQUITY	**2,791,673**	554,868
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	**$ 13,348,133**	$ 9,883,170

Nature of operations and going concern (Note 1)

Subsequent events (Note 26)

Approved on Behalf of the Board

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_______________________________,

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

Clip Money Inc.

Consolidated Statements of Loss and Comprehensive Loss

For the years ended December 31, 2022 and 2021

(Expressed in Canadian Dollars "CAD")

	2022	2021
Revenue (Note 15)	**$ 36,028**	$ 2,424
Cost of revenue (Note 16)	**1,652,447**	128,859
Gross loss	**(1,616,419)**	(126,435)
General and administrative	**622,910**	128,013
Sales and marketing costs	**155,910**	186,980
Salaries and benefits (Note 18)	**4,986,103**	2,833,800
Depreciation and amortization (Note 7, 8, 9)	**2,110,797**	754,172
Professional fees	**887,752**	613,128
Loss from operations	**(10,379,891)**	(4,642,528)
Finance expenses, net (Note 19)	**(1,736,391)**	(360,591)
Government grant income (Note 17)	**-**	42,437
Loss on foreign exchange	**(427,819)**	(150,877)
Public listing fees	**(3,260,624)**	(380,387)
Net loss	**(15,804,725)**	(5,491,946)
Other comprehensive income		
Exchange differences on translation of foreign operations	**38,079**	-
Comprehensive loss	**$(15,766,646)**	$ (5,491,946)
Loss per Share:		
Basic and diluted (Note 20)	**$ (0.28)**	$ (0.14)

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

Clip Money Inc.

Consolidated Statements of Shareholders' Equity

For the years ended December 31, 2022 and 2021

(Expressed in Canadian Dollars "CAD")

	Share capital	Contributed surplus	Accumulated other comprehensive income	Accumulated deficit	Total equity
Balance - January 1, 2022	**$ 8,543,930**	**$ 865,292**	**$ -**	**$ (8,854,354)**	**$ 554,868**
Issuance of shares - debt conversion (Note 12)	**3,847,698**	**-**	**-**	**-**	**3,847,698**
Issuance of shares, net of issuance costs - cash (Note 13)	**7,541,366**	**-**	**-**	**-**	**7,541,366**
Issuance of shares - service (Note 13)	**1,451,333**	**-**	**-**	**-**	**1,451,333**
Issuance of shares - 138 (Note 4)	**1,113,840**	**-**	**-**	**-**	**1,113,840**
Issuance of options - service (Note 14)	**-**	**1,466,846**	**-**	**-**	**1,466,846**
Issuance of restricted share units - service (Note 14)	**-**	**209,336**	**-**	**-**	**209,336**
Issuance of warrants, net of issuance costs - cash (Note 14)	**-**	**2,325,305**	**-**	**-**	**2,325,305**
Issuance of warrants - service (Note 14)	**-**	**47,727**	**-**	**-**	**47,727**
Net loss	**-**	**-**	**-**	**(15,804,725)**	**(15,804,725)**
Other comprehensive income	**-**	**-**	**38,079**	**-**	**38,079**
Balance - December 31, 2022	**$ 22,498,167**	**$ 4,914,506**	**$ 38,079**	**$ (24,659,079)**	**$ 2,791,673**

	Share capital	Contributed surplus	Accumulated other comprehensive income	Accumulated deficit	Total equity
Balance - January 1, 2021	$ 7,968,675	$ 305,774	$ -	$ (3,362,408)	$ 4,912,041
Issuance of options - service (Note 14)	-	638,931	-	-	638,931
Issuance of shares - options conversion	79,413	(79,413)	-	-	-
Issuance of shares - cash (Note 13)	469,699	-	-	-	469,699
Issuance of shares - service (Note 14)	41,279	-	-	-	41,279
Issuance costs	(15,136)	-	-	-	(15,136)
Net loss	-	-	-	(5,491,946)	(5,491,946)
Other comprehensive income	-	-	-	-	-
Balance - December 31, 2021	$ 8,543,930	$ 865,292	$ -	$ (8,854,354)	$ 554,868

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

Clip Money Inc.

Consolidated Statements of Cash Flows

For the years ended December 31, 2022 and 2021

(Expressed in Canadian Dollars "CAD")

	2022	2021
Operating activities		
Net loss	**$(15,804,725)**	$ (5,491,946)
Adjustments to reconcile net loss and comprehensive loss		
Government grant	**-**	59,629
Depreciation of property and equipment	**154,595**	18,351
Depreciation of right-of-use assets	**1,297,333**	449,137
Amortization of intangible assets	**658,869**	286,684
Foreign exchange on lease liabilities	**497,290**	98,115
Accretion and interest expense on convertible debt	**204,724**	32,931
Foreign exchange changes on convertible debt	**2,735**	5,051
Costs associated with debt issuance	**7,395**	(29,582)
Fair value change in derivative liability	**633,299**	(2,000)
Interest on government loans	**9,853**	8,827
Interest on lease liability	**906,293**	321,466
Share and warrant issuance costs	**(203,505)**	(15,136)
Shares issued for service	**1,451,333**	41,279
Shares issued to 138	**1,113,840**	-
Options issued for service	**1,466,846**	638,930
Restricted stock units issued for service	**209,336**	-
Changes in non-cash working capital		
Decrease (increase) in prepaid expense	**83,271**	(171,884)
Decrease in due from shareholders	**-**	159,050
Increase in receivables	**(136)**	(322)
Increase in trade and other payables	**889,824**	981,254
Net cash flows used in operating activities	**(6,421,530)**	(2,610,166)
Investing activities		
Acquisition of equipment and fixtures	**(910,386)**	(282,815)
Investment in intangible assets	**(1,145,056)**	(1,005,883)
Costs capitalized on right-of-use assets	**(124,562)**	(133,960)
Net cash flows used in investing activities	**(2,180,004)**	(1,422,658)

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

Clip Money Inc.

Consolidated Statements of Cash Flows

For the years ended December 31, 2022 and 2021

(Expressed in Canadian Dollars "CAD")

	2022	2021
Financing activities		
Proceeds from issuance of shares	**7,744,870**	469,699
Proceeds from issuance of warrants	**2,373,032**	-
Proceeds from issuance of convertible debt	**1,187,145**	1,806,000
Payments of lease liabilities	**(1,953,901)**	(206,518)
Proceeds from government loans	**-**	20,000
Net cash flows provided by financing activities	**9,351,146**	2,089,181
Other activities		
Effect of exchange rate changes	**38,079**	-
Net cash provided by other activities	**38,079**	-
Net increase (decrease) in cash	**787,691**	(1,943,643)
Cash at beginning of year	**1,220,247**	3,163,890
Cash at end of year	**$ 2,007,938**	$ 1,220,247

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

1. NATURE OF OPERATIONS AND GOING CONCERN

Nature of operations

Clip Money Inc. and its wholly owed subsidiary, Clip Money USA Inc., are principally in the business of providing a proprietary deposit network to businesses and financial institutions located across North America. The common shares of the Company are traded on the TSX Venture Exchange under the stock symbol "CLIP".

Incorporation

Clip Money Inc. was incorporated on October 12, 2018 under the Canada Business Corporations Act. The Company's registered office is located at 333 Bay Street, Bay Adelaide Centre - West Tower, Suite 3400 Toronto, ON M5H 2S7.

Private placement, amalgamation and reverse takeover

On May 20, 2022, former Clip Money Inc. ("Former Clip Money") completed a "reverse takeover" (the "RTO") of 13842053 Canada Corp. ("138"). In furtherance of the RTO, Former Clip Money and 138 amalgamated under the federal laws of Canada pursuant to an amalgamation agreement dated May 20, 2022 (the "Amalgamation Agreement"). The amalgamated entity continued under the name "Clip Money Inc." (the "Company").

Prior to the completion of the RTO and pursuant to the Amalgamation Agreement: (i) 138 implemented a split of all of its outstanding common shares based on a ratio of 1.2727:1 resulting in an aggregate of 1,400,000 post-split common shares of 138 outstanding ("138 Split") and (ii) Former Clip Money implemented a split of all of its outstanding common shares (the "Former Clip Money common shares") based on a ratio of 31.3325:1 resulting in an aggregate of 51,152,511 Former Clip Money common shares outstanding (the "Former Clip Money Split"). Following completion of the 138 Split, the Former Clip Money Split and the RTO (see below and Note 12), the Company had 66,230,194 common shares, 2,838,946 options to acquire common shares and 4,087,220 warrants outstanding.

On October 22, 2021, December 22, 2021, January 24, 2022 and February 10, 2022, Former Clip Money completed the first, second, third and fourth tranche, respectively, of a non-brokered private placement of unsecured convertible notes ("the Convertible Notes") for aggregate gross proceeds to Former Clip Money of $3,000,000 (the "Convertible Note Financing"). The Convertible Notes bear interest at a rate of 8% per annum and, are due and payable on the date that is 12 months from the date the convertible notes were issued. The principal amount of the Convertible Notes and the interest accruing thereon were converted into 3,847,489 common shares of the Company on completion of the RTO.

On May 13, 2022, Former Clip Money closed a private placement of subscription receipts (the "Subscription Receipts") of Former Clip Money at a price of $1.00 per Subscription Receipt (the "Issue Price") for aggregate gross proceeds of approximately $8,090,425, which included a lead order from a strategic investor for $3,000,000 (the "Subscription Receipt Financing"). Immediately prior to the completion of the RTO, the net proceeds from the sale of the Subscription Receipt Financing were released from escrow to Former Clip Money, resulting in the issuance of 5,174,439 common shares of Former Clip Money (the "Former Clip Money Shares") and 2,587,220 common share purchase warrants of Former Clip Money (the "Former Clip Money Warrants"). Pursuant to the Amalgamation Agreement, the Former Clip Money shares

1. NATURE OF OPERATIONS AND GOING CONCERN

Private placement, amalgamation and reverse takeover

and the Former Clip Money warrants issued on conversion of the Subscription Receipts were automatically exchanged for common shares and warrants of the Company (as defined below) on a 1:1 basis.

For accounting purposes, it has been determined that 138 was the accounting acquiree and the Former Clip Money was the accounting acquirer as the shareholders of the Former Clip Money now control the Company based on the guidance in IFRS 10, Consolidated Financial Statements and IFRS 3, Business Combinations, to identify the accounting acquirer (refer to Note 4). Since the Company is considered the accounting acquirer, these consolidated financial statements are prepared as a continuation of the financial statements of the Former Clip Money. As a result, 2021 comparative information and the information up to the date of the RTO included herein is solely that of the Former Clip Money. For simplicity, transactions undertaken by 138 are referred to as being undertaken by the Company in these consolidated financial statements.

Going Concern

These consolidated financial statements have been prepared using International Financial Reporting Standards ("IFRS") that are applicable to a going concern, which contemplates that the Company will continue in operation for the foreseeable future and will be able to realize its assets and discharge its liabilities and commitments in the normal course of business.

The Company's future operations are dependent upon its ability to attain profitable operations and generate funds therefrom, and to continue to obtain equity investment sufficient to meet current and future obligations.

The Company incurred a net loss for the year ended December 31, 2022 of $15,804,725 (2021 - $5,491,946), has an accumulated deficit of $24,659,079 (2021 - $8,854,354) and incurred negative cash flows from operations of $ 6,421,530 (2021 - $2,610,166). There is material uncertainty about the appropriateness of the use of the going concern assumption because the Company has experienced operating losses and negative cash from operations since inception and has not yet achieved profitability from the commercialisation of its products which casts significant doubt on the Company's ability to continue as a going concern. As the Company is working on developing markets, completing its software platform, and building its distribution network, it will require additional financing to meet its working capital requirements. Thus far, the Company has demonstrated a successful track record of raising funds through equity-based private placements and convertible note offerings. The Company will continue to leverage these capital markets tools as well as additional options as they become available.

These consolidated financial statements do not reflect adjustments in the carrying values of the Company's assets and liabilities, revenues and expenses, and the statements of financial position classifications used, that would be necessary if the going concern assumptions were not appropriate. Such adjustments could be material. The Company's ability to obtain additional financing is enough to assume that the Company will continue as a going concern, however there is no certainty this will occur in the future at terms acceptable to the Company.

2. BASIS OF PREPARATION

Statement of Compliance

These consolidated financial statements have been prepared in accordance and compliance with IFRS as issued by the International Accounting Standards Board (IASB) and Interpretations of the IFRS Interpretations Committee (IFRIC).

These consolidated financial statements for the year ended December 31, 2022 were approved and authorised for issue by the Board of Directors on April 27, 2023.

Basis of Presentation

These consolidated financial statements are prepared under the historical cost basis, except for the revaluation of certain financial instruments, which are recognized at fair value.

Basis of Consolidation

The Company consolidates its interest in entities which it controls. Control is defined by the power to govern an entity's financial and operating policies so as to be able to obtain benefits from its activities. All intercompany balances and transactions have been eliminated on consolidation.

The subsidiaries of the Company that have been consolidated are as follows:

	Principal activities	Incorporated	Equity interest
Clip Money Inc.	Deposit processing	Canada	100%
Clip Money USA Inc.	Consulting and deposit processing	Delaware, USA	100%

Functional and Presentation Currency

All figures presented in the consolidated financial statements are reflected in Canadian dollars, which is the functional currency of the parent. Clip Money USA Inc. uses United States dollars ("USD") as its functional currency.

The financial statements of the entities are translated from their functional currency into the reporting currency as follows: assets and liabilities are translated at the exchange rates at the period end date, revenue, expenses and other income (expense), net are translated at the average exchange rate for the period.

Translation adjustments are not included in determining net loss but are included as a foreign exchange adjustment to other comprehensive income, a component of shareholders' equity.

2. BASIS OF PREPARATION

Reverse takeover

In a reverse takeover, the identifiable assets, liabilities and contingent liabilities of the acquired Company are recorded at their fair values. The determination of fair value of these assets and liabilities require estimates to establish the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants. Any difference in the fair value of the shares deemed to have been issued at the fair value of the acquiree's identifiable net assets, represents a service received by the accounting acquirer for the net assets of the accounting acquiree, that service being the listing of shares.

Use of management estimates, judgments and measurement uncertainty

Use of estimates

The preparation of these consolidated financial statements requires management to make judgments and estimates and form assumptions that affect the reported amounts of assets and liabilities at the date of these consolidated financial statements and reported amounts of revenues and expenses during the reporting period. On an ongoing basis, management evaluates its judgments and estimates in relation to assets, liabilities, revenues and expenses. Management uses historical experience and various other factors it believes to be reasonable under the given circumstances as the basis for its judgments and estimates. Actual outcomes may differ from these estimates under different assumptions and conditions. Significant estimates and judgments made by management in the preparation of these consolidated - financial statements are outlined below.

a Critical estimates

Calculation of share-based payments

The Company measures the cost of equity-settled transactions using the Black Scholes Options Pricing Model. This model also requires determining the most appropriate inputs to the valuation model including the expected life of the share option, volatility and dividend yield and making assumptions about them.

Convertible debentures with derivative liabilities

In determining the fair value for the convertible debenture conversion feature considered to be a derivative liability, the Company uses various valuation techniques, which include the Monte Carlo model, and makes estimates of the expected volatility of the shares, risk-free interest rate, effective discount rate, share price, and major event expected date and probability (as the conversion feature is dependent on these estimates). The expected volatility is based on volatilities of comparable companies. The risk-free rate assumed in valuing the conversion feature is based on the Canadian treasury yield curve in effect at the time of grant for the expected term of the convertible debentures issued. The discount rate is based on the estimated rate for a debenture without a conversion feature. The major event expected date and probability are based on management’s best estimate at the time of valuation based on current internal Company information and market conditions. Changes to these estimates could result in the fair value of the derivative liability being less than or greater than the

2. BASIS OF PREPARATION

Use of management estimates, judgments and measurement uncertainty

a Critical estimates

amount recorded.

Fair value of financial instruments

The fair values attributed to the different components of a financial transaction are determined using valuation techniques. The Company uses judgment to select the methods used to make certain assumptions and in performing the fair value calculations in order to determine (a) the values attributed to each component of a transaction at the time of their issuance; (b) the fair value measurements for certain instruments that require subsequent measurement at fair value on a recurring basis; and (c) for disclosing the fair value of financial instruments subsequently carried at amortized cost. These valuation estimates could be significantly different because of the use of judgment and the inherent uncertainty in estimating the fair value of these instruments that are not quoted in an active market.

Leases

The Company cannot readily determine the interest rate implicit in the lease, therefore, it uses its incremental borrowing rate ("IBR") to measure lease liabilities. The IBR is the rate of interest that the Company would have to pay to borrow a similar amount at a similar term with a similar security. The Company estimates the IBR using observable inputs (such as market interest rates) when available and is required to make certain entity specific estimates. The Company also makes certain assumptions whether it expects to exercise any renewal options on the leases.

b Critical judgments

Going Concern

The evaluation of the Company's ability to continue as a going concern, which is dependent on the Company's ability to raise additional financing in order to cover its operating expenses and its upcoming year, requires significant judgment-based assumptions including the probability that future events are considered reasonable according to the circumstances. Please refer to Note 1 for further information.

Intangible assets

Significant judgments are made in determining the useful lives and recoverable amounts of the Company's intangible assets, and in evaluating whether certain events or circumstances represent objective evidence of impairment. Estimates of the recoverable amounts of the intangible assets rely on certain factors such as future cash flows and discount rates. Future cashflows are based on sales projections and costs which are estimated based on forecasted results while discount rates are based on the Company's cost of capital. Future outcomes may be materially different than those assumptions used in the impairment assessment and therefore could have a significant effect on the results of the Company.

2. BASIS OF PREPARATION

Use of management estimates, judgments and measurement uncertainty

b Critical judgments

Management uses its judgment to determine whether costs incurred meet the criteria to be recorded as an intangible asset.

Recognition of deferred tax assets and measurement of income tax expense

The estimation of income taxes includes evaluating the recoverability of deferred tax assets based on assessment of the Company's ability to use the underlying future tax deductions against future taxable income prior to expiry of those deductions. Management assesses whether it is probable that some or all of the deferred tax assets will not be realized. The ultimate realization of deferred tax assets is dependent upon the generation of future taxable income. If changes were made to management's assessment regarding the Company's ability to use future tax deductions, the Company could be required to recognize more or fewer deferred tax assets, and future income tax provisions or recoveries could be affected.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Overall considerations

The consolidated financial statements have been prepared using the significant accounting policies, as summarized below.

a Cash

Cash includes funds held with financial institutions. Cash is valued at cost which approximates fair value.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

b Property and equipment

Property and equipment are measured at cost, net of accumulated depreciation. Subsequent costs are included in the property and equipment's carrying value or recognised as a separate asset when it is probable that future economic benefits associated with the item will be realised and the cost of the item can be measured reliably. All other repairs and maintenance are recognised in the consolidated statements of loss and comprehensive loss.

Depreciation is provided using the following methods and annual rates:

Equipment and fixtures	straight-line	5 years

The asset's residual values, depreciation method and useful lives are reviewed annually and adjusted if appropriate. Gains and losses on disposal of property and equipment are recorded in the statements of loss and comprehensive loss in the year of disposal.

An item of equipment is derecognized upon disposal or when no future economic benefits are expected from its use. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying value of the asset) is included in the consolidated statements of loss and comprehensive loss in the period the asset is derecognized.

c Intangible assets

Intangible assets internally generated are initially measured at cost. After initial recognition, intangible assets are carried at cost less accumulated amortisation and accumulated impairment losses. Amortization of the asset begins when development is complete, and the asset is available for use. During the period of development, the asset is tested for impairment annually.

Research expenditures are recognised as an expense when incurred. Intangible assets arising from internal development are recognised if the Company can demonstrate 1) the technical feasibility of completing the intangible asset so that it will be available for use or sale; 2) the intention to complete the intangible asset for use or sale; 3) the ability to use or sell the intangible assets; 4) how the intangible asset will generate future economic benefits by showing the existence of a market or the usefulness, if used internally; 5) the availability of adequate technical, financial, and other resources to complete development; and 6) the ability to reliably measure the expenditures attributable to the intangible asset.

The expenses capitalised as intangible assets include all directly attributable costs necessary to create, produce, and prepare the asset.

Intangible assets are derecognised and removed from the consolidated statements of financial position on disposal or when no future economic benefits are expected. Gains and losses from derecognition are measured as the difference between the net disposal proceeds, if any, and the carrying amount and are recognised in the consolidated statements of loss and comprehensive loss.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

c Intangible assets

Amortization of intangible assets is recorded on a straight line basis as follows:

Clip platform	10 years
Patents	20 years
Applications	3 years
Dashboard	2 years

d Impairment of non-financial assets

At the end of each reporting period, the Company reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss, if any. Where it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating units ("CGU") to which the asset belongs. For impairment testing the Company is determined as one CGU. Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment at least annually, and whenever there is an indication that the asset may be impaired. The recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted. If the recoverable amount of an asset or CGU is estimated to be less than its carrying amount, the carrying amount of the asset or CGU is reduced to its recoverable amount. An impairment loss is recognized immediately in the consolidated statements of loss and comprehensive loss.

Where an impairment loss subsequently reverses, the carrying amount of the asset or CGU is increased to the revised estimate of its recoverable amount, such that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset or CGU in prior years. A reversal of an impairment loss is recognized in the consolidated statements of loss and comprehensive loss.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

e Financial instruments

Under IFRS 9, financial assets are classified and measured based on the business model in which they are held and the characteristics of their contractual cash flows. IFRS 9 contains the primary measurement categories for financial assets: measured at amortized cost, fair value through other comprehensive income (“FVTOCI”) and fair value through profit or loss (“FVTPL”).

Below is a summary showing the classification and measurement bases of the financial instruments:

Assets	
Cash	Amortized cost
Receivables	Amortized cost
Liabilities	
Trade and other payables	Amortized cost
Convertible debt	Amortized cost
Derivative liability	FVTPL
Government loans	Amortized cost

The Company recognizes a loss allowance for the expected credit losses associated with its financial assets, other than financial assets measured at fair value through profit or loss. Expected credit losses are measured to reflect a probability-weighted amount, the time value of money, and reasonable and supportable information regarding past events, current conditions and forecasts of future economic conditions.

The Company assesses whether a financial asset is credit-impaired at the reporting date. Regular indicators that a financial instrument is credit-impaired include significant financial difficulties as evidenced through borrowing patterns or observed balances in other accounts and breaches of borrowing contracts such as default events or breaches of borrowing covenants. For financial assets assessed as credit-impaired at the reporting date, the Company continues to recognize a loss allowance equal to lifetime expected credit losses.

For financial assets measured at amortized cost, loss allowances for expected credit losses are presented in the statements of financial position as a deduction from the gross carrying amount of the financial asset. Given the limited exposure of the Company to credit risk, no loss allowance has been recognized as management believes any such impairment will not have a significant impact on the financial statements.

Financial assets are written off when the Company has no reasonable expectations of recovering all or any portion thereof.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

f Taxation

Current tax and deferred tax are recognised in the Consolidated statements of loss and comprehensive loss except to the extent that the tax is recognised either in other comprehensive loss or directly in equity, or the tax arises from the initial accounting for a business combination.

Current tax

Current tax assets and liabilities 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 by the date of the consolidated statements of financial position. Current tax expense is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the end of the reporting period, adjusted for amendments to tax payable with regards to previous years.

Deferred tax

Deferred tax assets and liabilities and the related deferred income tax expense or recovery are recognized for deferred tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases. Deferred tax assets and liabilities are measured using the enacted or substantively enacted tax rates expected to apply when the asset is realized or the liability settled. The effect on deferred tax assets and liabilities of a change in tax rates is recognized in income in the period that substantive enactment occurs.

A deferred tax asset is recognized to the extent that it is probable that future taxable income will be available against which the asset can be utilized. To the extent that the Company does not consider it probable that a deferred tax asset will be recovered, the deferred tax asset is reduced.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Company intends to settle its current tax assets and liabilities on a net basis.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

g Leases

The Company determines if an arrangement is a lease at contract inception. The Company recognizes lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

Right-of-use assets

The Company recognizes right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognized, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets, as follows:

Leases - 2 to 6 Years

If ownership of the leased asset transfers to the Company at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset. The right-of-use assets are also subject to impairment testing. Refer to the accounting policies of impairment of non-financial assets (Note 3).

h Government loans

Where the Company receives loans or similar assistance from governments or related agencies where the interest rate is below market rate, the difference between the fair value of the loan, and the amount received is recognised as a government grant.

Government loans are initially recognised at fair value. Government loans are subsequently measured at amortised cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognised in the consolidated statements of loss and comprehensive loss over the term of the borrowings using the effective interest method.

Government loans are classified as current liabilities unless the Company has an unconditional right to defer settlement of the liability for at least twelve months after the reporting date.

Government loans are removed from the consolidated statements of financial position when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in other income or other expenses, in the consolidated statements of loss and comprehensive loss.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

i Provisions

Recognition

Provisions are recognised when the Company has a legal or constructive obligation as a result of a past event and it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate of the amount of the obligation can be made. If the effect is material, provisions are determined by discounting the expected future cash flows using a current pre-tax rate that reflects, where appropriate, the risks specific to the liability.

Changes in provisions

Provisions are reviewed at the end of each reporting period and adjusted to reflect the current best estimate. Provisions are reversed when it is no longer probable that an outflow of resources are required to settle the obligation.

Where discounting is used to calculate a provision, the carrying amount of the provision is increased after each period and recognised as borrowing costs.

Profit-sharing and bonus plans

A provision for bonuses and profit sharing is recognised where a contractual obligation exists or where there is a past practice that establishes a constructive obligation. The provision is based on estimated likelihood of payment on an individual employee basis.

j Equity instruments

Common shares

Common shares are classified as equity with any costs directly attributable to the issue of new shares or options, deducted from the proceeds.

Series seed share capital

Series seed share capital is classified as equity if it is non-redeemable, or redeemable only at the company's option, and any dividends are discretionary. Dividends on series seed shares classified as equity are recognised as distributions within equity upon approval by the company's shareholders.

k Basic and diluted loss per share

The basic loss per share is computed by dividing the net loss for the period by the weighted average number of common shares outstanding during the period. The diluted loss per share reflects the potential dilution of common share equivalents, such as outstanding stock options or warrants, in the weighted average number of common shares outstanding during the period, if dilutive. The "treasury stock method" is used for the assumed proceeds upon the exercise of the options that are used to purchase common shares at the average market price during the year. Shares to be issued have been considered outstanding for the purposes of basic loss per share calculations.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

l Share-based payments

The costs of equity-settled transactions with employees are measured by reference to the fair value at the date on which they are granted. In situations where equity instruments are issued to non-employee and some or all of the goods or services received by the entity as consideration cannot be specifically identified, they are measured at the fair value of the share-based payment.

The costs of equity-settled transactions are recognized, together with a corresponding increase in equity, over the period in which the performance and/or service conditions are fulfilled, ending on the date on which the relevant employees become fully entitled to the award (“the vesting date”). The cumulative expense recognized for equity-settled transactions at each reporting date until the vesting date reflects the Company’s best estimate of the number of equity instruments that will ultimately vest. The consolidated statements of loss and comprehensive income or expense for a period represents the movement in cumulative expense recognized as at the beginning and end of that period and the corresponding amount is represented in contributed surplus.

m Convertible debt

Convertible debentures are financial instruments which are accounted for separately dependent on the nature of their components: a financial liability and an equity instrument. The identification of such components embedded within a convertible debenture requires significant judgment given that it is based on the interpretation of the substance of the contractual arrangement. Where the conversion option has a fixed conversion rate, the financial liability, which represents the obligation to pay coupon interest on the convertible debentures in the future, is initially measured at its fair value and subsequently measured at amortized cost. The residual amount is accounted for as an equity instrument at issuance. Where the conversion option has a variable conversion rate, the conversion option is recognized as a derivative liability measured at FVTPL. The residual amount is recognized as a financial liability and subsequently measured at amortized cost.

The determination of the fair value is also an area of significant judgment given that it is subject to various inputs, assumptions and estimates including: contractual future cash flows, discount rates, credit spreads and volatility.

Transaction costs are apportioned to the debt liability and equity components in proportion to the allocation of proceeds.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

n Revenue recognition

To determine the amount and timing of revenue to be recognized, the Company follows a 5-step process:

1. Identify the contract with the customer;
2. Identify the performance obligation in the contract;
3. Determine the transaction price;
4. Allocate the transaction price to the performance obligations; and
5. Recognize revenue when or as performance obligations are satisfied.

Deposit fees

Deposit fees are recorded as operating revenue when the customers' deposited amount reaches its destination bank account. These fees are recorded net of deductions for sign-up discounts and other promotions.

Interest revenue

Interest income is accrued on a time basis, based on the principal outstanding and at the effective interest rate applicable.

Government grants

In the course of its activities, the Company receives various government grants to expand its operations and maintain staffing levels. These grants are recognized when there is reasonable assurance that the Company will comply with the conditions attaching to them, and that the grants will be received. Grants are applied as other income. Grants cover government assistance, including loan forgiveness and discounts.

o IFRS compliance and adoption

Future Accounting Standard Change

Recent accounting pronouncements that have been issued but are not yet effective, and have a potential implication for the Company, are as follows:

IFRS 16 Leases

Amendments to IFRS 16, issued in September 2022, add subsequent measurement requirements for sale and leaseback transactions that satisfy the requirements in IFRS 15 *Revenue from Contracts with Customers* to be accounted for as a sale.

The amendments are effective for transactions for annual reporting periods beginning on or after January 1, 2024. The Company does not expect the amendments to have a material impact on its consolidated financial statements.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

o IFRS compliance and adoption

IAS 1 Presentation of Financial Statements

Amendments to IAS 1, issued in January 2020, provide clarification on the requirements for classifying liabilities as either current or non-current.

The amendments are effective for annual periods beginning on or after January 1, 2024. The Company does not expect these amendments to have a material impact on its consolidated financial statements.

IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors

Amendments to IAS 8, issued in February 2021, introduce a new definition of “accounting estimates” to replace the definition of “change in accounting estimates” and also include clarification intended to help entities distinguish changes in accounting policies from changes in accounting estimates.

The amendments are effective for annual periods beginning on or after January 1, 2023. The Company does not expect these amendments to have a material impact on its consolidated financial statements.

IAS 12 Income Taxes

Amendments to IAS 12, issued in May 2021, narrow the scope of the recognition exemption to require an entity to recognize deferred tax on initial recognition of particular transactions, to the extent that transaction gives rise to equal taxable and deductible temporary differences. These amendments apply to transactions for which an entity recognizes both an asset and liability, for example leases and decommissioning liabilities.

The amendments are effective for annual periods beginning on or after January 1, 2023. The Company does not expect these amendments to have a material impact on its consolidated financial statements.

(Expressed in Canadian Dollars "CAD")

4. REVERSE TAKEOVER ACCOUNTING

On May 20, 2022, the Former Clip Money completed an amalgamation with 13842053 Canada Corp. ("138"), pursuant to an agreement signed on August 6, 2021. The Former Clip Money and 138 carried out a business combination by way of an amalgamation where the companies, both existing under the laws of Canada, amalgamated and formed one company under the provisions of the Canada Business Corporations Act and, upon the amalgamation taking effect, Former Clip Money shareholders and 138 shareholders have received shares of the Company continuing from the amalgamation. Immediately following the transaction, 2.66% of shares were owned by former shareholders of 138 and 97.34% were owned by the shareholders of Former Clip Money. Under the terms of the Agreement, the shareholders of Former Clip Money received one (1) common share (each whole share, a "138 Share") for every one (1) common share (the "Split Ratio").

As 138 does not meet the definition of a business under IFRS 3, Business Combinations, the acquisition of 138 was accounted for under IFRS 2, Share Based Payment. Under a reverse acquisition accounting, any difference in the fair value of the consideration and the fair value of 138's net asset acquired is recorded as public listing fees in the statements of loss and comprehensive loss as follows:

	2022
Common share consideration	
Number of common shares assumed to be issued to 138 shareholders	**1,400,000**
Fair value of common shares	**$0.7956**
	1,113,840
138's net assets at fair value	
Cash	**86**
Excess (public listing fees)	**$ 1,113,754**

5. CASH

Cash consists of the following:

	2022	2021
Bank balances	**$ 1,280,990**	$ 395,822
Bank balances ($536,755 USD, 2021 - $650,280 USD)	**726,948**	824,425
Total	**$ 2,007,938**	$ 1,220,247

(Expressed in Canadian Dollars "CAD")

6. PREPAID EXPENSES

Prepaid expenses consist of the following:

	2022	2021
Share incentive - shares issued in advance of service provided	**$ 38,333**	$ 78,333
Prepaid rent	**18,920**	130,641
Insurance	**129,356**	67,713
Prepaid service from shareholder	**-**	26,775
Professional fees	**33,582**	-
Total	**$ 220,191**	$ 303,462

(Expressed in Canadian Dollars "CAD")

7. EQUIPMENT AND FIXTURES

Details of the Company's equipment and fixtures and its carrying amounts are as follows:

	2022
Cost	
Balance at January 1, 2022	**$ 317,418**
Additions	**910,386**
Balance at December 31, 2022	**1,227,804**
Accumulated depreciation	
Balance at January 1, 2022	**(22,584)**
Depreciation	**(154,595)**
Balance at December 31, 2022	**(177,179)**
Carrying value at December 31, 2022	**$ 1,050,625**

	2021
Cost	
Balance at January 1, 2021	$ 34,603
Additions	282,815
Balance at December 31, 2021	317,418
Accumulated depreciation	
Balance at January 1, 2021	(4,233)
Depreciation	(18,351)
Balance at December 31, 2021	(22,584)
Carrying value at December 31, 2021	$ 294,834

(Expressed in Canadian Dollars "CAD")

8. LEASES

The Company has lease agreements for ClipDrop boxes at shopping mall locations and retail stores. Leases generally have lease terms between 2 years to 5 years with an option to renew the lease after that date. The Company assesses at the lease commencement date whether it is reasonably certain to exercise the extension option. The Company re-assesses whether it is reasonably certain to exercise the options if there is a significant event or significant change in circumstances within its control.

The Company has not made any re-assessment related to the extension option as at December 31, 2022.

Set out below are the carrying amounts of the Company's right-of-use assets and lease liabilities recognized and the movements during the years ended December 31, 2022 and 2021. Amounts recognized in the consolidated statements of financial position are as follows:

	Right-of-use assets	Lease liabilities
As at January 1, 2021	$ 104,794	$ 103,091
Additions	254,759	237,648
Additions ($4,512,808 USD)	-	5,638,839
Additions ($4,524,396 USD)	5,755,687	-
Depreciation expense	(449,137)	-
Foreign exchange	-	98,115
Interest expense	-	321,466
Payments	-	(206,518)
As at December 31, 2021	**5,666,103**	**6,192,641**
Additions	**2,852,627**	**148,426**
Leases terminated	**(36,865)**	**(36,933)**
Additions ($2,003,186 USD)	**-**	**2,579,707**
Depreciation expense	**(1,297,333)**	-
Foreign exchange	-	**497,290**
Interest expense	-	**906,293**
Payments	-	**(1,953,901)**
As at December 31, 2022	**$ 7,184,532**	**$ 8,333,523**

The IBR used in the calculations of the lease obligation was 12.0% - 15.5% (2021 - 12.6%).

(Expressed in Canadian Dollars "CAD")

8. LEASES

Amounts recognized in the consolidated statements of loss and comprehensive loss are as follows:

	2022	2021
Depreciation expense of right-of-use assets	**$ 1,297,333**	$ 449,137
Interest expense on lease liabilities	**906,293**	321,446
Expenses relating to short-term leases	**10,320**	4,900
Variable lease payments	**30,331**	1,093
Sales tax on rent payments	**30,151**	9,216
Foreign exchange	**497,290**	98,115
COVID related concessions	**(3,250)**	(3,815)
	$ 2,768,468	**$ 880,092**

Depreciation of right-of-use assets is included in depreciation expenses. Interest expense related to lease liabilities is included in financing expenses. Sales tax related to lease payments, expenses related to short-term leases, variable lease payments and COVID related concessions are included in cost of revenues.

Changes in foreign exchange related to the lease liability are included in gain (loss) on foreign exchange.

The Company in its cash flow has classified cash payments of $1,953,901 (2021 - $206,518) related to the principal portion of lease payments as financing activities and cash payments of $ 943,493 (2021 - $321,466) related to the interest portion as operating activities consistent with the presentation of interest payments chosen by the Company.

Maturity analysis

Annual lease payments due per the terms of the lease agreements:	
2023	**$ 2,449,555**
2024	**2,394,418**
2025	**2,361,842**
2026	**2,319,912**
2027	**1,647,506**
	11,173,233
Discounting	**(2,839,710)**
Present value of minimum lease payments	**8,333,523**
Less: Current portion	**(1,426,482)**
	$ 6,907,041

(Expressed in Canadian Dollars "CAD")

9. INTANGIBLE ASSETS

Details of the Company's intangible assets and their carrying amounts are as follows:

2022	Clip platform	Patents	Applications and dashboard	Total
Cost				
Balance at January 1, 2022	**$ 1,666,637**	**$ 31,355**	**$ 986,894**	**$ 2,684,886**
Additions, internally generated	**815,960**	**7,033**	**322,063**	**1,145,056**
Balance at December 31, 2022	**2,482,597**	**38,388**	**1,308,957**	**3,829,942**
Accumulated amortization				
Balance at January 1, 2022	**(98,572)**	**(392)**	**(187,720)**	**(286,684)**
Amortization	**(205,764)**	**(1,877)**	**(451,228)**	**(658,869)**
Balance at December 31, 2022	**(304,336)**	**(2,269)**	**(638,948)**	**(945,553)**
Carrying value at December 31, 2022	**$ 2,178,261**	**$ 36,119**	**$ 670,009**	**$ 2,884,389**

2021	Clip platform	Patents	Applications and dashboard	Total
Cost				
Balance at January 1, 2021	$ 1,087,971	$ -	$ 591,032	$ 1,679,003
Additions, internally generated	578,666	31,355	395,862	1,005,883
Balance at December 31, 2021	1,666,637	31,355	986,894	2,684,886
Accumulated amortization				
Balance at January 1, 2021	-	-	-	-
Amortization	(98,572)	(392)	(187,720)	(286,684)
Carrying value at December 31, 2021	$ 1,568,065	$ 30,963	$ 799,174	$ 2,398,202

Amortization for the Clip platform, applications and dashboard commenced on June 1, 2021. Amortization for the patents commenced on October 1, 2021.

(Expressed in Canadian Dollars "CAD")

10. TRADE AND OTHER PAYABLES

Trade and other payables consist of the following:

	2022	2021
Trade payables and accrued liabilities	$ **377,663**	$ 801,959
Trade payables and accrued liabilities $530,353 USD (2021 - $47,525)	**721,015**	60,252
Accrued bonus	**173,864**	101,400
Accrued bonus $568,200 USD (2021 - $42,970)	**769,570**	54,477
Credit cards payable	**9,930**	40
Services payable to director	**-**	50,000
Government remittances payable	**52,206**	160,552
Government remittances payable $10,887 USD (2021 - $386 USD)	**14,745**	489
Total	$ **2,118,993**	$ 1,229,169

All trade and other payables are due within one year.

(Expressed in Canadian Dollars "CAD")

11. GOVERNMENT LOANS

During 2021, the Company received a $20,000 loan from the Canada Emergency Business Account ("CEBA Loan"). This was in addition to the $40,000 loan received in 2020. The CEBA Loan bears 0% interest until December 31, 2023. If the balance is not paid by December 31, 2023, the remaining balance will be converted to a 3-year term loan at 5% annual interest paid monthly, effective January 1, 2024. The full balance must be repaid by no later than December 31, 2025. No principal payments are required until December 31, 2023. Principal repayments can be voluntarily made at any time without fees or penalties. $20,000 loan forgiveness is available, provided the outstanding balance is $60,000 at March 31, 2021, and $40,000 is paid back between January 1, 2021 and December 31, 2023. The loan was recognized at the fair value based on an estimated market interest rate of 10%. In 2021, the difference between the loan amount of $20,000 and the fair value of the loan of $8,286 was recognized as a government grant.

In 2020, the Company received a $83,000 loan from the Regional Relief and Recovery Fund from Economic Development Canada. This loan bears 0% interest. No principal payments are required until April 1, 2023. The loan was recognized at the fair value based on an estimated market interest rate of 10%.

	2022	2021
CEBA Loan - interest free, unsecured, discounted 10%	**$ 40,000**	$ 36,209
Economic Development Loan - interest free, unsecured, discounted 10%	**63,944**	57,883
	103,944	94,092
Amount payable within one year	**(46,662)**	(36,209)
Total	**$ 57,282**	$ 57,883

Principal payments required to be paid are as follows:

Year	Amount
2023	$ 46,662
2024	11,380
2025	12,572
2026	13,888
Thereafter	19,442
	$ 103,944

(Expressed in Canadian Dollars "CAD")

12. CONVERTIBLE DEBT

On May 20, 2022, all of the convertible debentures converted into common shares with a fair value of $3,847,698 in conjunction with the RTO transaction.

	Liability component 2022	Derivative liability 2022	Total 2022
Convertible debt issued October 22, 2021			
Balance, January 1, 2022	$ 621,179	$ 161,000	$ 782,179
Accretion expense (Note 19)	61,060	-	61,060
Change in fair market value (Note 19)	-	169,327	169,327
Effects of foreign exchange	2,735	-	2,735
Legal fees - expensed	1,893	-	1,893
Conversion of debenture to shares	(686,867)	(330,327)	(1,017,194)
Balance, December 31, 2022	-	-	-
Convertible debt issued December 22, 2021			
Balance, January 1, 2022	816,221	214,000	1,030,221
Accretion expense (Note 19)	77,383	-	77,383
Change in fair market value (Note 19)	-	218,792	218,792
Legal fees - expensed	2,563	-	2,563
Conversion of debenture to shares	(896,167)	(432,792)	(1,328,959)
Balance, December 31, 2022	-	-	-
Convertible debt issued January 24, 2022			
Funding received	558,000	142,000	700,000
Accretion expense (Note 19)	43,805	-	43,805
Change in fair market value (Note 19)	-	145,494	145,494
Legal fees - expensed	1,732	-	1,732
Conversion of debenture to shares	(603,537)	(287,494)	(891,031)
Balance, December 31, 2022	-	-	-

(Expressed in Canadian Dollars "CAD")

12. CONVERTIBLE DEBT

	Liability component 2022	Derivative liability 2022	Total 2022
Convertible debt issued February 10, 2022			
Funding received	**389,000**	**98,145**	**487,145**
Accretion expense (Note 19)	**22,476**	-	**22,476**
Change in fair market value (Note 19)	-	**99,686**	**99,686**
Legal fees - expensed	**1,207**	-	**1,207**
Conversion of debenture to shares	**(412,683)**	**(197,831)**	**(610,514)**
Balance December 31, 2022	**-**	**-**	**-**
Total	**$ -**	**$ -**	**$ -**

	Liability component 2021	Derivative liability 2021	Total 2021
Convertible debt issued October 22, 2021			
Funding received	$ 422,411	$ 112,589	$ 535,000
Funding received ($190,000 USD)	184,780	49,665	234,445
Legal fees - issuance costs	(17,255)	-	(17,255)
Legal fees - expensed	4,652	-	4,652
Accretion expense	28,284	-	28,284
Change in fair market value	-	(2,000)	(2,000)
Effects of foreign exchange	(1,693)	746	(947)
Balance, December 31, 2021	621,179	161,000	782,179
Convertible debt issued December 22, 2021			
Funding received	822,555	214,000	1,036,555
Legal fees - issuance costs	(23,246)	-	(23,246)
Legal fees - expensed	6,267	-	6,267
Accretion expense	4,647	-	4,647
Effects of foreign exchange	5,998	-	5,998
Balance, December 31, 2021	816,221	214,000	1,030,221
Total	$ 1,437,400	$ 375,000	$ 1,812,400

(Expressed in Canadian Dollars "CAD")

13. SHARE CAPITAL

Share capital

The Company is authorized to issue an unlimited number of common shares and an unlimited number of Preferred shares, issuable in series. The par value of each share is $0.0001. As of December 31, 2022, the Company has 70,754,831 (2021 - 38,204,387) common shares outstanding. The Company has no Preferred shares outstanding.

These shares have the following principal characteristics:

The voting, dividend and liquidation rights of the holders of the common shares are subject to and qualified by the rights, privileges, restrictions and conditions of any class of shares in the capital of the Company designated to be senior to the common shares.

The common shares of each series shall rank pari passu with the common shares of every other series with respect to dividends and return of capital in the event of liquidation, dissolution or winding-up of the Company.

Reconciliation of movement in capital

Prior to the completion of the RTO and pursuant to the Amalgamation Agreement: (i) 138 implemented a split of all of its outstanding common shares based on a ratio of 1.2727:1 resulting in an aggregate of 1,400,000 post-split common shares of 138 outstanding ("138 Split") and (ii) the Former Clip Money implemented a split of all of its outstanding common shares (the "Former Clip Money common shares") based on a ratio of 31.3325:1 resulting in an aggregate of 51,152,511 Former Clip Money common shares outstanding (the "Former Clip Money Split"). On December 22, 2022, the Company completed a private placement, issuing 4,524,637 common shares. Following completion of the 138 split, the Former Clip Money split, the RTO, and the private placement, the Company had 70,754,831 common shares issued and outstanding.

	Common shares	Class Seed preferred shares	Total Equity
Balance at January 1, 2022	$ 1,333,046	$ 7,210,884	$ 8,543,930
Issued for cash - RTO	6,436,742	-	6,436,742
Issued for cash - private placement	1,308,128	-	1,308,128
Converted from convertible note (Note 14)	3,847,698	-	3,847,698
Issued for service	1,451,334	-	1,451,334
Issued to 138 (Note 4)	1,113,840	-	1,113,840
Class Seed preferred shares converted to common during RTO	7,210,884	(7,210,884)	-
Issuance costs	(203,505)	-	(203,505)
Balance at December 31, 2022	**$ 22,498,167**	**$ -**	**$ 22,498,167**

(Expressed in Canadian Dollars "CAD")

13. SHARE CAPITAL

Reconciliation of movement in capital

	Common shares	Class Seed preferred shares	Total Equity
Balance at January 1, 2021	$ 1,253,633	$ 6,715,042	$ 7,968,675
Issued for cash	-	469,699	469,699
Options exercised	79,413	-	79,413
Issued for service	-	41,279	41,279
Issuance costs	-	(15,136)	(15,136)
Balance at December 31, 2021	$ 1,333,046	$ 7,210,884	$ 8,543,930

The number of shares issued and outstanding of the Company:

	Common shares		Class Seed preferred shares	
	2022	**2021**	**2022**	**2021**
Issued at January 1	**38,204,387**	38,061,881	**12,891,255**	11,620,630
Issued for cash - RTO	**8,090,425**	-	**-**	1,195,051
Issued for cash - private placement	**4,524,637**	-	**-**	-
Converted from convertible note	**3,847,489**	-	**-**	-
Issued for service	**1,796,638**	-	**-**	75,574
Issued to 138 (Note 4)	**1,400,000**	-	**-**	-
Class Seed preferred shares converted to common during RTO	**12,891,255**	-	**(12,891,255)**	-
Options exercised	**-**	142,506	**-**	-
Issued at December 31	**70,754,831**	38,204,387	**-**	12,891,255

Shares issued for service

In, 2021, the Company issued 75,574 (2,412 pre-split) Class Seed preferred shares to a contractor for services provided of $41,279.

In 2022, the Company issued 56,868 common shares for 2021 contracted services of $50,000, 1,739,770 common shares to RTO advisors related services of $1,401,334 and 1,400,000 common shares to the former shareholders of 138, as outlined in Note 4, valued at $1,113,840.

(Expressed in Canadian Dollars "CAD")

14. SHARE-BASED PAYMENTS

Equity Incentive Plan

Stock options and Restricted Share Unit options ("RSU"s) may be granted to directors, officers, employees and service providers of the Company on terms that the Governance, Human Resources and Compensation Committee (the "Plan Administrator") may determine within the limitations set forth in the Equity Incentive Plan or by security regulators. Stock options and RSUs shall not be granted for a term exceeding 10 years. The Plan Administrator has the authority to determine the vesting terms applicable to the grants of stock options and RSUs.

Under the Equity Incentive Plan adopted on May 20,2022, the Company may issue a combination of stock options and RSUs equal to no more than 10% of outstanding shares of the Company.

a Stock Options

In 2022, the Company recorded an expense to recognize stock option compensation expense for options granted to employees and directors of the Company equal to $1,466,846 (2021 - $638,930).

Stock option changes are as follows:

	2022			2021		
	Options		exercise price	Options		exercise price
Balance, beginning of period	**2,838,946**	$	0.14	**592,842**	$	0.00
Granted	**1,561,350**		1.01	**2,388,510**		0.17
Exercised	**-**			**(142,406)**		0.00
Balance, end of period	**4,400,296**	$	0.45	**2,838,946**	$	0.14

Stock options outstanding at December 31, 2022, consisted of the following:

Exercise Price		Number Outstanding	Remaining Contractual Life		Weighted Average Exercise Price	Number Exercisable
$	0.00	2,338,946	8.34	$	-	1,385,305
	0.80	500,000	0.96		0.80	500,000
	1.00	1,521,350	9.44		1.00	658,000
	1.50	40,000	9.87		1.50	-
$	0.00 - 1.50	4,400,296	7.91	$	0.45	2,543,305

(Expressed in Canadian Dollars "CAD")

14. SHARE-BASED PAYMENTS

a Stock Options

In 2022, the Company granted 1,561,350 (2021 - 2,388,510) stock options to employees and directors. The stock option compensation expense for options issued in normal course to employees and directors was determined based on the fair value of the options at the date of measurement using the Black Scholes option pricing model with the following weighted average assumptions:

	2022	2021
Expected option life	10 years	2 years
Vesting Period	0 - 3 years	0 - 4 years
Risk-free interest rate	3.26% - 3.35%	0.65%
Dividend Yield	Nil	Nil
Forfeiture rate	Nil	Nil
Volatility factor of expected market price of the Company's shares	126%	116%

b Restricted Share Units

In 2022, the Company recorded an expense to recognize compensation expense for 650,000 Restricted Share Units (RSUs) granted to employees of the Company equal to $209,336 (2021 - Nil).

Restricted share units changes are as follows:

	2022	2021
Balance, beginning of period	**-**	-
Granted	**650,000**	-
Balance, end of period	**650,000**	-

The RSU compensation expense for RSUs issued in normal course to employees was determined based on the fair value of the RSUs at the date of measurement using the Black Scholes option pricing model with the following weighted average assumptions:

	2022	2021
Expected option life	**10 years**	Nil
Vesting period	**3 years**	Nil
Risk-free interest rate	**3.35%**	Nil
Dividend yield	**Nil**	Nil
Forfeiture rate	**Nil**	Nil
Volatility factor of expected market price of the Company's shares	**126%**	Nil

(Expressed in Canadian Dollars "CAD")

14. SHARE-BASED PAYMENTS

c Warrants

On May 20, 2022, the Company completed the RTO, issuing 8,090,425 units at a price of $1.00 each for total gross proceeds of $8,090,425. Each unit consisted of one (1) common share and one half (1/2) common share purchase warrant. Each warrant entitles the holder to purchase one half (1/2) common share at a price of $1.50 per common share for a period of 24 months. The Company allocated $6,436,742 of the proceeds to common shares and $1,653,683 of the proceeds to warrants net of issuance costs.

In connection with the May 20, 2022 RTO transaction, the Company issued 42,007 common share purchase warrants to the agents. The units issued to agents were valued at $26,752.

On December 23, 2022, the Company completed a private placement of 4,524,637 units at a price of $0.45 each for total gross proceeds of $2,034,631. Each unit consisted of one (1) common share and one (1) common share purchase warrant. Each warrant entitles the holder to purchase one (1) common share at a price of $0.65 per common share for a period of 36 months. The expiry date of the Warrants will be subject to an acceleration right in favour of the Company that is exercisable if the common shares of the Company trade at or above a volume-weighted average trading price of CAD$1.30 on the TSX Venture Exchange on any 10-consecutive trading days following the closing date of each tranche of the private placement. If the acceleration right is exercised by the Company, the Warrants will expire on the 30th day after the Company issues a press release announcing that it has exercised such acceleration right. The Company allocated $1,260,499 of the proceeds to common shares and $671,622, net of expenses, of the proceeds to warrants.

In connection with the December 23, 2022 private placement, the Company issued 122,502 common share purchase warrants to the agents. The units issued to agents were valued at $ 20,975.

	Number	Amount	Weighted average exercise price
Balance, January 1, 2022	-	$ -	$ -
Issued - private placement	4,045,213	1,653,683	1.50
Issued - private placement	4,524,637	671,622	0.65
Issued - agents	42,007	26,752	1.00
Issued - agents	122,502	20,975	0.65
Balance, December 31, 2022	**8,734,359**	**$ 2,373,032**	**$ 1.00**

(Expressed in Canadian Dollars "CAD")

14. SHARE-BASED PAYMENTS

c Warrants

The fair value of the warrants was determined based on the fair value of the options at the date of measurement using the Black Scholes option pricing model with the following weighted average assumptions:

	2022
Expected warrant life	**2-3 years**
Risk-free interest rate	**2.64% - 3.57%**
Dividend yield	**Nil**
Forfeiture rate	**Nil**
Volatility factor of expected market price of the Company's shares	**126%**

15. REVENUE

Revenue consists of the following:

	2022	2021
Deposit fees	**$ 43,405**	$ 4,301
Discounts and promotions	**(7,377)**	(1,877)
Net	**$ 36,028**	$ 2,424

16. COST OF REVENUE

Cost of revenue was primarily comprised of software and web services necessary to support and maintain the platform, site service and maintenance, installation costs and retailer rents at the ClipDrop box locations.

17. GOVERNMENT GRANT INCOME

Details of government grant income received by the Company are as follows:

	2022	2021
Government grant income		
Wage subsidy	**$ -**	$ 30,709
CEBA - grant portion	**-**	1,728
CEBA - forgivable portion	**-**	10,000
Total	**$ -**	$ 42,437

(Expressed in Canadian Dollars "CAD")

18. KEY MANAGEMENT COMPENSATION

Key management personnel are those persons having authority and responsibility for planning, directing, and controlling the activities of the Company, directly or indirectly. Key management personnel consist of independent board members and executive officers.

Share-based payments below are measured at the grant date fair value of the options and awards issued in the period.

	2022	2021
Independent board members		
Director fees	**$ 18,474**	$ -
Share-based payments	**133,531**	-
	152,005	-
Executive officers		
Wages and benefits	**1,770,443**	930,972
Consulting fees	**476,557**	865,309
Share-based payments	**1,337,722**	638,931
	3,584,722	2,435,212
Total	**$ 3,736,727**	$ 2,435,212

Prepayment of services

In 2021, the Company prepaid $26,775 for services performed by a director. These prepayments were classified as a prepaid expense, as of December 31, 2021 and expensed in 2022.

Services payable to director

In 2021, the Company owed a director $50,000 for services performed in 2021. On December 16, 2021, the director agreed to receive 50,000 post-split common shares in connection with the proposed reverse takeover transaction to settle the debt owed, which common shares were issued in 2022.

(Expressed in Canadian Dollars "CAD")

19. FINANCE EXPENSE AND FINANCE INCOME

Details of the Company's financing income and expenses are as follows:

	2022	2021
Financing income:		
Bank	**$ 17,778**	$ 633
Financing expense:		
Change in fair market value of derivative liability	**633,299**	(2,000)
Accretion - convertible debt	**204,724**	32,931
Interest - government loans	**9,853**	8,827
Interest - lease liabilities	**906,293**	321,466
Total	**1,754,169**	361,224
Net financing expenses	**$ 1,736,391**	$ 360,591

20. LOSS PER SHARE

Loss per share has been calculated using the weighted average number of common shares outstanding during the year ended which amounted to 55,592,136 shares in 2022 (2021 - 38,057,990 shares).

Diluted earnings per share equates to basic earnings per share as all common stock equivalents and convertible instruments are antidilutive.

21. CAPITAL MANAGEMENT

The Company monitors "adjusted capital" which comprises of equity including share capital and deficit.

The Company assesses capital requirements to maintain an efficient financing structure while avoiding unneeded debt. The Company manages its capital structure through assessing economic conditions and making adjustments in light of changes and risk characteristics of the underlying assets. In order to maintain or adjust its capital structure, the Company may implement cost cutting and downsizing efforts in attempt to mitigate those risks.

The Company's objectives when maintaining capital are:

- to safeguard the Company's ability to continue as a going concern, so that it can continue to provide returns for shareholders and benefits for other stakeholders, and
- to provide an adequate return to shareholders by pricing products and services commensurately with the level of risk.

The Company sets the amount of capital it requires in proportion to risk. The Company manages its capital structure and adjusts it in the light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the company may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

22. FAIR VALUE OF FINANCIAL INSTRUMENTS

Financial instruments that are measured at fair value use inputs which are classified within a hierarchy that prioritises their significance. The three levels of the fair value hierarchy are:

- Level 1 (“L1”) includes quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2 (“L2”) includes inputs that are observable other than quoted prices included within L1.
- Level 3 (“L3”) includes inputs that are not based on observable market data (supported by little or no market activity).

As at December 31, 2022, the Company's derivative liabilities are categorized under level 2 and their carrying value approximates its fair value as it is based on discounting the associated future cash outflows using a risk-adjusted discount rate which reflects market conditions.

A summary of the Company’s risk exposures as it relates to financial instruments are reflected below:

(Expressed in Canadian Dollars "CAD")

22. FAIR VALUE OF FINANCIAL INSTRUMENTS

a Credit risk

Credit risk is the risk of loss associated with a counterparty's inability to fulfil its payment obligations. The Company's credit risk is primarily attributable to cash and receivables. Cash consists of cash on hand deposited with reputable financial institutions which is closely monitored by management. Receivables are amounts typically received within 30 - 60 days from reputable sources. Management believes credit risk with respect to financial instruments included in cash and receivables is minimal.

The Company's maximum exposure to credit risk as at December 31, 2022 and 2021 is the carrying value of cash and receivables.

	2022	2021
Cash	$2,007,938	$1,220,247
Receivables	458	322
	$2,008,396	**$1,220,569**

b Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in satisfying its financial obligations. The Company manages its liquidity risk by forecasting it operations and anticipating its operating and investing activities. The contractual cash flows of the Company's undiscounted financial liabilities are as follows:

	Less than one year	1-5 years	Greater than 5 years	Contractual cash flows
December 31, 2022				
Trade and other payables	$2,118,993	$ -	$ -	$2,118,993
Government loans	46,662	72,169	4,169	123,000
	2,165,655	**72,169**	**4,169**	**2,241,993**
December 31, 2021				
Trade and other payables	1,229,169	-	-	1,229,169
Government loans	40,000	62,235	20,765	123,000
	$1,269,169	**$ 62,235**	**$ 20,765**	**$1,352,169**

c Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in market prices. Market risk comprises three types of risk: interest rate risk, foreign currency risk and other price risk.

(Expressed in Canadian Dollars "CAD")

22. FAIR VALUE OF FINANCIAL INSTRUMENTS

d Interest rate risk

Interest rate risk consists of a) the extent that payments made or received on the Company's monetary assets and liabilities are affected by changes in the prevailing market interest rates, and b) to the extent that changes in prevailing market rates differ from the interest rate in the Company's monetary assets and liabilities. The Company is not exposed to any significant interest rate price risk.

e Foreign currency risk

The Company is exposed to foreign currency risk due to the timing of their trade and other payable balances, other short-term receivable balances and cash consideration. This risk is mitigated by timely payment of creditors and monitoring of foreign exchange fluctuations by management. The company is exposed to unrealized foreign exchange risk through its U.S. dollar ("USD") holdings.

At December 31, 2022 and 2021, a 10% change in the USD foreign exchange rate would result in the following changes:

	2022		2021	
	Increase	Decrease	Increase	Decrease
Foreign currency risk				
Cash	**$ 72,731**	$ (66,056)	**$ 82,442**	$ (74,948)
Trade and other payables	**(150,263)**	136,602	**(6,025)**	5,477
Convertible debt	**-**	-	**24,088**	(21,898)
Total	**$ (77,532)**	$ 70,546	**$ 100,505**	$ (91,369)

(Expressed in Canadian Dollars "CAD")

23. TAXATION

Deferred income tax

The movement in deferred income tax assets during the year, without taking into consideration the offsetting of balances within the same tax jurisdiction, is as follows:

	December 31, 2020	Recognized in income tax expense	December 31, 2021	Recognized in income tax expense	December 31, 2022
Deferred tax assets					
Non-capital losses	$ 1,962	$ 26,870	$ 28,832	$ 51,703	$ 80,535
Lease liabilities	27,771	1,474,463	1,502,234	401,667	1,903,901
	29,733	**1,501,333**	**1,531,066**	**453,370**	**1,984,436**
Deferred tax liabilities					
Tangible assets	(1,962)	(26,870)	(28,832)	(51,703)	(80,535)
Right of use assets	(27,771)	(1,474,463)	(1,502,234)	(401,667)	(1,903,901)
	(29,733)	**(1,501,333)**	**(1,531,066)**	**(453,370)**	**(1,984,436)**
Net deferred tax asset	$ -	$ -	$ -	$ -	$ -

Temporary differences

Deferred taxes reflect the net effect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for income tax purposes. Deductible temporary differences are recognized to the extent that it is probable that taxable profit will be available against which the deductible temporary differences can be utilized. Management estimates future taxable income using forecasts based on the best available current information. Based on current estimates, there is currently insufficient evidence that the deferred tax asset will be recovered; therefore, the Company has not recognized any deferred tax asset in the current year. The deferred tax asset will only be recognized with improved certainty and quantification of taxable profits related to these assets.

Unrecognized deductible temporary differences	2022	2021
Intangible assets	**$ 514,494**	$ 70,461
Financing costs	**427,474**	322,585
Non-capital loss carryforward	**14,971,569**	5,969,446
Lease liabilities	**1,148,992**	523,833
Total	**$ 17,062,529**	$ 6,886,325

As at December 31, 2022, the Company had $14,971,569 (2021 - $6,340,348) in operating losses that can be carried forward against future taxable income and expire between 2038 and 2042. Out of those losses, $14,667,665 (2021 - $6,231,548) were not recognized.

(Expressed in Canadian Dollars "CAD")

23. TAXATION

The non-capital losses expire as follows:

	Other
2038	$ 118,365
2039	747,248
2040	1,123,490
2041	4,351,245
2042	8,631,221
	$ 14,971,569

Rate reconciliation

The tax on the Company's loss before income tax differs from the theoretical amount that would arise using the weighted average tax rate applicable to profits of the consolidated entities as follows:

	2022	2021
Net loss	**$(15,804,725)**	$ (5,491,946)
Statutory tax rate	**26.5%**	26.5%
Expected tax provision	**(4,188,252)**	(1,455,366)
Tax effects of:		
Expenses not deductible / taxable for tax purposes	**1,511,860**	129,106
Adjustments to prior years	**(613)**	79,813
Other	**(931)**	14,930
Change in tax benefits not recognized	**2,677,936**	1,231,517
Income tax expense	**$ -**	$ -

(Expressed in Canadian Dollars "CAD")

24. FINANCIAL INSTRUMENTS

The Company does not acquire, hold or issue derivative financial instruments for trading purposes. The following table presents the classification, measurement subsequent to initial recognition, carrying values and fair values (where applicable) of financial assets and liabilities.

Classification	Measurement	2022 Carrying value	2022 Fair Value	2021 Carrying value	2022 Fair value
Financial assets					
Cash	Amortized Cost	$ 2,007,938	$ 2,007,938	$ 1,220,247	$ 1,220,247
Receivables	Amortized cost	458	458	322	322
		2,008,396	**2,008,396**	**1,220,569**	**1,220,569**
Financial liabilities					
Trade and other payables	Amortized cost	2,118,993	2,118,993	1,229,169	1,229,169
Convertible debt	Amortized cost	-	-	1,437,400	1,437,400
Derivative liability	FVTPL	-	-	375,000	375,000
Government loans	Amortized cost	103,944	103,944	94,092	94,092
		$ 2,222,937	**$ 2,222,937**	**$ 3,135,661**	**$ 3,135,661**

Short-term financial instruments, comprising cash, other short-term receivables, trade and other payables, and convertible debt are carried at amortized cost which, due to their short-term nature, approximates their fair value.

Long-term financial instruments, comprising of government loans are carried at amortized cost and are measured based upon discounted future cash flows using a discount rate, adjusted for the Company's own credit risk, that reflects current market conditions for instruments with similar terms and risks. Derivative liability is carried at fair value and is measured using various valuation techniques.

(Expressed in Canadian Dollars "CAD")

25. SEGMENTS

The Company has one operating segment, which is providing a proprietary deposit network to businesses located across North America.

The Company's property and equipment, intangible assets and right-of-use assets are located in the following countries:

	2022	2021
Canada	**$ 3,298,318**	$ 2,880,565
United States	**7,821,228**	5,478,574
Total	**$ 11,119,546**	$ 8,359,139

The Company's revenues are located in the following countries:

	2022	2021
Canada	**$ 17,319**	$ 2,424
United States	**18,709**	-
Total	**$ 36,028**	$ 2,424

26. SUBSEQUENT EVENTS

The Company has evaluated subsequent events through April 27, 2023, which is the date the consolidated financial statements were available to be issued.

Non-brokered private share placement

On February 10, 2023, the Company closed a second tranche of a non-brokered private placement of 3,883,760 units of the Company (each a “Unit”) at a price of CAD$0.45 per Unit for gross proceeds of $1,747,692.

Each Unit consisted of one common share in the capital of the Company (each a “common Share”) and one common Share purchase warrant (each a “Warrant”). Each warrant will entitle the holder thereof to purchase one common Share at an exercise price of $0.65 for a period of 36 months following the issuance of the Units. The expiry date of the Warrants will be subject to an acceleration right in favour of the Company that is exercisable if the common shares of the Company trade at or above a volume-weighted average trade price of $1.30 on the TSX Venture Exchange on any 10-consecutive trading days following the closing date of each tranche of private placement. If the acceleration right is exercised by the Company, the warrants will expire on the 30th day after the Company issues a press release announcing that it has exercised such acceleration right.

Finder's fees of $30,713 were paid in cash on a portion of the tranche to parties at arm's length to the Company. In addition, 68,250 non-transferable warrants were issued to the Finders. The Finder warrants are exercisable at a price of $0.65 for a period of 36 months following the date hereof.

Options converted

On February 23, 2023, 1,495,475 stock options were exercised by officers of the Company resulting in the issuance of 1,495,475 common shares. In addition, the Company signed an amendment with the same officers such that the remaining 843,471 stock options were amended such that the vesting period of the options were conditioned.