

A2ZCRYPTOCAP INC.
(A CAPITAL POOL COMPANY)

INTERIM CONDENSED FINANCIAL STATEMENTS

For the Three Months Ended March 31, 2025 and 2024

(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)
Statement of Financial Position
(Unaudited)
(Expressed in Canadian Dollars)

As at,			March 31, 2025		December 31, 2024
		<u>Note</u>			
ASSETS					
Current Assets					
Cash	4	\$	296,633	\$	319,659
Receivables	7		1,570		246
			\$ 298,203	\$	319,905
LIABILITIES					
Current Liabilities					
Accounts payable and accrued liabilities	7	\$	9,144	\$	22,929
SHAREHOLDERS' EQUITY					
Share capital	5		399,709		399,709
Contributed Surplus			75,898		75,898
Deficit			(186,548)		(178,631)
			289,059		296,976
			\$ 298,203	\$	319,905

Nature of operations and going concern (Note 1)

See accompanying notes to the interim condensed financial statements.

A2ZCRYPTOCAP INC.
(A CAPITAL POOL COMPANY)
Statement of Loss and Comprehensive Loss
For the Three Months Ended March 31, 2025 and 2024
(Unaudited)
(Expressed in Canadian Dollars)

			Three months ended March 31, 2025		Three months ended March 31, 2024
	<u>Note</u>				
Expenses					
General and administrative	9	\$	9,258	\$	12,101
			9,258		12,101
Other income					
Interest revenue		\$	(1,341)	\$	-
Net loss and comprehensive loss		\$	7,917	\$	12,101
Net loss per common share					
Basic and diluted	6		\$0.00		\$0.00

See accompanying notes to the interim condensed financial statements.

A2ZCRYPTOCAP INC.
(A CAPITAL POOL COMPANY)
Statement of Changes in Equity
For the Three Months Ended March 31, 2025 and 2024
(Unaudited)
(Expressed in Canadian Dollars)

	Shares		Share Capital		Contributed Surplus		Deficit		Total
Balance, December 31, 2023	6,040,000	\$	359,709	\$	75,898	\$	(144,653)	\$	290,954
Net loss for the period	-		-		-		12,101		12,101
Balance, March 31, 2024	6,040,000	\$	359,709	\$	75,898	\$	(132,552)	\$	303,055
Balance, December 31, 2024	6,440,000	\$	399,709	\$	75,898	\$	(178,631)	\$	296,976
Net loss for the period	-		-		-		(7,917)		(7,917)
Balance, March 31, 2025	6,440,000	\$	399,709	\$	75,898	\$	(186,548)	\$	289,059

See accompanying notes to the interim condensed financial statements.

A2ZCRYPTOCAP INC.
(A CAPITAL POOL COMPANY)
Statement of Cash Flows
For the Three Months Ended March 31, 2025 and 2024
(Unaudited)
(Expressed in Canadian Dollars)

	Three months ended March 31, 2025		Three months ended March 31, 2024	
Cash Provided by (Used in):				
Operating Activities				
Net loss	\$	(7,917)	\$	(12,101)
Add back non-cash items				
Share based compensation		-		-
Changes in non-cash working capital:				
Accounts receivable		(1,324)		-
Accounts payable and accrued liabilities		(13,785)		7,017
Net cash used in operating activities		(23,026)		(5,084)
Net increase (decrease) in cash	\$	(23,026)	\$	(5,084)
Cash, beginning of year		319,659		313,302
Cash, end of period	\$	296,633	\$	308,218

See accompanying notes to the interim condensed financial statements.

A2ZCRYPTOCAP INC.
(A CAPITAL POOL COMPANY)

Notes to the Interim Condensed Financial Statements
For the Three Months Ended March 31, 2025 and 2024
(Unaudited)
(Expressed in Canadian Dollars)

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.

Going Concern

These financial statements have been prepared 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.

For the three months ended March 31, 2025, the Company incurred a net loss of \$7,917 (2024 - \$12,101), and as of that date, the Company's deficit was \$186,548 (December 31, 2024 - \$178,631).

The Company's ability to continue as a going concern is dependent upon the successful identification and completion of its Qualifying Transaction, raising additional equity financing and the commencement of profitable commercial activities. These factors give rise to material uncertainties that cast significant doubt on the validity of the going concern assumption.

These financial statements do not reflect adjustments in the carrying value of the assets and liabilities, the reported 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, 2024, including the accompanying notes thereto, which are available on SEDAR+ at www.sedarplus.ca.

The Board of Directors approved the issuance of these financial statements on May 5, 2025.

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.

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3. Summary of Material Accounting Policies

The significant accounting policies used by the Company are set out in the Company's audited December 31, 2024 financial statements and were consistently applied to all periods presented.

4. Restriction on Use of Proceeds

The proceeds raised from the issuance of common shares in the capital of the Company 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 which are limited to \$3,000 per month. 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
Balance, December 31, 2023	6,040,000	\$	359,709
Exercise of warrants	400,000		40,000
Balance, December 31, 2024 and March 31, 2025	6,440,000	\$	399,709

The below table outlines the composition of contributed surplus:

	March 31, 2025	December 31, 2024
Stock options	\$ 54,522	\$ 54,522
Warrants	21,376	21,376
Contributed surplus	\$ 75,898	\$ 75,898

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. Subject to certain exemptions permitted by the Exchange, all securities of the Company held by principals of the resulting issuer will also be escrowed.

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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.

On June 23, 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.

The below table outlines the options outstanding at the end of the year.

	Number of Options	Weighted average exercise price
Balance, December 31, 2024	604,000	\$0.10
Issued during period	-	\$0.00
Balance December 31, 2024 and March 31, 2025	604,000	\$0.10
Exercisable, December 31, 2024 and March 31, 2025	604,000	\$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	7.23	604,000

The weighted average share price for the period ended March 31, 2025 was \$0.09 (December 31, 2024 \$0.09).

The below table outlines the warrants outstanding and the end of the period.

	Number of Warrants	Weighted average exercise price
Balance, December 31, 2023	400,000	\$0.10
Exercised during 2024 year	(400,000)	\$0.10
Balance, December 31, 2024 and March 31, 2025	-	\$0.00
Exercisable, December 31, 2024 and March 31, 2025	-	\$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 6,400,000 (2024 – 6,040,000).

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7. Financial Instruments

The Company's financial instruments consist of cash, receivables and accounts payable and accrued liabilities.

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 and at a chartered financial bank. There has been no change in risk during the year.

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 March 31, 2025, the Company has cash of \$296,633 (December 31, 2024 - \$319,659) to settle financial liabilities of \$9,144 (December 31, 2024 - \$22,929). There has been no change in risk during the period.

Fair value

The fair values of cash, receivables and accounts payable and accrued liabilities approximate their carrying amounts due to their short-term nature.

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 \$289,059 (December 31, 2024 - \$296,976) 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 restriction on the use of proceeds disclosed in Note 4.

9. Related Party Transactions

For the three months ended March 31, 2025, \$3,001 (2024 - \$3,966) in legal fees were incurred with a law firm of which one of the corporate directors is a partner. The legal fees were recognized in general and administration expense. Included in accounts payable and accrued liabilities as at March 31, 2025 is \$nil (December 31, 2024 - \$nil) related to these fees.