A2ZCRYPTOCAP INC.
(A CAPITAL POOL COMPANY)
Interim Condensed Financial Statements
For the Three and Nine Months Ended September 30, 2022
(Unaudited)
(Expressed in Canadian Dollars)

NOTICE OF NO AUDITOR REVIEW OF INTERIM FINANCIAL RESULTS

Pursuant to National Instrument 51-102, Part 4, subsection 4.3(3)(a) issued by the Canadian Securities Administrators, if an auditor has not performed a review of the interim condensed financial statements, they must be accompanied by a notice indicating that the financial statements have not been reviewed by an auditor.

The accompanying interim condensed financial statements of the Company have been prepared in accordance with IFRS and are the responsibility of the Company’s management. The interim condensed financial statements and related financial reporting matters have been reviewed and approved by the Audit Committee.

The Company’s independent auditor has not performed a review of these interim condensed financial statements in accordance with the standards established by the Canadian Institute of Chartered Professional Accountants for a review of interim condensed financial statements by an entity’s auditor.

A2ZCRYPTOCAP INC.
(A CAPITAL POOL COMPANY)
Interim Condensed Statement of Financial Position
(Unaudited)
(Expressed in Canadian Dollars)

	Note		**September 30, 2022** **(Unaudited)**		December 31, 2021 (Audited)
ASSETS					
Current Assets					
Cash	4	**$**	**370,487**	$	83,500
Receivables			**2,860**		500
Prepaid expenses			**-**		8,000
Deferred issuance costs			**-**		17,000
		$	**373,347**	$	109,000
LIABILITIES					
Current Liabilities					
Accounts payable and accrued liabilities	9	**$**	**17,379**	$	17,800
SHAREHOLDERS' EQUITY					
Share capital	5		**369,709**		102,000
Contributed Surplus	5		**75,898**		-
Deficit			**(89,639)**		(10,800)
			355,968		91,200
		$	**373,347**	$	109,000

Nature of operations and going concern (Note 1)

See accompanying notes to the interim condensed financial statements

A2ZCRYPTOCAP INC.
(A CAPITAL POOL COMPANY)
Interim Condensed Statement of Loss and Comprehensive Loss
For the Three and Nine Months Ended September 30, 2022
(Unaudited)
(Expressed in Canadian Dollars)

	Note	Three months ended September 30, 2022	Nine months ended September 30, 2022
Expenses			
General and administrative		$ 8,292	$ 24,317
Share based compensation		-	54,522
		8,292	78,839
Net loss and comprehensive loss		$ (8,292)	$ (78,839)
Net loss per common share			
Basic and diluted	6	$ (0.00)	$ (0.02)

See accompanying notes to the interim condensed financial statements

A2ZCRYPTOCAP INC.
(A CAPITAL POOL COMPANY)
Interim Condensed Statement of Changes in Equity
For the Nine Months Ended September 30, 2022
(Unaudited)
(Expressed in Canadian Dollars)

	Shares		Share Capital		Contributed Surplus		Deficit		Total
Shares issued, at incorporation	1	$	0.05	$	-	$	-	$	0.05
Shares issued for cash	2,039,999		101,999.95		-		-		101,999.95
Net loss for the period	-		-		-		(10,800)		(10,800)
Balance, December 31, 2021	2,040,000	$	102,000	$	-	$	(10,800)	$	91,200
Shares issued for cash	**4,000,000**		**400,000**		**-**		**-**		**400,000**
Share issuance costs	**-**		**(132,291)**				**-**		**(132,291)**
Issuance of options	**-**		**-**		**75,898**		**-**		**75,898**
Net loss for the period	**-**		**-**		**-**		**(78,839)**		**(78,839)**
Balance, September 30, 2022	**6,040,000**	**$**	**369,709**	**$**	**75,898**	**$**	**(89,639)**	**$**	**355,968**

See accompanying notes to the interim condensed financial statements.

A2ZCRYPTOCAP INC.
(A CAPITAL POOL COMPANY)
Interim Condensed Statement of Cash Flows
For the Nine Months Ended September 30, 2022
(Unaudited)
(Expressed in Canadian Dollars)

For the nine months ended		September 30, 2022
Cash Provided by (Used in):		
Operating Activities		
Net loss	$	(78,839)
Add back non-cash items		-
Share based compensation		54,522
Changes in non-cash working capital:		
Receivables		(2,360)
Prepaid expenses		8,000
Deferred issuance costs		17,000
Accounts payable and accrued liabilities		(421)
Net cash from operating activities		(2,098)
Financing Activities		
Issuance of common shares, less share issuance costs		289,085
Cash from financing activities		289,085
Net increase in cash		286,987
Cash, beginning of period		83,500
Cash, end of period	$	370,487

See accompanying notes to the interim condensed financial statements

1. Nature of Operations and Going Concern

A2ZCryptoCap Inc. (the "Company") was incorporated under the *Business Corporations Act* (Alberta) on October 15, 2021 and is listed as a Capital Pool Company ("CPC") as defined in Policy 2.4 - *Capital Pool Companies* of the TSX Venture Exchange Inc. (the "Exchange") Corporate Finance Manual. The Company has no significant assets other than cash and proposes to identify and evaluate potential acquisitions or businesses with a view to completing a Qualifying Transaction (as defined in Exchange Policy 2.4).

There is no assurance that the Company will identify a Qualifying Transaction within the time limitations permissible under the policies of the Exchange, at which time the Exchange may suspend or delist the Company's shares from trading.

The head office and the registered office of the Company is located at Suite 800 Dome Tower, 333 - 7th Avenue SW, Calgary (Alberta) T2P 2Z1.

The outbreak of the novel strain of coronavirus, specifically identified as "COVID-19", has resulted in governments worldwide enacting emergency measures to combat the spread of the virus. These measures, which include the implementation of travel bans, self-imposed quarantine periods and social distancing, have caused material disruption to businesses globally resulting in an economic slowdown. Global equity markets have experienced significant volatility and weakness. Government and central banks have reacted with significant monetary and fiscal interventions designed to stabilize economic conditions. The duration and impact of the COVID-19 outbreak is unknown at this time, as is the efficacy of the government and central bank interventions. It is not possible to reliably estimate the length and severity of these developments and the impact on the financial results and condition of the Company.

Going Concern

These financial statements have been prepared in accordance with International Financial Reporting Standards applied on a going concern basis, which assumes the Company will be able to realize its assets and discharge its liabilities in the normal course of business. There are material uncertainties that cast significant doubt on the validity of this assumption. As at September 30, 2022, the Company has not yet completed its Qualifying Transaction which is required to eventually be completed as a Capital Pool Company. The Company incurred a net loss of $78,839 for the nine months ended September 30, 2022, and as of that date, the Company’s deficit was $89,639. The Company's ability to continue as a going concern is dependent upon its ability to identity its Qualifying Transaction and to fund its future operations.

These financial statements do not reflect adjustments in the carrying value of the assets and liabilities, the reported revenues and expenses and the statement of financial position classifications that would be necessary if the going concern assumption were not appropriate. Such adjustments could be material.

2. Basis of Presentation

a) Statement of Compliance

These Financial Statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") and International Accounting Standards 34, "Interim Financial Reporting" ("IAS34") as issued by the International Accounting Standards Board ("IASB"), and interpretations of the IFRS Interpretations Committee ("IFRIC"). These Financial Statements are prepared in accordance with the same accounting policies, critical estimates and methods described in the Company's annual financial statements. Given that certain information and note disclosures, which are included in the annual audited financial statements, have been condensed or excluded in accordance with IAS 34, these Financial Statements should be read in conjunction with the annual audited financial statements as at and for the year ended December 31, 2021, including the accompanying notes thereto, which are available on SEDAR at www.sedar.com.

The Board of Directors approved the issuance of these financial statements on November 10, 2022.

b) Basis of Measurement

The financial statements have been prepared on the historical cost basis.

c) Functional Currency

The financial statements are presented in Canadian dollars, which is the Company's functional currency.

d) Use of Estimates and Significant Assumptions

The preparation of financial statements in conformity with IFRS requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities and the reported amounts of revenues and expenses. Actual results could differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected.

Judgments are made by management to determine the likelihood of whether deferred tax assets will be realized from future taxable earnings. To the extent that assumptions regarding future profitability change, there can be an adjustment in the deferred tax assets as well as an income impact in the period in which the change occurs.

The determination of the Company's income and other tax liabilities requires interpretation of complex laws and regulations. All tax filings are subject to audit and potential reassessment after the lapse of considerable time. Accordingly, the actual income tax liability may differ significantly from that estimated and recorded by management.

3. Summary of Significant Accounting Policies

The significant accounting policies used by the Company are set out in the Company's December 31, 2021 audited financial statements and were consistently applied to all periods presented.

(Expressed in Canadian Dollars)

4. Cash Restriction

The Company's cash is held in trust in a law firm's trust account. The proceeds raised from the issuance of common shares in the capital of the Company (the "common shares") may only be used to identify and evaluate businesses or assets and to obtain shareholder approval for a proposed Qualifying Transaction, other than for reasonable general and administrative expenses of the Company. These restrictions apply until completion of a Qualifying Transaction by the Company as defined under the Exchange Policy 2.4.

5. Share Capital

Authorized:
Unlimited common voting shares
Unlimited preferred shares

Issued and outstanding:

	Number of Common Shares		Amount
At incorporation, October 15, 2021	1	$	0.05
Shares issued during period	2,039,999		101,999.95
Balance, December 31, 2021	2,040,000	$	102,000
Shares issued during period	4,000,000		400,000
Share issuance costs	-		(132,291)
Balance, September 30, 2022	6,040,000	$	369,709

The issued and outstanding founders' common shares of 2,040,000 are subject to a CPC Escrow Agreement. Under the CPC Escrow Agreement, 25% of the escrowed common shares will be released from escrow on the issuance of the Final Exchange Bulletin (as defined in Exchange Policy 1.1 - *Interpretation*) (the "Initial Release") and an additional 25% will be released on the dates 6, 12, and 18 months following the Initial Release. All common shares acquired on the exercise of stock options granted to directors, officers, and non-employees prior to the completion of a Qualifying Transaction must also be deposited in escrow until the Final Exchange Bulletin is issued. In addition, all common shares of the Company acquired in the secondary market prior to the completion of a Qualifying Transaction by any person or company who becomes a control person are required to be deposited in escrow. Subject to certain exemptions permitted by the Exchange, all securities of the Company held by principals of the resulting issuer will also be escrowed.

During the period ended September 30, 2022, the Company entered into an agency agreement with Leede Jones Gable Inc., (the "Agent") and completed an Initial Public Offering (the "Offering") pursuant to the policies of the TSX Venture Exchange governing CPCs., closing on 4,000,000 Common Shares at a price of $0.10 per common share. The Company paid the Agent a commission of 10% of the gross proceeds of the Offering plus 10% Agent's warrants. The Agent was granted non-transferable Agent's warrants to purchase common shares that is equal to 10% of the total number of common shares sold under the Offering at a price of $0.10 per common share, exercisable for a period of 24 months from the date of closing of the Offering.

(Expressed in Canadian Dollars)

5. Share Capital (continued)

The Company has adopted an incentive stock option plan in accordance with the policies of the Exchange (the "Stock Option Plan") for the benefit of directors and officers, and where permitted pursuant to Exchange policies, employees, and consultants of the Company. A maximum of ten percent (10%) of the issued and outstanding common shares of the Company upon completion of the initial public offering may be reserved for issuance pursuant to the exercise of stock options to be granted to directors and officers, and where permitted pursuant to Exchange policies employees and consultants, of the Company. In addition, subject to the policies of the Exchange, the number of common shares reserved for issuance to any one person shall not exceed five percent (5%) and for consultants and employees conducting investor relations activities shall not exceed two percent (2%) of the issued and outstanding common shares. The Stock Option Plan provides that the terms of the options and the option price shall be fixed by the directors, subject to the price restrictions and other requirements imposed by TSX Venture. Stock options granted under the Stock Option Plan may not be exercisable for a period longer than ten (10) years and the exercise price must be paid in full upon exercise of the option.

During the nine months ended September 30, 2022, the Company granted options to directors to purchase an aggregate of 604,000 common shares, at a price of $0.10 per common share for a period of 10 years from the date of the grant. The options vested immediately.

During the nine months ended September 30, 2022, the Company granted 400,000 stock options to its Agent which are exercisable for a period of 2 years from the date of the grant at an exercise price of $0.10 per Common Share. The options vested immediately.

The below table outlines the issuance of options during the period.

	Number of options		Weighted average exercise price
Balance, December 31, 2021	-	$	-
Issued during period	604,000	$	0.10
Issued during period	400,000	$	0.10
Balance, September 30, 2022	1,004,000	$	0.10
Exercisable, September 30, 2022	1,004,000	$	0.10

The below table outlines the weighted average life of the options.

Options outstanding	Weighted average exercise price	Weighted average remaining term (years)	Options exercisable
604,000	$0.10	9.73	604,000
400,000	$0.10	1.73	400,000
1,004,000	$0.10		1,004,000

The options issued during the period ended September 30, 2022 were valued at $75,898, and $21,376 was recorded as share issuance costs, and $54,522 was expensed as share based compensation expense.

(Expressed in Canadian Dollars)

5. Share Capital (continued)

The below table outlines the variables used in the valuation of the options by the Black Scholes model.

	June 30, 2022
Risk free interest rate (%)	3.11%-3.30%
Expected life (years)	2-10 years
Volatility rate (%)	100.00%
Dividend yield (%)	0.00%
Forfeiture rate (%)	0.00%

6. Net Loss Per Common Share

Basic and diluted loss per share has been calculated using the weighted average number of common shares of 3,490,549.

7. Financial Instruments

The Company's financial instruments consist of cash and accounts payable.

Financial risk management

The Company's activities are exposed to a variety of financial risks: credit risk and liquidity risk. The Company's overall risk management program focuses on the unpredictability of financial and economic markets and seeks to minimize potential adverse effects on the Company's financial results. Risk management is carried out by financial management in conjunction with overall corporate governance.

Credit risk

Credit risk is the risk of loss associated with the counterparty's ability to fulfil its payment obligations. The Company is not susceptible to any credit risk since the cash is held in the Company’s lawyers trust account.

Liquidity risk

The Company's exposure to liquidity risk is dependent on purchasing commitments and obligations or raising of funds to meet commitments and sustain operations. As at September 30, 2022, the Company has cash of $370,487 to settle financial liabilities of $17,379.

Fair value

The fair value of cash and accounts payable approximates its carrying amount due to their short-term nature.

(Expressed in Canadian Dollars)

7. Financial Instruments (continued)

The following provides an analysis of financial instruments that are measured at fair value, grouped into levels 1 to 3 based on the degree to which the fair value is observable:

- Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2 fair value measurements are those derived from inputs other than quoted prices included within level 1 that are not observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
- Level 3 fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data.

As at September 30, 2022, the Company had no amounts, classified as "fair value through profit or loss".

8. Capital Management

The Company's objective when managing capital is to maintain adequate cash resources to support planned activities which include identifying and evaluating potential acquisitions. The Company includes shareholders' equity of $355,968 in the definition of capital.

In managing capital, the Company estimates its future cash requirements by preparing a budget. The budget establishes the activities for the upcoming year and estimates the costs associated with these activities.

The Company's plan is to raise capital through the issuance of additional common shares. There are no assurances that funds will be made available to the Company when required.

The Company is not subject to externally imposed capital requirements other than the cash restriction disclosed in Note 4.

9. Related Party Transactions

For the nine months ended		September 30, 2022
Short-term benefits	$	-
Long-term benefits (*)		54,522
	$	54,522

(*) Consists of share-based payments as the fair value of options granted to directors and officers of the Corporation under the Corporation's stock option plan.

For the nine months ended September 30, 2022, $30,040 (December 31, 2021 - $7,500) in legal fees were recorded as general and administrative expenses, and $6,210 is included in accounts payable and accrued liabilities as at September 30, 2022, to a law firm of which one of the directors of the Company is a partner.

As at September 30, 2022, there was $226 (December 31, 2021 - $nil) owing to a company controlled by the CEO for disbursements paid on behalf of the Company, that is included in accounts payable and accrued liabilities.