

FILING STATEMENT

**IN RESPECT OF
THE QUALIFYING TRANSACTION OF
DEPARTURE BAY CAPITAL CORP.**

INVOLVING 9302204 CANADA INC.

June 27, 2025

Neither the TSX Venture Exchange Inc. nor any securities regulatory authority has in any way passed upon the merits of the Qualifying Transaction described in this filing statement.

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A) GLOSSARY

Unless the context otherwise requires or where otherwise provided, the following words and terms shall have the meanings set forth below when used in this Filing Statement, including the schedules hereto.

“**Affiliate**” has the meaning ascribed to such term in Form 3B2.

“**Amalco**” means the amalgamated corporation resulting and continuing from the Amalgamation, to be named, “9302204 Canada Inc.”.

“**Amalgamation**” means the amalgamation between Cheelcare and Subco to be completed pursuant to the CBCA, on the terms and subject to the conditions set out in the Business Combination Agreement.

“**Associate**” has the meaning ascribed to such term in the Form 3B2.

“**Audit Committee**” has the meaning ascribed thereto under “*Resulting Issuer Officers, Directors and Promoters – Committees*”.

“**BCBCA**” means the *Business Corporations Act* (British Columbia).

“**Board**” means the board of directors of DBC.

“**Business Combination Agreement**” means the business combination agreement dated February 24, 2025, as amended from time to time, giving effect to the three-cornered amalgamation pursuant to which Cheelcare shall amalgamate with Subco and DBC shall acquire all of the issued and outstanding common shares of Cheelcare, a copy of which is available under DBC’s profile on SEDAR+.

“**CBCA**” means the *Canada Business Corporations Act*.

“**Certificate of Amalgamation**” means the certificate to be issued pursuant to Subsection 185(4) of the CBCA giving effect to the Amalgamation.

“**Cheelcare**” means 9302204 Canada Inc., a corporation existing under the CBCA.

“**Cheelcare Common Shares**” means the common shares in the capital of Cheelcare (on a pre-Cheelcare Split basis).

“**Cheelcare Convertible Debentures**” means the unsecured convertible debentures issued by Cheelcare in the principal amount of \$1,372,999.50 plus any accrued and unpaid interest.

“**Cheelcare Convertible Debenture Conversion**” means the automatic conversion of \$1,372,999.50 principal amount plus any accrued and unpaid interest, in Cheelcare Convertible Debentures into Cheelcare Common Shares at a conversion price of \$0.5625.

“**Cheelcare Options**” means the aggregate of 798,000 incentive stock options granted to directors, officers and employees of Cheelcare.

“**Cheelcare Option Plan**” has the meaning ascribed thereto under “*Executive Compensation – Stock Option Plans and Other Incentive Plans*”.

“**Cheelcare Shareholders**” means the holders of Cheelcare Common Shares.

“**Cheelcare Split**” means the subdivision of the issued and outstanding Cheelcare Common Shares, prior to the Cheelcare Convertible Debenture Conversion and the conversion of the Cheelcare Subscription Receipts on such basis of one (1) Cheelcare Common Share pre-Cheelcare Split for 1.31431707 Post-Split Cheelcare Common Share, as shall result in Cheelcare having 10,522,015 Post-Split Cheelcare Common Shares issued and outstanding following the completion of the Cheelcare Split.

“Cheelcare Split Resolution” means the unanimous written resolution of Cheelcare signed by the Cheelcare Shareholders authorizing the Cheelcare Split.

“Cheelcare Subscription Receipts” means the subscription receipts of Cheelcare, each issued at a price of \$0.75 under the Concurrent Financing, whereby each subscription receipt will automatically convert, without any further action or payment of any additional consideration therefor, into one Unit.

“Cheelcare Warrants” means the common share purchase warrants underlying the Units, each one warrant entitling the holder thereof to acquire one Post-Split Cheelcare Common Share at a price of \$1.50 until the date that is 24 months following the closing of the Transaction.

“Concurrent Financing” means the non-brokered private placement of 4,666,666 Cheelcare Subscription Receipts at a price of \$0.75 per Cheelcare Subscription Receipt.

“Concurrent Financing Subscriber” means a subscriber of a Cheelcare Subscription Receipt under the Concurrent Financing.

“Control Person” has the meaning ascribed to such term in the Form 3B2.

“Conversion Price” means the conversion price at which the Cheelcare Convertible Debentures will be converted, which will be at a 25% discount to the valuation ascribed to the Cheelcare Common Shares in the Transaction.

“Convertible Loan Agreement” means the amended and restated convertible loan agreement dated March 5, 2025 entered into by Cheelcare and NameSilo Technologies Corp. which provides for a revolving drawdown facility in the aggregate amount of up to \$450,000 bearing a 12% interest rate and convertible into Cheelcare Common Shares at a price of \$0.75 per post-Cheelcare Split share and the issuance of 300,000 Cheelcare Warrants on a post-Cheelcare Split basis at an exercise price of \$1.50.

“CPC” has the meaning ascribed to such term in Form 3B2.

“CPC Policy” means TSXV Policy 2.4 – *Capital Pool Companies*.

“DBC” means Departure Bay Capital Corp., a corporation existing under the BCBCA.

“DBC Board Resolution” means the resolutions of the Board approving the Transaction, the DBC Consolidation, the Name Change and all other related matters as contemplated in this Filing Statement.

“DBC Common Share” means the common shares, each a “DBC Common Share”, in the capital of DBC.

“DBC Consolidation” means the consolidation of the DBC Common Shares on the basis of one post-consolidation DBC Common Share for every three (3) pre-consolidation DBC Common Shares.

“DBC Option Plan” means the stock option plan of DBC in existence as of the date hereof.

“DBC Options” means the options to purchase DBC Common Shares issued under the DBC Option Plan.

“DBC Qualifying Transaction” or the **“Transaction”** means the Qualifying Transaction of DBC with Cheelcare as disclosed herein.

“DBC Shareholders” means the holders of DBC Common Shares.

“DBC Warrants” means warrants of DBC.

“Effective Date” means the effective date of the Amalgamation, as indicated in the Certificate of Amalgamation.

“Effective Time” means the effective time indicated upon the Certificate of Amalgamation.

“Escrow Agent” means McMillan LLP.

“Escrow Deadline” means 5:00 p.m. (Eastern Time) on May 29, 2025, being the date that is 120 days after the date of the final tranche of the Concurrent Financing.

“Escrow Release Conditions” means all of the following:

- (a) The entry into the Business Combination Agreement; and
- (b) The receipt of conditional approval for the Transaction from the TSXV.

“Exchange Ratio” means the exchange ratio of one (1) fully paid and non-assessable Resulting Issuer Common Share in exchange for each one (1) issued and outstanding Post-Split Cheelcare Common Share.

“Filing Statement” means this document and the schedules attached hereto, containing the information in respect of DBC, Cheelcare and the Resulting Issuer, and the transactions contemplated by the Business Combination Agreement as prescribed by TSXV Form 3B2.

“Final Exchange Bulletin” means the bulletin issued by the TSXV evidencing final TSXV acceptance of the Transaction.

“Finders” means collectively, Leede Financial Inc., Ventum Financial Corp., and Canaccord Genuity Corp.

“Finder’s Fee” means the cash finder’s fee equal to an aggregate of \$94,800.02 paid to the Finders in connection with the Concurrent Financing.

“Form 3B2” means TSXV Form 3B2 – Information Required in a Filing Statement for a Qualifying Transaction.

“Insider” has the meaning ascribed to such term in the Form 3B2.

“IT” means information technology.

“Key Personnel” shall have the meaning ascribed thereto under *“Information Concerning the Resulting Issuer - Risk Factors - Dependence on Key Management Personnel”*.

“Letter of Intent” means the letter of intent dated October 28, 2024, entered into by Cheelcare and DBC.

“material adverse change” means any change of circumstances or any event which has, or would reasonably be expected to have, a material adverse effect in respect of Cheelcare, any one or more changes, events or occurrences, and **“material adverse effect”** means, in respect of Cheelcare, any change (or any condition, event or development involving a prospective change) in the business, operations, affairs (including the employment status of key employees), assets, liabilities (including any contingent liabilities that may arise through outstanding, pending or threatened litigation or otherwise) capitalization, financial condition, licenses, permits, rights or privileges of Cheelcare or any of its subsidiaries which in the judgment of Cheelcare, acting reasonably in the circumstances, could reasonably be expected to materially and adversely affect Cheelcare and its subsidiaries taken as a whole or the value of the Cheelcare Common Shares.

“Named Executive Officers” or **“NEOs”** has the meaning ascribed thereto in *“Executive Compensation – Compensation Discussion and Analysis.”*

“Name Change” means the change of DBC’s name to “Cheelcare Inc.” or such other substantially similar name as may be determined by Cheelcare and acceptable to the regulatory authorities.

“Non-Arm’s Length Party” has the meaning ascribed to such term in the Form 3B2.

“Non-Arm’s Length Qualifying Transaction” has the meaning ascribed to such term in the CPC Policy.

“Parties” means Cheelcare, DBC and Subco.

“Person” means an individual, body corporate, sole proprietorship, partnership, trust, unincorporated association, unincorporated syndicate, unincorporated organization, or another entity, and a natural person acting in his or her individual capacity or in his or her capacity as executor, trustee, administrator or legal representative, and any governmental entity.

“Policy 5.4” means TSXV Policy 5.4 – *Escrow, Vendor Consideration and Resale Restrictions*.

“Post-Consolidation DBC Common Shares” means the DBC Common Shares after giving effect to the DBC Consolidation.

“Post-Split Cheelcare Common Shares” means the Cheelcare Common Shares after giving effect to the Cheelcare Split.

“Promoters” has the meaning prescribed by applicable Securities Laws.

“Qualifying Transaction” has the meaning ascribed to such term in the Form 3B2.

“Resulting Issuer” means DBC upon completion of the Qualifying Transaction.

“Resulting Issuer Board” means the board of directors of the Resulting Issuer as the same is constituted from time to time.

“Resulting Issuer Common Shares” means the common shares in the capital of the Resulting Issuer upon completion of the DBC Qualifying Transaction.

“Resulting Issuer Finder’s Warrants” means finder’s warrants to acquire Resulting Issuer Common Shares.

“Resulting Issuer Options” means the stock options of the Resulting Issuer exercisable for Resulting Issuer Common Shares.

“Resulting Issuer Option Plan” has the meaning ascribed thereto in “*Resulting Issuer Stock Option Plan*.”

“Resulting Issuer Warrants” means share purchase warrants to acquire Resulting Issuer Common Shares.

“Securities Laws” means securities legislation, securities regulation and securities rules, as amended, and the policies, notices, instruments and blanket orders in force from time to time that are applicable to a company and its subsidiary which have any of its securities listed for trading on the TSXV, and as the context requires, any applicant company seeking a listing of its securities on the TSXV.

“Subco” means 16729053 Canada Inc., a wholly-owned subsidiary of DBC, a corporation incorporated under the CBCA on February 6, 2025 primarily for the purpose of carrying out the proposed Transaction.

“Subco Common Shares” means the common shares in the capital of Subco.

“Tax Act” means the *Income Tax Act* (Canada) and the regulations thereunder.

“Transfer Agent” means TSX Trust Company, the transfer agent and registrar of the Resulting Issuer.

“TSXV” or **“Exchange”** means the TSX Venture Exchange.

“TSXV Manual” means the corporate finance policies of the TSXV.

“Unit” means the units of Cheelcare resulting from the conversion of the Cheelcare Subscription Receipts, each unit being comprised of: (i) one (1) Post-Split Cheelcare Common Share and (ii) one-half (½) Cheelcare Warrant.

“Unsecured Promissory Note” means the unsecured promissory note issued by DBC to Cheelcare on November 13, 2024 for a principal amount of \$25,000, bearing interest at 8% per annum.

B) CAUTIONARY NOTE REGARDING FORWARD-LOOKING INFORMATION

This Filing Statement includes “forward-looking information” and “forward-looking statements” within the meaning of applicable Canadian Securities Laws. All information, other than statements of historical facts, included in this Filing Statement that address activities, events or developments that DBC or Cheelcare expects or anticipates will or may occur in the future, including such things as future business strategy, competitive strengths, goals, expansion and growth of DBC’s and Cheelcare’s businesses, operations, plans and other such matters is forward-looking information. Forward-looking information is often identified by the words “may”, “would”, “could”, “should”, “will”, “intend”, “plan”, “anticipate”, “believe”, “estimate”, “expect” or similar expressions and includes, among others, information regarding: expectations regarding whether the DBC Qualifying Transaction will be completed, whether conditions of the Business Combination Agreement are fulfilled or waived to the satisfaction of the Parties, including but not limited to receipt of all necessary shareholder and regulatory approvals; expectations for the effects of the DBC Qualifying Transaction, the potential benefits of the DBC Qualifying Transaction; statements relating to the business and future activities of, and developments related, to DBC and Cheelcare after the date of this Filing Statement; statements based on the audited financial statements of DBC or Cheelcare; expectations for other economic, business, regulatory and/or competitive factors related to DBC, Cheelcare or their respective industries generally; the business objectives and milestones of the Resulting Issuer; the principal uses of available funds, including the funds to be used for anticipated investments; and other events or conditions that may occur in the future.

Investors are cautioned that forward-looking information and statements are not based on historical facts but instead are based on reasonable assumptions and estimates of management of DBC and Cheelcare at the time they were made and involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of the Resulting Issuer to be materially different from any future results, performance or achievements expressed or implied by such forward-looking information. Such factors include, among others, liabilities that may arise from the DBC Qualifying Transaction; costs of the DBC Qualifying Transaction; the effect of the DBC Qualifying Transaction on the Resulting Issuer Common Shares is uncertain; risk of failing to meet TSXV continuous listing requirements; risk of forward-looking information being inaccurate; reliance on healthcare professionals’ acceptance of Cheelcare’s products; changes in insurance or government medical coverage and reimbursement policies; reliance on relationships with dealers and sales representatives; dependence on key suppliers, supply chain and manufacturing risks; reliance on new product and service offerings; increase price volatility due to being a public company; the requirements of being a reporting issuer; technological advancements and competition; risk of product liability; regulatory compliance and approval risks; dependence on key management personnel; conflicts of interest; fraudulent or illegal activity by employees, contractors and consultants; internal controls; general economic risks; uncertainty of use of proceeds; failure to successfully integrate acquired businesses, its products and other assets into the Resulting Issuer; liquidity and additional financing; difficulty to forecast; fluctuations in market price of the Resulting Issuer Common Shares; management of growth; equity price risk; anti-money laundering laws and regulation risks; regulation; unknown defects and impairments; credit and liquidity risk; litigation; cybersecurity risks; risk that the Resulting Issuer will be unable to turn a profit or generate immediate revenues; customer acquisitions; constraints on marketing products; intellectual property. Risks involving the DBC Qualifying Transaction and the Resulting Issuer that may affect results of operations, earnings and expected benefits of the DBC Qualifying Transaction are discussed under the heading “*Information Concerning the Resulting Issuer – Risk Factors*”. Although DBC and Cheelcare have attempted to identify important factors that could cause actual results to differ materially, there may be other factors that cause results not to be as anticipated, estimated or intended. There can be no assurance that such statements will prove to be accurate as actual results and future events could differ materially from those anticipated in such statements. Accordingly, readers should not place undue reliance on forward-looking information. Forward-looking information is made as of the date of this Filing Statement and DBC and Cheelcare do not undertake any obligation to revise or update any forward-looking information other than as required by applicable law.

C) CURRENCY PRESENTATION

DBC reports in Canadian dollars. Accordingly, unless otherwise indicated, all references to “\$” in this Filing Statement refer to Canadian dollars.

D) SUMMARY OF FILING STATEMENT

The following is a summary of information relating to DBC, Cheelcare and the Resulting Issuer (assuming completion of the DBC Qualifying Transaction) and should be read together with the more detailed information and financial data and statements contained elsewhere in this Filing Statement. Capitalized words and terms in this summary have the same meanings as set forth in the Glossary and elsewhere in this Filing Statement.

Departure Bay Capital Corp.

The full corporate name of DBC is “Departure Bay Capital Corp.”. DBC was incorporated pursuant to the provisions of the BCBCA on February 16, 2022. DBC is a CPC and its principal business is to identify and evaluate businesses and assets with a view to completing a Qualifying Transaction and, having identified and evaluated such opportunities, to negotiate an acquisition or participation subject to acceptance by the TSXV.

The DBC Common Shares are listed on the TSXV under the symbol “DBC.P” and commenced trading on October 28, 2022. Trading of the DBC Common Shares has been halted by the Exchange since October 28, 2024 pending completion of the DBC Qualifying Transaction. The market price of the DBC Common Shares on the TSXV on October 27, 2024, the last day of trading immediately prior to the halt, was \$0.10 per DBC Common Share.

The registered and records office of DBC is located at 228-1122 Mainland St., Vancouver, British Columbia, V6B 5L1, Canada.

See “*Information Concerning DBC – Corporate Structure*”.

9302204 Canada Inc.

The full corporate name of Cheelcare is “9302204 Canada Inc.” Cheelcare was incorporated pursuant to the provisions of the CBCA on May 21, 2015. It is a private company that designs and manufactures innovative mobility devices using advanced robotics. No public market exists for the securities of Cheelcare as of the date hereof.

The registered and records office of Cheelcare is located at 16 Sims Crescent, Unit 20, Richmond Hill, Ontario L4B 2P1.

See “*Information Concerning Cheelcare – Intercorporate Relationships*”.

Concurrent Financing

As a condition to the closing of the Transaction, Cheelcare will have completed its Concurrent Financing of Cheelcare Subscription Receipts for aggregate gross proceeds of \$3,499,999.50 at a price of \$0.75 per Cheelcare Subscription Receipt. Each Cheelcare Subscription Receipt entitles the holder to receive, without payment of additional consideration or taking of further action, one Unit comprising of: one (1) Post-Split Cheelcare Common Share and one-half (½) Cheelcare Warrant. Following the completion of the Amalgamation between Cheelcare and Subco, each Post-Split Cheelcare Common Share and each Cheelcare Warrant shall be exchanged for one (1) Resulting Issuer Common Share and (1) Resulting Issuer Warrant, respectively.

Cheelcare closed a first tranche of its Concurrent Financing of Cheelcare Subscription Receipts on December 31, 2024, pursuant to which it issued 4,523,604 Cheelcare Subscription Receipts and closed a second tranche on January 29, 2025, pursuant to which it issued 143,062 Cheelcare Subscription Receipts, for aggregate gross proceeds of \$3,499,999.50.

In connection with the Concurrent Financing, Cheelcare has paid a cash Finder’s Fee equal to 8% of the gross proceeds raised via subscribers introduced by such Finders.

See “*Information Concerning Cheelcare – Concurrent Financing*”.

The DBC Qualifying Transaction

On October 28, 2024, Cheelcare entered into the Letter of Intent with respect to the DBC Qualifying Transaction. On February 24, 2025, Cheelcare, DBC, and Subco entered into the Business Combination Agreement, which superseded and replaced the Letter of Intent. The Amalgamation pursuant to the Business Combination Agreement is intended to result in the reverse take-over of DBC by Cheelcare, which, upon completion, will constitute a Qualifying Transaction for DBC under the CPC Policy, and Cheelcare Shareholders will own the substantial majority of the Resulting Issuer Common Shares.

Pursuant to the terms of the Business Combination Agreement, DBC will acquire 100% of the issued and outstanding securities of Cheelcare by way of a “three-cornered” amalgamation pursuant to which Cheelcare and Subco will amalgamate pursuant to the provisions of the CBCA to form Amalco, which will be a wholly-owned subsidiary of the Resulting Issuer.

Prior to the closing of the DBC Qualifying Transaction, it is expected that the following steps, among other things will be completed:

- a) DBC will effect the DBC Consolidation and Name Change;
- b) Cheelcare will effect the Cheelcare Split;
- c) Cheelcare will effect the Cheelcare Convertible Debenture Conversion; and
- d) the issued and outstanding Cheelcare Subscription Receipts issued pursuant to the Concurrent Financing will automatically be converted into one (1) Unit with each Unit consisting of one (1) Post-Split Cheelcare Common Share and one-half of one (½) Cheelcare Warrant.

Upon closing of the DBC Qualifying Transaction, each Cheelcare Shareholder will be entitled to receive one (1) fully paid and non-assessable Resulting Issuer Common Share in exchange for each one (1) issued and outstanding Post-Split Cheelcare Common Share held by such shareholder and the Post-Split Cheelcare Common Share thus exchanged will be cancelled without reimbursement of the capital represented by such shares.

As at the date of this Filing Statement, DBC has 4,500,000 DBC Common Shares issued and outstanding, as well as 450,000 DBC Options and 200,000 DBC Warrants issued and outstanding, each at an exercise price of \$0.10 per DBC Common Share. After giving effect to the DBC Consolidation, DBC will have approximately 1,500,000 Post-Consolidation DBC Common Shares issued and outstanding, 150,000 DBC Options and 66,666 DBC Warrants issued and outstanding, with each DBC Option and DBC Warrant exercisable to purchase one Post-Consolidation DBC Common Share at an exercise price of \$0.30 per Post-Consolidation DBC Common Share (all such numbers subject to minor deviation as a result of the effects of rounding at the individual security holder level).

As at the date of this Filing Statement, there are 8,005,690 Cheelcare Common Shares issued and outstanding, 798,000 Cheelcare Options issued and outstanding, \$1,372,999.50 in Cheelcare Convertible Debentures plus any accrued and unpaid interest, and \$450,000 in debentures pursuant to the Convertible Loan Agreement plus any accrued and unpaid interest.¹ After giving effect to the Cheelcare Split, Cheelcare will have 10,522,015 Post-Split Cheelcare Common Shares issued and outstanding, 1,048,825 Cheelcare Options issued and outstanding, \$1,372,999.50 in Cheelcare Convertible Debentures plus any accrued and unpaid interest, and \$450,000 in debentures pursuant to the Convertible Loan Agreement plus any accrued and unpaid interest.

At the time of closing of the DBC Qualifying Transaction, the Resulting Issuer will:

- (a) issue:
- (i) approximately 10,522,015 Resulting Issuer Common Shares at a deemed price of \$0.75 per Resulting Issuer Common Share in exchange for all of the issued and outstanding Post-Split Cheelcare Common Shares other than those Post-Split Cheelcare Common Shares issued in

¹ Any Resulting Issuer Common Shares issuable pursuant to the repayment of interest in accordance with the Convertible Loan Agreement will be subject to TSXV Policies and TSXV approval at such time, if applicable.

exchange for Cheelcare Subscription Receipts and those Post-Split Cheelcare Common Shares issued upon the Cheelcare Convertible Debenture Conversion;

- (ii) approximately 4,666,666 Resulting Issuer Common Shares at a deemed price of \$0.75 per Resulting Issuer Common Share in exchange for all of the issued and outstanding Post-Split Cheelcare Common Shares held by holders of Cheelcare Subscription Receipts;
- (iii) approximately 2,440,888 Resulting Issuer Common Shares at a deemed price of \$0.5625 per Resulting Issuer Common Share in exchange for all of the Post-Split Cheelcare Common Shares issued upon the Cheelcare Convertible Debenture Conversion (excluding interest);
- (iv) approximately 479,530 Resulting Issuer Common Shares at a deemed price of \$0.5625 per Resulting Issuer Common Share in exchange for all of the Post-Split Cheelcare Common Shares issued in satisfaction of the accrued interest on the Cheelcare Convertible Debentures, calculated as of June 30, 2025;
- (v) approximately 1,048,825 Resulting Issuer Options in exchange for the cancellation and replacement of all of the issued and outstanding Cheelcare Options;
- (vi) approximately 2,333,333 Resulting Issuer Warrants in exchange for the cancellation and replacement of all of the issued and outstanding Cheelcare Warrants issued in connection with the Concurrent Financing;
- (vii) approximately 300,000 Resulting Issuer Warrants in exchange for the cancellation and replacement of all of the issued and outstanding Cheelcare Warrants issued in connection with the Convertible Loan Agreement; and
- (b) reserve for issuance:
 - (i) up to 1,198,825 Resulting Issuer Common Shares in connection with the issuance of Resulting Issuer Common Shares securities upon the exercise of any Resulting Issuer Options outstanding following the Amalgamation;
 - (ii) up to 2,699,999 Resulting Issuer Common Shares in connection with the issuance of Resulting Issuer Common Shares upon the exercise of any Resulting Issuer Warrants outstanding following the Amalgamation (which include DBC Warrants to acquire 66,666 Post-Consolidation DBC Common Shares); and
 - (iii) up to 600,000 Resulting Issuer Common Shares in connection with the issuance of Resulting Issuer Common Shares securities upon the conversion of debentures pursuant to the Convertible Loan Agreement.

At the time of closing of the DBC Qualifying Transaction, the Resulting Issuer will assume the obligations of Cheelcare. See *“Information Concerning The Resulting Issuer – Description of Resulting Issuer Securities”*.

Should any Cheelcare Options be exercised prior to the Effective Time, it is expected that such exercise shall result in an increase in the number of Resulting Issuer Common Shares issued by DBC at the Effective Time and a corresponding proportionate decrease in the number of Resulting Issuer Options issued by DBC at the Effective Time.

Upon completion of the DBC Qualifying Transaction, there will be approximately 19,609,099 Resulting Issuer Common Shares issued and outstanding on a non-diluted basis, of which approximately 10,522,015 Resulting Issuer Common Shares will be held by former Cheelcare Shareholders, 4,666,666 Resulting Issuer Common Shares will be held by former holders of Cheelcare Subscription Receipts, approximately 2,440,888 Resulting Issuer Common Shares will be held by former holders of the Cheelcare Convertible Debentures for the principal amount,

approximately 479,530² Resulting Issuer Common Shares will be held by former holders of the Cheelcare Convertible Debentures in satisfaction of the accrued interest and 1,500,000 Resulting Issuer Common Shares will be held by former DBC Shareholders. Accordingly, approximately 53.66% of the total issued and outstanding Resulting Issuer Common Shares will be owned by former Cheelcare Shareholders, approximately 23.80% of the total issued and outstanding Resulting Issuer Common Shares will be owned by former Concurrent Financing Subscribers, approximately 14.90%³ of the total issued and outstanding Resulting Issuer Common Shares will be owned by former holders of Cheelcare Convertible Debentures, and approximately 7.65% of the total issued and outstanding Resulting Issuer Common Shares will be owned by former DBC Shareholders on a non-diluted basis upon completion of the DBC Qualifying Transaction.

In connection with the DBC Qualifying Transaction and in accordance with CPC Policy, on November 13, 2024, DBC issued an unsecured promissory note for a principal amount of \$25,000 bearing interest at 8% per annum (the “**Unsecured Promissory Note**”). The outstanding principal amount and together with any accrued and unpaid interest thereon shall become due and payable to DBC twenty (20) business days after the date of the earlier of: (i) the receipt of final approval of the Exchange of the DBC Qualifying Transaction; and (ii) the termination of the DBC Qualifying Transaction pursuant to the terms of the Business Combination Agreement. In connection with the DBC Qualifying Transaction, DBC also provided Cheelcare with a secured loan pursuant to a loan agreement dated December 13, 2024 in the amount of \$50,000 for funding operating expenses and the Qualifying Transaction and shall become due and payable to DBC upon the same terms as the Unsecured Promissory Note.

See “*The DBC Qualifying Transaction*” for further details concerning the DBC Qualifying Transaction.

Steps of the DBC Qualifying Transaction

The DBC Qualifying Transaction is not a Non-Arm’s Length Qualifying Transaction and as such, DBC Shareholders are not required to approve the DBC Qualifying Transaction. The Board will approve the DBC Consolidation and Name Change by resolution.

The Cheelcare Shareholders have approved the Cheelcare Split Resolution and Amalgamation by way of special resolution.

It is the intention of the parties that the DBC Consolidation and the Name Change will be effected immediately prior to the completion of the DBC Qualifying Transaction. Upon the satisfaction and/or waiver of the conditions to the completion of the DBC Qualifying Transaction, including, without limitation, obtaining the requisite shareholder and regulatory approvals, Subco and Cheelcare will jointly file the Articles of Amalgamation with the Registrar.

At the Effective Time of the Amalgamation and as a result of the Amalgamation:

- (i) Cheelcare and Subco agree to effect the Amalgamation whereby Cheelcare and Subco will amalgamate, with the resulting entity (“**Amalco**”) constituting a continuation of each of Cheelcare and Subco under applicable law and whereby:
 - 1. each Cheelcare Common Share (post-Cheelcare Split) held by the Cheelcare Shareholders shall be cancelled in consideration therefore the Cheelcare Shareholder shall receive one (1) fully paid and non-assessable Resulting Issuer Common Share for each such Cheelcare Common Share;
 - 2. each Subco Common Share held by DBC shall be cancelled in consideration therefore DBC shall receive (1) fully paid and non-assessable Amalco Common Share for each such Subco Common Share;

² Calculated as of June 30, 2025.

³ Including approximately 479,350 Resulting Issuer Common Shares issued in satisfaction of the accrued interest on the Cheelcare Convertible Debentures calculated as of June 30, 2025.

3. each Cheelcare Option held by the holders of Cheelcare Options shall be cancelled in consideration therefore the holders of Cheelcare Options shall receive one (1) Resulting Issuer Option for each such Cheelcare Option;
4. each Cheelcare Warrant held by the holders of Cheelcare Warrants shall be cancelled in consideration therefore the holders of Cheelcare Warrants shall receive one (1) Resulting Issuer Warrant for each such Cheelcare Warrant;
- (ii) to the extent permitted by law, Amalco shall add to the capital account maintained in respect of the Amalco Common Shares an amount equal to the aggregate of the paid-up capital (for the purposes of the Tax Act, determined immediately prior to the Amalgamation, of the Subco Common Shares;
- (iii) the paid-up capital (for the purposes of the Tax Act, determined immediately prior to the Amalgamation, of the Cheelcare Common Shares that are exchanged, or deemed to be exchanged, for Resulting Issuer Common Shares on the Amalgamation;
- (iv) to the extent permitted by law, the Resulting Issuer shall add to the capital account maintained in respect of the Resulting Issuer Common Shares an amount equal to the paid-up capital (for the purposes of the Tax Act, determined immediately prior to the Amalgamation, of the Cheelcare Common Shares that are exchanged, or deemed to be exchanged, for Resulting Issuer Common Shares on the Amalgamation;
- (v) Amalco will become a wholly-owned subsidiary of DBC; and
- (vi) the Resulting Issuer shall be entitled to deduct and withhold from any consideration otherwise payable pursuant to transactions contemplated by the Business Combination Agreement to any holder of Cheelcare Common Shares such amounts as it determines are required or permitted to be deducted and withheld with respect to such payment under the Tax Act or any provision of provincial, state, local or foreign tax law, in each case as amended; to the extent that amounts are so withheld, such withheld amounts shall be treated for all purposes hereof as having been paid to the holder of Cheelcare Common Shares, in respect of which such deduction and withholding was made, provided that such withheld amounts are actually remitted to the appropriate taxing authority.

At the Effective Time, the registered holders of Post-Split Cheelcare Common Shares immediately prior to the Effective Time shall be deemed to be the registered holders of the Resulting Issuer Common Shares to which they are entitled and shall receive such Resulting Issuer Common Shares through the “push-out” method. The Transfer Agent will push out direct registration system advice to all holders of Post-Split Cheelcare Common Shares and advise them of the number of Resulting Issuer Common Shares such holder is now deemed to hold. The direct registration advice will replace any existing share certificate representing Post-Split Cheelcare Common Shares. Currently, outstanding share certificates representing the Post-Split Cheelcare Common Shares should be retained by the holders thereof and forwarded to the Resulting Issuer or the Transfer Agent immediately. No direct registration system advice for fractional Resulting Issuer Common Shares will be issued, and fractional Resulting Issuer Common Shares will be rounded down and no shareholder of the Resulting Issuer will be entitled to any compensation in respect of a fractional Resulting Issuer Common Share.

Upon closing of the DBC Qualifying Transaction, each Cheelcare Shareholder will be entitled to receive one (1) Resulting Issuer Common Share for each such Post-Split Cheelcare Common Share held by such Cheelcare Shareholder. In addition, each Cheelcare Option will be replaced by an equal number of Resulting Issuer Options and Resulting Issuer Warrants, respectively. Each Resulting Issuer Option, Resulting Issuer Finder’s Warrants and Resulting Issuer Warrant shall have substantially the same terms and conditions as the Cheelcare Options and Cheelcare Warrants replaced, subject to adjustment, and will entitle the holder thereof to acquire, upon exercise thereof, and for the consideration payable therefor, one Resulting Issuer Common Share.

DBC, as the registered holder of all of the issued and outstanding Subco Common Shares, shall be deemed to be the registered holder of all of the issued and outstanding Amalco Common Shares, and upon surrendering the certificates representing such Subco Common Shares to Amalco, DBC shall be entitled to receive a share certificate representing that same number of Amalco Common Shares.

As of the Effective Time, each current member of the Board will resign and the Resulting Issuer Board will be comprised of Eugene Cherny, Dima Paltsev, Roy Ellis, Sheila Buck⁴, Trevor Treweeke, Marc Kazimirski⁵ and Maxime Lemieux, with each appointee being subject to acceptance by the TSXV and other regulatory bodies.

Completion of the DBC Qualifying Transaction

The DBC Qualifying Transaction will be completed, and the Amalgamation will become effective at the Effective Time. It is currently anticipated that the Effective Date will be on or about July 4, 2025.

Following completion of the DBC Qualifying Transaction the Resulting Issuer Common Shares are expected to be listed on the TSXV under the trading symbol “CHER” as a Tier 2 Technology Issuer. See “*Information Concerning The Resulting Issuer – Description of Resulting Issuer Securities*”.

Conditional Listing Approval

The TSXV has conditionally accepted the DBC Qualifying Transaction subject to DBC and Cheelcare fulfilling all of the requirements of the TSXV on or before August 24, 2025.

Selected Financial Information of DBC

The following table sets out certain selected financial information of DBC in summary form for the fiscal years ended February 29, 2024, February 28, 2023, and for the nine months ended November 30, 2024:

	Nine Months Ended November 30, 2024 (unaudited)	Fiscal Year Ended February 29, 2024 (audited)	Fiscal Year Ended February 28, 2023 (audited)
Total revenues	\$0	\$0	\$0
Total expenses	\$30,670	\$43,795	\$120,473
Net loss	\$30,670	\$43,795	\$120,473

See “*Information Concerning – Selected Financial Information*” and “*Information Concerning – Management’s Discussion and Analysis*”.

Selected Financial Information of Cheelcare

The following table sets out a summary of selected financial information for the fiscal years ended April 30, 2024 and 2023, and for the nine months ended January 31, 2025:

⁴ Sheila Buck will be appointed as a director of the Resulting Issuer at the next annual meeting of the shareholders of the Resulting Issuer.

⁵ Marc Kazimirski will be appointed as a director of the Resulting Issuer at the next annual meeting of the shareholders of the Resulting Issuer.

	Nine Months Ended January 31, 2025 (unaudited) (\$)	Fiscal Year Ended April 30, 2024 (audited) (\$)	Fiscal Year Ended April 30, 2023 (audited) (\$)
Summary Operating Results			
Revenue	1,455,170	1,611,322	1,250,281
Commission	(237,477)	(174,005)	(140,118)
Net revenue	1,217,693	1,437,317	1,110,163
Cost of goods sold	501,587	929,124	687,030
Gross Profit	716,106	771,454	584,674
Operating expenses	1,258,247	1,327,951	851,139
Net operating income (loss)	(542,141)	(556,497)	(266,464)
Other income (expense)	30,557	15,659	140,000
Total comprehensive income (loss)	(511,584)	(540,838)	(126,464)
Balance Sheet Data			
Cash	35,769	66,878	38,708
Total assets	4,269,943	598,482	383,918
Total liabilities	3,530,282	2,953,833	2,270,001
Shareholders' equity/deficiency	(2,755,845)	(2,355,351)	(1,886,083)
Total Liabilities and Shareholders' equity	4,269,943	598,482	383,918

SRCO Professional Corporation, Chartered Accountants, auditors of Cheelcare, audited the financial statements of Cheelcare for the fiscal years ended April 30, 2024 and 2023 in accordance with the Canadian generally accepted auditing standards.

Cheelcare declared no cash dividends during the periods ended April 30, 2023, April 30, 2024 and January 31, 2025. See “*Information Concerning Cheelcare – Selected Financial Information And Management’s Discussion And Analysis*”.

Information about the Resulting Issuer

Pursuant to the DBC Qualifying Transaction, Subco and Cheelcare will amalgamate to form Amalco, a wholly-owned subsidiary of the Resulting Issuer. In connection with the DBC Qualifying Transaction, the Resulting Issuer will change its name to “Cheelcare Inc.” or such other name as may be requested by Cheelcare, approved by Cheelcare and is acceptable to the regulators.

See “*Information Concerning The Resulting Issuer*”.

The following table sets out the estimated funds available to the Resulting Issuer after giving effect to the DBC Qualifying Transaction as at the dates indicated:

Source of Funds	Following Completion of the DBC Qualifying Transaction and the release of the Escrowed Funds (\$)
Estimated DBC working capital as at May 31, 2025	37,648
Estimated Cheelcare working capital (deficiency) as at May 31, 2025	(975,976)
Estimated gross proceeds from the Concurrent Financing	3,500,000
Finder's fees paid for the Concurrent Financing	(94,800)
Estimated transaction costs – audit fees	(25,000)
Estimated transaction costs – legal fees	(125,000)
Total available funds:	2,316,872

Upon completion of the DBC Qualifying Transaction, the Resulting Issuer will carry on the business conducted by Cheelcare. The following table sets out the proposed principal uses of the available funds after giving effect to the DBC Qualifying Transaction.

Principal Uses of Available Funds	Following Completion of the DBC Qualifying Transaction and the release of the Escrowed Fund (\$)
Estimated Cheelcare Wages and Salary	700,000
Estimated Cheelcare Expected PP&E Investments ⁽¹⁾	48,858
Estimated Cheelcare G&A, Accounting and Legal	200,000
Estimated Cheelcare Regulatory Compliance	22,500
Estimated Cheelcare Interest, charges and other expenses	131,745
Milestone 1 (Launch of Curio) ⁽¹⁾	632,000
Milestone 2 (New product development)	150,000
Unallocated Working Capital ⁽²⁾⁽³⁾⁽⁴⁾	431,769
Total available funds:	2,316,872

Notes:

- (1) Figure represents approximately 40% of the Resulting Issuer's anticipated capital expenditures for the next twelve months; the balance of 60% of capital expenditures is expected to be incurred in connection with achieving the Resulting Issuer's stated milestone, and has been included in the stated milestone cost.
- (2) With respect to shareholder loans extended to Cheelcare by Mr. Cherny and Mr. Paltsev, Cheelcare may pay back, but is not obligated to pay back such loans by a particular date. The outstanding principal and interest owing on such loans is \$438,719. See "*Non-Arm's Length Party Transactions*" for further details. The Resulting Issuer only anticipates paying back such loans within the next twelve months if sufficient net profits are generated from its sales over such period of time.
- (3) With respect to the convertible loan issued pursuant to the Convertible Loan Agreement, if the principal (\$450,000) and any accrued interest are not converted into Resulting Issuer Common Shares, the Resulting Issuer may prepay such loan any time prior to maturity, being the date that is 18 months from the advance date (the "**CL Maturity Date**"). The Resulting Issuer only anticipates paying back such loan prior to the CL Maturity Date if sufficient net profits are generated from sales over such period of time.
- (4) The Resulting Issuer anticipates expenses related to sales and marketing, cost of manufacturing goods would be contingent and funded only from income generated from sales by the Resulting Issuer.

The Resulting Issuer intends to spend the funds available to it as stated in the table above. However, there may be circumstances where, for sound business reasons, a reallocation of funds may be necessary for the Resulting Issuer to achieve its objectives or to pursue other opportunities that management believes are in the interests of the Resulting Issuer.

Selected Pro Forma Financial Information

The following table sets out a summary of selected pro forma consolidated financial information of the Resulting Issuer as at November 30, 2024, after giving effect to the DBC Qualifying Transaction, as well as certain other adjustments, and should be read in conjunction with the pro forma consolidated financial statements and the notes thereto of the Resulting Issuer attached hereto as Schedule “I”:

Balance Sheet Data	As of November 30, 2024 (\$)
Current Assets	4,699,166
Total Assets	4,750,783
Current Liabilities	1,956,065
Total Liabilities	2,366,364
Shareholders' Equity	2,384,419
Total Liabilities and Shareholders' Equity	4,750,783

Interests of Insiders, Promoters and Control Persons

No non-arm's length parties to DBC hold securities in Cheelcare other than: (i) 66,666 Subscription Receipts indirectly acquired by Alan Savage, Chief Financial Officer and director of DBC; (ii) \$50,000 of Cheelcare Convertible Debentures purchased directly by Trevor Treweek, Chief Executive Officer, Corporate Secretary and director of DBC; (iii) \$227,999.50 of Cheelcare Convertible Debentures purchased directly or indirectly by Paul Andreola, director of DBC and (iv) \$25,000 of Cheelcare Convertible Debentures purchased indirectly by Jake Bouma, director of DBC.

Non-Arm's Length Qualifying Transaction

The proposed Qualifying Transaction is not a Non-Arm's Length Qualifying Transaction.

Conflicts of Interest

Certain directors, officers and Promoters of the Resulting Issuer are associated with other reporting issuers or other corporations that may give rise to conflicts of interest. Please see “*Information Concerning The Resulting Issuer – Other Reporting Issuers*” below. In accordance with the BCBCA, directors or officers of the Resulting Issuer who have a material interest in a material contract or a proposed material contract with the Resulting Issuer are required, subject to certain exceptions, to disclose that interest and generally abstain from voting on any resolution to approve the contract. In addition, the directors are required to act honestly and in good faith with a view to the best interests of the Resulting Issuer.

Some of the directors and officers of the Resulting Issuer have or will have either other employment or other business or time restrictions placed on them and, accordingly, these directors and officers of the Resulting Issuer will only be able to devote part of their time to the affairs of the Resulting Issuer. See “*Information Concerning The Resulting Issuer – Risk Factors – Conflicts Of Interest*”.

Sponsorship

Sponsorship for the DBC Qualifying Transaction is required by the CPC Policy unless an exemption from the sponsorship requirement is granted to DBC by the Exchange. The TSXV has granted DBC a waiver from the sponsorship requirements in respect of the DBC Qualifying Transaction.

Interest of Experts

No person or company who is named as having prepared or certified a part of the Filing Statement or prepared or certified a report or valuation described or included in the Filing Statement has, or will have, immediately following

completion of the DBC Qualifying Transaction, any direct or indirect interest in Cheelcare, DBC or the Resulting Issuer.

Risk Factors

The DBC Qualifying Transaction is subject to a number of risk factors inherent to similar transactions of this nature. Additional risks and uncertainties may also adversely affect the Resulting Issuer Common Shares and/or the business of the Resulting Issuer following completion of the DBC Qualifying Transaction. These risks include, but are not limited to: liabilities that may arise from the DBC Qualifying Transaction; costs of the DBC Qualifying Transaction; the effect of the DBC Qualifying Transaction on the Resulting Issuer Common Shares is uncertain; risk of failing to meet TSXV continuous listing requirements; risk of forward-looking information being inaccurate; reliance on healthcare professionals' acceptance of Cheelcare's products; changes in insurance or government medical coverage and reimbursement policies; reliance on relationships with dealers and sales representatives; dependence on key suppliers, supply chain and manufacturing risks; reliance on new product and service offerings; increase price volatility due to being a public company; the requirements of being a reporting issuer; technological advancements and competition; risk of product liability; regulatory compliance and approval risks; dependence on key management personnel; conflicts of interest; fraudulent or illegal activity by employees, contractors and consultants; internal controls; general economic risks; uncertainty of use of proceeds; failure to successfully integrate acquired businesses, its products and other assets into the Resulting Issuer; liquidity and additional financing; difficulty to forecast; fluctuations in market price of the Resulting Issuer Common Shares; management of growth; equity price risk; anti-money laundering laws and regulation risks; regulation; unknown defects and impairments; credit and liquidity risk; litigation; cybersecurity risks; risk that the Resulting Issuer will be unable to turn a profit or generate immediate revenues; customer acquisitions; constraints on marketing products; intellectual property. Risks involving the DBC Qualifying Transaction and the Resulting Issuer that may affect results of operations, earnings and expected benefits of the DBC Qualifying Transaction are discussed under the heading "*Information Concerning the Resulting Issuer – Risk Factors*". Although DBC and Cheelcare have attempted to identify important factors that could cause actual results to differ materially, there may be other factors that cause results not to be as anticipated, estimated or intended. There can be no assurance that such statements will prove to be accurate as actual results and future events could differ materially from those anticipated in such statements. Accordingly, readers should not place undue reliance on forward-looking information. Forward-looking information is made as of the date given and DBC and Cheelcare do not undertake any obligation to revise or update any forward-looking information other than as required by applicable law.

E) THE QUALIFYING TRANSACTION

The following description of the material terms and conditions of the Business Combination Agreement is a summary only and is qualified in its entirety by reference to the terms of the Business Combination Agreement. The full text of the Business Combination Agreement is available under DBC's profile on SEDAR+.

Pursuant to the Business Combination Agreement, DBC and Cheelcare have agreed to complete the DBC Qualifying Transaction pursuant to which, among other things, Subco and Cheelcare will amalgamate pursuant to the provisions of the CBCA to form Amalco and each Cheelcare Shareholder will be entitled to receive that number of Resulting Issuer Common Shares as is equal to the number of Post-Split Cheelcare Common Shares held by such Cheelcare Shareholder immediately prior to the Effective Time.

If completed, the DBC Qualifying Transaction is intended to constitute a Qualifying Transaction of DBC in compliance with the CPC Policy and securityholders of Cheelcare will own the substantial majority of the shares of the Resulting Issuer. Upon completion of the DBC Qualifying Transaction and subject to the approval of the TSXV, it is expected that the Resulting Issuer will be listed on the TSXV as a Tier 2 Technology Issuer (as such term is defined in the TSXV Corporate Finance Manual).

Unless the Escrow Release Conditions are not completed prior to the Escrow Deadline, immediately prior to the Effective Time of the Amalgamation, each Cheelcare Subscription Receipt will be automatically converted into one (1) Unit with each Unit consisting of one (1) Post-Split Cheelcare Common Share and one-half (½) Cheelcare Warrant, without payment of additional consideration or further action on the part of the holder.

Upon closing of the DBC Qualifying Transaction, each Cheelcare Shareholder will be entitled to receive one (1) Resulting Issuer Common Share for each such Cheelcare Common Share held by such Cheelcare Shareholder. In addition, each Cheelcare Option and Cheelcare Warrant will be replaced by an equal number of Resulting Issuer Options, Resulting Issuer Finder's Warrants and Resulting Issuer Warrants, respectively. Each Resulting Issuer Option, Resulting Issuer Finder's Warrant and Resulting Issuer Warrant shall have substantially the same terms and conditions as the Cheelcare Options and Cheelcare Warrants replaced, subject to adjustment, and will entitle the holder thereof to acquire, upon exercise thereof, and for the consideration payable therefor, one Resulting Issuer Common Share.

DBC, as the registered holder of all of the issued and outstanding Subco Common Shares, shall be deemed to be the registered holder of all of the issued and outstanding Amalco Common Shares, and upon surrendering the certificates representing such Subco Common Shares to Amalco, DBC shall be entitled to receive a share certificate representing that same number of Amalco Common Shares.

As at the date of this Filing Statement, there are: (a) 4,500,000 DBC Common Shares issued and outstanding; (b) DBC Options issued and outstanding to acquire 450,000 DBC Common Shares; (c) DBC Warrants issued and outstanding to acquire 200,000 DBC Common Shares; (d) 8,005,690 Cheelcare Common Shares issued and outstanding; (e) Cheelcare Options to acquire 798,000 Cheelcare Common Shares at an exercise price of \$0.50 per Cheelcare Common Share; (d) Cheelcare Convertible Debentures (excluding interest) exercisable into 2,440,888 Cheelcare Common Shares; (e) interest on the Cheelcare Convertible Debentures exercisable into 479,530 Cheelcare Common Shares; (d) 300,000 Cheelcare Warrants to acquire 300,000 Cheelcare Common Shares.

Subject to minor deviation as a result of the effects of rounding at the individual securityholder level, upon completion of the DBC Consolidation, but prior to completion of the DBC Qualifying Transaction, there will be 1,500,000 Post-Consolidation DBC Common Shares issued and outstanding, DBC Options to acquire 150,000 Post-Consolidation DBC Common Shares and DBC Warrants issued and outstanding to acquire 66,666 Post-Consolidation DBC Common Shares.

In addition, upon completion of the Cheelcare Split, but prior to the completion of the DBC Qualifying Transaction, there will be 10,522,015 Cheelcare Common Shares issued and outstanding, Cheelcare Options to acquire 1,048,825 Cheelcare Common Shares, Cheelcare Convertible Debentures to acquire 2,440,888 Cheelcare Common Shares (excluding interest) and interest on the Cheelcare Convertible Debentures to acquire 479,530 Cheelcare Common Shares.

Upon completion of the DBC Qualifying Transaction, there will be approximately 19,609,099 Resulting Issuer Common Shares issued and outstanding on a non-diluted basis⁶, of which approximately 10,522,015 Resulting Issuer Common Shares will be held by former Cheelcare Shareholders, 4,666,666 Resulting Issuer Common Shares will be held by former holders of Cheelcare Subscription Receipts, approximately 2,440,888 Resulting Issuer Common Shares will be held by former holders of the Cheelcare Convertible Debentures, approximately 479,530 Resulting Issuer Common Shares will be held by former holders of the Cheelcare Convertible Debentures for the interest applicable therein; and 1,500,000 Resulting Issuer Common Shares will be held by former DBC Shareholders. Accordingly, approximately 53.66% of the total issued and outstanding Resulting Issuer Common Shares will be owned by former Cheelcare Shareholders, approximately 23.80% of the total issued and outstanding Resulting Issuer Common Shares will be owned by former Concurrent Financing Subscribers, approximately 14.90%⁷ of the total issued and outstanding Resulting Issuer Common Shares will be owned by former holders of Cheelcare Convertible Debentures, and approximately 7.65% of the total issued and outstanding Resulting Issuer Common Shares will be owned by former DBC Shareholders on a non-diluted basis upon completion of the DBC Qualifying Transaction.

Following completion of the DBC Qualifying Transaction, the Resulting Issuer Common Shares are expected to be listed and posted for trading on the TSXV under the trading symbol "CHER".

⁶ The Resulting Issuer Common Shares issued and outstanding has been calculated based on the interest on the Cheelcare Convertible Debenture as of June 30, 2025.

⁷ Including approximately 479,530 Resulting Issuer Common Shares issued in satisfaction of the accrued interest on the Cheelcare Convertible Debentures calculated as of June 30, 2025.

Implementation of the DBC Qualifying Transaction is subject to receipt of all requisite regulatory approvals, shareholder and director approvals, third party consents and other customary conditions.

Steps of the DBC Qualifying Transaction

The DBC Qualifying Transaction is not a Non-Arm's Length Qualifying Transaction and as such, DBC Shareholders are not required to approve the DBC Qualifying Transaction. It is the intention of the parties that the DBC Consolidation and the Name Change will be effected immediately prior to the completion of the DBC Qualifying Transaction. The Board will approve the DBC Consolidation and the Name Change by resolution.

Upon the satisfaction and/or waiver of the conditions to the completion of the DBC Qualifying Transaction, including, without limitation, obtaining the requisite shareholder and regulatory approvals and the filing of the Business Combination Agreement, Subco and Cheelcare will jointly file the amalgamation application with the Registrar.

Immediately prior to the Effective Time of the Amalgamation, 4,666,666 Cheelcare Subscription Receipts will convert into 4,666,666 Units, comprising of 4,666,666 Cheelcare Common Shares and 2,333,333 Cheelcare Warrants, all of which will be converted into an aggregate of 4,666,666 Resulting Issuer Common Shares and 2,333,333 Resulting Issuer Warrants on a one to one basis upon completion of the DBC Qualifying Transaction without payment of additional consideration or further action on the part of the holder thereof. See *"Information Concerning Cheelcare – Prior Sales"*.

At the Effective Time of the Amalgamation and as a result of the Amalgamation:

- (i) Cheelcare and Subco agree to effect the Amalgamation whereby Cheelcare and Subco will amalgamate, with the resulting entity ("**Amalco**") constituting a continuation of each of Cheelcare and Subco under applicable law and whereby:
 - 1. each Cheelcare Common Share (post-Cheelcare Split) held by the Cheelcare Shareholders shall be cancelled in consideration therefore the Cheelcare Shareholder shall receive one (1) fully paid and non-assessable Resulting Issuer Common Share for each such Cheelcare Common Share;
 - 2. each Subco Common Share held by DBC shall be cancelled in consideration therefore DBC shall receive (1) fully paid and non-assessable Amalco Common Share for each such Subco Common Share;
 - 3. each Cheelcare Option held by the holders of Cheelcare Options shall be cancelled in consideration therefore the holders of Cheelcare Options shall receive one (1) Resulting Issuer Option for each such Cheelcare Option;
 - 4. each Cheelcare Warrant held by the holders of Cheelcare Warrants shall be cancelled in consideration therefore the holders of Cheelcare Warrants shall receive one (1) Resulting Issuer Warrant for each such Cheelcare Warrant;
- (ii) to the extent permitted by law, Amalco shall add to the capital account maintained in respect of the Amalco Common Shares an amount equal to the aggregate of the paid-up capital (for the purposes of the Tax Act, determined immediately prior to the Amalgamation, of the Subco Common Shares;
- (iii) the paid-up capital (for the purposes of the Tax Act, determined immediately prior to the Amalgamation, of the Cheelcare Common Shares that are exchanged, or deemed to be exchanged, for Resulting Issuer Common Shares on the Amalgamation;
- (iv) to the extent permitted by law, the Resulting Issuer shall add to the capital account maintained in respect of the Resulting Issuer Common Shares an amount equal to the paid-up capital (for the purposes of the Tax Act, determined immediately prior to the Amalgamation, of the Cheelcare Common Shares that are exchanged, or deemed to be exchanged, for Resulting Issuer Common Shares on the Amalgamation;

- (v) Amalco will become a wholly-owned subsidiary of DBC; and
- (vi) the Resulting Issuer shall be entitled to deduct and withhold from any consideration otherwise payable pursuant to transactions contemplated by the Business Combination Agreement to any holder of Cheelcare Common Shares such amounts as it determines are required or permitted to be deducted and withheld with respect to such payment under the Tax Act or any provision of provincial, state, local or foreign tax law, in each case as amended; to the extent that amounts are so withheld, such withheld amounts shall be treated for all purposes hereof as having been paid to the holder of Cheelcare Common Shares, in respect of which such deduction and withholding was made, provided that such withheld amounts are actually remitted to the appropriate taxing authority.

Upon completion of the Amalgamation, TSX Trust Company (the Transfer Agent of the Resulting Issuer), as transfer agent of the Resulting Issuer Common Shares, will push out direct registration system advice to all holders of the Cheelcare Common Shares and advise them of their post-Amalgamation holdings. The direct registration advice will replace any existing share certificate representing Cheelcare Common Shares. Currently, outstanding share certificates representing the Cheelcare Common Shares should be retained by the holders thereof and to be forwarded to the Resulting Issuer or the Transfer Agent.

No direct registration system advice for fractional Resulting Issuer Common Shares will be issued, and fractional Resulting Issuer Common Shares will be rounded down, and no shareholder of the Resulting Issuer will be entitled to any compensation in respect of a fractional Resulting Issuer Common Share.

Upon closing of the DBC Qualifying Transaction, each Cheelcare Shareholder will be entitled to receive one (1) Resulting Issuer Common Share for each such Post-Split Cheelcare Common Share (post-Cheelcare Split) held by such Cheelcare Shareholder. In addition, each Cheelcare Option and Cheelcare Warrant will be replaced by an equal number of Resulting Issuer Options and Resulting Issuer Warrants respectively. Each Resulting Issuer Option and Resulting Issuer Warrant shall have substantially the same terms and conditions as the Cheelcare Options and Cheelcare Warrants replaced, subject to adjustment, and will entitle the holder thereof to acquire, upon exercise thereof, and for the consideration payable therefor, one Resulting Issuer Common Share.

DBC, as the registered holder of all of the issued and outstanding Subco Common Shares, shall be deemed to be the registered holder of all of the issued and outstanding Amalco Common Shares, and upon surrendering the certificates representing such Subco Common Shares to Amalco, DBC shall be entitled to receive a share certificate representing that same number of Amalco Common Shares.

As of the Effective Time, each current member of the Board will resign and the Resulting Issuer Board will be comprised of Eugene Cherny, Dima Paltsev, Roy Ellis, Sheila Buck⁸, Trevor Treweeke, Marc Kazimirski⁹ and Maxime Lemieux, with each appointee being subject to acceptance by the TSXV and other regulatory bodies.

Completion of the DBC Qualifying Transaction

The DBC Qualifying Transaction will be completed and the Amalgamation will become effective at the Effective Time. It is currently anticipated that the Effective Date will be on or about July 4, 2025.

Following completion of the DBC Qualifying Transaction the Resulting Issuer Common Shares are expected to be listed on the TSXV under the trading symbol “CHER” as a Tier 2 Technology Issuer. See “*Information Concerning The Resulting Issuer – Description Of Resulting Issuer Securities*”.

Conditional Listing Approval

The TSXV has conditionally accepted the DBC Qualifying Transaction subject to DBC and Cheelcare fulfilling all of the requirements of the TSXV on or before August 24, 2025.

⁸ Sheila Buck will be appointed as a director of the Resulting Issuer at the next annual meeting of the shareholders of the Resulting Issuer.

⁹ Marc Kazimirski will be appointed as a director of the Resulting Issuer at the next annual meeting of the shareholders of the Resulting Issuer.

F) INFORMATION CONCERNING DBC

Corporate Structure

Name, Address and Incorporation

DBC was incorporated pursuant to the provisions of the BCBCA on February 16, 2022.

The registered and records office of DBC is located at 228-1122 Mainland St., Vancouver, British Columbia, V6B 5L1, Canada.

General Development of the Business

DBC is a CPC and its principal business is to identify and evaluate opportunities for the acquisition of an interest in assets or businesses with a view to completing a Qualifying Transaction and, once identified and evaluated, to negotiate an acquisition or participation in such assets or businesses.

DBC completed its initial public offering on October 26, 2022 in which it distributed 2,000,000 DBC Common Shares at a price of \$0.10 per common share for gross proceeds of \$200,000. DBC paid \$20,000 in cash finder's fees, paid \$33,000 in share issuance costs comprising a corporate finance fee and agents' costs, and issued 200,000 broker warrants exercisable into one common share of DBC at \$0.10 per share expiring October 26, 2027. The DBC Common Shares are listed on the TSXV under the symbol "DBC.P" and commenced trading on October 28, 2022.

On October 28, 2024, DBC and Cheelcare entered into the Letter of Intent in connection with the DBC Qualifying Transaction.

Trading of the DBC Common Shares has been halted by the Exchange since October 28, 2024 pending completion of the DBC Qualifying Transaction. The market price of the DBC Common Shares on the TSXV on October 27, 2024, the last day of trading immediately prior to the halt, was \$0.10 per DBC Common Share.

On February 6, 2025, DBC incorporated Subco for the sole purpose of completing the DBC Qualifying Transaction. Other than Subco, DBC has no other subsidiaries.

On February 24, 2025, DBC and Cheelcare entered into the Business Combination Agreement.

For further information, see "*The DBC Qualifying Transaction*".

Selected Financial Information

The following table sets out certain selected financial information of DBC in summary form for the fiscal years ended February 29, 2024 and February 28, 2023, and for the nine months ended November 30, 2024:

	Nine Months Ended November 30, 2024 (unaudited)	Fiscal Year Ended February 29, 2024 (audited)	Fiscal Year Ended February 28, 2023 (audited)
Total revenues	\$0	\$0	\$0
Total expenses	\$30,670	\$43,795	\$120,473
Net loss	\$30,670	\$43,795	\$120,473

Management's Discussion and Analysis

Financial information relating to DBC, including its audited financial statements as at and for the fiscal years ended February 29, 2024 and February 28, 2023, and for the nine months ended November 30, 2024, and the related management's discussion and analysis for the year ended February 29, 2024, and for the nine months ended November

30, 2024, are attached hereto as Schedules “A”, “B”, “C” and “D”. Certain information included in such management’s discussion and analysis is forward-looking and based upon assumptions and anticipated results that are subject to uncertainties. Should one or more of these uncertainties materialize or should the underlying assumptions prove incorrect, actual results may vary significantly from those expected. See “*Cautionary Note Regarding Forward-Looking Information.*”

Description of Securities

DBC Common Shares

DBC is authorized to issue an unlimited number of DBC Common Shares and an unlimited number of preferred shares without par value, of which 4,500,000 DBC Common Shares are issued and outstanding as fully paid and non-assessable as at the date hereof. After giving effect to the DBC Consolidation, DBC will have 1,500,000 Post-Consolidation DBC Common Shares issued and outstanding, subject to minor deviation as a result of the effects of rounding at the individual shareholder level.

The holders of DBC Common Shares are entitled to receive notice of and attend all meetings of DBC Shareholders and are entitled to one vote in respect of each DBC Common Share held at such meetings. DBC Shareholders are entitled to receive dividends if, as and when declared by the Board. In the event of liquidation, dissolution or winding-up of DBC, DBC Shareholders are entitled to share rateably in such assets of DBC as are distributable to the holders of DBC Common Shares.

Stock Option Plan and Options Granted

DBC adopted an incentive 10% rolling stock option plan which provides that the board of directors may from time to time, in its discretion, and in accordance with the TSXV requirements, grant to directors, officers, key employees and consultants of DBC and its subsidiaries, non-transferable options to purchase DBC Common Shares exercisable for a period of up to ten (10) years from the date of the grant, provided that the number of DBC Common Shares reserved for issuance may not exceed ten (10%) percent of the total issued and outstanding DBC Common Shares from time to time. The price at which an optionee may purchase a DBC Common Share upon the exercise of an option shall be determined from time to time by the board of directors and shall not be less than the Market Price (as such term is defined in TSXV policy 1.1).

The purpose of the DBC Option Plan is to secure for DBC and the DBC Shareholders the benefits of incentive inherent in share ownership by directors, officers and key employees of, and consultants to DBC or its subsidiaries, who will be largely responsible for DBC’s future growth and success.

The DBC Option Plan provides that the number of DBC Common Shares reserved for issuance under the DBC Options:

- (a) to any one consultant, in any 12-month period, will not exceed two (2%) percent of the issued and outstanding DBC Common Shares at the time of grant;
- (b) to any one officer, director, employee of DBC or a consultant, Management Company Employee, or an Eligible Charitable Organization (as such terms are defined in TSXV policy 4.4) (collectively an “**Eligible Person**”) conducting investor relations, in any 12-month period, will not exceed two (2%) percent of the issued and outstanding DBC Common Shares at the time of grant.
- (c) to any one individual, in any 12-month period, will not exceed five (5%) percent of the issued and outstanding DBC Common Shares at the time of grant, unless DBC has obtained disinterested shareholder approval;
- (d) to any Insider, in any 12-month period, will not exceed ten (10%) percent of the issued and outstanding DBC Common Shares at the time of grant, unless DBC has obtained disinterested shareholder approval;

In addition, the DBC Option Plan further provides that while DBC is a CPC, no DBC Option shall be granted to (i) employees or Management Company Employees; or (ii) a consultant unless such consultant is a technical

consultant whose particular industry of expertise in relation to the business of the Vendor or Target Company (as such terms are defined in the CPC Policy), as the case may be, is required to evaluate a proposed Qualifying Transaction (as such term is defined in the CPC Policy).

Notwithstanding the foregoing, the DBC Option Plan provides that, prior to the issuance of the Final Exchange Bulletin, the number of DBC Common Shares reserved for issuance under the DBC Options:

- a) to any officer or director of DBC will not exceed five (5%) percent of the issued and outstanding DBC Common Shares at the time of grant;
- b) to all consultants will not exceed an aggregate of two (2%) percent of the issued and outstanding shares at the time of grant; and
- c) to all Eligible Charitable Organization will not exceed an aggregate one (1%) percent of the issued and outstanding shares at the time of grant.

Subject to the conditions disclosed herein, the Board determines the manner in which an option shall vest and become exercisable. Options granted to an Eligible Person performing investor relations activities shall vest over a minimum of 12 months with no more than one quarter ($\frac{1}{4}$) of such options vesting in any 3 month period.

If an optionee shall cease to be a director or officer of DBC or cease to be employed or retained by DBC by reason of death, vested options may be exercised within a maximum period of one (1) year after such death or before the expiration of the options, whichever comes first. In the event the expiration of the options is earlier than one (1) year after the date of death, with the consent of the TSXV, the options shall be exercisable for up to one (1) year after the date of death of the optionee as determined by the board of directors of DBC. Notwithstanding the foregoing, the board of directors, in its discretion, may resolve that up to all of the options held by an optionee at the date of death which have not yet vested shall vest immediately upon death.

If the employment or engagement of an optionee shall terminate with DBC due to disability while the optionee is employed or retained by DBC, any vested options are exercisable by the optionee or their legal representative within the earlier of one (1) year following the termination or before the options expire. The board of directors may choose to immediately vest all unvested options upon the disability-related termination.

An employee or consultant of DBC whose employment is terminated for cause (as determined by the board of directors), shall not be allowed to exercise any options held by such employee following the date upon which the termination occurred.

If an optionee ceases to be an Eligible Person, any vested options shall be exercised only to the extent that the optionee was entitled to exercise the options at the date such optionee ceased to be an Eligible Person and only for one (1) year after the date such optionee ceased to be an Eligible Person.

Subject to the foregoing, if an optionee ceases to be an Eligible Person, the optionee may exercise vested options no later than 90 days following the date such optionee ceased to be an Eligible Person or up to one (1) year as decided by the board of directors at the time of grant. This period may be extended up to one year or until the option expires, whichever is earlier. The board of directors may choose to immediately vest all unvested options upon the disability-related termination.

Notwithstanding the terms of the DBC Option Plan described above, the CPC Policy imposes certain restrictions on stock options during the period that DBC remains a CPC. Such restrictions shall remain in place until the TSXV issues the Final Exchange Bulletin (such bulletin indicating that the Resulting Issuer will not be considered a CPC). Under the CPC Policy, DBC, while it remains a CPC, is limited to granting stock options to only directors, officers and technical consultants of DBC. In addition, the total number of DBC Common Shares reserved under option for issuance pursuant to the DBC Option Plan may not exceed 10% of the DBC Common Shares to be outstanding. The maximum number of DBC Common Shares reserved under option for issuance to any individual officer or director may not exceed five (5%) percent of the issued and outstanding DBC Common Shares to be outstanding. The maximum number of DBC Common Shares reserved under option for issuance to all technical consultants may not exceed two (2%) percent of the issued and outstanding DBC Common Shares to be outstanding.

In addition, while DBC is a CPC, it is prohibited from granting stock options to any person providing investor relations activities, promotional or market making services. The exercise price per DBC Common Share under any stock option granted by DBC while it is a CPC may not be less than the greater of \$0.10 and the Discounted Market Price, as defined in Policy 1.1 of the TSXV Manual.

Any DBC Common Shares acquired pursuant to the exercise of stock options prior to the completion of the DBC Qualifying Transaction, must be deposited in escrow and will be subject to escrow until the Final Exchange Bulletin is issued.

As of the date of this Filing Statement, there are 450,000 DBC Options issued and outstanding to directors and officers of DBC. 450,000 DBC Options may be exercised to acquire one DBC Common Share at a price of \$0.10 per share with an expiry date of October 26, 2027.

Prior Sales

Since the date of incorporation, 4,500,000 DBC Common Shares have been issued as follows:

Date of Issue	Number of DBC Common Shares	Issue Price Per DBC Common Share	Nature of Consideration Received
February 16, 2022	2,000,000	\$0.10 ⁽¹⁾⁽²⁾	Cash
March 18, 2022	500,000	\$0.05 ⁽¹⁾⁽²⁾	Cash
October 26, 2022	2,000,000	\$0.10 ⁽³⁾	Cash
Total:	4,500,000⁽⁴⁾		

Notes:

- (1) DBC Common Shares that were issued pursuant to a private placement.
- (2) DBC Common Shares that are subject to escrow restrictions pursuant to the CPC Escrow Agreement.
- (3) DBC Common Shares that were issued pursuant to the initial public offering.
- (4) As of the date of this Filing Statement, 4,500,000 DBC Common Shares are issued and outstanding.

TSXV Price

The DBC Common Shares began trading on the TSXV on October 28, 2022 under the trading symbol “DBC.P”. The trading of DBC Common Shares has been halted since October 28, 2024, pending completion of the DBC Qualifying Transaction. The market price of the DBC Common Shares on the TSXV on October 27, 2024, the final day of trading immediately prior to the halt, was \$0.10. DBC Common Shares remain halted as of the date of this Filing Statement. The following table sets forth certain trading information for DBC Common Shares on the TSXV for the periods noted below:

Period	High	Low	Trading Volume
May 2025	-	-	0
April 2025	-	-	0
March 2025	-	-	0
February 2025	-	-	0
January 2025	-	-	0
December 2024	-	-	0
November 2024	-	-	0
October 2024 ⁽¹⁾	\$0.10	\$0.075	30,000
September 2024	-	-	0
August 2024	\$0.08	\$0.08	10,000
July 2024	-	-	0
June 2024	-	-	0

Notes:

- (1) Pursuant to the policies of the Exchange, trading in the DBC Common Shares was halted effective October 28, 2024 and has not yet resumed. On October 27, 2024 the last trading day prior to the trading halt, the closing price of the DBC Common Shares was \$0.10 per DBC Common Share.

Interests of Insiders, Promoters and Control Persons

No non-arm's length parties to DBC hold securities in Cheelcare other than: (i) 66,666 Subscription Receipts indirectly acquired by Alan Savage, Chief Financial Officer and director of DBC; (ii) \$50,000 of Cheelcare Convertible Debentures purchased directly by Trevor Treweek, Chief Executive Officer, Corporate Secretary and director of DBC; (iii) \$227,999.50 of Cheelcare Convertible Debentures purchased directly and indirectly by Paul Andreola, director of DBC and (iv) \$25,000 of Cheelcare Convertible Debentures purchased indirectly by Jake Bouma, director of DBC.

Non-Arm's Length Qualifying Transaction

The proposed DBC Qualifying Transaction is not a Non-Arm's Length Qualifying Transaction.

Conflicts of Interest

Certain directors, officers and Promoters of the Resulting Issuer are associated with other reporting issuers or other corporations that may give rise to conflicts of interest. Please see "*Information Concerning The Resulting Issuer – Other Reporting Issuers*" below. In accordance with the BCBCA, directors or officers of the Resulting Issuer who have a material interest in a material contract or a proposed material contract with the Resulting Issuer are required, subject to certain exceptions, to disclose that interest and generally abstain from voting on any resolution to approve the contract. In addition, the directors are required to act honestly and in good faith with a view to the best interests of the Resulting Issuer.

Some of the directors and officers of the Resulting Issuer have or will have either other employment or other business or time restrictions placed on them and, accordingly, these directors and officers of the Resulting Issuer will only be able to devote part of their time to the affairs of the Resulting Issuer. See "*Information Concerning The Resulting Issuer – Risk Factors – Conflicts Of Interest*".

Legal Proceedings

DBC has not been, and is not presently involved in, any legal proceedings and insofar as it is aware, no such proceedings are contemplated.

Auditor, Transfer Agents and Registrars**Auditor**

The auditors of DBC are Crowe MacKay LLP located at 1400 – 1185 West Georgia Street, Vancouver, British Columbia, V6E 4E6, Canada.

Transfer Agent and Registrar

DBC's transfer agent and registrar is TSX Trust Company located at 301 – 100 Adelaide St. West, Toronto, Ontario, M5H 4H1, Canada.

Material Contracts

DBC has not entered into any material contracts and is not expected to enter into any material contracts prior to the Closing, other than:

- the agency agreement dated August 2, 2022 between Canaccord Genuity Corp., as the "Agent" and DBC executed in connection with the IPO;
- the CPC Escrow Agreement in Form 2F of the TSXV dated March 18, 2022 among the Transfer Agent, as escrow agent, DBC and each of the securityholders of DBC party to the escrow agreement;

- the transfer agent, registrar and disbursing agent agreement dated March 4, 2022 between DBC and the Transfer Agent; and
- the Business Combination Agreement.

Copies of the foregoing agreements will be available for inspection at the registered offices of DBC, 228-1122 Mainland St., Vancouver, British Columbia, V6B 5L1, Canada, during ordinary business hours, until the completion of the DBC Qualifying Transaction and for a period of 30 days thereafter.

G) INFORMATION CONCERNING CHEELCARE

Corporate Structure

Name and Incorporation

Cheelcare was incorporated pursuant to the provisions of the CBCA on May 21, 2015 as 9302204 Canada Inc. It is a private company that designs and manufactures innovative mobility devices using advanced robotics. No public market exists for the securities of Cheelcare as of the date hereof.

The registered and records office of Cheelcare is located at 16 Sims Crescent, Unit 20, Richmond Hill, Ontario L4B 2P1.

Intercompany Relationships

As at the date of this Filing Statement, Cheelcare does not have any subsidiaries.

General Development of the Business

Cheelcare was founded in 2015 by Eugene Cherny and Dima Paltsev to develop advanced mobility solutions for individuals with physical impairments. The company focuses on integrating technology and design to create innovative assistive devices that enhance user independence. Cheelcare's product portfolio consists of three key lines:

- A. Robotic Complex Rehab Power Wheelchair – These devices feature patented self-leveling technology and the lowest seat-to-floor height in their class, enhancing stability and accessibility.
- B. Power Add-ons for Manual Wheelchairs – Designed to convert manual wheelchairs into powered mobility device, offering users increased independence.
- C. Aftermarket Wheelchair Accessories – A range including OEM equipment, backup cameras, phone chargers, and wheel suspension systems, that allow wheelchair users the ability to supplement their existing equipment to improve safety and convenience.

Cheelcare has achieved milestones in product development, regulatory approvals, market expansion, and revenue growth.

Prototype development of power add-ons and robotic complex rehab power wheelchairs began in 2015. By 2019, the company completed pilot production and market testing of its line of power add-ons called, Companion (as defined herein). Initial sales began in 2020 and were made through U.S. Department of Veterans Affairs Medical Centers.

On May 25, 2022, the Companion Plus power add-on was listed in Ontario's Assistive Devices Program (ADP) [<https://www.ontario.ca/page/mobility-aids>] Mobility Devices Product Manual of devices eligible for reimbursement under the program, making it the first front-mount power add-on device included in the program's catalogue. This approval facilitated market expansion in Ontario, leading to engagement with over 60 ADP-authorized dealers by mid-2022.

By April 30, 2023, revenue reached \$1.25M reflecting strong market adoption. Sales of Companion Plus increased 88% over the previous fiscal year. The company expanded its dealer network to over 80 dealers across North America, Australia, and Europe.

In early 2024, Cheelcare initiated pilot production of the Curio (as defined herein) robotic complex rehab power wheelchair and secured its first Curio customer through WCB Alberta funding on January 4, 2024. By mid-2024, the company completed ISO 7176 testing, crash testing, and electromagnetic interference (EMI) testing to ensure Curio met international safety and performance standards. In October 2024, the company submitted Curio for listing within the Assistive Devices Program (ADP) of Ontario and is currently awaiting approval.

As of the end of the latest fiscal year, Cheelcare revenue grew to over \$1.61M with products available through more than 150 dealer locations and over 20 VA Medical Centers, including Canada's largest retailer of wheelchair equipment and one of the USA's largest DME retailers.

Narrative Description of the Business

Cheelcare is an innovative technological and manufacturing company focused on improving the quality of life and independence of people with physical disabilities through its line of next generation assistive devices.

Company co-founders, Eugene Cherny and Dima Paltsev, started the Richmond Hill, Ontario, Canada based Cheelcare in 2015. Motivated by personal experiences of family members facing challenges with disabilities, they recognized a significant gap in the market. Many assistive devices failed to meet the needs of users, not just functionally but also in offering the modern technologies and respectful design needed to enhance users' dignity and minimize psychological distress. The demand for such products is substantial, with over 1% of the global population—approximately 75 million people—requiring wheelchairs due to mobility impairments (BCC Research, 2016). This demand is projected to grow annually at a rate of around 4.21% due to increasing global life expectancy and the rising prevalence of conditions such as spinal cord injuries and chronic illnesses (Technavio, *Global Wheelchair Market 2018-2022*).

Determined to fill this void, the founders committed to the company's mission: enhancing the quality of life for individuals with physical limitations by creating products that redefine accessible. Cheelcare has since been dedicated to the development, manufacturing, and distribution assistive products tailored to users' needs. Cheelcare has been developing and manufacturing three lines of assistive mobility devices consisting of: (1) a line of robotic complex rehab power wheelchairs; (2) a line of power add-ons for manual wheelchairs named Companion; and (3) a line of essential wheelchair accessories.

Market for Mobility Devices

The United States Powered Mobility Devices Market size was estimated at USD 4,195.60 million in 2022, USD 4,683.38 million in 2023 and is projected to grow at a CAGR of 13.12% to reach USD 11,255.35 million by 2030 (Research and Markets Powered Mobility Devices Market Research Report 2023-2030).

Within this market, certain segments are experiencing significant expansion—particularly robotic wheelchairs and power add-ons for manual wheelchairs—both of which are showing year-over-year growth rates surpassing 20% (Technavio, *Global Robotic Wheelchairs Market 2018-2022*). Robotic wheelchairs offer enhanced functionality and safety, leading to improved medical outcomes. Power add-ons provide manual wheelchair users with increased range and autonomy (Ravenek et al.).

Medical conditions such as spinal cord injuries and accidents significantly contribute to the growing demand for wheelchairs, with an estimated 4 to 5 million people worldwide sustaining such injuries annually (BCC Research, *Global Markets and Technologies for Home Medical Equipment 2016*). Chronic health conditions also fuel market growth. Data from the Centers for Disease Control and Prevention (CDC) indicate that, as of 2012, nearly 117 million U.S. adults suffered from at least one chronic health condition, with heart disease, stroke, diabetes, cancer, obesity, and arthritis at the forefront (Technavio, *Global Wheelchair Market 2018-2022*). The prevalence of chronic diseases and subsequent patient mobility issues directly affect the demand for mobility assistance devices, including wheelchairs.

According to the *Global Wheelchair Market 2018-2022* report, North America accounts for approximately 41.32% of the global wheelchair market, with the U.S. market alone valued at over \$2 billion. Cheelcare is steadfast on focusing on these two strategic markets.

Cheelcare Products

Robotic Complex Rehab Power Wheelchairs

Cheelcare's robotic complex rehab power wheelchair (the “**Curio**”) represents a technological advancement in mobility assistance for complex rehab power wheelchair users who frequently face significant challenges due to limitations in the design of existing solutions. These wheelchairs are designed to provide innovative solutions to these clinical needs while incorporating the latest state-of-the-art technology. The complexities of disability necessitate advanced solutions for mobility and health management. Individuals with limited mobility and reduced skin sensitivity require wheelchairs with enhanced positioning capabilities, such as tilt and recline functions, as well as power-assisted backrests and footrests to minimize the incidence of pressure injuries.

In the United States, pressure injuries present a significant healthcare challenge, with treatment costs per patient ranging from \$70,000 to \$150,000 and an aggregate national expenditure exceeding \$10 billion annually (BCC Research, *Global Markets and Technologies for Home Medical Equipment 2016*). Research also supports the effectiveness of tilt-in-space and recline wheelchairs in reducing pressure injuries by redistributing weight and alleviating sustained pressure on vulnerable areas (Technavio, *Global Wheelchair Market 2018-2022*).

Cheelcare's patented seating system adheres to four independent legs with suspension and integrated robotic functionality, enabling 3D positioning for the user through anterior, posterior, and lateral tilting, along with self-leveling capabilities. These mechanisms are guided by proprietary algorithms to ensure safety, comfort, and precise reliable operation. The patented design and proprietary software allow for user repositioning which is critical in reducing the risk of pressure ulcers, as well as providing immediate connectivity for the control and monitoring of performance indicator, thus enhancing overall efficiency. These practical benefits extend to caregivers as well, improving their ability to provide effective care (U.S. patent US10912691B2, Canadian Patent CA3014158C).

The distinct design of Cheelcare's wheelchairs enables personal customization and, from a manufacturer and retailer perspective, leads to reduced production costs and delivery timeframes, potentially increasing dealer turnover and profitability. The utility and design of these products, safeguarded by patents and proprietary software, play a pivotal role in defining the market competitiveness and sustainability of Cheelcare's wheelchairs over the long term.

Power Add-Ons for Manual Wheelchairs

Cheelcare's power add-on for manual wheelchairs (the “**Companion**”) represents a technological advancement in mobility assistance for manual wheelchair users who frequently face significant challenges due to non-motorized use. Statistical data indicates that over fifty percent of individuals operating manual wheelchairs report pain from repetitive strain on their shoulders, arms, and wrists. Recent studies by the U.S. Department of Veterans Affairs confirm that manual wheelchair propulsion is associated with significant risk of repetitive strain injuries, with notable rates of shoulder pain among long-term users, further emphasizing the need for ergonomic enhancements and preventive strategies in wheelchair design (U.S. Department of Veterans Affairs, 2025). Additionally, the capabilities of manual wheelchairs are often limited when navigating inconsistent terrain, such as inclines or uneven surfaces, making power add-ons a crucial solution for enhancing mobility and user independence.

The Companion is a power-assist device designed to be compatible with various wheelchair sizes and to address these mobility issues. It is notably lightweight, under 10 kilograms, facilitating transportability and ease of use. The device's patented quick connect/disconnect mounting mechanism (U.S. Patent US20220054332A1, granted in December 2024), adds to its innovative design by enabling convenient transitions and adaptability.

Moreover, the Companion is equipped with technical features that include a twist throttle, a reverse mode selector (where equipped), and a bicycle-style brake lever, all standardly attached to the right-hand side. A backlit LCD display is located on the left side for the user's convenience. Customization options are available, such as the adjustment of control positions and the substitution of the twist throttle with a thumb throttle, to suit personal user needs.

For users with limited hand dexterity, the Companion integrates Cheelcare's “Q Controls”. This system allows for user-friendly operation through spring-loaded handlebars that can accelerate when pushed down and initiate

braking when released or pushed upward. This feature underscores Cheelcare's commitment to providing mobility solutions that are accessible and tailored to the needs of individuals with varying levels of physical ability.

Accessories

Wheelchair users require accessories that enhance both the functionality and comfort of their existing mobility devices. To address this, Cheelcare supplies an array of wheelchair accessories—including backup cameras, phone chargers, and phone holders. These products are integral to the safety and day-to-day convenience of wheelchair users.

Regulatory Environment

In Canada, Cheelcare has secured a Medical Device Establishment License as a Manufacturer, Distributor, and Importer of Class 1 medical devices (#10796). The regulatory process varies by province; for instance, in Ontario, complex rehab chairs are subject to testing to verify compliance with the RESNA 7176 standard. Conversely, provinces such as British Columbia and Alberta do not mandate this specific testing. Typically, the approval process in Canada spans a duration of 60 to 90 days.

In the United States, Class 2 power wheelchairs require FDA 510(k) clearance, which also involves testing to ensure compliance with the RESNA 7176 standard. Similar to Canada, the approval timeline in the U.S. ranges between 60 to 90 days.

Cheelcare's product range is designed, developed, and manufactured in accordance with the RESNA 7176 and ISO 7176 standards that govern this space. Both Curio and Companion have completed third-party independent testing to assure conformity to the standards in March of 2024. In supplement to this, Curio has been crash tested to ensure safety when used in a vehicle and passed electro-magnetic interference testing for compliance with US FDA regulations for its device class. Companion is a class 1 medical device registered with the FDA. Curio is a class 2 medical device awaiting submission to the FDA for 510(k) premarket notification with all required third-party testing complete.

In October 2024, Cheelcare submitted Curio for listing within the Assistive Devices Program (ADP) of Ontario and is currently awaiting approval.

Intellectual Property

<u>Patent #</u>	<u>Title</u>	<u>Jurisdiction</u>	<u>Date Issued</u>	<u>Expiration</u>
US10912691B2	Configurable Assistive Device	USA	2021-02-09	2037-10-07
CA3014158C	Configurable Assistive Device	CANADA	2023-06-27	2037-02-13
WO2017137967A1	Configurable Assistive Device	WIPO (PCT)	2017-08-17	-
US12178765B2	Chair-drive interface assembly, wheelchair and/or drive	USA	2024-12-31	2047-01-14
CA3090535A1	Chair-drive interface assembly, wheelchair and/or drive	CANADA	Pending	Pending

Market Penetration Strategy

Cheelcare's market penetration strategy involves a multi-tiered approach, focusing on educating prescribing clinicians, strengthening dealer and healthcare partnerships, community collaboration, online engagement, and strategic presence at industry events and tradeshows.

Prescribers are the primary source of pull through in the market. They act as a resource to their clientele in helping them determine the most appropriate products according to their needs. Cheelcare invests heavily in education of prescribing clinicians through in-service, webinars, speaker opportunities, tradeshows and educational resources. Ensuring clinicians are familiar with the clinical application of the devices, practical considerations of design, differentiating factors, and applicable landscape is critical to enabling clinicians to confidently prescribe Cheelcare's devices.

Further, beside educating clinicians, Cheelcare actively develops its dealer network. The company's strategy emphasizes developing and expanding its dealer relationships by supplying original equipment manufacturer (OEM) products and accessories as well as maintaining a robust presence at industry trade events. Cheelcare operates under a business-to-business (B2B) distribution model, partnering with a network of dealers that purchase products directly from Cheelcare at wholesale prices and resell them to end users. However, Cheelcare maintains control over pricing by setting a Manufacturer's Suggested Retail Price (MSRP) across all markets to ensure consistency and fair value for customers.

Dealers act as independent businesses responsible for sales, customer service, and technical support. While Cheelcare does not retain ownership of products once sold to dealers, it provides extensive support, including training, marketing materials, and after-sales technical assistance to ensure dealers can effectively represent the brand and appropriately care for end-users. Cheelcare prioritizes dealers with the capacity to properly assist customers throughout the buying process. This includes dealers with established relationships with occupational therapists, enabling product trials that help match the right solution to individual user needs. Cheelcare verifies that all partnered dealers have an Assistive Technology Professional (ATP) or certified technician who can properly install devices and provide continued service. This ensures that end users receive not only a high-quality product but also the necessary support for long-term use. Depending on the region and market strategy, some dealers may operate under exclusive agreements, ensuring dedicated focus in their territory. Others work as non-exclusive dealers to maximize product availability and access.

To establish and strengthen dealer relationships, Cheelcare leverages a network of independent manufacturer representatives (IMRs) who act as territory sales managers. IMRs are responsible for identifying and onboarding new dealers, facilitating sales, and ensuring compliance with Cheelcare's standards. They also play a key role in fostering and managing direct buying relationships with Veterans Affairs (VA) medical centers, a crucial market segment for mobility solutions. IMRs work on a commission basis and may operate under either exclusive or non-exclusive territorial agreements, depending on the need of their market.

Building on this foundation, Cheelcare has expanded its global network to include more than 80 dealers and independent representatives across Canada, the United States, Puerto Rico, Australia, New Zealand, the United Kingdom, and the United Arab Emirates. By leveraging this structured dealer network and IMR system, Cheelcare ensures that its products are delivered with expert guidance, professional installation, and ongoing technical support, reinforcing its commitment to high-quality mobility solutions.

Ensuring products conform to funding frameworks across jurisdictions is a key consideration during the design phase and critical to successful growth in the market. Strategic partnerships with end-users, clinicians, and dealers inform the product development throughout the design process to validate the engineering team is meeting the needs of each. This further supports the product justification as a medical device for funders such as the Ontario Assistive Devices Program, and the US Department of Veteran Affairs.

Companion, Cheelcare's front-mount power add-on for manual wheelchairs, is currently funded by ADP (Ontario), RAMQ (Quebec), US Department of Veteran Affairs (USA), and some private insurances (USA and Canada). Cheelcare also provides clinical justification guidelines to assist prescribers in assessing the fit of the product for the end-user to support the clinical rationale for the devices during the prescription process.

International sales are not currently significant to Cheelcare's market penetration strategy as focus is building a successful brand and product within North America, which is easier to access and service. Future expansion in international markets, primarily within Europe, the United Kingdom, and the United Arab Emirates will become part of the strategy as Cheelcare grows.

Cheelcare fosters OEM partnerships with other wheelchair manufacturer to grow its brand recognition and reputation within the industry. It currently supplies accessories to companies such as Sunrise Medical, Amylior, Braze Mobility, and WHILL. Participation in programs such as VentureLab Hardware Catalyst initiative, Canadian Medical Alliance (CAMEDA) and MaRS Toyota Mobility Unlimited Hub have availed the company with resources to further develop its product lines and manufacturing capabilities while elevating the recognition of the company's brand.

Business Model

Cheelcare's business model capitalizes on the provision of advanced, high-technology mobility devices, such as robotic power complex rehab wheelchairs and power add-ons, catering to individuals in need of medical mobility aids. These sophisticated products command premium pricing, ranging from \$5,000 to \$70,000, resulting in a limited production to high profit yield. The acquisition of a complex rehab wheelchair typically involves a consultative process rather than a direct purchase by the prospective user. Cheelcare recognizes this multi-stakeholder process and actively participates in engaging all parties involved. Initially, an end user consults an occupational therapist, who assesses their needs and prescribes a complex rehab power wheelchair with the required specifications. This prescription is then processed by a dealer. The dealer is responsible for arranging payment, which may come from various sources such as government assistance programs, private insurance policies, or nonprofit organizations. Once the dealer received funding approval from the relevant funding source (such as ADP in Ontario), the dealer orders the necessary equipment from Cheelcare which is manufactured to order. The dealer is invoiced upon shipment of the goods. In all cases, the Dealer is responsible for paying Cheelcare for the goods they order. Depending on the jurisdiction, equipment may be funded by government programs, private insurance, or private pay.

Cheelcare's strategy includes engaging with occupational therapists, participating in industry events, and attending end-user exhibitions to offer education and increase brand awareness. The widespread access to information online has led to a more informed end-user community. These activities are critical for lead generation and sales conversion.

Product development at Cheelcare is a collaborative effort with significant contributions from end-users, occupational therapists, and dealers. Cheelcare's focus is on addressing key needs such as enhanced functionality, incorporation of modern technology, reduced weight, and features that promote the dignity and independence of the user. Each complex rehab power wheelchair is highly customized, due to Cheelcare's innovative design which allows for easy and rapid customization to meet end user requirements. This flexibility also provides dealers with the ability to offer timely in-home evaluations and, if necessary, supply a functional temporary replacement during product servicing. Ensuring conformity to regulatory requirements and funding criteria is also a core design consideration.

The competitive landscape for mobility devices is dominated by industry giants such as Permobil, Pride/Quantum Rehab, Invacare, and Sunrise Medical. These companies have well-established product lines, extensive distribution networks, and strong brand recognition, making them formidable competitors. Their significant investments in marketing and regulatory compliance further reinforce their market presence. However, many of these established players allocate limited resources to research and development, resulting in gaps where innovation is needed. This creates the opportunity for Cheelcare's advanced technology to address unmet clinical needs, generating pull demand from healthcare professionals seeking better solutions for their clients.

Cheelcare's patented technology, combined with the stringent regulatory requirements in the mobility sector, presents substantial barriers to entry for new competitors. By pioneering advancements in mobility solutions, Cheelcare positions itself as a leader in innovation, offering cutting-edge solutions where larger incumbents fall short.

As part of Cheelcare's operational plan, Cheelcare maintains a fleet of demonstration and loaner units at dealer locations. The initial sales strategy involves direct cash sales. Generally, end-users acquire a new complex rehab power wheelchair or power-add-on device on a five-year funding cycle. Ensuring a great product experience is critical to keeping customers and securing future recurrent sales.

Facilities

Cheelcare's offices are located at a leased premise at 16 Sims Crescent, Unit 20, Richmond Hill, Ontario L4B 2P1. Cheelcare rents the facilities from an arms-length party on a yearly basis for approximately \$3,500 per month.

Principal manufacturing of Cheelcare's products are all done offsite with experienced contract manufacturing organizations. Final assembly and shipping are done from 16 Sims Crescent, Richmond Hill, Ontario L4B 2P1.

Employees

As of the date of this Filing Statement, Cheelcare has 12 full-time and 3 part-time employees located in Ontario. None of Cheelcare's employees are represented by a labor union or covered by a collective bargaining agreement. Cheelcare has not experienced any work stoppages. Cheelcare does not anticipate significant difficulties attracting and retaining key talent to execute on its business plan.

Bankruptcy and Similar Proceedings

Cheelcare is not subject to any bankruptcy, or any receivership or similar proceedings against it or any voluntary bankruptcy, receivership, or similar proceedings within the three most recently completed financial years or the current financial year.

Cheelcare has not undergone any material reorganization within the last three completed financial years, or the current financial year.

Significant Acquisitions or Dispositions

Cheelcare has not completed any significant acquisitions or dispositions.

Selected Consolidated Financial Information and Management's Discussion and Analysis

Selected Annual and Interim Financial Information

The following table sets out a summary of select financial information for the fiscal years ended April 30, 2024 and 2023 and for the nine months ended January 31, 2025:

	Nine Months Ended January 31, 2025 (unaudited) (\$)	Fiscal Year Ended April 30, 2024 (audited) (\$)	Fiscal Year Ended April 30, 2023 (audited) (\$)
Summary Operating Results			
Revenue	1,455,170	1,611,322	1,250,281
Commission	(237,477)	(174,005)	(140,118)
Net revenue	1,217,693	1,437,317	1,110,163
Cost of goods sold	501,587	929,124	687,030
Gross Profit	716,106	771,454	584,674
Operating expenses	1,258,247	1,327,951	851,139
Net operating income (loss)	(542,141)	(556,497)	(266,464)
Other income (expense)	30,557	15,659	140,000
Total comprehensive income (loss)	(511,584)	(540,838)	(126,464)
Balance Sheet Data			
Cash	35,769	66,878	38,708
Total assets	4,269,943	598,482	383,918
Total liabilities	3,530,282	2,953,833	2,270,001
Shareholders' equity/deficiency	(2,755,845)	(2,355,351)	(1,886,083)
Total Liabilities and Shareholders' equity	4,269,943	598,482	383,918

Cheelcare declared no cash dividends during the periods ended April 30, 2023, April 30, 2024 and January 31, 2025.

This selected financial information has been derived from and should be read in conjunction with Cheelcare's financial statements for the fiscal years ended April 30, 2023 and April 30, 2024, and for the nine months ended January 31, 2025, which is attached to this Filing Statement as Schedules "E" and "G".

Management's Discussion and Analysis

Financial information relating to Cheelcare, including its audited and/or reviewed (as applicable) financial statements as at and for the fiscal years ended April 30, 2023 and April 30, 2024, and for the nine months ended January 31, 2025, and the related management's discussion and analysis are attached hereto as Schedules "E", "F" "G" and "H" to this Filing Statement.

Description Of Securities

Cheelcare Common Shares

The authorized capital of Cheelcare includes an unlimited number of Cheelcare Common Shares without par value. The holders of Cheelcare Common Shares are entitled to receive notice of and to attend and vote at all meetings of Cheelcare Shareholders and each Cheelcare Common Share confers the right to one vote in person or by proxy at all meetings of Cheelcare Shareholders. The holders of the Cheelcare Common Shares are entitled to receive such dividends in any financial year as Cheelcare's board may by resolution determine. In the event of the liquidation, dissolution or winding-up of Cheelcare, whether voluntary or involuntary, holders of Cheelcare Common Shares are entitled to share rateably in such assets of Cheelcare as are available for distribution.

Cheelcare Convertible Debentures

As of the date of this Filing Statement, Cheelcare currently has a principal amount of \$1,372,999.50 in Convertible Debentures Series 1 and Series 2 with various respective maturity dates. As of June 30, 2025, approximately \$269,736 in interest on the Cheelcare Convertible Debentures remaining outstanding.

The Convertible Debentures Series 1 contain a 10% annual interest rate while the Convertible Debentures Series II have an interest rate of 8%.

Holders of Convertible Debentures Series 1 have the option to convert their holdings into Cheelcare Common Shares upon board approval during one of the following transactions in the context other than a Going Public Transaction (as defined below) (i) a merger or amalgamation, other than a transaction in which Cheelcare's equity interests outstanding prior to the transaction represent a majority of the surviving entity equity interest; or (ii) a sale of all or substantially all of Cheelcare's assets or shares; or (iii) Cheelcare's liquidation, dissolution and winding up.

Additionally, the Series 1 Convertible Debentures will automatically convert into fully paid and non-assessable Cheelcare Common Shares at face value, including any accrued but unpaid interest, during (i) an initial public offering of Cheelcare's Common Shares with a concurrent listing on a Canadian stock exchange; or (ii) when Cheelcare's Common Shares are listed on a Canadian stock exchange whether by means of a reverse takeover, merger, amalgamation, arrangement, take-over bid, insider bid, reorganization, sale of all or substantially all assets, exchange of assets or similar transactions or other combination with a public company (collectively, a **"Going Public Transaction"**). The conversion price will be determined based on the valuation of the transaction, subject to a 25% valuation discount. Debenture holders of Series I confirmed their intention to extend the maturity date to June 30, 2025 and convert the debenture into Resulting Issuer Shares.

Holders of Convertible Debentures Series II shall contain the right to convert the principal amount of the Convertible Debenture into Cheelcare Common Shares upon any (i) equity financing into the company in the amount of \$1,000,000 or more resulting in one or series of transactions; or, (ii) acquisition, merger, amalgamation, arrangement, take-over bid, reorganization, sale of all or substantially all assets, exchange of assets or similar transaction (collectively a **"Qualifying Financing Event"**). Additionally, Cheelcare shall be able to require that all Series II Convertible Debentures be converted into Cheelcare Common Shares upon the occurrence of a next Qualifying Financing Event. Debenture holders of Series II confirmed their intention to extend the maturity date to June 30, 2025 and convert the debenture into Resulting Issuer Shares.

In both instances, the conversions price will be equal to the lower of (i) 75% of the price per share agreed to in the next Qualifying Financing Event or (ii) the quotient obtained by dividing (A) \$6,000,000 by (B) the number of Cheelcare Common Shares outstanding immediately prior to the next Qualifying Financing Event. If Cheelcare elects, in its sole discretion, to complete further rounds of equity financing by issuing common shares, the holder of the Convertible Debenture shall be entitled to participate, pro rata, in the first further equity financing at a 25% discount on the issuance price.

Cheelcare Subscription Receipts

Each Cheelcare Subscription Receipt will entitle the holder to receive, without payment of additional consideration or taking of further action, one (1) Unit with each Unit consisting of one (1) Post-Split Cheelcare Common Share and one-half (½) Cheelcare Warrant.

Cheelcare Warrants

Each Cheelcare Warrant entitles the holder thereof to acquire one Post-Split Cheelcare Common Share at a price of \$1.50 until the date that is 24 months following the closing of the DBC Qualifying Transaction, subject to any acceleration provision.

The 300,000 Cheelcare Warrants issued as part of the Convertible Loan Agreement entitles the holder thereof to acquire one Post-Split Cheelcare Common Share at a price of \$1.50 until March 5, 2027.

Debentures pursuant to the Convertible Loan Agreement

The amended and restated Convertible Loan Agreement dated March 5, 2025 provides for a revolving drawdown facility in the aggregate amount of up to \$450,000 bearing a 12% interest rate and convertible into Cheelcare Common Shares at a price of \$0.75 per post-Cheelcare Split share at the option of Cheelcare until the closing of the Transaction after which the conversion option will be at the discretion of NameSilo Technologies Corp. If applicable, the conversion of any accrued interest owing pursuant to the Convertible Loan Agreement would be subject to approval from the Exchange at the time of such conversion and in accordance with the policies of the TSXV.

Consolidated Capitalization

The following table summarizes Cheelcare's consolidated capitalization as at March 31, 2025 and as at the date of this Filing Statement. The table should be read in conjunction with the financial statements of Cheelcare including the notes thereto, included elsewhere in this Filing Statement.

Description	Amount Authorized	Amount outstanding as at March 31, 2025	Amount outstanding as at the date hereof
Cheelcare Common Shares ⁽¹⁾	Unlimited	8,005,690	10,522,015
Cheelcare Convertible Debenture Series I ⁽²⁾	Unlimited	\$720,000	\$720,000
Cheelcare Convertible Debentures Series II ⁽²⁾	Unlimited	\$652,999.50	\$652,999.50
Interest on the Cheelcare Convertible Debentures	Unlimited	\$247,617.20	\$269,736 ⁽³⁾
Cheelcare Warrants	Unlimited	200,000	300,000
Cheelcare Options ⁽¹⁾	10%	798,000	798,000

Notes:

1. On a pre-Cheelcare Split basis.
2. Without interest.
3. Calculated as at June 30, 2025.

Prior Sales

There is no public market for Cheelcare Common Shares. The following Cheelcare securities have been issued in the preceding 12-month period:

Date Of Issuance	Security Type	Number/Principal Amount Of Securities	Issue/Exercise Price
April 11, 2025	Cheelcare Warrants	100,000	\$1.50 ⁽³⁾
March 5, 2025	Debentures pursuant to the Convertible Loan Agreement	\$450,000	\$0.75 ⁽²⁾
March 5, 2025	Cheelcare Warrants	200,000	\$1.50 ⁽³⁾
January 29, 2025	Cheelcare Convertible Debentures ⁽¹⁾	\$249,999.50	\$0.5625 ⁽²⁾
January 29, 2025	Cheelcare Subscription Receipts ⁽¹⁾	143,062	\$0.75
December 31, 2024	Cheelcare Subscription Receipts ⁽¹⁾	4,523,604	\$0.75
December 24, 2024	Cheelcare Convertible Debentures ⁽¹⁾	\$253,000	\$0.5625 ⁽²⁾
March 31, 2024	Cheelcare Convertible Debentures ⁽¹⁾	\$20,000	\$0.5625 ⁽²⁾
March 10, 2024	Cheelcare Convertible Debentures ⁽¹⁾	\$75,000	\$0.5625 ⁽²⁾

Notes:

1. To be converted into Cheelcare Common Shares immediately prior to the Amalgamation in accordance with the terms thereof into post-Split Cheelcare Common Shares.
2. Conversion price of the Cheelcare Convertible Debentures.
3. Exercisable into post-Cheelcare Split common shares.

Executive Compensation

Compensation Discussion and Analysis

Cheelcare does not have a formal executive compensation program. Cheelcare's board of directors is solely responsible for determining the compensation to be paid to Cheelcare's executive officers and evaluating their performance. Cheelcare's board of directors has not adopted any specific policies or objectives for determining the amount or extent of compensation for directors or officers.

Directors of Cheelcare do not receive any compensation for attending meetings of the board of directors of Cheelcare, committees of the board of directors of Cheelcare and shareholder meetings, other than stock options to purchase Cheelcare Common Shares which are granted to Cheelcare's directors from time to time, Cheelcare does not have any arrangements pursuant to which directors are remunerated by Cheelcare for their services in their capacity as directors, consultants, or experts.

The following tables set out information concerning the compensation during the financial years ended April 30, 2024 and 2023 and for the nine-month period ended January 31, 2025 paid to Cheelcare's directors, Chief Executive Officer and Chief Financial Officer.

Name and Principal Position	Fiscal Year	Salary, consulting fee, retainer or commission (\$)	Bonus (\$)	Committee or meeting fees (\$)	Value of perquisites (\$)	Value of all other compensation (\$)	Total compensation (\$)
Eugene Cherny, Founder, Chief Executive Officer and Director ⁽¹⁾	2024	0	0	0	0	0	0
	2023	0	0	0	0	0	0
Dima Paltsev, Founder, Chief Financial Officer and Director ⁽¹⁾	2024	0	0	0	0	0	0
	2023	0	0	0	0	0	0
Roy Ellis, Director	2024	0	0	0	0	0	0
	2023	0	0	0	0	0	0

Stock Options and Other Compensation Securities

The following tables set out all compensation securities granted or issued to each NEO and director by Cheelcare for services provided or to be provided, directly or indirectly, to Cheelcare for the financial year ended April 30, 2024 and for the nine-month period ended January 31, 2025.

Name and Principal Position	Fiscal Year	Type of Compensation Security	Number of Compensation Securities, Number of Underlying Securities and Percentage of Class⁽¹⁾	Date of Issue or grant	Issue, conversion, or exercise Price⁽¹⁾ (\$)	Closing Price of Underlying Security on Date of Grant (\$)	Closing Price of Underlying Security at year end (\$)	Expiry Date
Eugene Cherny, Founder, Chief Executive Officer and Director ⁽¹⁾	2024	Stock Options	200,000	10-01-2024	\$0.50	N/A	N/A	October 1, 2029

Dima Paltsev, Founder, Chief Financial Officer and Director ⁽¹⁾	2024	Stock Options	200,000	10-01-2024	\$0.50	N/A	N/A	October 1, 2029
Roy Ellis, Director	2024	Stock Options	50,000	10-01-2024	\$0.50	N/A	N/A	October 1, 2029

Notes:

1. On a pre-Cheelcare Split basis.

Stock Option Plans and Other Incentive Plans

Cheelcare has a stock option plan (the “**Cheelcare Option Plan**”), the purpose of which is to attract, retain and motivate directors, officers, employees and consultants, by providing them with incentives to continue in the long-term service of Cheelcare and to create in such persons a direct interest in future growth and success of the operations of Cheelcare by relating incentive compensation to increase in shareholder value. As of the date hereof, there are 798,000 Cheelcare Options outstanding, representing approximately 10% of the total issued and outstanding Cheelcare Common Shares.

The Cheelcare Option Plan is administered by the compensation committee (“**Compensation Committee**”) which consists entirely of one director (a non-employee) who is empowered to take all action required in the administration of the Cheelcare Option Plan and the award and administration of Cheelcare Options. The current sole member of the Compensation Committee is Roy Ellis.

The exercise price, term, and vesting restrictions applicable to any grant of Cheelcare Options is determined by the Compensation Committee at the time the Cheelcare Options are granted. Notwithstanding the foregoing, pursuant to the Cheelcare Option Plan, the term of any Cheelcare Option shall not be greater than five (5) years from the date of grant. Additionally, Cheelcare Options shall vest at a rate of fifty percent (50%) per year for a two (2) year grant period. Regarding termination rights, the optionee or its estate will have thirty (30) days to exercise any and all stock options which were exercisable on the date of termination. Cheelcare Options shall be exercisable only by the optionee and shall not be assignable or transferable, unless in the event of death where the Cheelcare Option can be transferred to the optionee’s will or in accordance with the laws of descent and distribution.

Employment, Consulting and Management Agreements

No management functions of Cheelcare are to any substantial degree performed by a person other than the directors or senior officer of Cheelcare.

Non-Arm’s Length Party Transactions

Eugene Cherny, Founder and Chief Executive Officer of Cheelcare has provided certain loans to Cheelcare during the course of its operations. As of February 28, 2025, the balance on the loan was \$149,777.12.

Dima Paltsev, Founder and Chief Financial Officer of Cheelcare has provided certain loans to Cheelcare during the course of its operations. As of February 28, 2025, the balance on the loan was \$143,942.15.

Cheelcare issued unsecured promissory notes of \$145,000 (\$72,500 to Eugene Cherny and \$72,500 to Dima Paltsev) with no specific repayment terms anytime after December 11, 2022. A total of \$8,700 interest was accrued as of January 31, 2025.

Legal Proceedings

There are no other legal proceedings material to Cheelcare to which Cheelcare is a party or of which any of its property is the subject matter, and there are no such proceedings known to Cheelcare to be contemplated which could materially affect Cheelcare or its business.

Material Contracts

Other than contracts entered into in the ordinary course of business, Cheelcare has not entered into any material agreements in the preceding two (2) years or prior to the preceding two (2) years if said material contract is still in effect as of the date of this Filing Statement, other than the Business Combination Agreement.

Copies of the Business Combination Agreement may be inspected without charge at Cheelcare's head office during normal business hours prior to the completion of the DBC Qualifying Transaction and for a period of 30 days thereafter.

Concurrent Financing

As a condition to the closing of the Transaction, Cheelcare will have completed its Concurrent Financing of subscription receipts for aggregate gross proceeds of a minimum of \$2,500,000 and up to a maximum of \$3,500,000 at a price of \$0.75 per Cheelcare Subscription Receipt. Each Cheelcare Subscription Receipt entitles the holder to receive, without payment of additional consideration or taking of further action, one Unit of Cheelcare comprising of one (1) Post-Split Cheelcare Common Share and one-half (½) Cheelcare Warrant. Following the completion of the Amalgamation between Cheelcare and Subco, each Post-Split Cheelcare Common Share and each Cheelcare Warrant shall be exchanged for one (1) Resulting Issuer Common Share and (1) Resulting Issuer Warrant, respectively.

Cheelcare closed a first tranche of its Concurrent Financing of Cheelcare Subscription Receipts on December 31, 2024, pursuant to which it issued 4,523,604 Cheelcare Subscription Receipts and a second tranche on January 29, 2025, pursuant to which it issued 143,062 Cheelcare Subscription Receipts, for total aggregate gross proceeds of \$3,499,999.50.

In connection with the Concurrent Financing, Cheelcare has paid a cash Finder's Fee equal 8% of the gross proceeds raised via subscribers introduced by such Finder.

H) INFORMATION CONCERNING THE RESULTING ISSUER

Name and Incorporation

The corporate name of the Resulting Issuer is expected to be "Cheelcare Inc.". The Resulting Issuer's registered and records office will be located at 16 Sims Crescent, Unit 20, Richmond Hill, Ontario L4B 2P1.

The Resulting Issuer will carry on the business of Cheelcare and will be a corporation governed by the BCBCA.

Intercompany Relationships

Pursuant to the Amalgamation, Cheelcare will amalgamate with Subco to form Amalco, which will be a 100% wholly-owned subsidiary of DBC. Prior to the completion of the DBC Qualifying Transaction, DBC will change its name to "Cheelcare Inc.". Upon completion of the DBC Qualifying Transaction, Amalco will be the only direct subsidiary of the Resulting Issuer, with 100% of the shares of Amalco owned by the Resulting Issuer. Amalco will be a corporation governed by the CBCA.

Narrative Description of the Business

The Resulting Issuer will carry on the business currently carried on by Cheelcare. See "*Information Concerning Cheelcare – General Development of the Business*".

Upon completion of the DBC Qualifying Transaction, the Resulting Issuer Board will adopt such board committee charters, codes and policies as it deems necessary in accordance with good corporate governance practices given the stage of the Resulting Issuer.

Stated Business Objectives

In addition to having the same stated business objectives as Cheelcare, the Resulting Issuer intends to utilize the funds over the next 12 months after completion of the Amalgamation as described in “*Available Funds and Principal Purposes.*”

Milestones of the Resulting Issuer

Following the Completion of the DBC Qualifying Transaction, the Resulting Issuer anticipates working towards several milestones including:

Milestone	Target Date	Anticipated Cost to Complete
<u>Launch of Curio</u>		
ADP approval for Curio complex rehab wheelchair	July 31, 2025	\$90,000
Production start for Curio	August 1, 2025	\$170,000
Curio demo fleet manufacturing	January 1, 2026	\$372,000
<u>New product development</u>		
New Companion model development	September 30, 2025	\$45,000
Pediatric complex rehab power wheelchair development	February 1, 2026	\$105,000
Total:		\$782,000

Description of Resulting Issuer Securities

Resulting Issuer Common Shares

The authorized share capital of the Resulting Issuer following completion of the DBC Qualifying Transaction shall consist of an unlimited number of Resulting Issuer Common Shares. The issued share capital of DBC will change as a result of the DBC Consolidation, and the consummation of the Amalgamation to reflect the issuance of the Resulting Issuer Common Shares contemplated under the Amalgamation. Each Resulting Issuer Common Share will carry the same rights as a DBC Common Share. See “*Information Concerning – Description Of Securities*”.

Resulting Issuer Options

Upon completion of the DBC Qualifying Transaction, an aggregate of 1,198,825 Resulting Issuer Options shall be outstanding and shall be governed by the DBC Option Plan. The 798,000 current Cheelcare Options will be exchanged for 1,048,825 Resulting Issuer Options under the same terms, and 450,000 current DBC Options will be exchanged for 150,000 Resulting Issuer Options under the same terms. Upon exercise in accordance with their terms, each Resulting Issuer Option shall be exercisable to acquire one Resulting Issuer Common Share. See “*Information Concerning – Description Of Securities*” and “*Information Concerning Cheelcare – Prior Sales*”.

Resulting Issuer Warrants

Upon completion of the DBC Qualifying Transaction, an aggregate of 2,699,999 Resulting Issuer Warrants shall be outstanding consisting of 2,333,333 Resulting Issuer Warrants in exchange for the cancellation and replacement of all of the issued and outstanding Cheelcare Warrants issued in connection with the Concurrent Financing, 300,000 Resulting Issuer Warrants issued in connection with the Convertible Loan Agreement and 66,666

DBC Warrants following the completion of the DBC Consolidation. Upon exercise in accordance with their terms, each Resulting Issuer Warrants shall be exercisable to acquire one Resulting Issuer Common Share. See “*Information Concerning – Description Of Securities*”.

Pro Forma Consolidated Capitalization

The following table sets forth the pro forma share capital of the Resulting Issuer, on a consolidated basis, after giving effect to the DBC Qualifying Transaction described in the unaudited *Pro Forma* Consolidated Financial Statements attached hereto as Schedule “I”:

Designation of Security	Number Authorized or to be Authorized	Amount Outstanding After Giving Effect to the DBC Qualifying Transaction
Resulting Issuer Common Shares	Unlimited	19,606,099
Resulting Issuer Options	10%	1,198,825
Resulting Issuer Warrants	N/A	2,699,999

Fully Diluted Share Capital

Set out below is a table indicating the number of Resulting Issuer securities expected to be outstanding on a fully-diluted basis after giving effect to the DBC Qualifying Transaction and the Concurrent Financing and the percentage of the fully-diluted shares which each category represents:

Resulting Issuer Pro Forma Shareholdings	Resulting Issuer Common Shares ⁽¹⁾⁽²⁾
Resulting Issuer Common Shares held by existing DBC Shareholders	1,500,000 ⁽³⁾ (7.65%)
Resulting Issuer Common Shares to be issued to existing Cheelcare Shareholders	10,522,015 ⁽³⁾ (53.66%)
Resulting Issuer Common Shares to be exchanged for Cheelcare Subscription Receipts	4,666,666 (23.80%)
Resulting Issuer Common Shares to be issued to holders of Cheelcare Debentures (without interest)	2,440,888 (12.45%)
Resulting Issuer Common Shares to be issued to holders of Cheelcare Debentures in satisfaction of the interest of the Cheelcare Debentures	479,530 (2.45%)
Total non-diluted share capital of the Resulting Issuer:	19,609,099 (100%)
Resulting Issuer Common Shares in Reserve For Issuance	
Resulting Issuer Common Shares reserved for issuance pursuant to exercise of Resulting Issuer Options	1,198,825
Resulting Issuer Common Shares reserved for issuance pursuant to exercise of Resulting Issuer Warrants	2,699,999
Resulting Issuer Common Shares reserved for issuance pursuant to the conversion of the debentures issued in connection with the Convertible Loan Agreement ⁽⁴⁾	600,000
Total fully diluted capital of the Resulting Issuer:	24,107,923 (100%)

Notes:

(1) All percentages expressed on a fully non-diluted basis.

(2) All numbers are presented on a post-DBC Consolidation basis.

(3) Subject to minor deviation as a result of the effect of rounding at the individual security holder level.

(4) Any Resulting Issuer Common Shares issuable pursuant to the repayment of interest in accordance with the Convertible Loan Agreement will be subject to TSXV Policies and TSXV approval at such time, if applicable.

Resulting Issuer Available Funds and Principal Purposes

Estimated Funds Available

Based on the information available as at May 31, 2025, upon completion of the DBC Qualifying Transaction, the Resulting Issuer is expected to have approximately \$2,316,872 in available funds, which include the following:

Source of Funds	Following Completion of the DBC Qualifying Transaction and the release of the Escrowed Funds (\$)
Estimated DBC working capital as at May 31, 2025	37,648
Estimated Cheelcare working capital (deficiency) as at May 31, 2025	(975,976)
Estimated gross proceeds from the Concurrent Financing	3,500,000
Finder's fees paid for the Concurrent Financing	(94,800)
Estimated transaction costs – audit fees	(25,000)
Estimated transaction costs – legal fees	(125,000)
Total available funds:	2,316,872

Principal Purposes of Funds

The following table sets out the proposed use of the available funds by the Resulting Issuer for the 12-month period after giving effect to the DBC Qualifying Transaction.

Principal Uses of Available Funds	Following Completion of the DBC Qualifying Transaction and the release of the Escrowed Fund (\$)
Estimated Cheelcare Wages and Salary	700,000
Estimated Cheelcare Expected PP&E Investments ⁽¹⁾	48,858
Estimated Cheelcare G&A, Accounting and Legal	200,000
Estimated Cheelcare Regulatory Compliance	22,500
Estimated Cheelcare Interest, charges and other expenses	131,745
Milestone 1 (Launch of Curio)	632,000
Milestone 2 (New product development)	150,000
Unallocated Working Capital ⁽²⁾⁽³⁾⁽⁴⁾	431,769
Total available funds:	2,316,872

Notes:

- (1) Figure represents approximately 40% of the Resulting Issuer's anticipated capital expenditures for the next twelve months; the balance of 60% of capital expenditures is expected to be incurred in connection with achieving the Resulting Issuer's stated milestone, and has been included in the stated milestone cost.
- (2) With respect to shareholder loans extended to Cheelcare by Mr. Cherny and Mr. Paltsev, Cheelcare may pay back, but is not obligated to pay back such loans by a particular date. The outstanding principal and interest owing on such loans is \$438,719. See "*Non-Arm's Length Party Transactions*" for further details. The Resulting Issuer only anticipates paying back such loans within the next twelve months if sufficient net profits are generated from its sales over such period of time.
- (3) With respect to the convertible loan issued pursuant to the Convertible Loan Agreement, if the principal (\$450,000) and any accrued interest are not converted into Resulting Issuer Common Shares, the Resulting Issuer may prepay such loan any time prior to CL Maturity Date. The Resulting Issuer only anticipates paying back such loan prior to the CL Maturity Date if sufficient net profits are generated from sales over such period of time.

- (4) The Resulting Issuer anticipates expenses related to sales and marketing, cost of manufacturing goods would be contingent and funded only from income generated from sales by the Resulting Issuer.

The Resulting Issuer intends to spend the funds available to it as stated in the table above. However, there may be circumstances where, for sound business reasons, a reallocation of funds may be necessary for the Resulting Issuer to achieve its objectives or to pursue other opportunities that management believes are in the interests of the Resulting Issuer.

Selected Pro Forma Financial Information

The following table sets out a summary of selected pro forma consolidated financial information of the Resulting Issuer as at November 30, 2024 after giving effect to the DBC Qualifying Transaction, as well as certain other adjustments, and should be read in conjunction with the pro forma consolidated financial statements and the notes thereto of the Resulting Issuer attached hereto as Schedule “I”:

Balance Sheet Data	As of November 30, 2024 (\$)
Current Assets	4,699,166
Total Assets	4,750,783
Current Liabilities	1,956,065
Total Liabilities	2,366,364
Shareholders' Equity	2,384,419
Total Liabilities and Shareholders' Equity	4,750,783

Dividend Policy

There will be no restrictions in the Resulting Issuer's articles or other constating documents that could prevent the Resulting Issuer from paying dividends. However, it is not contemplated that any dividends will be paid on any Resulting Issuer Common Shares in the immediate future. The Resulting Issuer Board will determine if, and when, dividends will be declared and paid in the future from funds properly applicable to the payment of dividends based on the Resulting Issuer's financial position at the time.

Resulting Issuer Principal Securityholders

Except as disclosed below, to the knowledge of management of DBC and Cheelcare, no securityholder is anticipated to own of record or beneficially, directly or indirectly, or exercise control or direction over more than 10% of any class of voting securities of the Resulting Issuer after giving effect to the DBC Qualifying Transaction and the Concurrent Financing (on either a non-diluted or fully-diluted basis) except as follows:

Name and Municipality of Residence	Number and Class of Security (% of Class)⁽¹⁾	Type of Ownership
Eugene Cherny, Richmond Hill, Ontario	3,587,803 Common Shares (18.30%)	Registered
Eugene Cherny, Richmond Hill, Ontario	262,863 Options (21.93%)	Registered
Dima Paltsev, East Gwillimbury, Ontario	3,284,825 Common Shares (16.75%)	Registered
Dima Paltsev, East Gwillimbury, Ontario	262,863 Options (21.93%)	Registered
Roy Ellis, Newmarket, Ontario	1,602,715 Common Shares (8.17%)	Registered
Roy Ellis, Newmarket, Ontario	65,716 Options (5.48%)	Registered

Notes:

(1) On a post-Cheelcare Split basis.

Resulting Issuer Officers, Directors and Promoters

Name, Address, Occupation and Resulting Issuer Security Holdings

The following table sets out: (a) the name and municipality of each person proposed as a director or an officer of the Resulting Issuer, or a Promoter of the Resulting Issuer, (b) all positions and offices in the Resulting Issuer to be held by such person, (c) the principal occupation(s) during the preceding five years, (d) the period during which such person has served as a director or officer of Cheelcare, and (e) the number and percentage of Resulting Issuer Common Shares to be beneficially owned by such person, directly or indirectly, or over which control or direction will be exercised, as of the date of the Amalgamation.

Name and Municipality of Residence	Principal Occupations for the Previous Five Years	Proposed Position(s) and Offices with the Resulting Issuer	Director/ Officer of Cheelcare Since	Number (and Percentage) of Resulting Issuer Common Shares Owned or Controlled⁽¹⁾
Eugene Cherny, Richmond Hill, Ontario	Founder, Chief Executive Officer and Director of Cheelcare (2015 to Present)	Chief Executive Officer and Director	May 2015	3,587,803 (18.30%)
Arnab De, Montréal, Québec	Principal of Resurgent Montreal Inc. since 2018; Chief Financial Officer of Canadian Metals Inc. since August, 2021; CFO of AM Resources Inc. since November, 2023	Chief Financial Officer	N/A	Nil
Dima Paltsev, East Gwillimbury, Ontario	Founder, Chief Financial Officer and Director of Cheelcare (2015 to Present)	VP Finance, Corporate Secretary and Director	May 2015	3,284,825 (16.75%)
Roy Ellis, Newmarket, Ontario	Director of Cheelcare (2019 to Present)	Director	December 2019	1,602,715 (8.17%)
Sheila Buck ⁽²⁾⁽³⁾ , Fort Erie, Ontario	Occupational Therapist, speaker, consultant and educator	Director	N/A	Nil
Trevor Treweeke, Vancouver, British Columbia	Director of DBC	Director	N/A	258,711 (1.32%)
Marc Kazimirski ⁽²⁾⁽³⁾ , Vancouver, British Columbia	Partner of KazLaw	Director	N/A	274,031 (1.40%)
Maxime Lemieux, Montréal, Québec	Lawyer, Partner at McMillan LLP	Director	N/A	39,695 (0.20%)

Notes:

- (1) On a non-diluted basis.
- (2) Directors to be appointed at the next annual meeting of the shareholders of the Resulting Issuer.
- (3) It is anticipated that Ms. Buck and Mr. Kazimirski will be appointed as directors of the Resulting Issuer at the next annual meeting of the shareholders of the Resulting Issuer.

For particulars of the occupations of the directors and officers see “*Information Concerning The Resulting Issuer – Resulting Issuer Officers, Directors And Promoters – Biographical Information*” below.

All directors of the Resulting Issuer will hold office until the next annual general meeting of the Resulting Issuer unless they resign prior thereto or are removed by the shareholders of the Resulting Issuer in accordance with applicable law.

The directors and officers of the Resulting Issuer as a group will own, directly or indirectly, or exercise control or direction over, 9,047,780 Resulting Issuer Common Shares immediately following completion of the DBC Qualifying Transaction (representing 46.14% of all of the issued and outstanding Resulting Issuer Common Shares on a non-diluted basis).

Biographical Information

Eugene Cherny, Founder, Chief Executive Officer and Board Member, Age 61

Innovator with a proven track record in creating growth for new and existing businesses including over 20 years as Vice-President at Hummingbird and General Manager at OpenText. Eugene has over a decade of C-Suite executive experience within the software development and medical device industry, leading a start-up venture to over \$20MM in ARR. His expertise is operational strategy, technology and engineering.

Dima Paltsev, Founder, VP Finance, Corporate Secretary and Board Member, Age 60

Dima has over 20 years of leadership experience in engineering and project development across various industries including automotive and motorcycle design and manufacturing. Dima holds MSc in Automotive Engineering and an MBA from the Graduate School of Business, University of Chicago. He brings in decades of experience in engineering, manufacturing, project management and finance.

Arnab De, Chief Financial Officer, Age 53

Mr. De, CPA, CGMA, CMA, MBA, is a seasoned executive with more than 20 years of experience in financial management, financial planning, business optimization and strategy development. He is the principal of Resurgent Montreal Inc., a financial management consulting firm. Prior to that he worked for 19 years in the Tata Group, holding CFO positions in JCAPCPL (a 50:50 JV of Tata Steel with Nippon Steel) producing automotive steels and Tata Steel Minerals Canada Ltd., where he oversaw the DSO project from conception and managed an investment of +\$1.5B in equity and debt. Mr. De is also currently the CFO for several publicly listed companies.

Roy Ellis, Director, Age 70

Mr. Ellis is a Strategic Human Resource professional with over 35 years of international McDonald's experience in both General Management and HR. Mr. Ellis partnered with the U.S and Corporate leadership team on the design and execution of multiple transformation initiatives while providing HR oversight for approximately 700,000 employees. Mr. Ellis is a seasoned McDonald's executive and later through his consulting practice, became a strategic partner to multiple fortune 500 companies spanning the retail sector. Mr. Ellis has participated on many for profit and not for profit boards to include Cheelcare, Economic Development (EDCNS), Huronia Airport Commission, North Simcoe Tourism, and multiple Condo boards both in Ontario and British Columbia.

Sheila Buck, Director, Age 65

Mrs. Buck is an Occupational Therapist and internationally known speaker, consultant and educator from Ontario, Canada. Sheila has spoken extensively in Ireland, Norway, Oceania and North America on Seating and Mobility concepts for the very young to the very old. Her audiences have included but are not limited to Physio and Occupational Therapists, nurses, doctors, case managers, DME vendors and manufacturers of seating and mobility products.

Her extensive knowledge related to the provision of assistive technology for mobility is reflected in her book, "More Than 4 Wheels: Applying clinical practice to seating, mobility and assistive technology. 3rd edition". This excellent clinical guide is currently being used as a learning tool around the world with over 1500 copies sold. Sheila is also a contributing author in the publication "Seating and Wheeled Mobility: A Clinical Resource Guide".

Mrs. Buck is known for her compassion for advocating for her clients and advancing her learning and skills to those she consults with in the Seating and Mobility industry. Mrs. Buck will be appointed as a director of the Resulting Issuer at the next annual meeting of the shareholders of the Resulting Issuer.

Trevor Treweeke, Director, Age 35

Mr. Treweeke brings over a decade of experience in finance, capital markets, and corporate development, with a strong focus on early-stage and small-cap companies. He has developed expertise in sourcing growth capital for early-stage businesses, including advising on M&A transactions, budgeting, and financial analysis. Over the course of his career, he has been involved in capital raises totaling more than \$40 million.

Mr. Treweeke is a partner at Smallcap Discoveries, a leading small-cap investment community focused on uncovering high-quality, under-the-radar companies in the public markets.

Earlier in his career, Mr. Treweeke worked at the Toronto Stock Exchange, where he collaborated with small-cap issuers to ensure regulatory compliance and facilitate corporate transactions. He began his professional journey at VantageWire/Financial Press, a small-cap marketing firm, where he specialized in investor communications and content development for public companies.

In addition to raising capital and advising several public issuers, Mr. Treweeke currently serves as a Director of Departure Bay Capital Corp. (TSX.V: DBC-P). He holds a Bachelor of Arts in Economics from the University of Calgary.

Marc Kazimirski, Director, Age 53

Mr. Kazimirski is the founding partner of KazLaw in Vancouver, British Columbia. The entirety of his practice is devoted to representing injured individuals. This consists of a wide range of cases involving chronic pain, orthopedic and traumatic brain injuries, and psychological injuries, resulting from all types of accidents.

Mr. Kazimirski has been a personal injury lawyer on some of the largest cases in British Columbia. He is very active in the legal community and is the past President of the Trial Lawyers Association of British Columbia. Mr. Kazimirski has lectured and chaired TLABC and CLE seminars on personal injury damages, trial advocacy, cross examination, expert evidence, and the New (Civil) Rules. Mr. Kazimirski is an adjunct professor at the University of British Columbia's Faculty of Law and is teaching one of the first personal injury courses to be available at a Canadian law school.

Due to Mr. Kazimirski's passion and ongoing dedication to the law, he was appointed King's Counsel in December 2023. Mr. Kazimirski's appointment to King Counsel was not surprising to his peers as the designation is a testament to the exceptional dedication and contributions he has made to the legal field and his unwavering commitment to service and expertise. Mr. Kazimirski will be appointed as a director of the Resulting Issuer at the next annual meeting of the shareholders of the Resulting Issuer.

Maxime Lemieux, Director, Age 47

Maxime Lemieux is a skilled capital markets and securities lawyer with a broad practice focused on securities, corporate finance, and mergers and acquisition. He works with clients in the mining industry, as well as emerging companies such as information technology and renewable energy startups.

Representing both issuers and investment dealers, Maxime advises on private and public debt and equity offerings. He has also acted as lead counsel in private and public M&A transactions and corporate reorganizations as well as reverse takeovers, exempt takeover bids and proxy contests.

Maxime provides advice to private and public companies on their ongoing corporate and securities law obligations. He also acts for junior issuers in connection with initial public offerings, follow-on offerings, and listings on the TSX Venture Exchange, the Canadian Securities Exchange and the over-the-counter (OTC) markets.

Committees of the Board

Initially, the only committees of the proposed Resulting Issuer Board will be an audit committee (the “**Audit Committee**”). The Audit Committee of the Resulting Issuer is expected to comprise of Roy Ellis, Trevor Treweeke and Maxime Lemieux. For additional details regarding the relevant education and experience of each member of the Audit Committee, see the relevant biographical experiences for each member of the Audit Committee under “*Information Concerning The Resulting Issuer – Resulting Issuer Officers, Directors And Promoters – Biographical Information*” above.

The Audit Committee will consist of individuals who are “independent” and “financially literate” within the meaning of National Instrument 52-110 — *Audit Committees*. Each of the Audit Committee members has an understanding of the accounting principles used to prepare financial statements and varied experience as to the general application of such accounting principles, as well as an understanding of the internal controls and procedures necessary for financial reporting. For additional details regarding the relevant education and experience of each member of the Audit Committee, see the relevant biographical experiences for each member of the Audit Committee under “Directors, Officers and Promoters”.

The Board will adopt a written charter for the Audit Committee which sets out the Audit Committee’s responsibility in reviewing the financial statements of the Resulting Issuer and public disclosure documents containing financial information and reporting on such review to the Board, ensuring that adequate procedures are in place for the review of the Resulting Issuer’s public disclosure documents that contain financial information, overseeing the work and reviewing the independence of the external auditors and reviewing, evaluating and approving the internal control procedures that are implemented and maintained by management. A copy of the Audit Committee charter is attached hereto as Schedule “J”.

Work Commitment to the Resulting Issuer

All proposed executive officers of the Resulting Issuer will work on a full-time or part-time basis for the Resulting Issuer. Each executive officer of the Resulting Issuer will enter into non-competition and non-disclosure agreements with the Resulting Issuer. The proposed directors will devote their time and expertise as required by the Resulting Issuer.

Cease Trade Orders or Bankruptcies

No proposed director, officer or Promoter of the Resulting Issuer, and no securityholder anticipated to hold a sufficient number of securities of the Resulting Issuer to affect materially the control of the Resulting Issuer, has, within the last ten years prior to date of this Filing Statement, (a) been a director, an officer or a Promoter of any person or company that, while such person was acting in that capacity was the subject of a cease trade or similar order or an order that denied the issuer access to any exemptions under applicable securities law for a period of more than 30 consecutive days; or (b) became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets.

Penalties and Sanctions

No proposed director, officer, Promoter or shareholder anticipated to hold a sufficient number of securities of the Resulting Issuer to affect materially the control of the Resulting Issuer has been subject to any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority or been subject to any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable securityholder making a decision about the DBC Qualifying Transaction.

Personal Bankruptcies

In the ten years prior to the date hereof, none of the proposed directors, officers or Promoters of the Resulting Issuer or any securityholder anticipated to hold a sufficient number of securities of the Resulting Issuer to affect materially the control of the Resulting Issuer, or a personal holding company of any such persons, has become

bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or been subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets.

Conflicts Of Interest

Certain directors, officers and Promoters of the Resulting Issuer are associated with other reporting issuers or other corporations that may give rise to conflicts of interest. Please see “*Information Concerning The Resulting Issuer – Other Reporting Issuers*” below. In accordance with the CBCA, directors or officers of the Resulting Issuer who have a material interest in a material transaction or a proposed material transaction with the Resulting Issuer are required, subject to certain exceptions, to disclose that interest and generally abstain from voting on any resolution to approve the transaction. In addition, the directors are required to act honestly and in good faith with a view to the best interests of the Resulting Issuer. To the knowledge of the directors and officers of DBC and Cheelcare, there are no existing conflicts of interest between the Resulting Issuer and any of the individuals proposed for appointment as directors and officers upon closing of the Qualifying Transaction, as of the date of this filing statement.

Other Reporting Issuers

Other than as disclosed below, none of the proposed directors, officers and Promoters of the Resulting Issuer are, or have been within the five years prior to the date hereof, directors, officers or Promoters of other reporting issuers:

Name	Name of Reporting Issuer	Name of Exchange or Market (if applicable)	Position	Since
Maxime Lemieux	Consolidated Lithium Metals Inc.	TSXV	Director	July 9, 2014
	GobiMin Inc.	TSXV	Director	July 11, 2016
	QNB Metals Inc.	CSE	Director	October 19, 2020
	Canadian Metals Inc.	CSE	Director	July 27, 2021
	Upstart Investments Inc.	TSXV	Director	March 29, 2023
Trevor Treweek	Departure Bay Capital Corp.	TSXV	Director and Officer	February 16, 2022

Resulting Issuer Executive Compensation

For the purposes of this section, the Named Executive Officers are the proposed Chief Executive Officer of the Resulting Issuer, the Chief Financial Officer of the Resulting Issuer, and the next most highly compensated officer of the Resulting Issuer whose total compensation is anticipated to be more than \$150,000 for the twelve-month period following the DBC Qualifying Transaction. Based on the above criteria, the Named Executive Officers for the Resulting Issuer will be Eugene Cherny (Founder, Chief Executive Officer) and Arnab De (Chief Financial Officer).

The following table sets out the anticipated compensation of the aforementioned persons for the 12-month period following the date hereof.

Name and position	Year	Salary, consulting fee, retainer or commission (\$)	Bonus ⁽¹⁾ (\$)	Committee or meeting fees (\$)	Value of perquisites (\$)	Value of all other compensation (\$)	Total compensation (\$)
Eugene Cherny, Founder, Chief Executive Officer and Director	2025	150,000	Nil	Nil	Nil	Nil	150,000
Arnab De, Chief Financial Officer ⁽¹⁾	2025	150,000	Nil	Nil	Nil	Nil	150,000

Notes:

(1) Mr. De will be appointed the Chief Financial Officer of the Resulting Issuer as of completion of the Transaction.

Compensation Discussion and Analysis

When determining compensation policies and individual compensation levels for the Resulting Issuer's executive officers, a variety of factors, will be considered including: the overall financial and operating performance of the Resulting Issuer; each executive officer's individual performance and contribution towards meeting corporate objectives; each executive officer's level of responsibility and length of service; and industry comparables.

The Resulting Issuer's compensation philosophy for its executive officers will follow three underlying principles: to provide compensation packages that encourage and motivate performance; to be competitive with other companies in the industry in which it operates, which are of similar size and scope of operations, so as to attract and retain talented executives; and to align the interests of its executive officers with the long-term interests of the Resulting Issuer and its shareholders through stock related programs.

The Resulting Issuer's compensation arrangements for its directors and officers, may, in addition to salary, include compensation in the form of bonuses upon the achievement of certain milestones and the granting of stock options. The compensation policy of the Resulting Issuer may be re-evaluated in the future to emphasize increased base salaries and/or cash bonuses with a reduced reliance on option awards, depending upon the future development of Cheelcare and other factors which may be considered relevant by the Resulting Issuer Board, from time to time.

Pension Plan Benefits

The Resulting Issuer does not intend to implement any deferred compensation plan or pension plan that provides for payments or benefits at, following or in connection with retirement.

Compensation of Directors

Upon Completion of the Qualifying Transaction the directors of the Resulting Issuer will determine how much, if any, compensation will be paid to directors for services rendered to the Resulting Issuer by them in that capacity. Such incentives may be in the form of an annual director's fee and/or in the form of incentive Resulting Issuer Options pursuant to the Resulting Issuer Option Plan.

Promoter Consideration

There is no person who is or who has been within the two years immediately preceding the date of this Filing Statement, a "promoter" of Cheelcare as defined under applicable securities laws other than Eugene Cherny, Founder, Chief Executive Office and Director of Cheelcare and Dima Paltsev, Founder, Chief Financial Officer and Director of Cheelcare. Both will be considered a "promoter" of the Resulting Issuer.

Eugene Cherny holds 2,729,785 Cheelcare Common Shares pre-Cheelcare Split, which represents 34.10% of the number of issued and outstanding common shares of Cheelcare and 200,000 Cheelcare Options on a pre-Cheelcare Split basis, which represents 25.06% of the Cheelcare Options. Mr. Cherny will hold 18.30% of the Resulting Issuer Common Shares and 21.93% of the Resulting Issuer Options, and will serve as Chief Executive Officer and director of the Resulting Issuer assuming the closing of the Transaction.

Dima Paltsev holds 2,499,264 Cheelcare Common Shares pre-Cheelcare Split, which represents 31.22% of the number of issued and outstanding common shares of Cheelcare and 200,000 Cheelcare Options on a pre-Cheelcare Split basis, which represents 25.06% of the Cheelcare Options. Mr. Paltsev will hold 16.75% of the Resulting Issuer Common Shares and 21.93% of the Resulting Issuer Options, and will serve as VP Finance, Corporate Secretary and director of the Resulting Issuer assuming the closing of the Transaction.

No asset was acquired within the 2 years before the date of this Filing Statement, or will be acquired, by DBC, Cheelcare or the Resulting Issuer or by a subsidiary of DBC, Cheelcare or the Resulting Issuer from Mr. Cherny or Mr. Paltsev.

For the purposes hereof, the term “order” means:

- (a) a cease trade order;
- (b) an order similar to a cease trade order; or
- (c) an order that denied the relevant person or company access to any exemption under securities legislation, that was in effect for a period of more than 30 consecutive days.

Neither Mr. Cherny nor Mr. Paltsev is, as at the date of this Filing Statement, or has been within 10 years before the date of this Filing Statement, a director, chief executive officer or chief financial officer of any person that:

- (a) was subject to an order that was issued while Mr. Cherny or Mr. Paltsev was acting in the capacity as director, chief executive officer or chief financial officer; or
- (b) was subject to an order that was issued after Mr. Cherny or Mr. Paltsev ceased to be a director, chief executive officer or chief financial officer and which resulted from an event that occurred while Mr. Cherny or Mr. Paltsev was acting in the capacity as director, chief executive officer or chief financial officer.

Neither Mr. Cherny nor Mr. Paltsev:

- (a) is, as at the date of this Filing Statement, or has been within the 10 years before the date of this Filing Statement, a director or executive officer of any person or company that, while Mr. Cherny or Mr. Paltsev was acting in that capacity, or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets; or
- (b) has, within 10 years before the date of this Filing Statement, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold their assets.

Neither Mr. Cherny nor Mr. Paltsev has been subject to:

- (i) any penalties or sanctions imposed by a court relating to provincial or territorial securities legislation or by a provincial or territorial securities regulatory authority or has entered into a settlement agreement with a provincial or territorial securities regulatory authority; or
- (ii) any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable investor in making an investment decision.

Indebtedness of the Resulting Issuer’s Directors and Officers

As of the completion of the DBC Qualifying Transaction, no proposed director, executive officer or senior officer of the Resulting Issuer or any Associate thereof, will be indebted to the Resulting Issuer or any of its subsidiaries, or has been at any time during the preceding financial year.

No director, executive officer or other senior officer of DBC or Cheelcare or person who acted in such capacity in the last financial year of DBC or Cheelcare or proposed director or officer of the Resulting Issuer, or any Associate of any such director or officer is, or has been, at any time since the incorporation/amalgamation of DBC or Cheelcare, indebted to DBC or Cheelcare nor is, or at any time since the incorporation/amalgamation of DBC or Cheelcare has, any indebtedness of any such person been the subject of a guarantee, support agreement, letter of credit or other similar arrangement or understanding provided by DBC or Cheelcare.

Investor Relations Arrangements

The Resulting Issuer has not entered into any written or oral agreement or understanding with any person to provide any promotional or investor relations services for the Resulting Issuer and no such arrangements are contemplated for the Resulting Issuer.

Resulting Issuer Stock Option Plan

The Resulting Issuer will adopt the DBC Option Plan, which will be the stock option plan of the Resulting Issuer upon completion of the Transaction. Disclosure regarding the DBC Option Plan is set forth in “*Information Concerning DBC – Stock Option Plan and Options Granted.*”

Options to Purchase Securities

Upon completion of the DBC Qualifying Transaction, it is anticipated the following Resulting Issuer Options will be outstanding.

Optionee	Number of Resulting Issuer Options⁽¹⁾	Exercise Price⁽¹⁾	Expiry Date
Proposed Directors and Officers of the Resulting Issuer			
Eugene Cherny	262,863	\$0.38	October 1, 2029
Dima Paltsev	262,863	\$0.38	October 1, 2029
Roy Ellis	65,716	\$0.38	October 1, 2029

Notes:

1. On a post-Cheelcare Split basis.

Escrowed Securities

CPC Escrow

The following table summarizes the securities of DBC and the Resulting Issuer expected to be under escrow following the completion of the DBC Qualifying Transaction to the knowledge of Cheelcare and DBC as of the date of this Filing Statement in accordance with Section 1.1 of the CPC Policy.

Name and Municipality of Residence	Designation of Class	Prior to Giving Effect to the DBC Qualifying Transaction		After Giving Effect to the DBC Qualifying Transaction	
		Number of Securities Held in Escrow	Percentage of Class	Number of Securities Held in Escrow	Percentage of Class
Trevor Treweeke Nanaimo, B.C.	Common Shares	500,000	11.11%	166,666	0.85%
Paul Andreola North Vancouver, B.C.	Common Shares	500,000	11.11%	166,666	0.85%
Jake Bouma Vancouver, B.C.	Common Shares	500,000 ⁽¹⁾	11.11%	166,666	0.85%
Alan Savage West Vancouver, B.C.	Common Shares	500,000 ⁽²⁾	11.11%	166,666	0.85%
Leishman Investments Ltd. Bowen Island, B.C.	Common Shares	180,000 ⁽³⁾	4.00%	60,000	0.31%
Gabriel Miss and Josee Desquiotz Luxembourg	Common Shares	160,000	3.56%	53,333	0.27%
Tina Ricci Burnaby, B.C.	Common Shares	160,000	3.56%	53,333	0.27%
Total	Common Shares	2,500,000	55.56%	833,330	4.25%

Notes:

- (1) All of which are owned by Bouma Capital Limited, a company owned and controlled by Jake Bouma.
- (2) All of which are owned by Lonsdale Capital Corporation, a company owned and controlled by Alan Savage.
- (3) All of which are owned by Leishman Investments Ltd., a company owned and controlled by David Leishman.

Securities summarized in the above table held by certain Principals of the Resulting Issuer will be escrowed in accordance with TSXV policies and applicable securities laws as follows:

Percentage of Shares Released from Escrow	Shares Release Date
25%	Date of Final Exchange Bulletin
25%	6 months from Final Exchange Bulletin
25%	12 months from Final Exchange Bulletin
25%	18 months from Final Exchange Bulletin

Principal Escrow

The following table summarizes the securities of the Resulting Issuer to be held by directors and officers of the Resulting Issuer and expected to be under escrow following the completion of the DBC Qualifying Transaction to the knowledge of Cheelcare and DBC as of the date of this Filing Statement in accordance with Section 1.3 of Policy 5.4.

Name and Municipality of Residence	Designation of Class	After Giving Effect to the DBC Qualifying Transaction	
		Number of Securities Held in Escrow	Percentage of Class
Eugene Cherny, Richmond Hill, Ontario	Common Shares	3,587,803	18.30%
Eugene Cherny, Richmond Hill, Ontario	Options	262,863	21.93%
Dima Paltsev, East Gwillimbury, Ontario	Common Shares	3,284,825	16.76%
Dima Paltsev, East Gwillimbury, Ontario	Options	262,863	21.93%
Roy Ellis, Newmarket, Ontario	Common Shares	1,602,715	8.17%
Roy Ellis, Newmarket, Ontario	Options	65,716	5.48%
Trevor Treweeke, Vancouver, British Columbia	Common Shares	92,045	0.47%
Marc Kazimirski, Vancouver, British Columbia	Common Shares	274,031	1.40%
Maxime Lemieux, Montréal, Québec	Common Shares	39,695	0.20%
Total	Common Shares	8,881,114	45.29%
Total	Options	628,942	52.46%

Following completion of the DBC Qualifying Transaction, securities summarized in the above table held by directors and officers of the Resulting Issuer will be escrowed in accordance with TSXV policies and applicable securities laws as follows:

Percentage of Shares Released	Time of Release
10%	At the time of Exchange Bulletin
15%	6 months from Exchange Bulletin
15%	12 months from Exchange Bulletin
15%	18 months from Exchange Bulletin
15%	24 months from Exchange Bulletin
15%	30 months from Exchange Bulletin
15%	36 months from Exchange Bulletin

Seed Share Resale Restrictions

The following table summarizes the securities of the Resulting Issuer expected to be subject to seed share resale restrictions following the completion of the DBC Qualifying Transaction to the knowledge of Cheelcare and DBC as of the date of this Filing Statement in accordance with Section 10 of Policy 5.4.

Name and Municipality of Residence	Designation of Class	After Giving Effect to the DBC Qualifying Transaction	
		Number of Securities Held in Escrow	Percentage of Class
Alex Laurin	Common Shares	78,859	0.40%
Dmitry Marukh	Common Shares	348,294	1.78%
Evelio Goderich	Common Shares	197,148	1.01%
Gennady Lisnyak	Common Shares	223,434	1.14%
Somin Eduard	Common Shares	131,432	0.67%
Allan H. Boyd	Common Shares	32,858	0.17%
Jim Brown	Common Shares	3,943	0.02%
Michael Katsman	Common Shares	3,286	0.02%
Total	Common Shares	1,019,254	5.20%

Following completion of the DBC Qualifying Transaction, securities summarized in the above table will be escrowed in accordance with TSXV policies and applicable securities laws as follows:

Percentage of Shares Released	Time of Release
10%	Date of Final Exchange Bulletin
15%	6 months from Final Exchange Bulletin
15%	12 months from Final Exchange Bulletin
15%	18 months from Final Exchange Bulletin
15%	24 months from Final Exchange Bulletin
15%	30 months from Final Exchange Bulletin
15%	36 months from Final Exchange Bulletin

Auditors, Transfer Agent and Registrar

Upon completion of the DBC Qualifying Transaction, the transfer agent and registrar for the Resulting Issuer Common Shares will be TSX Trust Company at its offices located at 301-100 Adelaide St. West, Toronto, Ontario, M5H 4H1, Canada, and the auditor of the Resulting Issuer is expected to be SRCO Professional Corporation at its offices at Park Place Corporate Centre, 15 Wertheim Court, Suite 409, Richmond Hill, ON L4B 3H7.

Risk Factors

The following risk factors are not a definitive list of all risk factors associated with the DBC Qualifying Transaction. Additional risks and uncertainties, including those currently unknown or considered immaterial by DBC and Cheelcare, may also adversely affect the Resulting Issuer Common Shares and/or the business of the Resulting Issuer following completion of the DBC Qualifying Transaction.

RISKS RELATING TO THE PROPOSED QUALIFYING TRANSACTION

Possible failure to complete the DBC Qualifying Transaction

Each of DBC and Cheelcare has the right to terminate the Business Combination Agreement in certain circumstances. Accordingly, there is no certainty, nor can DBC provide any assurance, that the Business Combination Agreement will not be terminated before completion of the DBC Qualifying Transaction. In addition, the completion of the DBC Qualifying Transaction is subject to a number of conditions, certain of which are outside the control of DBC, including receipt of TSXV approval. There is no certainty, nor can DBC provide any assurance, that such conditions will be satisfied. If for any reason the DBC Qualifying Transaction is not completed, the market price of the DBC Common Shares may be adversely affected and DBC Shareholders will lose the prospective benefits of the DBC Qualifying Transaction. Accordingly, if the Business Combination Agreement is terminated, there is no assurance that DBC will pursue or be able to complete an alternative transaction.

Possible liabilities associated with the DBC Qualifying Transaction

Although due diligence has been conducted with respect to Cheelcare, there is no certainty that the due diligence procedures have revealed all of the risks and liabilities associated with the DBC Qualifying Transaction. Cheelcare has provided certain representations in the Business Combination Agreement with respect to Cheelcare and the Cheelcare Shareholders but those representations may be limited by the knowledge of the persons giving such representations. Risks and liabilities associated with the DBC Qualifying Transaction may be unknown and accordingly the potential monetary cost of any such liability is also unknown.

Costs of the DBC Qualifying Transaction

There are certain costs related to the DBC Qualifying Transaction, such as legal and accounting fees incurred, that must be paid by DBC even if the DBC Qualifying Transaction is not completed.

The effect of the DBC Qualifying Transaction on the Resulting Issuer Common Shares is uncertain

The effect of the DBC Qualifying Transaction upon the market price of the Resulting Issuer Common Shares cannot be predicted with any certainty, and the history of similar transactions for corporations similar to DBC is varied. There can be no assurance that the per-share market price of the Resulting Issuer Common Shares will be higher than the per share market price of the DBC Common Shares immediately before the announcement of the DBC Qualifying Transaction.

Risk of inability to satisfy continuous listing requirements of the TSXV

Even if TSXV approval is obtained, no assurance can be given that the Resulting Issuer will be able to satisfy the continuous listing requirements of the TSXV going forward.

RISK FACTORS RELATING TO DBC

No active business

DBC currently has no active business and as such, is subject to many risks, all of which are common to such enterprises, including under-capitalization, cash shortages, and limitations with respect to personnel, financial and other resources and the lack of revenues. There is no assurance that DBC will be successful in achieving a return on shareholders' investment. DBC has neither declared nor paid any dividends and has no intention of paying dividends in the foreseeable future.

DBC Qualifying Transaction may not be completed

The DBC Qualifying Transaction is subject to final acceptance of the TSXV. There can be no assurance that all of the necessary regulatory approvals will be obtained. If the DBC Qualifying Transaction contemplated by the

Business Combination Agreement is not completed for these reasons or for any other reason, including as a result of the termination of the Business Combination Agreement by the parties to that agreement, DBC will have incurred significant costs associated with the failed implementation of the DBC Qualifying Transaction. Furthermore, DBC has only limited funds with which to identify and evaluate potential Qualifying Transactions and there can be no assurance that DBC will be able to identify a suitable Qualifying Transaction in sufficient time or at all. Even if a DBC Qualifying Transaction is identified in the future, there can be no assurance that DBC will be able to successfully complete such transaction and the completion of such other Qualifying Transaction is subject to a number of conditions including acceptance by the TSXV and, in the case of a Non-Arm's Length Qualifying Transaction, approval of the majority of the minority shareholders of DBC.

RISK FACTORS RELATING TO THE RESULTING ISSUER

Forward-looking information may prove inaccurate

Shareholders are cautioned not to place undue reliance on forward-looking information. By its nature, forward-looking information involves numerous assumptions, known and unknown risk and uncertainties, of both a general and specific nature, that could cause actual results to differ materially from those suggested by the forward-looking information or contribute to the possibility that predictions, forecasts or projections will prove to be materially inaccurate.

Any investors should carefully consider the risk factors set out in this Filing Statement and consider all other information contained herein before making a decision with respect to the Amalgamation. If any of the risks described above materialize, the business, financial condition or results of operations of either Cheelcare or DBC could be materially and adversely affected. Additional risks and uncertainties not currently known to or currently seen as immaterial by management of Cheelcare may also materially and adversely affect the business, financial condition or results of operations of either Cheelcare or DBC.

Following the completion of the DBC Qualifying Transaction, the Resulting Issuer may issue additional equity securities

Following the completion of the DBC Qualifying Transaction, the Resulting Issuer may issue equity securities to finance its activities. If the Resulting Issuer were to issue additional equity securities, the ownership interest of existing Resulting Issuer shareholders may be diluted and some or all of the Resulting Issuer's financial measures on a per share basis could be reduced. Moreover, as the Resulting Issuer's intention to issue additional equity securities becomes publicly known, the Resulting Issuer's share price may be materially adversely affected.

The success of all Cheelcare's products depends heavily on acceptance by healthcare professionals who recommend the products, and failure to maintain a high level of confidence by professionals could adversely affect Cheelcare's business

Cheelcare has maintained customer relationships with numerous clinicians and other healthcare professionals. The company believes that sales of its products are significantly dependent on these professionals' confidence in and recommendations of its products. The acceptance of Cheelcare's products relies on educating the healthcare community about the distinctive characteristics, perceived benefits, efficacy, and cost-effectiveness of its products compared to those offered by competitors, as well as on training healthcare professionals in the proper use of its products. If Cheelcare fails to maintain these customer relationships and develop similar relationships with other leading healthcare professionals, it could result in less frequent recommendations of its products, which may adversely affect its sales and profitability.

Changes in insurance or government medical coverage and reimbursement policies

Cheelcare's success is significantly reliant on the availability of reimbursement for its products from government health programs and private insurance. Changes in healthcare laws, policies, or reimbursement rates could negatively impact Cheelcare's sales and profitability.

There are ongoing initiatives sponsored by government agencies, legislative bodies, and the private sector aimed at curbing the growth of healthcare costs, including price regulation and competitive pricing, in the markets where Cheelcare operates. These initiatives could result in increased pricing pressure in Canada and certain other markets, potentially impacting Cheelcare's operating results negatively. Governments, private insurance, and other third-party payors might reduce the approved payment amounts for Cheelcare's products. Any reductions in reimbursement levels or coverage, or the implementation of other cost-containment measures, could adversely affect Cheelcare's future operating results.

Potential adverse impact on relationships or failure of sales representatives to commit sufficient effort in selling Cheelcare's products

The sale and distribution of certain assistive mobility devices and products by Cheelcare depend, in part, on its relationships with a network of third-party distributors and independent commissioned sales representatives. These third-party entities and individuals maintain customer relationships with occupational therapists, and other healthcare professionals who prescribe and or recommend Cheelcare's products. Although Cheelcare's internal sales staff trains and manages these third-party distributors and independent sales representatives, the company does not directly monitor their sales efforts. Furthermore, some of the independent sales representatives engaged to sell Cheelcare's products also sell products that directly compete with Cheelcare's core offerings. There is a risk that these representatives may not dedicate the necessary effort to market and sell Cheelcare's products effectively. If Cheelcare fails to attract and maintain relationships with third-party distributors and skilled independent sales representatives, or if it fails to adequately train and monitor their efforts, or if the existing third-party distributors and independent sales representatives choose not to carry Cheelcare's products, the company's operational results and future growth could be adversely affected.

Dependence on key suppliers, supply chain and manufacturing risks

Cheelcare relies on a limited number of suppliers for essential components of its products. The loss of these suppliers, or their failure to deliver high-quality components in a timely manner, could increase Cheelcare's costs or delay its production schedules. Additionally, Cheelcare's ability to produce and supply products is critical to its success. Disruptions in its supply chain or manufacturing process due to factors such as material shortages, natural disasters, or labor disputes could adversely affect its ability to meet customer demand and harm its business and financial performance.

The Resulting Issuer's officers, directors and other insiders will control a large percentage of the Resulting Issuer's issued and outstanding Resulting Issuer Common Shares and such officers, directors and insiders may have the ability to control matters affecting the Resulting Issuer and its business

The officers, directors and other insiders of the Resulting Issuer are expected to own approximately 46.14% of the issued and outstanding Resulting Issuer Common Shares on a non-diluted basis, specifically Eugene Cherny is expected to own or exercise control over approximately 3,587,803 Resulting Issuer Common Shares, Dima Paltsev is expected to own or exercise control over approximately 3,284,825 Resulting Issuer Common Shares, Roy Ellis is expected to own or exercise control over approximately 1,602,715 Resulting Issuer Common Shares, Trevor Treweeke is expected to own or exercise control over approximately 258,711 Resulting Issuer Common Shares, Marc Kazimirski is expected to own or exercise control over approximately 274,031 Resulting Issuer Common Shares, and Maxime Lemieux is expected to own or exercise control over approximately 39,695 Resulting Issuer Common Shares. The Resulting Issuer's shareholders nominate and elect the board of directors of the Resulting Issuer, which generally has the ability to control the acquisition or disposition of the Resulting Issuer's assets, and the future issuance of its Resulting Issuer Common Shares or other securities. Accordingly, for any matters with respect to which a majority vote of the Resulting Issuer Common Shares may be required by law, such aforementioned individuals may have the ability to control such matters. Because the aforementioned individuals control a substantial portion of such Resulting Issuer Common Shares, investors may find it difficult or impossible to replace the Resulting Issuer's directors if they disagree with the way the Resulting Issuer's business is being operated. Furthermore, the interests of the aforementioned individuals and other shareholders are not necessarily aligned in all respects and there can be no assurance that the aforementioned individuals will exercise his rights as the Resulting Issuer's controlling shareholder in a manner consistent with the best interests of the Resulting Issuer's other shareholders.

From time to time the directors, officers and other insiders of the Resulting Issuer may sell Resulting Issuer Common Shares on the open market. These sales will be publicly disclosed in filings made with securities regulators. In the future, the directors, officers and other insiders of the Resulting Issuer may sell a significant number of Resulting Issuer Common Shares for a variety of reasons unrelated to the performance of the Resulting Issuer's business. The shareholders of the Resulting Issuer may perceive these sales as a reflection on management's view of the business and result in some shareholders selling their Resulting Issuer Common Shares. These sales could cause the market price of the Resulting Issuer Common Shares to drop.

Reliance on new product and service offerings

The success of the business of Cheelcare is dependent upon its ability to develop new products and enhance existing services. To keep pace with technological developments, satisfy increasingly sophisticated customer requirements and achieve market acceptance, Cheelcare must enhance and improve existing products and must also continue to introduce new products and services. If Cheelcare is unable to successfully develop new products or enhance and improve existing products or it fails to position and/or price its products to meet market demand, the business and operating results of Cheelcare will be adversely affected. Any new products could require long development and testing periods and may not be introduced in a timely manner or may not achieve the broad market acceptance necessary to generate significant revenue. There are factors which may prevent the Resulting Issuer from the realization of growth targets.

Being a public company may increase price volatility

In the event the DBC Qualifying Transaction is completed, the Resulting Issuer's status as a reporting issuer may increase price volatility due to various factors, including the ability to buy or sell Resulting Issuer Common Shares, different market conditions in different capital markets and different trading volumes. In addition, low trading volume may increase the price volatility of the Resulting Issuer Common Shares. The increased price volatility could adversely affect the results of operations or financial condition.

The requirements of being a public Resulting Issuer may strain the Resulting Issuer's resources

In the event the DBC Qualifying Transaction is completed, the Resulting Issuer will continue Cheelcare's current business activities. As a reporting issuer, the Resulting Issuer, and its business activities, will be subject to the reporting requirements of applicable securities legislation of the jurisdiction in which it is a reporting issuer, the listing requirements of the exchange on which it would be listed and other applicable securities rules and regulations. Compliance with those rules and regulations will increase the Resulting Issuer's legal and financial costs as compared to Cheelcare's current activities making some activities more difficult, time consuming or costly and increase demand on its systems and resources.

Technological advancements and competition

The assistive mobility device industry is characterized by rapid technological advancements. There is a constant risk that new inventions or improvements by Cheelcare's competitors could render Cheelcare's offerings obsolete or less attractive. Cheelcare's ability to remain competitive depends significantly on Cheelcare's success in maintaining technological leadership.

Potential product liability

The sale and use of Cheelcare's products carry an increased risk of product liability. There is no guarantee that future liability claims will not exceed the coverage limits of Cheelcare's current or future product liability insurance. The obligation to pay a product liability claim, an uninsured liability claim, a claim that exceeds insured liability, or to recall a product could materially adversely affect Cheelcare's business, financial position, and prospects.

Regulatory compliance and approval risks

Cheelcare's products are subject to extensive governmental regulations and oversight, which encompass aspects of safety, efficacy, and quality. The process of obtaining necessary regulatory approvals is both costly and

time-consuming. Any failure to obtain, or any delay in obtaining, required approvals could significantly impact Cheelcare's ability to introduce new or enhanced products to the market.

Dependence on key management personnel

The success of the Resulting Issuer is dependent upon the ability, expertise, judgment, discretion and good faith of its senior management as well as certain consultants (the “**Key Personnel**”). The Resulting Issuer’s future success depends on its continuing ability to attract, develop, motivate, and retain the Key Personnel. Qualified individuals for Key Personnel positions are in high demand, and the Resulting Issuer may incur significant costs to attract and retain them. The loss of the services of Key Personnel, or an inability to attract other suitably qualified persons as needed, could have a material adverse effect on the Resulting Issuer’s ability to execute on its business plan and strategy, and the Resulting Issuer may be unable to find adequate replacements on a timely basis, or at all. While employment and consulting agreements are customarily used as a primary method of retaining the services of Key Personnel, these agreements cannot assure the continued services of such individuals and consultants.

Conflicts of interest

The Resulting Issuer may face conflicts of interest as its officers, directors, and consultants are involved in various external business activities. Although they can engage in these activities provided they do not significantly interfere with their duties, these commitments could still impact their availability and potentially the operations of the Resulting Issuer. Furthermore, these individuals might encounter situations where their external obligations conflict with the Resulting Issuer’s interests, especially when competing for similar investment opportunities. Such conflicts will be managed according to legal standards, with conflicted directors abstaining from related decisions, and all directors are mandated to prioritize the Resulting Issuer's best interests legally and ethically.

Fraudulent or illegal activity by employees, contractors and consultants

The Resulting Issuer may be exposed to the risk that its employees, independent contractors and consultants may engage in fraudulent or other illegal activity. Misconduct by these parties could include intentional, reckless and/or negligent conduct or disclosure of unauthorized activities to the Resulting Issuer that violates: (a) government regulations; (b) federal and provincial healthcare fraud and abuse laws and regulations; or (c) laws that require the true, complete and accurate reporting of financial information or data. It may not always be possible for the Resulting Issuer to identify and deter such misconduct by its employees and other third parties, and the precautions taken by the Resulting Issuer to detect and prevent this activity may not be effective in controlling unknown or unmanaged risks or losses or in protecting the Resulting Issuer from governmental investigations or other actions or lawsuits stemming from a failure to be in compliance with such laws or regulations. If any such actions are instituted against the Resulting Issuer, and it is not successful in defending itself or asserting its rights, such actions could have a significant impact on the Resulting Issuer’s business, including the imposition of civil, criminal and administrative penalties, damages, monetary fines, contractual damages, reputational harm, diminished profits and future earnings, and curtailment of Resulting Issuer’s operations, any of which could have a material adverse effect on the Resulting Issuer’s business, financial condition, results of operations or prospects.

Internal controls

Effective internal controls are necessary for the Resulting Issuer to provide reliable financial reports and to help prevent fraud. Although the Resulting Issuer will undertake a number of procedures and will implement a number of safeguards in order to help ensure the reliability of its financial reports, including those imposed on the Resulting Issuer under applicable law, in each case the Resulting Issuer cannot be certain that such measures will ensure that the Resulting Issuer maintains adequate control over financial processes and reporting. Failure to implement required new or improved controls, or difficulties encountered in their implementation, could harm the Resulting Issuer’s results of operations or cause it to fail to meet its reporting obligations. If the Resulting Issuer or its auditors discover a material weakness, the disclosure of that fact, even if quickly remedied, could reduce the market’s confidence in the Resulting Issuer’s consolidated financial statements and could result in a material adverse effect.

General economic risks

The Resulting Issuer's operations could be affected by the economic context should interest rates, inflation or the unemployment level reach points that influence consumer trends and spending and, consequently, impact the Resulting Issuer's sales and profitability.

Any investors should further consider, among other factors, the Resulting Issuer's prospects for success in light of the risks and uncertainties encountered by companies that, like the Resulting Issuer, are in their early stages. For example, unanticipated expenses and problems or technical difficulties may occur, which may result in material delays in the operation of the Resulting Issuer's business. The Resulting Issuer may not successfully address these risks and uncertainties or successfully implement its operating strategies. If the Resulting Issuer fails to do so, it could materially harm the Resulting Issuer's business to the point of having to cease operations and could impair the value of the Resulting Issuer's securities.

Uncertainty of use of proceeds

Although the Resulting Issuer has set out its intended use of proceeds, these intended uses are estimates only and subject to change. While management does not contemplate any material variation, management does retain broad discretion in the application of such proceeds. The failure by the Resulting Issuer to apply these funds effectively could have a material adverse effect on the Resulting Issuer's business, including the Resulting Issuer's ability to achieve its stated business objectives.

Liquidity and additional financing

There's no guarantee that the Resulting Issuer will achieve its business goals, and it may need more financing to continue development. Without additional capital, which may not be available or on terms favourable to the Resulting Issuer, the Resulting Issuer could delay or abandon its business objectives or go out of business. Raising funds through equity or convertible debt could significantly dilute existing shareholders. Furthermore, the Resulting Issuer might finance future acquisitions with debt, potentially raising its debt levels and imposing restrictive covenants that could limit further capital raising and business opportunities. Negative cash flow could also hinder the Resulting Issuer's ability to pursue its objectives.

Difficulty to forecast

Cheelcare must rely largely on its own market research to forecast sales as detailed forecasts are not generally obtainable from other sources. A failure in the demand for its products to materialize as a result of competition, technological change or other factors could have a material adverse effect on the business, results of operations and financial condition of Cheelcare and the Resulting Issuer.

The application of the Company's accounting policy for such forecasts requires judgment in determining whether it is likely that future economic benefits will flow to Cheelcare. This judgment is based on assumptions about future events or circumstances, which are inherently uncertain, and are made as of the date of this Filing Statement. Estimates and assumptions made may change if new information becomes available. Cheelcare do not undertake any obligation to revise or update any forward-looking information or forecasts other than as required by applicable law.

The market price of the Resulting Issuer Common Shares may be subject to wide price fluctuations

The market price of the Resulting Issuer Common Shares may be subject to wide fluctuations in response to many factors, including variations in the operating results of the Resulting Issuer and its subsidiaries, divergence in financial results from analysts' expectations, changes in earnings estimates by stock market analysts, changes in the business prospects for the Resulting Issuer and its subsidiaries, general economic conditions, legislative changes, and other events and factors outside of the Resulting Issuer's control. In addition, stock markets have from time to time experienced extreme price and volume fluctuations, which, as well as general economic and political conditions, could adversely affect the market price for the Resulting Issuer Common Shares.

Management of growth

The Resulting Issuer may be subject to growth-related risks. The ability of the Resulting Issuer to manage growth effectively will require it to continue to implement and improve its operational and financial systems and to expand, train and manage its employee base. The inability of the Resulting Issuer to deal with this growth may have a material adverse effect on the Resulting Issuer's business, financial condition, results of operations and growth prospects.

Equity price risk

The Resulting Issuer may be exposed to equity price risk as a result of holding long-term investments in other companies. Just as investing in the Resulting Issuer is inherent with risks such as those set out in this Filing Statement, by investing in these other companies, the Resulting Issuer may be exposed to the risks associated with owning equity securities and those risks inherent in the investee companies.

Anti-money laundering laws and regulation risks

The Resulting Issuer is subject to a variety of laws and regulations domestically and internationally that concern money laundering, financial recordkeeping and proceeds of crime, including the *Proceeds of Crime (Money Laundering) and Terrorist Financing Act (Canada)*, as amended and the rules and regulations thereunder, the *Criminal Code (Canada)* and any related or similar rules, regulations or guidelines, issued, administered or enforced by governmental authorities internationally.

In the event that any of the Resulting Issuer's proceeds, any dividends or distributions therefrom, or any profits or revenues accruing from operations were found to be in violation of money laundering legislation or otherwise, such transactions may be viewed as proceeds of crime under one or more of the statutes noted above or any other applicable legislation. This could restrict or otherwise jeopardize the ability of the Resulting Issuer to declare or pay dividends, effect other distributions or subsequently repatriate such funds back to Canada.

Regulation

Cheelcare is subject to general business regulations. Existing and future laws and regulations may impede Cheelcare's growth strategies. These regulations and laws may cover taxation, privacy, data protection, pricing, content, copyrights, distribution, consumer protection, web services, websites, and the characteristics and quality of products and services. Unfavourable changes in regulations and laws could decrease demand for Cheelcare's digital media properties and inventory and increase its cost of doing business or otherwise have a material adverse effect on Cheelcare's reputation, popularity, results of operations, and financial condition. The requirements of being a public company may strain the Resulting Issuer's resources, divert management's attention and affect its ability to attract and retain executive management and qualified board members.

As a reporting issuer, the Resulting Issuer will be subject to the reporting requirements of applicable securities legislation of the jurisdiction in which it is a reporting issuer, the listing requirements of the TSXV and other applicable securities rules and regulations. Compliance with these rules and regulations will increase the Resulting Issuer's legal and financial compliance costs, make some activities more difficult, time consuming or costly and increase demand on its systems and resources. Applicable securities laws require the Resulting Issuer to, among other things, file certain annual and quarterly reports with respect to its business and results of operations. In addition, applicable securities laws require the Resulting Issuer to, among other things, maintain effective disclosure controls and procedures and internal control over financial reporting. In order to maintain and, if required, improve its disclosure controls and procedures and internal control over financial reporting to meet this standard, significant resources and management oversight may be required. Specifically, due to the increasing complexity of its transactions, it is anticipated that the Resulting Issuer will improve its disclosure controls and procedures and internal control over financial reporting primarily through the continued development and implementation of formal policies, improved processes and documentation procedures, as well as the continued sourcing of additional finance resources. As a result, management's attention may be diverted from other business concerns, which could harm the Resulting Issuer's business and results of operations. To comply with these requirements, Cheelcare may need to hire more employees in the future or engage outside consultants, which will increase its costs and expenses.

In addition, changing laws, regulations and standards relating to corporate governance and public disclosure are creating uncertainty for public companies, increasing legal and financial compliance costs and making some activities more time consuming. These laws, regulations and standards are subject to varying interpretations, in many cases due to their lack of specificity, and, as a result, their application in practice may evolve over time as new guidance is provided by regulatory and governing bodies. This could result in continuing uncertainty regarding compliance matters and higher costs necessitated by ongoing revisions to disclosure and governance practices. Cheelcare intends to continue to invest resources to comply with evolving laws, regulations and standards, and this investment may result in increased general and administrative expenses and a diversion of management's time and attention from revenue generating activities to compliance activities. If its efforts to comply with new laws, regulations and standards differ from the activities intended by regulatory or governing bodies due to ambiguities related to their application and practice, regulatory authorities may initiate legal proceedings against the Resulting Issuer and the Resulting Issuer's business may be adversely affected.

As a public company subject to these rules and regulations, the Resulting Issuer may find it more expensive for it to obtain director and officer liability insurance, and it may be required to accept reduced coverage or incur substantially higher costs to obtain coverage. These factors could also make it more difficult for the Resulting Issuer to attract and retain qualified members of its board of directors, particularly to serve on its audit committee and compensation committee, and qualified executive officers. As a result of disclosure of information in filings required of a public company, Cheelcare's business and financial condition will become more visible, which may result in threatened or actual litigation, including by competitors and other third parties. If such claims are successful, the Resulting Issuer's business and results of operations could be harmed, and even if the claims do not result in litigation or are resolved in its favor, these claims, and the time and resources necessary to resolve them, could divert the resources of the Resulting Issuer's management and harm its business and results of operations.

Unknown defects and impairments

A defect in any business arrangement may arise to defeat or impair the claim of the Resulting Issuer to such transaction, which may have a material adverse effect on the Resulting Issuer. It is possible that material changes could occur that may adversely affect management's estimate of the recoverable amount for any agreement the Resulting Issuer enters into. Impairment estimates, based on applicable key assumptions and sensitivity analysis, will be based on management's best knowledge of the amounts, events or actions at such time, and the actual future outcomes may differ from any estimates that are provided by the Resulting Issuer. Any impairment charges on the Resulting Issuer's carrying value of business arrangements could have a material adverse effect on the Resulting Issuer.

Credit and liquidity risk

The Resulting Issuer will be exposed to counterparty risks and liquidity risks including, but not limited to: (1) through suppliers of the Resulting Issuer which may experience financial, operational or other difficulties, including insolvency, which could limit or suspend those suppliers' ability to perform their obligations under agreements with the Resulting Issuer; (2) through financial institutions that may hold the Resulting Issuer's cash and cash equivalents; (3) through companies that will have payables to the Resulting Issuer; (4) through the Resulting Issuer's insurance providers; and (5) through the Resulting Issuer's lenders, if any.

The Resulting Issuer will also be exposed to liquidity risks in meeting its operating expenditure requirements in instances where cash positions are unable to be maintained or appropriate financing is unavailable. These factors may impact the ability of the Resulting Issuer to obtain loans and other credit facilities in the future and, if obtained, on terms favourable to the Resulting Issuer. If these risks materialize, the Resulting Issuer's operations could be adversely impacted and the price of the Resulting Issuer Common Shares could be adversely affected.

Litigation

The Resulting Issuer may from time to time be involved in various claims, legal proceedings and disputes arising in the ordinary course of business. If the Resulting Issuer is unable to resolve these disputes favourably, it may have a material adverse effect on the Resulting Issuer. Even if the Resulting Issuer is involved in litigation and wins,

litigation can redirect significant Resulting Issuer resources. Litigation may also create a negative perception of the Resulting Issuer. Securities litigation could result in substantial costs and damages and divert the Resulting Issuer's management's attention and resources. Any decision resulting from any such litigation that is adverse to the Resulting Issuer could have a negative impact on the Resulting Issuer's financial position.

Cybersecurity risks

The information systems of the Resulting Issuer and any third-party service providers and vendors, are vulnerable to an increasing threat of continually evolving cybersecurity risks. These risks may take the form of malware, computer viruses, cyber threats, extortion, employee error, malfeasance, system errors or other types of risks, and may occur from inside or outside of the respective organizations. Cybersecurity risk is increasingly difficult to identify and quantify and cannot be fully mitigated because of the rapid evolving nature of the threats, targets and consequences. Additionally, unauthorized parties may attempt to gain access to these systems through fraud or other means of deceiving third-party service providers, employees or vendors. The operations of the Resulting Issuer depend, in part, on how well networks, equipment, IT systems and software are protected against damage from a number of threats. These operations also depend on the timely maintenance, upgrade and replacement of networks, equipment, IT systems and software, as well as pre-emptive expenses to mitigate the risks of failures. However, if the Resulting Issuer is unable or delayed in maintaining, upgrading or replacing IT systems and software, the risk of a cybersecurity incident could materially increase. Any of these and other events could result in information system failures, delays and/or increases in capital expenses. The failure of information systems or a component of information systems could, depending on the nature of any such failure, adversely impact the reputation and results of operations of the Resulting Issuer.

There is no assurance that the Resulting Issuer will turn a profit or generate immediate revenues

There is no assurance as to whether the Resulting Issuer will be profitable or continue to be profitable, or pay dividends. The Resulting Issuer has incurred and anticipates that it will continue to incur substantial expenses relating to the development of its business. The payment and amount of any future dividends will depend upon, among other things, the Resulting Issuer's results of operations, cash flow, financial condition, and operating and capital requirements. There is no assurance that future dividends will be paid, and, if dividends are paid, there is no assurance with respect to the amount of any such dividends.

Customer acquisitions

The Resulting Issuer's success depends, in part, on the Resulting Issuer's ability to attract and retain customers. There are many factors which could impact the Resulting Issuer's ability to attract and retain customers, including but not limited to the successful implementation of marketing plans and the continued growth in the aggregate number of customers. The failure to acquire and retain customers would have a material adverse effect on the Resulting Issuer's business, operating results and financial condition.

Constraints on marketing products

The development of the Resulting Issuer's businesses and operating results may be hindered by applicable restrictions on marketing. The Canadian federal regulatory regime requires plain packaging of products, and has further prohibitions with respect to marketing, including prohibitions on testimonials, lifestyle branding and packaging that is appealing to youth.

The regulatory environment in Canada and abroad limits the Resulting Issuer's ability to compete for market share in a manner similar to other industries. If the Resulting Issuer is unable to effectively market its products and compete for market share, or if the costs of compliance with government legislation and regulation cannot be absorbed through increased selling prices for its products, the Resulting Issuer's sales and operating results could be adversely affected, which could have a materially adverse effect on the Resulting Issuer's business, financial condition and operating results.

Intellectual property

Protecting the intellectual property (“IP”) acquired from Cheelcare is crucial to the Resulting Issuer’s success. There are risks of unauthorized use and replication of their technology and products, and enforcing IP rights can be challenging, costly, and unpredictable. Legal outcomes could potentially invalidate or narrow these rights, significantly impacting the company’s operations and future IP applications. Additionally, the Resulting Issuer might face infringement claims from others, potentially leading to costly legal battles, injunctions, or the need to secure licenses, which may not be available on favorable terms or at all. These issues could materially affect the Resulting Issuer’s business and financial stability.

I) OTHER MATERIAL FACTS

To management’s knowledge, there are no other material facts about DBC, Cheelcare, the Resulting Issuer or the DBC Qualifying Transaction that are not otherwise disclosed in this Filing Statement.

J) SPONSORSHIP

Sponsorship for the DBC Qualifying Transaction is required by the CPC Policy unless an exemption from the sponsorship requirement is granted to DBC by the TSXV. Subject to the satisfaction of certain conditions, DBC has been granted a discretionary exemption by the TSXV from the sponsorship requirement.

K) INTEREST OF EXPERTS

No person or company who is named as having prepared or certified a part of the Filing Statement or prepared or certified a report or valuation described or included in the Filing Statement has, or will have, immediately following completion of the DBC Qualified Transaction, any direct or indirect interest in Cheelcare, DBC or the Resulting Issuer.

L) BOARD APPROVAL

The board of directors of DBC has approved the contents of this Filing Statement. Where information contained in this Filing Statement rests particularly within the knowledge of a Person other than DBC, DBC has relied upon information furnished by such Person. DBC disclaims any responsibility with respect to the accuracy and adequacy of such information.

CERTIFICATE OF DEPARTURE BAY CAPITAL CORP.

The foregoing document constitutes full, true and plain disclosure of all material facts relating to the securities of Departure Bay Capital Corp. assuming completion of the DBC Qualifying Transaction.

Dated: June 27, 2025

(s) Trevor Treweek

Trevor Treweek
Chief Executive Officer

(s) Alan Savage

Alan Savage
Chief Financial Officer

On Behalf of the Board of Directors:

(s) Jake Bouma

Director

(s) Paul Andreola

Director

CERTIFICATE OF 9302204 CANADA INC.

The foregoing document, as it relates to 9302204 Canada Inc. constitutes full, true and plain disclosure of all material facts relating to the securities of 9302204 Canada Inc.

Dated: June 27, 2025

(s) Eugene Cherny

Eugene Cherny
Chief Executive Officer

(s) Dima Paltsev

Dima Paltsev
Chief Financial Officer

On Behalf of the Board of Directors:

(s) Roy Ellis

Director

(s) Dima Paltsev

Director

ACKNOWLEDGEMENT – PERSONAL INFORMATION

The undersigned hereby acknowledges and agrees that it has obtained the express written consent of each individual to:

- (a) the disclosure of Personal Information by the undersigned to the Exchange (as defined in TSX Venture Exchange – Appendix 6B) pursuant to this Filing Statement; and
- (b) the collection, use and disclosure of Personal Information by the Exchange for the purposes described in Appendix 6B or as otherwise identified by the Exchange, from time to time.

“Personal Information” means any information about an identifiable individual, and includes information contained in any Items in this Filing Statement that are analogous to Items 4.2, 11, 13.1, 16, 18.2, 19.2, 24, 25, 27, 32.3, 33, 34, 35, 36, 37, 38, 39, 41 and 42 of Form 3D1 and 3D2 - *Information Required in an Information Circular for a Qualifying Transaction / Information Required in a Filing Statement for a Qualifying Transaction*, as applicable.

DATED this June 27, 2025

DEPARTURE BAY CAPITAL CORP.

(s) Trevor Treweek
Trevor Treweek
Director, Chief Executive Officer

9302204 CANADA INC.

(s) Eugene Cherny
Eugene Cherny
Director, Chief Executive Officer

SCHEDULE “A”

Audited Annual Financial Statements of DBC for the years ended February 29, 2024 and February 28, 2023

(see attached)

DEPARTURE BAY CAPITAL CORP.

(A Capital Pool Company)

Financial Statements

For the Years Ended February 29, 2024 and February 28, 2023

(Expressed in Canadian dollars)

Independent Auditor's Report

To the Shareholders of Departure Bay Capital Corp.

Opinion

We have audited the financial statements of Departure Bay Capital Corp. (the "Company"), which comprise the statements of financial position as at February 29, 2024 and February 28, 2023 and the statements of net and comprehensive loss, changes in shareholders' equity (deficit) and cash flows for the years then ended, and notes to the financial statements, including a summary of material accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at February 29, 2024 and February 28, 2023, and its financial performance and its cash flows for the years then ended in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board.

Basis for Opinion

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

Material Uncertainty Related to Going Concern

We draw attention to Note 1 to the financial statements which describes the material uncertainty 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 financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. Other than the matter described in the Material Uncertainty Related to Going Concern section, we have determined there are no key audit matters to be communicated in our report.

Other Information

Management is responsible for the other information. The other information comprises:

- Management's Discussion and Analysis

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

In connection with our audit of the financial statements, our responsibility is to read the other information

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

We obtained the other information 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 in this auditor's report. We have nothing to report in this regard.

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

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

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

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

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

Crowe Mackay LLP

**Chartered Professional Accountants
Vancouver, Canada
June 10, 2024**

DEPARTURE BAY CAPITAL CORP.**(A Capital Pool Company)**

Statements of financial position

(Expressed in Canadian dollars)

	February 29, 2024	February 28, 2023
	\$	\$
Assets		
Current assets		
Cash	149,595	193,418
Total assets	149,595	193,418
Liabilities and shareholders' equity		
Current liability		
Accounts payable and accrued liabilities	16,308	16,336
Shareholders' equity		
Share capital (Note 4)	257,100	257,100
Reserves (Note 4)	48,455	48,455
Deficit	(172,268)	(128,473)
Total shareholders' equity	133,287	177,082
Total liabilities and shareholders' equity	149,595	193,418

Nature of operations and going concern (Note 1)

Approved and authorized for issuance on behalf of the Board of Directors on June 10, 2024 by:

/s/ Trevor Treweek

Director

/s/ Paul Andreola

Director

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

DEPARTURE BAY CAPITAL CORP.**(A Capital Pool Company)**

Statements of net and comprehensive loss

(Expressed in Canadian dollars)

	For year ended February 29, 2024	For the year ended February 28, 2024
	\$	\$
Expenses		
Bank charges	1,068	1,107
Office and administrative charges	-	865
Legal fees	5,925	22,535
Accounting and audit fees	24,911	31,337
Regulatory and filing	11,891	31,074
Stock-based compensation	-	33,555
Net and comprehensive loss for the year	(43,795)	(120,473)
 Net loss per share, basic and diluted	 (0.02)	 (0.18)
 Weighted average number of shares outstanding, basic and diluted	 2,000,000	 684,932

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

DEPARTURE BAY CAPITAL CORP.

(A Capital Pool Company)

Statements of changes in shareholders' equity (deficit)

(Expressed in Canadian dollars)

	Share capital					
	Number of shares	Amount	Subscription Receivable	Reserves	Deficit	Total shareholders' equity (deficit)
		\$	\$	\$	\$	\$
Balance, February 28, 2022	2,000,000	100,000	(100,000)	-	(8,000)	(8,000)
Private placement proceeds	500,000	25,000	-	-	-	25,000
Initial public offering						
Gross proceeds	2,000,000	200,000	-	-	-	200,000
Finder's fee – cash	-	(20,000)	-	-	-	(20,000)
Finder's fee – broker warrants	-	(14,900)	-	14,900	-	-
Other share issuance costs	-	(33,000)	-	-	-	(33,000)
Subscription receivable	-	-	100,000	-	-	100,000
Stock-based compensation	-	-	-	33,555	-	33,555
Net loss for the year	-	-	-	-	(120,473)	(120,473)
Balance, February 28, 2023	4,500,000	257,100	-	48,455	(128,473)	177,082
Balance, February 28, 2023	4,500,000	257,100	-	48,455	(128,473)	177,082
Net loss for the year	-	-	-	-	(43,795)	(43,795)
Balance, February 29, 2024	4,500,000	257,100	-	48,455	(172,268)	133,287

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

DEPARTURE BAY CAPITAL CORP.**(A Capital Pool Company)**

Statements of cash flows

(Expressed in Canadian dollars)

	For the year ended February 29, 2024	For the year ended February 28, 2023
	\$	\$
Operating activities		
Net loss for the year	(43,795)	(120,473)
Stock-based compensation	-	33,555
Adjustment for non-cash working capital:		
Accounts payable and accrued liabilities	(28)	8,336
Net cash used in operating activities	(43,823)	(78,582)
Financing activities		
Initial public offering and private placement	-	225,000
Finder's fees and share issuance costs	-	(53,000)
Share subscriptions receivable	-	100,000
Net cash provided by financing activities	-	272,000
Change in cash	(43,823)	193,418
Cash – beginning of year	193,418	-
Cash – end of year	149,595	193,418

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

DEPARTURE BAY CAPITAL CORP.

(A Capital Pool Company)

Notes to the financial statements

For the year ended February 29, 2024

(Expressed in Canadian dollars)

1. NATURE OF OPERATIONS

Departure Bay Capital Corp. (the "Company") was incorporated under the Business Corporations Act (British Columbia) on February 16, 2022. The Company is classified as a Capital Pool Company as defined in the TSX Venture Exchange (the "Exchange") Policy 2.4. The principal business of the Company is the identification and evaluation of a Qualifying Transaction ("QT") and once identified or evaluated, to negotiate an acquisition or participation in a business subject to receipt of shareholder approval, if required, and acceptance by regulatory authorities. On October 26, 2022, the Company completed its initial public offering ("IPO") and the common shares of the Company were listed on the Exchange under the symbol "DBC.P". The common shares of the Company began trading on the Exchange on October 28, 2022.

The head office, principal address and registered office of the Company are located at Suite 228 – 1122 Mainland Street, Vancouver, B.C. V6B 5L1, Canada.

There is no assurance that the Company will identify a QT and complete a transaction.

These financial statements have been prepared on the going concern basis, which assumes that the Company will be able to realize its assets and discharge its liabilities in the normal course of business. Should the Company be unable to continue as a going concern, it may be unable to realize the carrying value of its assets and to meet its liabilities as they become due. As at February 29, 2024, the Company has not generated any revenues from operations and has an accumulated deficit of \$172,268 and there is no assurance that the Company will identify a QT under the policies of the Exchange. If a QT is not completed, the Company will need to identify other courses of financing to remain as a going concern. The Company expects to incur further losses in the development of its business, all of which casts significant doubt about the Company's ability to continue as a going concern. The continued operations of the Company are dependent on its ability to generate future cash flows or obtain additional financing. Management is of the opinion that sufficient working capital will be obtained from external financing to meet the Company's liabilities and commitments as they become due, although there is a risk that additional financing will not be available on a timely basis or on terms acceptable to the Company. These financial statements do not reflect any adjustments to the carrying values of assets and liabilities, the reported expenses, and the balance sheet classifications used that may be necessary if the Company is unable to continue as a going concern.

2. BASIS OF PRESENTATION

Statement of Compliance

The financial statements have been prepared in accordance with IFRS Accounting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB").

Basis of Preparation

The financial statements are presented in Canadian dollars, which is the Company's functional and presentation currency. The financial statements are prepared on a historical cost basis except for financial instruments held at fair value. The accounting policies have been applied consistently throughout the entire period presented in these financial statements.

DEPARTURE BAY CAPITAL CORP.

(A Capital Pool Company)

Notes to the financial statements

For the year ended February 29, 2024

(Expressed in Canadian dollars)

2. BASIS OF PRESENTATION (continued)

Significant Accounting Judgments, Estimates and Assumptions

The preparation of financial statements requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities. The estimates and associated assumptions are based on anticipations and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgments about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

There have been no significant judgments made by management in the application of IFRS other than the going concern assumption (note 1) that have a significant effect on these financial statements.

3. MATERIAL ACCOUNTING POLICIES

The financial statements of the Company have been prepared in accordance with IFRS within the framework of the material accounting policies described below:

Financial Instruments

Cash and accounts payable and accrued liabilities are classified as measured at amortized cost, initially recognized as fair value net of transaction costs, subsequently measured at amortized cost using the effective interest method.

Share capital and share issuance costs

The Company's common shares and any future offerings of share warrants and options are classified as equity instruments. Costs directly attributable to the raising of capital are charged against the related share capital. Costs related to shares not yet issued are recorded as deferred share issuance costs. These costs are deferred until the issuance of the shares to which the costs relate, at which time the costs will be charged against the related share capital or charged to profit or loss if the shares are not issued.

Earnings (loss) per share

Basic earnings (loss) per share is computed by dividing net earnings (loss) available to common shareholders by the weighted average number of shares outstanding during the reporting period. Diluted earnings (loss) per share is computed similar to basic earnings (loss) per share except that the weighted average shares outstanding are increased to include additional shares for the assumed exercise of stock options and warrants, if dilutive. The number of additional shares is calculated by assuming that outstanding stock options and warrants were exercised and that the proceeds from such exercises were used to acquire common stock at the average market price during the reporting periods. As the Company has reported losses for the periods presented, the effect of stock options and warrants is antidilutive; therefore, basic loss per share equals diluted loss per share.

Once the common shares are placed in escrow, they are considered contingently issuable under IFRS until the Company completes its QT and will not be considered outstanding for purpose of the loss per share calculation.

DEPARTURE BAY CAPITAL CORP.

(A Capital Pool Company)

Notes to the financial statements

For the year ended February 29, 2024

(Expressed in Canadian dollars)

3. MATERIAL ACCOUNTING POLICIES (continued)

Share-based payments

The Company grants stock options to acquire common shares of the Company to directors, officers, employees and consultants. An individual is classified as an employee when the individual is an employee for legal or tax purposes, or provides services similar to those performed by an employee.

The fair value of stock options is measured on the date of grant, using the Black-Scholes option pricing model, and is expensed over the vesting terms. Consideration paid for the shares on the exercise of stock options is credited to capital stock. When vested options are forfeited or are not exercised at the expiry date the amount previously recognized in reserves remains in the same account. The Company estimates a forfeiture rate and adjusts the corresponding expense each period based on an updated forfeiture estimate.

In situations where equity instruments are issued to non-employees 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 based on the fair market value of when the shares are issued. Otherwise, share-based payments are measured at the fair value of goods or services received.

New standards adopted during the year

Amendments to IAS 1 and IFRS Practice Statement 2 – Disclosure of Accounting Policies

These amendments continue the IASB's clarifications on applying the concept of materiality. These amendments help companies provide useful accounting policy disclosures, and they include: requiring companies to disclose their material accounting policies instead of their significant accounting policies; clarifying that accounting policies related to immaterial transactions, other events or conditions are themselves immaterial and do not need to be disclosed; and clarifying that not all accounting policies that relate to material transactions, other events or conditions are themselves material. The IASB also amended IFRS Practice Statement 2 to include guidance and examples on applying materiality to accounting policy disclosures.

These amendments are adopted by the Company effective March 1, 2023. The adoption of the amendments reduced the Company's disclosure of its accounting policies.

New standards issued but not yet effective

IFRS 18 Presentation and Disclosure in Financial Statements

IFRS 18 introduces three sets of new requirements to give investors more transparent and comparable information about companies' financial performance for better investment decisions.

- Three defined categories for income and expenses - operating, investing and financing - to improve the structure of the income statement, and require all companies to provide new defined subtotals, including operating profit.
- Requirement for companies to disclose explanations of management-defined performance measures (MPMs) that are related to the income statement.
- Enhanced guidance on how to organize information and whether to provide it in the primary financial statements or in the notes.

This new standard is effective for reporting periods beginning on or after January 1, 2027. The Company will be evaluating the impact of this standard on its financial statements.

DEPARTURE BAY CAPITAL CORP.

(A Capital Pool Company)

Notes to the financial statements

For the year ended February 29, 2024

(Expressed in Canadian dollars)

4. SHARE CAPITAL

Authorized share capital

Unlimited Class A Common Shares without par value; and
Unlimited Class B Preferred Shares without par value

Share issuances

On February 16, 2022, the Company issued 2,000,000 common shares at \$0.05 per share to the directors of the Company for proceeds of \$100,000 which were received during the year ended February 28, 2023.

On March 18, 2022, the Company issued 500,000 common shares at a price \$0.05 per share.

The Company completed its IPO on October 26, 2022 in which it distributed 2,000,000 common of the Company at a price of \$0.10 per common share for gross proceeds of \$200,000. The Company paid \$20,000 in cash finder's fees, paid \$33,000 in share issuance costs comprising corporate finance fee and agents' costs, and issued 200,000 broker warrants exercisable into one common share of the Company at \$0.10 per share expiring October 26, 2027.

Escrowed Securities

Seed shares issued below the IPO price, shares acquired from treasury by non-arm's length parties to the CPC and CPC stock options and shares issued on exercise of stock options, which were granted before the IPO and at an exercise price less than the IPO price, are all 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 (the "Initial Release") and an additional 25% will be released on the dates 6, 12, and 18 months following the Initial Release. Shares acquired by the "Pro Group" as such term is defined in Exchange policies, at or above the IPO price and shares acquired by a "Control Person" as such term is defined in Exchange policies, in the secondary market are not subject to the CPC Escrow Agreement.

At February 29, 2024 and February 28, 2023, 2,500,000 common shares and 450,000 stock options are held in escrow.

Once the common shares are placed in escrow, they are considered contingently issuable under IFRS until the Company completes a QT and will not be considered outstanding for purpose of the loss per share calculation.

Options

The Company adopted a rolling stock option plan (the "Plan") to grant options to directors, senior officers, employees and consultants of the Company. The aggregate outstanding options are limited to 10% of the outstanding common shares, and the maximum term for options granted under the Plan is 10 years. The option exercise price under each option shall be not less than the Discounted Market Price as defined in the policies of the exchange on the Grant Date.

On October 26, 2022, the Company granted 450,000 stock options to officers and directors to purchase common shares in the Company at a price of \$0.10 per common share. These options had a fair value of \$33,555 calculated using the Black Scholes model with the following inputs: i) exercise price: \$0.10; ii) share price: \$0.10; iii) term: 5 years; iv) volatility: 100%, based on comparable peer companies' volatilities; v) Risk-free interest rate: 0.44%. As at February 29, 2024, these were the only options outstanding with a remaining life of 3.66 years (February 28, 2023 – 4.66 years).

DEPARTURE BAY CAPITAL CORP.

(A Capital Pool Company)

Notes to the financial statements

For the year ended February 29, 2024

(Expressed in Canadian dollars)

4. SHARE CAPITAL (continued)

Warrants

On October 26, 2022, the Company granted 200,000 share purchase warrants to finders to purchase common shares in the Company at a price of \$0.10 per common share. These options had a fair value of \$14,900 which has been included as a reduction to share capital calculated using the Black Scholes model with the following inputs: i) exercise price: \$0.10; ii) share price: \$0.10; iii) term: 5 years; iv) volatility: 100%, based on comparable peer companies' volatilities; v) Risk-free interest rate: 0.44%. As at February 29, 2024, these were the only share purchase warrants outstanding with a remaining life of 3.66 years (February 28, 2023 – 4.66 years).

5. TRANSACTIONS WITH RELATED PARTIES

During the year ended February 29, 2024, there were no related party transactions.

During the year ended February 28, 2023, the Company granted 450,000 stock options to the Board of Directors with a fair market value of \$33,555. There was no further compensation to key management personnel beyond the grant of options for the prior year.

As at February 29, 2024 and February 28, 2023, \$nil was payable to related parties.

6. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

Capital Management

The Company manages its capital structure and adjusts it, based on the funds available to the Company, in order to support the identification and evaluation of a QT and continue as a going concern. The Company considers capital to be all accounts in equity. The Board of Directors does not establish quantitative return on capital criteria for management, but rather relies on the expertise of the Company's management to sustain future development of the business. Additional funds may be required to finance the Company's QT. The Company is not subject to any externally imposed capital requirements other than the expenditure restrictions applicable under Policy 2.4, which will apply following the completion of the IPO. These expenditure restrictions limit the Company's on-going expenditures to reasonable expenditures relating to the IPO, reasonable expenses relating to a proposed QT, assurance and audit fees, escrow agent and transfer agent fees, regulatory filing fees and a maximum of \$3,000 per month for other general and administrative costs. The Company's approach to capital management has not been changed from prior year.

Risk Disclosures and Fair Values

The Company's financial instruments, consisting of cash and accounts payable and accrued liabilities, approximate fair values due to the relatively short-term maturities of the instruments. It is management's opinion that the Company is not exposed to significant interest, currency or credit risks arising from these financial instruments.

DEPARTURE BAY CAPITAL CORP.**(A Capital Pool Company)**

Notes to the financial statements

For the year ended February 29, 2024

(Expressed in Canadian dollars)

6. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)**Liquidity Risk**

As at February 29, 2024, the Company had accounts payable and accrued liabilities of \$16,308 due within 12 months and had cash of \$149,595 to meet its current obligations. Cash was held at a major Canadian financial institution at February 29, 2024. As a result, the Company has minimal liquidity risk.

Credit Risk

Credit risk is the risk of loss associated with the counterparty's inability to fulfill its payment obligations. The Company limits its exposure to credit loss for cash by placing its cash with a major financial institution. The Company believes it has no significant credit risk.

7. INCOME TAXES

A reconciliation of income taxes at statutory rates with the reported taxes is as follows:

	2024	2023
	\$	\$
Loss before income taxes	(43,795)	(120,473)
Statutory income tax rate	27%	27%
Expected income recovery	(12,000)	(33,000)
Non-deductible differences	-	9,000
Unrecognized tax benefits	12,000	24,000
Total income tax recovery	-	-

The Company has the following unrecognized deductible temporary differences and tax losses which can be used in future years to reduce taxable income.

		2024	2023
	Expiry date	\$	\$
Non-capital loss carry forward	2042 - 2044	160,000	106,000
Share issue costs	2024 - 2027	32,000	42,000
Total		192,000	148,000

SCHEDULE “B”
Annual Management’s Discussions & Analysis of DBC for the year ended February 29, 2024
(see attached)

**DEPARTURE BAY CAPITAL CORP.
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FOURTH QUARTER ENDED FEBRUARY 29, 2024**

Background

This management's discussion and analysis ("MD&A") of the operations, results, and financial position of Departure Bay Capital Corp. ("the Company") for the year ended February 29, 2024 should be read in conjunction with the Company's audited financial statements of the same period ended along with the notes to these same financial statements.

The effective date of this report is June 10, 2024.

The Company's referenced financial statements have been prepared in accordance with IFRS Accounting Standards ("IFRS") as issued by the International Accounting Standards Board (IASB). Except as otherwise disclosed, all dollar figures included therein and in the following MD&A are quoted in Canadian dollars. Additional information relevant to the Company's activities can be found on SEDAR+ at www.sedarplus.ca.

Company Overview

Departure Bay Capital Corp. (the "Company") was incorporated under the Business Corporations Act (British Columbia) on February 16, 2022. The Company is classified as a Capital Pool Company as defined in the TSX Venture Exchange (the "Exchange") Policy 2.4. The principal business of the Company is the identification and evaluation of a Qualifying Transaction ("QT") and once identified or evaluated, to negotiate an acquisition or participation in a business subject to receipt of shareholder approval, if required, and acceptance by regulatory authorities. On October 26, 2022, the Company's common shares were listed on the Exchange under the symbol "DBC.P" and began trading on October 28, 2022.

The head office, principal address and registered office of the Company are located at Suite 228 – 1122 Mainland Street, Vancouver, B.C. V6B 5L1, Canada.

The Company's continuing operations are dependent upon its ability to identify, evaluate and negotiate an acquisition of an interest in assets or businesses which qualifies as a QT. Such an acquisition or investment will be subject to regulatory approval and may or may not require additional financing. There is no assurance that the Company will be able to complete a QT or that it will be able to secure the necessary financing to complete a QT. If the Company does not meet these requirements, the Exchange may suspend from trading or delist the shares of the Company.

Initial Public Offering and Qualifying Transaction

The Company completed its initial public offering ("IPO") on October 26, 2022, and intends to use the net proceeds to identify and evaluate potential Qualifying Transaction ("QT") pursuant to the policies of the Exchange.

Overall Performance

The Company was incorporated on February 16, 2022. The Company does not have any operations to the date of this document and, until it completes a Qualifying Transaction, will not conduct any business other than the identification and evaluation of businesses and assets for potential acquisition.

As at February 29, 2024, the Company accumulated deficit of \$172,268. The Company's potential completion of a QT and recurring operating losses and working capital needs may require that it obtain additional capital to continue its operation. Such outside capital may include the sale of additional common shares. During the year ended February 29, 2024, the Company's cash balance decreased to \$149,595 from \$193,418. The decrease is due to overhead expenses paid.

There can be no assurance that capital will be available as necessary to meet the Company's needs or, if the capital is available, that it will be on terms acceptable to the Company. The issuances of additional equity securities by the Company may result in a significant dilution in the equity interests of its current shareholders.

SELECTED QUARTERLY RESULTS

The following table contains selected financial information for the last eight quarters:

<i>Quarters Ended:</i>	February 29, 2024	November 30, 2023	August 31, 2023	May 31, 2023
	\$	\$	\$	\$
Total expenses ⁽¹⁾	22,320	6,828	11,225	3,422
Net loss and comprehensive loss	(22,320)	(6,828)	(11,225)	(3,422)
Basic & diluted loss per share	(0.01)	(0.00)	(0.01)	(0.00)

<i>Quarters Ended:</i>	February 28, 2023	November 30, 2022	August 31, 2022	May 31, 2022
	\$	\$	\$	\$
Total expenses ⁽¹⁾	23,510	61,411	18,167	17,385
Net loss and comprehensive loss	(23,510)	(61,411)	(18,167)	(17,385)
Basic & diluted loss per share	(0.01)	(0.03)	(0.01)	(0.01)

(1) Total expenses include professional fees, regulatory and filing fees, administrative, office and bank charges.

During the three and twelve months ended February 29, 2024, the Company had a net loss of \$22,320 and \$43,795 compared to a net loss of \$23,510 and \$120,473 in the comparable period. The Company incurred increased costs relating to its initial public offering in the prior period which did not occur again in the current reporting period.

Additional Disclosure for Venture Issuers without Significant Revenue

Additional financial information is available in the Company's financial statements for the year ended February 29, 2024. These statements are available on SEDAR+ at www.sedarplus.ca.

The following addresses the specific disclosure requirements for venture issues without significant revenues:

- (a) Capitalized or expensed exploration and development costs – Not applicable
- (b) Expensed research and development costs – Not applicable
- (c) Deferred development costs – Not applicable
- (d) General administrative expenses – the financial information is presented in the Statement of Net and Comprehensive Loss in the financial statements.
- (e) Any material costs, whether capitalized, deferred or expensed, not referred to in (a) through (d) – None.

Profits

At this time, the issuer is not anticipating profit or revenue from operations. The issuer will report an annual deficit and quarterly deficit and will rely on its ability to obtain equity financing to fund its search for a QT. For information concerning the business of the issuer, please see "Company Overview".

Liquidity

On February 16, 2022, the Company issued 2,000,000 common shares at \$0.05 per share to the directors of the Company for proceeds of \$100,000 which were received during the year ended February 28, 2023. All common shares acquired in the secondary market prior to the completion of a QT by a Control Person, as defined in the

policies of the Exchange, are required to be deposited in escrow. Subject to certain permitted exemptions, all securities of the Company held by principals of the resulting issuer will also be subject to escrow.

On March 18, 2022, the Company issued 500,000 common shares at a price \$0.05 per share.

The Company completed its IPO on October 26, 2022 in which is distributed 2,000,000 common of the Company at a price of \$0.10 per common share for gross proceeds of \$200,000. The Company paid \$20,000 in cash finder's fees, paid \$33,000 in share issuance costs comprising a corporate finance fee and agents' costs, and issued 200,000 broker warrants exercisable into one common share of the Company at \$0.10 per share expiring October 26, 2027.

Capital Resources

On February 16, 2022, the Company issued 2,000,000 common shares at \$0.05 per share to the directors of the Company for proceeds of \$100,000 which were received through the year ended February 28, 2023.

On March 18, 2022, the Company issued 500,000 common shares at a price \$0.05 per share.

All common shares acquired in the secondary market prior to the completion of a QT by a Control Person, as defined in the policies of the Exchange, are required to be deposited in escrow. Subject to certain permitted exemptions, all securities of the Company held by principals of the resulting issuer will also be subject to escrow.

The Company manages its capital structure and adjusts it, based on the funds available to the Company, in order to support the identification and evaluation of a QT and continue as a going concern. The Company considers capital to be all accounts in equity. The Board of Directors does not establish quantitative return on capital criteria for management, but rather relies on the expertise of the Company's management to sustain future development of the business. Additional funds may be required to finance the Company's QT. The Company is not subject to any externally imposed capital requirements other than the expenditure restrictions applicable under Policy 2.4, which will apply following the completion of the IPO. These expenditure restrictions limit the Company's on-going expenditures to reasonable expenditures relating to the IPO, reasonable expenses relating to a proposed Qualifying Transaction, assurance and audit fees, escrow agent and transfer agent fees, regulatory filing fees and a maximum of \$3,000 per month for other general and administrative costs. The Company's approach to capital management has not been changed from prior year.

There is no assurance that the Company will be able to identify a suitable business, asset or property as its Qualifying Transaction. Furthermore, even if a QT is identified, there can be no assurance that the Company will be able to complete the transaction.

If the Company identifies a QT, it may be necessary for the Company to seek additional financing. Capital markets may not always be receptive to offerings of new equity from treasury or debt, whether by way of private placements or public offerings, under terms that would be acceptable for the Company.

Off-Balance Sheet Arrangements

The Company has no off-balance sheet arrangements.

Transactions between Related Parties

During the year ended February 29, 2024, there were no related party transactions or balances owing.

Proposed Transaction

None.

Critical Accounting Estimates and Judgments

The preparation of the referenced financial statements in conformity with IFRS requires management to make estimates and assumptions that affect amounts reported in the financial statements and accompanying notes. Management believes the estimates and assumptions used in the Company's financial statements are reasonable; however, actual results could differ from those estimates and could impact future results of operations and cash flows.

The Company's significant accounting judgments and estimates have been applied in the Company's financial statements:

Judgements:

- (i) The evaluation of the Company's ability to continue as a going concern

Financial Instruments

As at February 29, 2024, the Company's financial instruments consist of cash and accounts payable and accrued liabilities. The Company believes that the carrying values of cash, and accounts payable and accrued liabilities approximate their fair values because of their nature and relatively short maturity dates or durations.

The risk exposure arising from these financial instruments is summarized as follows:

- (a) Credit risk

Credit risk is the risk that one party to a financial instrument will cause a loss for the other party by failing to discharge an obligation. As of February 29, 2024, the Company's exposure to credit risk is minimal.

- (b) Liquidity risk

The Company's approach to managing liquidity risk is to ensure that it will have sufficient liquidity to meet liabilities when due. The Company's ability to continue to meet its liabilities when due, beyond the current cash balance, is dependent on future support of shareholders through public or private equity offerings. Refer to Note 1 of the financial statements, Nature of Operations and Going Concern.

- (c) Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices will affect the Company's income or value of its holdings or financial instruments. The Company's activities have only been transacted in Canadian dollars since incorporation; in addition, the Company carries no interest-bearing debt. As such, the Company has minimal market risks facing it at present.

Disclosure of Outstanding Share Data

The Company is authorized to issue an unlimited number of Class A common shares and an unlimited number of Class B preferred shares without par value. No Class B preferred shares have been issued to date.

As at the date of this MD&A, the Company had 4,500,000 common shares issued and outstanding; 200,000 broker warrants; and 450,000 stock options. Included in the outstanding common shares and stock options are 2,500,000 common shares and 450,000 stock option held in escrow.

New accounting standards and interpretations

The Company adopted *Amendments to IAS 1 and IFRS Practice Statement 2 – Disclosure of Accounting Policies* effective March 1, 2023. The adoption of the amendments reduced the Company's disclosure of its accounting policies.

The Company is expected to adopt *IFRS 18 Presentation and Disclosure in Financial Statements* for reporting periods beginning on or after January 1, 2027. The Company will be evaluating the impact of this standard on its financial statements.

Risks and Uncertainties

The Company's financial performance is likely to be subject to the following risks:

1. The Company has not commenced commercial operations, has no assets other than cash. The Company has no history of earnings, and will not generate earnings to pay dividends until at least after the completion of the Qualifying Transaction.
2. Until completion of the Qualifying Transaction, the Company is not permitted to carry on any business other than the identification and evaluation of potential Qualifying Transactions.
3. The Company only has limited funds with which to identify and evaluate potential Qualifying Transactions and there can be no assurance that the Company will be able to identify or complete a suitable Qualifying Transaction.
4. If a Qualifying Transaction is completed, there can be no assurance that an active and liquid market for the Company's common shares will develop and investors may find it difficult to resell the common shares.

Disclosure Controls and Procedures

Disclosure controls and procedures are intended to provide reasonable assurance that information required to be disclosed is recorded, processed, summarized, and reported within the time periods specified by securities regulations and that the information required to be disclosed is accumulated and communicated to management. Internal controls over financial reporting are intended to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with IFRS.

Forward-Looking Statements

This MD&A contains forward-looking statements. All statements, other than statements of historical fact, constitute "forward-looking statements" and include any information that addresses activities, events or developments that the Company believes, expects or anticipates will or may occur in the future including the Company's strategy, plans or future financial or operating performance and other statements that express management's expectations or estimates of future performance.

Forward-looking statements are generally identifiable by the use of the words "may", "will", "should", "continue", "expect", "anticipate", "estimate", "believe", "intend", "plan" or "project" or the negative of these words or other variations on these words or comparable terminology. All such forward-looking information and statements are based on certain assumptions and analyses made by the Company's management in light of their experience and perception of historical trends, current conditions and expected future developments, as well as other factors management believes are appropriate in the circumstances. These statements, however, are subject to known and unknown risks, uncertainties and other factors that may cause the actual results, level of activity, performance or achievements of the Company to be materially different from those expressed, implied by or projected in the forward-looking information or statements. Important factors that could cause actual results to differ from these forward-looking statements include but are discussed in Risks and Uncertainties.

There can be no assurance that any forward-looking statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. Accordingly, the reader should not place any undue reliance on forward-looking information or statements. Except as required by law, the Company does not intend to revise or update these forward-looking statements after the date of this document or to revise them to reflect the occurrence of future unanticipated events.

SCHEDULE “C”
Interim Financial Statements of DBC for the nine-month period ended November 30, 2024
(see attached)

DEPARTURE BAY CAPITAL CORP.

(A Capital Pool Company)

Condensed Interim Consolidated Financial Statements

For the nine months ended November 30, 2024

(Expressed in Canadian dollars - Unaudited)

DEPARTURE BAY CAPITAL CORP.**(A Capital Pool Company)**Condensed Interim Consolidated Statements of Financial Position
(Expressed in Canadian dollars)

	November 30, 2024 (unaudited)	February 28, 2024 (audited)
	\$	\$
Assets		
Current assets		
Cash	94,340	149,595
Short-term loan (Note 4)	25,000	-
Total assets	119,340	149,595
Liabilities and shareholders' equity		
Current liability		
Accounts payable and accrued liabilities	16,723	16,308
Shareholders' equity		
Share capital (Note 5)	257,100	257,100
Reserves (Note 5)	48,455	48,455
Deficit	(202,938)	(172,268)
Total shareholders' equity	102,617	133,287
Total liabilities and shareholders' equity	119,340	149,595

Nature of operations and going concern (Note 1)

Approved and authorized for issuance on behalf of the Board of Directors on June 23, 2025 by:

/s/ Trevor Treweeke

Director

/s/ Paul Andreola

Director

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

DEPARTURE BAY CAPITAL CORP.**(A Capital Pool Company)**

Condensed Interim Consolidated Statements of Net and Comprehensive Loss

(Expressed in Canadian dollars - Unaudited)

	For the three months ended November 30, 2024	For the three months ended November 30, 2023	For the nine months ended November 30, 2024	For the nine months ended November 30, 2023
	\$	\$	\$	\$
Expenses				
Bank charges	138	442	449	914
Office and administrative charges	1,275	-	1,275	-
Legal fees	8,898	901	8,898	4,866
Accounting and audit fees	7,625	4,286	14,988	9,661
Regulatory and filing	2,240	1,199	5,060	6,034
Net and comprehensive loss for the period	(20,176)	(6,828)	(30,670)	(21,475)
Net loss per share, basic and diluted	(0.01)	(0.00)	(0.02)	(0.01)
Weighted average number of shares outstanding, basic and diluted	2,000,000	2,000,000	2,000,000	2,000,000

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

DEPARTURE BAY CAPITAL CORP.**(A Capital Pool Company)**

Condensed Interim Consolidated Statements of Changes in Shareholders' Equity

(Expressed in Canadian dollars - Unaudited)

	<u>Share capital</u>					
	Number of shares	Amount	Subscription Receivable	Reserves	Deficit	Total shareholders' equity
		\$	\$	\$	\$	\$
Balance, February 28, 2023	4,500,000	257,100	-	48,455	(128,473)	177,082
Net loss for the period	-	-	-	-	(21,475)	(21,475)
Balance, November 30, 2023	4,500,000	257,100	-	48,455	(149,948)	155,607
Balance, February 29, 2024	4,500,000	257,100	-	48,455	(172,268)	133,287
Net loss for the period	-	-	-	-	(30,670)	(30,670)
Balance, November 30, 2024	4,500,000	257,100	-	48,455	(202,938)	102,617

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

DEPARTURE BAY CAPITAL CORP.**(A Capital Pool Company)**

Condensed Interim Consolidated Statements of Cash Flows

(Expressed in Canadian dollars - Unaudited)

	For the nine months ended November 30, 2024	For the nine months ended November 30, 2023
	\$	\$
Operating activities		
Net loss for the period	(30,670)	(21,475)
Adjustment for non-cash working capital:		
Accounts payable and accrued liabilities	415	(12,015)
Net cash used in operating activities	(30,255)	(33,490)
Investing activities		
Short-term loan	(25,000)	-
Change in cash	(55,255)	(33,490)
Cash – beginning of period	149,595	193,418
Cash – end of period	94,340	159,928

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

DEPARTURE BAY CAPITAL CORP.

(A Capital Pool Company)

Notes to the condensed interim consolidated financial statements

For the nine months ended November 30, 2024

(Expressed in Canadian dollars - Unaudited)

1. NATURE OF OPERATIONS

Departure Bay Capital Corp. (the "Company") was incorporated under the Business Corporations Act (British Columbia) on February 16, 2022. The Company is classified as a Capital Pool Company as defined in the TSX Venture Exchange (the "Exchange") Policy 2.4. The principal business of the Company is the identification and evaluation of a Qualifying Transaction ("QT") and once identified or evaluated, to negotiate an acquisition or participation in a business subject to receipt of shareholder approval, if required, and acceptance by regulatory authorities. On October 26, 2022, the Company completed its initial public offering ("IPO") and the common shares of the Company were listed on the Exchange under the symbol "DBC.P". The common shares of the Company began trading on the Exchange on October 28, 2022.

The head office, principal address and registered office of the Company are located at Suite 228 – 1122 Mainland Street, Vancouver, B.C. V6B 5L1, Canada.

There is no assurance that the Company will identify a QT and complete a transaction.

These financial statements have been prepared on the going concern basis, which assumes that the Company will be able to realize its assets and discharge its liabilities in the normal course of business. Should the Company be unable to continue as a going concern, it may be unable to realize the carrying value of its assets and to meet its liabilities as they become due. As at November 30, 2024, the Company has not generated any revenues from operations and has an accumulated deficit of \$202,938 and there is no assurance that the Company will identify a QT under the policies of the Exchange. If a QT is not completed, the Company will need to identify other courses of financing to remain as a going concern. The Company expects to incur further losses in the development of its business, all of which casts significant doubt about the Company's ability to continue as a going concern. The continued operations of the Company are dependent on its ability to generate future cash flows or obtain additional financing. Management is of the opinion that sufficient working capital will be obtained from external financing to meet the Company's liabilities and commitments as they become due, although there is a risk that additional financing will not be available on a timely basis or on terms acceptable to the Company. These condensed interim consolidated financial statements do not reflect any adjustments to the carrying values of assets and liabilities, the reported expenses, and the balance sheet classifications used that may be necessary if the Company is unable to continue as a going concern.

2. BASIS OF PRESENTATION

Statement of Compliance

These condensed interim consolidated financial statements of the Company have been prepared in accordance with International Accounting Standards ("IAS") 34, '*Interim Financial Reporting*' using accounting policies consistent with IFRS Accounting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB").

Basis of Preparation

The condensed interim consolidated financial statements are presented in Canadian dollars, which is the Company's functional and presentation currency. The condensed interim consolidated financial statements are prepared on a historical cost basis except for financial instruments held at fair value. The accounting policies have been applied consistently throughout the entire period presented in these condensed interim consolidated financial statements.

DEPARTURE BAY CAPITAL CORP.

(A Capital Pool Company)

Notes to the condensed interim consolidated financial statements

For the nine months ended November 30, 2024

(Expressed in Canadian dollars - Unaudited)

2. BASIS OF PRESENTATION (continued)

Significant Accounting Judgments, Estimates and Assumptions

The preparation of the condensed interim consolidated financial statements requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities. The estimates and associated assumptions are based on anticipations and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgments about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

There have been no significant judgments made by management in the application of IFRS other than the going concern assumption (note 1) that have a significant effect on these condensed interim consolidated financial statements.

3. MATERIAL ACCOUNTING POLICIES

The condensed interim consolidated financial statements of the Company have been prepared in accordance with IFRS within the framework of the material accounting policies described below:

Financial Instruments

Cash, short-term loan and accounts payable and accrued liabilities are classified as measured at amortized cost, initially recognized as fair value net of transaction costs, subsequently measured at amortized cost using the effective interest method.

Share capital and share issuance costs

The Company's common shares and any future offerings of share warrants and options are classified as equity instruments. Costs directly attributable to the raising of capital are charged against the related share capital. Costs related to shares not yet issued are recorded as deferred share issuance costs. These costs are deferred until the issuance of the shares to which the costs relate, at which time the costs will be charged against the related share capital or charged to profit or loss if the shares are not issued.

Earnings (loss) per share

Basic earnings (loss) per share is computed by dividing net earnings (loss) available to common shareholders by the weighted average number of shares outstanding during the reporting period. Diluted earnings (loss) per share is computed similar to basic earnings (loss) per share except that the weighted average shares outstanding are increased to include additional shares for the assumed exercise of stock options and warrants, if dilutive. The number of additional shares is calculated by assuming that outstanding stock options and warrants were exercised and that the proceeds from such exercises were used to acquire common stock at the average market price during the reporting periods. As the Company has reported losses for the periods presented, the effect of stock options and warrants is antidilutive; therefore, basic loss per share equals diluted loss per share.

Once the common shares are placed in escrow, they are considered contingently issuable under IFRS until the Company completes its QT and will not be considered outstanding for purpose of the loss per share calculation.

DEPARTURE BAY CAPITAL CORP.

(A Capital Pool Company)

Notes to the condensed interim consolidated financial statements

For the nine months ended November 30, 2024

(Expressed in Canadian dollars - Unaudited)

3. MATERIAL ACCOUNTING POLICIES (continued)

Share-based payments

The Company grants stock options to acquire common shares of the Company to directors, officers, employees and consultants. An individual is classified as an employee when the individual is an employee for legal or tax purposes, or provides services similar to those performed by an employee.

The fair value of stock options is measured on the date of grant, using the Black-Scholes option pricing model, and is expensed over the vesting terms. Consideration paid for the shares on the exercise of stock options is credited to capital stock. When vested options are forfeited or are not exercised at the expiry date the amount previously recognized in reserves remains in the same account. The Company estimates a forfeiture rate and adjusts the corresponding expense each period based on an updated forfeiture estimate.

In situations where equity instruments are issued to non-employees 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 based on the fair market value of when the shares are issued. Otherwise, share-based payments are measured at the fair value of goods or services received.

New standards issued but not yet effective

IFRS 18 Presentation and Disclosure in Financial Statements

IFRS 18 introduces three sets of new requirements to give investors more transparent and comparable information about companies' financial performance for better investment decisions.

- Three defined categories for income and expenses - operating, investing and financing - to improve the structure of the income statement, and require all companies to provide new defined subtotals, including operating profit.
- Requirement for companies to disclose explanations of management-defined performance measures (MPMs) that are related to the income statement.
- Enhanced guidance on how to organize information and whether to provide it in the primary financial statements or in the notes.

This new standard is effective for reporting periods beginning on or after January 1, 2027. The Company will be evaluating the impact of this standard on its condensed interim consolidated financial statements.

DEPARTURE BAY CAPITAL CORP.

(A Capital Pool Company)

Notes to the condensed interim consolidated financial statements

For the nine months ended November 30, 2024

(Expressed in Canadian dollars - Unaudited)

4. PROPOSED QUALIFYING TRANSACTION

On October 28, 2024, the Company entered into a binding letter of intent (“LOI”) with 9302204 Canada Inc. (“Cheelcare”) pursuant to which the Company proposes to acquire all of the issued and outstanding securities of Cheelcare in exchange for the issuance of securities of the Company, which will result in Cheelcare becoming a wholly-owned subsidiary of the Company (the “Cheelcare Transaction”). The Cheelcare Transaction will result in a reverse take-over of the Company where the existing shareholders of Cheelcare will own a majority of the outstanding common shares of the Company (the “Resulting Issuer”).

The closing of the Cheelcare Transaction is subject to a number of conditions including, but not limited to:

- Satisfactory due diligence review;
- Negotiating and entering into a definitive agreement incorporating the principal terms of the Cheelcare Transaction as described in the LOI;
- Shareholder approval by the Company and Cheelcare, if required;
- The Company completing a consolidation of its issued and outstanding common shares on the basis of three pre-consolidation common shares for each one post-consolidation common share;
- Cheelcare closing a private placement for gross proceeds of not less than \$2,500,000;
- Preparation and filing of documents as required to close the Cheelcare Transaction; and
- Obtaining all regulatory approvals.

In connection with the Cheelcare Transaction, on November 13, 2024, the Company loaned \$25,000 (“Bridge Loan 1”) to Cheelcare. The loan bears an interest rate of 8% compounded annually, is unsecured, and must be repaid with accrued interest within twenty business days after the date of the earlier of:

- the receipt of final approval of the TSXV of the Cheelcare Transaction; or
- the termination of the Cheelcare Transaction pursuant to the terms of the definitive agreement.

On December 13, 2024, the Company loaned a further \$50,000 to Cheelcare (“Bridge Loan 2”) pursuant to the Cheelcare Transaction. The loan bears an interest rate of 8% compounded annually, is secured against the assets of Cheelcare, and must be repaid with accrued interest within twenty business days after the date of the earlier of:

- the receipt of final approval of the TSXV of the Cheelcare Transaction; or
- the termination of the Cheelcare Transaction pursuant to the terms of the definitive agreement.

The principal portion of the loan and related accrued interest is repayable immediately if Cheelcare causes a default pursuant to Bridge Loan 2.

See Note 8 – Subsequent Events.

5. SHARE CAPITAL

Authorized share capital

Unlimited Class A Common Shares without par value; and

Unlimited Class B Preferred Shares without par value

Share issuances

There were no shares issued during the period ended November 30, 2024.

DEPARTURE BAY CAPITAL CORP.

(A Capital Pool Company)

Notes to the condensed interim consolidated financial statements

For the nine months ended November 30, 2024

(Expressed in Canadian dollars - Unaudited)

5. SHARE CAPITAL (continued)

Escrowed Securities

Seed shares issued below the IPO price, shares acquired from treasury by non-arm's length parties to the CPC and CPC stock options and shares issued on exercise of stock options, which were granted before the IPO and at an exercise price less than the IPO price, are all 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 (the "Initial Release") and an additional 25% will be released on the dates 6, 12, and 18 months following the Initial Release. Shares acquired by the "Pro Group" as such term is defined in Exchange policies, at or above the IPO price and shares acquired by a "Control Person" as such term is defined in Exchange policies, in the secondary market are not subject to the CPC Escrow Agreement.

At November 30, 2024 and February 29, 2024, 2,500,000 common shares and 450,000 stock options are held in escrow.

Once the common shares are placed in escrow, they are considered contingently issuable under IFRS until the Company completes a QT and will not be considered outstanding for purpose of the loss per share calculation.

Options

The Company adopted a rolling stock option plan (the "Plan") to grant options to directors, senior officers, employees and consultants of the Company. The aggregate outstanding options are limited to 10% of the outstanding common shares, and the maximum term for options granted under the Plan is 10 years. The option exercise price under each option shall be not less than the Discounted Market Price as defined in the policies of the exchange on the Grant Date.

On October 26, 2022, the Company granted 450,000 stock options to officers and directors to purchase common shares in the Company at a price of \$0.10 per common share. As at November 30, 2024, these were the only options outstanding with a remaining life of 2.90 years (February 29, 2024 – 3.66 years).

Warrants

On October 26, 2022, the Company granted 200,000 share purchase warrants to finders to purchase common shares in the Company at a price of \$0.10 per common share. As at November 30, 2024, these were the only share purchase warrants outstanding with a remaining life of 2.90 years (February 29, 2024 – 3.66 years).

6. TRANSACTIONS WITH RELATED PARTIES

During the nine months ended November 30, 2024, there were no related party transactions.

As at November 30, 2024 and February 29, 2024, \$nil was payable to related parties.

DEPARTURE BAY CAPITAL CORP.

(A Capital Pool Company)

Notes to the condensed interim consolidated financial statements

For the nine months ended November 30, 2024

(Expressed in Canadian dollars - Unaudited)

7. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

Capital Management

The Company manages its capital structure and adjusts it, based on the funds available to the Company, in order to support the identification and evaluation of a QT and continue as a going concern. The Company considers capital to be all accounts in equity. The Board of Directors does not establish quantitative return on capital criteria for management, but rather relies on the expertise of the Company's management to sustain future development of the business. Additional funds may be required to finance the Company's QT. The Company is not subject to any externally imposed capital requirements other than the expenditure restrictions applicable under Policy 2.4, which will apply following the completion of the IPO. These expenditure restrictions limit the Company's on-going expenditures to reasonable expenditures relating to the IPO, reasonable expenses relating to a proposed QT, assurance and audit fees, escrow agent and transfer agent fees, regulatory filing fees and a maximum of \$3,000 per month for other general and administrative costs. The Company's approach to capital management has not been changed from prior year.

Risk Disclosures and Fair Values

The Company's financial instruments, consisting of cash, short-term loan and accounts payable and accrued liabilities, approximate fair values due to the relatively short-term maturities of the instruments. It is management's opinion that the Company is not exposed to significant interest, currency or credit risks arising from these financial instruments.

Liquidity Risk

As at November 30, 2024, the Company had accounts payable and accrued liabilities of \$16,723 due within 12 months and had cash of \$94,340 to meet its current obligations. Cash was held at a major Canadian financial institution at November 30, 2024. As a result, the Company has minimal liquidity risk.

Credit Risk

Credit risk is the risk of loss associated with the counterparty's inability to fulfill its payment obligations. The Company limits its exposure to credit loss for cash by placing its cash with a major financial institution. The Company has exposure to credit risk in the amount of \$25,000 related to the short-term loan to Cheelcare.

Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices will affect the Company's income or value of its holdings or financial instruments. The Company's activities have only been transacted in Canadian dollars since incorporation; in addition, the Company carries no interest-bearing debt. As such, the Company has minimal market risks facing it at present.

DEPARTURE BAY CAPITAL CORP.

(A Capital Pool Company)

Notes to the condensed interim consolidated financial statements

For the nine months ended November 30, 2024

(Expressed in Canadian dollars - Unaudited)

8. SUBSEQUENT EVENTS

Further to the October 28, 2024 LOI with Cheelcare, the Company entered into a business combination agreement dated February 24, 2025 (the “Definitive Agreement”) with Cheelcare and 16729053 Canada Inc., a wholly-owned subsidiary of Company (“Subco”), pursuant to which the parties will complete a three-cornered amalgamation whereby Subco will amalgamate with Cheelcare (the “Amalgamation”) pursuant to the provisions of the *Canada Business Corporations Act* (“CBCA”), such that upon completion of the transaction (the “Transaction”), the Company will hold all of the issued and outstanding shares in the capital of the corporation resulting from the Amalgamation (post-Transaction, the Company referred to as the “Resulting Issuer”). The Definitive Agreement superseded and replaced the LOI. The Transaction is intended to constitute the Company’s “Qualifying Transaction” (as defined in Policy 2.4 of the Exchange Corporate Finance Manual). Subco was incorporated under the CBCA on February 6, 2025 for the purpose of carrying out the proposed Transaction. Upon completion of the Transaction and subject to the approval of the Exchange, it is expected that the Resulting Issuer will be renamed “Cheelcare Inc.” (or such other substantially similar name as may be determined by Cheelcare and the Company), the board of directors will be reconstituted and the Resulting Issuer will be listed on the Exchange as a Tier 2 Technology Issuer (as such term is defined in the Exchange Corporate Finance Manual).

Immediately prior to the completion of the Transaction, and as a condition to the completion of the Transaction, the Company will consolidate its issued and outstanding common shares on the basis of three (3) pre-consolidation shares for each one (1) post-consolidation share. In addition, immediately prior to the completion of the Transaction and as a condition to the completion of the Transaction, Cheelcare will split (the “Cheelcare Split”) its issued and outstanding common shares (the “Cheelcare Common Shares”) on such basis of one (1) Cheelcare common share pre-Cheelcare Split for 1.31431707 Post-Split Cheelcare common share.

As a condition to the closing of the Transaction, Cheelcare will have completed a non-brokered private placement (the “Private Placement”) of subscription receipts at a price of \$0.75 per Cheelcare Subscription Receipt (the “Subscription Receipts”) for aggregate gross proceeds of a minimum of \$2,500,000 and up to a maximum of \$3,500,000. Cheelcare closed its Private Placement of Subscription Receipts for aggregate gross proceeds of \$3,499,999.50. Cheelcare closed a first tranche of the Private Placement on December 31, 2024, pursuant to which it issued 4,523,604 Subscription Receipts and a second tranche on January 29, 2025, pursuant to which it issued 143,062 Subscription Receipts. Concurrent with the closing of the Transaction, each Subscription Receipt will automatically convert without any further action or payment of any additional consideration therefor, into one unit of Cheelcare (a “Unit”), with each Unit being comprised of one post-Cheelcare Split common share and one-half of one warrant of Cheelcare, with each whole warrant entitling the holder thereof to acquire one Cheelcare common share (post-Cheelcare Split) at a price of \$1.50 until the date that is 24 months following the closing date of the Transaction, subject to certain acceleration provisions. The proceeds from the Subscription Receipts will be used to fund the general working capital and business requirements of the Resulting Issuer.

In addition to the closing of its Private Placement of Subscription Receipts, Cheelcare also closed a private placement of debentures (the “Debentures”) on January 29, 2025 for an aggregate of \$502,999.50. Certain current insiders of the Company purchased Subscription Receipts in the Private Placement and/or Debentures, as follows: (i) 66,666 Subscription Receipts indirectly acquired by Alan Savage, Chief Financial Officer and director of the Company; (ii) \$50,000 of Debentures purchased directly by Trevor Treweeke, Chief Executive Officer, Corporate Secretary and director of the Company; (iii) \$99,999.50 of Debentures purchased indirectly by Paul Andreola, director of the Company and (iv) \$25,000 of Debentures purchased indirectly by Jake Bouma, director of the Company.

SCHEDULE “D”

Interim Management’s Discussions & Analysis of DBC for the nine-month period ended November 30, 2024

(see attached)

**DEPARTURE BAY CAPITAL CORP.
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE THIRD QUARTER ENDED NOVEMBER 30, 2024**

Background

This management's discussion and analysis ("MD&A") of the operations, results, and financial position of Departure Bay Capital Corp. ("the Company") for the third quarter ended November 30, 2024 should be read in conjunction with the Company's condensed interim consolidated financial statements for the same period, and the audited financial statements for the year ended February 29, 2024 along with the notes to these same financial statements.

The effective date of this report is June 23, 2025.

The Company's referenced condensed interim consolidated financial statements have been prepared in accordance with International Accounting Standards ("IAS") 34, 'Interim Financial Reporting' using accounting policies consistent with IFRS Accounting Standards ("IFRS") as issued by the International Accounting Standards Board (IASB). Except as otherwise disclosed, all dollar figures included therein and in the following MD&A are quoted in Canadian dollars. Additional information relevant to the Company's activities can be found on SEDAR+ at www.sedarplus.ca.

Company Overview

Departure Bay Capital Corp. (the "Company") was incorporated under the Business Corporations Act (British Columbia) on February 16, 2022. The Company is classified as a Capital Pool Company as defined in the TSX Venture Exchange (the "Exchange") Policy 2.4. The principal business of the Company is the identification and evaluation of a Qualifying Transaction ("QT") and once identified or evaluated, to negotiate an acquisition or participation in a business subject to receipt of shareholder approval, if required, and acceptance by regulatory authorities. On October 26, 2022, the Company's common shares were listed on the Exchange under the symbol "DBC.P" and began trading on October 28, 2022.

The head office, principal address and registered office of the Company are located at Suite 228 – 1122 Mainland Street, Vancouver, B.C. V6B 5L1, Canada.

The Company's continuing operations are dependent upon its ability to identify, evaluate and negotiate an acquisition of an interest in assets or businesses which qualifies as a QT. Such an acquisition or investment will be subject to regulatory approval and may or may not require additional financing. There is no assurance that the Company will be able to complete a QT or that it will be able to secure the necessary financing to complete a QT. If the Company does not meet these requirements, the Exchange may suspend from trading or delist the shares of the Company.

Initial Public Offering and Qualifying Transaction

The Company completed its initial public offering (“IPO”) on October 26, 2022, and intends to use the net proceeds to identify and evaluate potential Qualifying Transaction (“QT”) pursuant to the policies of the Exchange.

On October 28, 2024, the Company entered into a binding letter of intent (“LOI”) with 9302204 Canada Inc. (“Cheelcare”) pursuant to which the Company proposes to acquire all of the issued and outstanding securities of Cheelcare in exchange for the issuance of securities of the Company, which will result in Cheelcare becoming a wholly-owned subsidiary of the Company (the “Cheelcare Transaction”). The Cheelcare Transaction will result in a reverse take-over of the Company where the existing shareholders of Cheelcare will own a majority of the outstanding common shares of the Company (the “Resulting Issuer”).

The closing of the Cheelcare Transaction is subject to a number of conditions including, but not limited to:

- Satisfactory due diligence review;
- Negotiating and entering into a definitive agreement incorporating the principal terms of the Cheelcare Transaction as described in the LOI;
- Shareholder approval by the Company and Cheelcare, if required;
- The Company completing a consolidation of its issued and outstanding common shares on the basis of three pre-consolidation common shares for each one post-consolidation common share;
- Cheelcare closing a private placement for gross proceeds of not less than \$2,500,000;
- Preparation and filing of documents as required to close the Cheelcare Transaction; and
- Obtaining all regulatory approvals.

In connection with the Cheelcare Transaction, on November 13, 2024, the Company loaned \$25,000 (“Bridge Loan 1”) to Cheelcare. The loan bears an interest rate of 8% compounded annually, is unsecured, and must be repaid with accrued interest within twenty business days after the date of the earlier of:

- the receipt of final approval of the TSXV of the Cheelcare Transaction; or
- the termination of the Cheelcare Transaction pursuant to the terms of the definitive agreement.

On December 13, 2024, the Company loaned a further \$50,000 to Cheelcare (“Bridge Loan 2”) pursuant to the Cheelcare Transaction. The loan bears an interest rate of 8% compounded annually, is secured against the assets of Cheelcare, and must be repaid with accrued interest within twenty business days after the date of the earlier of:

- the receipt of final approval of the TSXV of the Cheelcare Transaction; or
- the termination of the Cheelcare Transaction pursuant to the terms of the definitive agreement.

The principal portion of the loan and related accrued interest is repayable immediately if Cheelcare causes a default pursuant to Bridge Loan 2.

Further to the October 28, 2024 LOI with Cheelcare, the Company entered into a business combination agreement dated February 24, 2025 (the “Definitive Agreement”) with Cheelcare and 16729053 Canada Inc., a wholly-owned subsidiary of Company (“Subco”), pursuant to which the parties will complete a three-cornered amalgamation whereby Subco will amalgamate with Cheelcare (the “Amalgamation”) pursuant to the provisions of the *Canada Business Corporations Act* (“CBCA”), such that upon completion of the transaction (the “Transaction”), the Company will hold all of the issued and outstanding shares in the capital of the corporation resulting from the Amalgamation (post-Transaction, the Company referred to as the “Resulting Issuer”). The Definitive Agreement superseded and replaced the LOI. The Transaction is intended to constitute the Company’s “Qualifying Transaction” (as defined in Policy 2.4 of the Exchange Corporate Finance Manual). Subco was incorporated under the CBCA on February 6, 2025 for the purpose of carrying out the proposed Transaction. Upon completion of the Transaction and subject to the approval of the Exchange, it is expected that the Resulting Issuer will be renamed “Cheecare Inc.” (or such other substantially similar name as may be determined by Cheelcare and the Company), the board of directors will be reconstituted and the Resulting Issuer will be listed on the Exchange as a Tier 2 Technology Issuer (as such term is defined in the Exchange Corporate Finance Manual).

Immediately prior to the completion of the Transaction, and as a condition to the completion of the Transaction, the Company will consolidate its issued and outstanding common shares on the basis of three (3) pre-consolidation shares for each one (1) post-consolidation share. In addition, immediately prior to the completion of the Transaction

and as a condition to the completion of the Transaction, Cheelcare will split (the “Cheelcare Split”) its issued and outstanding common shares (the “Cheelcare Common Shares”) on such basis of one (1) Cheelcare common share pre-Cheelcare Split for 1.31431707 Post-Split Cheelcare common share.

As a condition to the closing of the Transaction, Cheelcare will have completed a non-brokered private placement (the “Private Placement”) of subscription receipts at a price of \$0.75 per Cheelcare Subscription Receipt (the “Subscription Receipts”) for aggregate gross proceeds of a minimum of \$2,500,000 and up to a maximum of \$3,500,000. Cheelcare closed its Private Placement of Subscription Receipts for aggregate gross proceeds of \$3,499,999.50. Cheelcare closed a first tranche of the Private Placement on December 31, 2024, pursuant to which it issued 4,523,604 Subscription Receipts and a second tranche on January 29, 2025, pursuant to which it issued 143,062 Subscription Receipts. Concurrent with the closing of the Transaction, each Subscription Receipt will automatically convert without any further action or payment of any additional consideration therefor, into one unit of Cheelcare (a “Unit”), with each Unit being comprised of one post-Cheelcare Split common share and one-half of one warrant of Cheelcare, with each whole warrant entitling the holder thereof to acquire one Cheelcare common share (post-Cheelcare Split) at a price of \$1.50 until the date that is 24 months following the closing date of the Transaction, subject to certain acceleration provisions. The proceeds from the Subscription Receipts will be used to fund the general working capital and business requirements of the Resulting Issuer.

In addition to the closing of its Private Placement of Subscription Receipts, Cheelcare also closed a private placement of debentures (the “Debentures”) on January 29, 2025 for an aggregate of \$502,999.50. Certain current insiders of the Company purchased Subscription Receipts in the Private Placement and/or Debentures, as follows: (i) 66,666 Subscription Receipts indirectly acquired by Alan Savage, Chief Financial Officer and director of the Company; (ii) \$50,000 of Debentures purchased directly by Trevor Treweeke, Chief Executive Officer, Corporate Secretary and director of the Company; (iii) \$99,999.50 of Debentures purchased indirectly by Paul Andreola, director of the Company and (iv) \$25,000 of Debentures purchased indirectly by Jake Bouma, director of the Company.

Overall Performance

The Company was incorporated on February 16, 2022. The Company does not have any operations to the date of this document and, until it completes a Qualifying Transaction, will not conduct any business other than the identification and evaluation of businesses and assets for potential acquisition.

As at November 30, 2024, the Company accumulated deficit of \$202,938. The Company's potential completion of a QT and recurring operating losses and working capital needs may require that it obtain additional capital to continue its operation. Such outside capital may include the sale of additional common shares. During the third quarter ended November 30, 2024, the Company's cash balance decreased to \$94,340 from \$149,595. The decrease is due to auditor fees being paid, along with regulatory costs, and a short-term loan to Cheelcare.

There can be no assurance that capital will be available as necessary to meet the Company's needs or, if the capital is available, that it will be on terms acceptable to the Company. The issuances of additional equity securities by the Company may result in a significant dilution in the equity interests of its current shareholders.

SELECTED QUARTERLY RESULTS

The following table contains selected financial information for the last eight quarters:

Quarters Ended:	November 30, 2024	August 31, 2024	May 31, 2024	February 29, 2024
	\$	\$	\$	\$
Total expenses ⁽¹⁾	20,176	7,731	2,763	22,320
Net loss and comprehensive loss	(20,176)	(7,731)	(2,763)	(22,320)
Basic & diluted loss per share	(0.01)	(0.00)	(0.00)	(0.01)

Quarters Ended:	November 30, 2023	August 31, 2023	May 31, 2023	February 28, 2023
	\$	\$	\$	\$
Total expenses ⁽¹⁾	6,828	11,225	3,422	23,510
Net loss and comprehensive loss	(6,828)	(11,225)	(3,422)	(23,510)
Basic & diluted loss per share	(0.00)	(0.01)	(0.00)	(0.01)

(1) Total expenses include professional fees, regulatory and filing fees, administrative, office and bank charges.

During the three and nine months ended November 30, 2024, the Company had a net loss of \$20,176 and \$30,670 compared to a net losses of \$6,828 and \$21,475 in the comparable periods. The Company's expenses increased in the current three and nine months period as a result of increased professional fees, and office expenses relating to the facilitating the Cheelcare Transaction.

Additional Disclosure for Venture Issuers without Significant Revenue

Additional financial information is available in the Company's condensed interim consolidated financial statements for the period November 30, 2024. These statements are available on SEDAR+ at www.sedarplus.ca.

The following addresses the specific disclosure requirements for venture issues without significant revenues:

- (a) Capitalized or expensed exploration and development costs – Not applicable
- (b) Expensed research and development costs – Not applicable
- (c) Deferred development costs – Not applicable
- (d) General administrative expenses – the financial information is presented in the Statement of Net and Comprehensive Loss in the financial statements.
- (e) Any material costs, whether capitalized, deferred or expensed, not referred to in (a) through (d) – None.

Profits

At this time, the issuer is not anticipating profit or revenue from operations. The issuer will report an annual deficit and quarterly deficit and will rely on its ability to obtain equity financing to fund its search for a QT. For information concerning the business of the issuer, please see "Company Overview".

Liquidity

The Company had a working capital of \$102,617 at November 30, 2024 (February 28, 2024 - \$133,287).

Net cash used in operating activities for the period ended November 30, 2024 was \$30,255 compared to net cash used in operating activities for the period ended November 30, 2023, 2023 of \$33,490. The cash used in operating activities for the current period was to pay general and administrative expenses.

Capital Resources

On February 16, 2022, the Company issued 2,000,000 common shares at \$0.05 per share to the directors of the Company for proceeds of \$100,000 which were received through the year ended February 28, 2023.

On March 18, 2022, the Company issued 500,000 common shares at a price \$0.05 per share.

All common shares acquired in the secondary market prior to the completion of a QT by a Control Person, as defined in the policies of the Exchange, are required to be deposited in escrow. Subject to certain permitted exemptions, all securities of the Company held by principals of the resulting issuer will also be subject to escrow.

The Company manages its capital structure and adjusts it, based on the funds available to the Company, in order to support the identification and evaluation of a QT and continue as a going concern. The Company considers capital to be all accounts in equity. The Board of Directors does not establish quantitative return on capital criteria for management, but rather relies on the expertise of the Company's management to sustain future development of the business. Additional funds may be required to finance the Company's QT. The Company is not subject to any externally imposed capital requirements other than the expenditure restrictions applicable under Policy 2.4, which will apply following the completion of the IPO. These expenditure restrictions limit the Company's on-going expenditures to reasonable expenditures relating to the IPO, reasonable expenses relating to a proposed Qualifying Transaction, assurance and audit fees, escrow agent and transfer agent fees, regulatory filing fees and a maximum of \$3,000 per month for other general and administrative costs. The Company's approach to capital management has not been changed from prior year.

There is no assurance that the Company will be able to identify a suitable business, asset or property as its Qualifying Transaction. Furthermore, even if a QT is identified, there can be no assurance that the Company will be able to complete the transaction.

If the Company identifies a QT, it may be necessary for the Company to seek additional financing. Capital markets may not always be receptive to offerings of new equity from treasury or debt, whether by way of private placements or public offerings, under terms that would be acceptable for the Company.

Off-Balance Sheet Arrangements

The Company has no off-balance sheet arrangements.

Transactions between Related Parties

During the period ended November 30, 2024, there were no related party transactions or balances owing.

Proposed Transaction

See “Initial Public Offering and Qualifying Transaction”.

Critical Accounting Estimates and Judgments

The preparation of the referenced condensed interim consolidated financial statements in conformity with IFRS requires management to make estimates and assumptions that affect amounts reported in the condensed interim consolidated financial statements and accompanying notes. Management believes the estimates and assumptions used in the Company’s condensed interim consolidated financial statements are reasonable; however, actual results could differ from those estimates and could impact future results of operations and cash flows.

The Company’s significant accounting judgments and estimates have been applied in the Company’s condensed interim consolidated financial statements:

Judgements:

- (i) The evaluation of the Company’s ability to continue as a going concern

Financial Instruments

As at November 30, 2024, the Company’s financial instruments consist of cash and accounts payable and accrued liabilities. The Company believes that the carrying values of cash, and accounts payable and accrued liabilities approximate their fair values because of their nature and relatively short maturity dates or durations.

The risk exposure arising from these financial instruments is summarized as follows:

- (a) Credit risk

Credit risk is the risk that one party to a financial instrument will cause a loss for the other party by failing to discharge an obligation. The Company limits its exposure to credit loss for cash by placing its cash with a major financial institution. The Company has exposure to credit risk in the amount of \$25,000 related to the short-term loan to Cheelcare.

- (b) Liquidity risk

The Company’s approach to managing liquidity risk is to ensure that it will have sufficient liquidity to meet liabilities when due. The Company’s ability to continue to meet its liabilities when due, beyond the current cash balance, is dependent on future support of shareholders through public or private equity offerings. Refer to Note 1 of the condensed interim consolidated financial statements, Nature of Operations and Going Concern.

- (c) Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices will affect the Company’s income or value of its holdings or financial instruments. The Company’s activities have only been transacted in Canadian dollars since incorporation; in addition, the Company carries no interest-bearing debt. As such, the Company has minimal market risks facing it at present.

Disclosure of Outstanding Share Data

The Company is authorized to issue an unlimited number of Class A common shares and an unlimited number of Class B preferred shares without par value. No Class B preferred shares have been issued to date.

As at the date of this MD&A, the Company had 4,500,000 common shares issued and outstanding; 200,000 broker warrants; and 450,000 stock options. 2,500,000 common shares and 450,000 stock option held in escrow pursuant to Exchange CPC Policies.

New accounting standards and interpretations

The Company adopted *Amendments to IAS 1 and IFRS Practice Statement 2 – Disclosure of Accounting Policies* effective March 1, 2023. The adoption of the amendments reduced the Company's disclosure of its accounting policies.

The Company is expected to adopt *IFRS 18 Presentation and Disclosure in Financial Statements* for reporting periods beginning on or after January 1, 2027. The Company will be evaluating the impact of this standard on its financial statements.

Risks and Uncertainties

The Company's financial performance is likely to be subject to the following risks:

1. The Company has not commenced commercial operations, has no assets other than cash. The Company has no history of earnings, and will not generate earnings to pay dividends until at least after the completion of the Qualifying Transaction.
2. Until completion of the Qualifying Transaction, the Company is not permitted to carry on any business other than the identification and evaluation of potential Qualifying Transactions.
3. The Company only has limited funds with which to identify and evaluate potential Qualifying Transactions and there can be no assurance that the Company will be able to identify or complete a suitable Qualifying Transaction.
4. If a Qualifying Transaction is completed, there can be no assurance that an active and liquid market for the Company's common shares will develop and investors may find it difficult to resell the common shares.

Disclosure Controls and Procedures

Disclosure controls and procedures are intended to provide reasonable assurance that information required to be disclosed is recorded, processed, summarized, and reported within the time periods specified by securities regulations and that the information required to be disclosed is accumulated and communicated to management. Internal controls over financial reporting are intended to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with IFRS.

Forward-Looking Statements

This MD&A contains forward-looking statements. All statements, other than statements of historical fact, constitute "forward-looking statements" and include any information that addresses activities, events or developments that the Company believes, expects or anticipates will or may occur in the future including the Company's strategy, plans or future financial or operating performance and other statements that express management's expectations or estimates of future performance.

Forward-looking statements are generally identifiable by the use of the words "may", "will", "should", "continue", "expect", "anticipate", "estimate", "believe", "intend", "plan" or "project" or the negative of these words or other variations on these words or comparable terminology. All such forward-looking information and statements are based on certain assumptions and analyses made by the Company's management in light of their experience and perception of historical trends, current conditions and expected future developments, as well as other factors management believes are appropriate in the circumstances. These statements, however, are subject to known and unknown risks, uncertainties and other factors that may cause the actual results, level of activity, performance or achievements of the Company to be materially different from those expressed, implied by or projected in the forward-looking information or statements. Important factors that could cause actual results to differ from these forward-looking statements include but are discussed in Risks and Uncertainties.

There can be no assurance that any forward-looking statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. Accordingly, the reader should not place any undue reliance on forward-looking information or statements. Except as required by law, the Company does not intend to revise or update these forward-looking statements after the date of this document or to revise them to reflect the occurrence of future unanticipated events.

SCHEDULE “E”
Annual Financial Statements of Cheelcare for the years ended April 30, 2024 and 2023
(see attached)

9302204 CANADA INC. (O/A CHEELCARE)

FINANCIAL STATEMENTS

YEARS ENDED APRIL 30, 2024 and 2023

(Expressed in Canadian dollars)

9302204 CANADA INC. (O/A CHEELCARE)
Financial Statements
Years ended April 30, 2024 and 2023
(Expressed in Canadian dollars)

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INDEPENDENT AUDITOR'S REPORT

To the Shareholders of 9302204 Canada Inc. (O/A Cheelcare)

Opinion

We have audited the financial statements of 9302204 Canada Inc. (O/A Cheelcare) (the “Company”), which comprise the statements of financial position as at April 30, 2024 and 2023, the statements of loss and comprehensive loss, changes in shareholders’ deficit, and cash flows for the years then ended, and notes to the financial statements, including a summary of material accounting policies and information.(collectively referred to as the “financial statements”).

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at April 30, 2024 and 2023, and its financial performance and its cash flows for the years then ended in accordance with International Financial Reporting Standards (IFRS).

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 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 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.

Emphasis of Matter - Material Uncertainty Related to Going Concern

We draw attention to Note 1 to the financial statements, which indicates that the Company incurred a net loss, and had a working capital deficit and an accumulated deficit. As stated in Note 1, these events or conditions, along with other matters as set forth in Note 1, indicate that material uncertainties exist that cast significant doubt on the Company’s ability to continue as a going concern. Our opinion is not modified in respect of this matter.

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

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

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

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

(Continues)

Independent Auditor's Report to the Shareholders of 9302204 Canada Inc. (O/A Cheelcare) (continued)

Auditor's Responsibilities for the Audit of the Financial statements

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

SRCO Professional Corporation

Richmond Hill, Ontario
February 10, 2025

CHARTERED PROFESSIONAL ACCOUNTANTS
Authorized to practice public accounting by the
Chartered Professional Accountants of Ontario

9302204 CANADA INC. (O/A CHEELCARE)
Statements of Financial Position
As at April 30, 2024 and 2023
(Expressed in Canadian dollars)

	April 30, 2024 \$	April 30, 2023 \$
ASSETS		
Current assets		
Cash and cash equivalents	66,878	38,708
Trade and other receivables (note 6)	164,624	106,634
Inventories (note 7)	263,261	161,542
Work in process (note 7)	71,414	43,345
Prepaid expenses	2,101	1,853
	568,278	352,082
Non-current assets		
Furniture and equipment (note 8)	7,158	7,713
Intangible assets (note 9)	23,046	24,123
TOTAL ASSETS	598,482	383,918
LIABILITIES AND SHAREHOLDERS' DEFICIT		
Current liabilities		
Bank indebtedness (note 10)	145,000	30,000
Accounts payable and accrued liabilities (note 11)	849,857	357,636
Government remittances payable	29,808	49,669
Advances from a service provider (note 12)	71,966	65,874
Short term loans payable (note 13)	-	25,000
Current portion of bank loans (note 14)	31,115	31,111
	1,127,746	559,290
Non-current liabilities		
Bank loans (note 14)	121,105	152,222
Canada emergency business account loan (note 15)	44,806	40,160
Promissory notes (note 16)	125,000	125,000
Convertible debentures (note 17)	1,061,743	701,125
Due to shareholders (note 18)	473,433	692,204
TOTAL LIABILITIES	2,953,833	2,270,001
SHAREHOLDERS' DEFICIT		
Share capital (note 19)	493,869	490,137
Conversion feature (notes 16 & 17)	207,748	139,910
Accumulated deficit	(3,056,968)	(2,516,130)
TOTAL SHAREHOLDERS' DEFICIT	(2,355,351)	(1,886,083)
TOTAL LIABILITIES AND SHAREHOLDERS' DEFICIT	598,482	383,918

Nature of operations and going concern - note 1
Subsequent event - note 25

APPROVED ON BEHALF OF THE BOARD

 Director

The accompanying notes are an integral part of these financial statements

9302204 CANADA INC. (O/A CHEELCARE)
Statements of Loss and Comprehensive Loss
For the years ended April 30, 2024 and 2023
(Expressed in Canadian dollars)

	April 30, 2024 \$	April 30, 2023 \$
Gross revenue	1,611,322	1,250,281
Less: Commission	(174,005)	(140,118)
Net Revenue	1,437,317	1,110,163
Cost of sales		
Inventory, beginning of the year	161,542	189,392
Cost of materials	632,327	409,950
Other direct costs	135,255	87,688
	929,124	687,030
Less: Inventory, end of year (note 7)	(263,261)	(161,542)
	665,863	525,488
GROSS PROFIT	771,454	584,675
EXPENSES		
Professional fees	331,085	163,348
Salaries and benefits	202,225	47,824
Loan interest	186,014	157,722
Subcontractors	148,671	70,378
Research and development (note 20)	135,572	127,488
Automobile and travel	69,249	64,923
Office and general	58,134	31,444
Advertising and promotion	56,355	75,476
Occupancy cost	37,768	36,149
Credit card merchant fees	37,742	39,063
Insurance	23,554	10,162
Bank charges and interest	22,276	6,958
Telephone and utilities	8,264	9,888
Amortization and depreciation (notes 8 and 9)	3,900	5,334
Share based compensation (note 19)	3,732	-
Provision for expected credit loss	3,410	4,982
	1,327,951	851,139
LOSS FROM OPERATIONS	(556,497)	(266,464)
Grants received (note 21)	14,300	140,000
Other Income	1,359	-
LOSS AND COMPREHENSIVE LOSS	(540,838)	(126,464)

The accompanying notes are an integral part of these financial statements

9302204 CANADA INC. (O/A CHEELCARE)
Statements of Changes in Shareholders' Deficit
For the years ended April 30, 2024 and 2023
(Expressed in Canadian dollars)

	Number of shares	Share capital	Conversion Feature	Deficit	Total
	#	\$	\$	\$	\$
Balance, April 30, 2022	7,945,192	490,137	103,725	(2,389,666)	(1,795,804)
Addition (note 17)	-	-	36,185	-	36,185
Net comprehensive loss for the year	-	-	-	(126,464)	(126,464)
Balance, April 30, 2023	7,945,192	490,137	139,910	(2,516,130)	(1,886,083)
Addition (note 17 & 19)	60,500	3,732	67,838	-	71,570
Net comprehensive loss for the year	-	-	-	(540,838)	(540,838)
Balance, April 30, 2024	8,005,692	493,869	207,748	(3,056,968)	(2,355,351)

The accompanying notes are an integral part of these financial statements

9302204 CANADA INC. (O/A CHEELCARE)
Statements of Cash Flows
For the years ended April 30, 2024 and 2023
(Expressed in Canadian dollars)

	April 30, 2024	April 30, 2023
	\$	\$
OPERATING ACTIVITIES		
Net loss for the year	(540,838)	(126,464)
Adjustment for non-cash items:		
Amortization and depreciation	3,900	5,334
Accretion expense	38,102	58,239
Share based compensation	3,732	-
Change in non-cash working capital balances:		
Trade and other receivable	(57,990)	(41,979)
Inventories	(101,719)	27,850
Work in process	(28,069)	(13,203)
Prepaid expenses	(248)	15,206
Accounts payable and accrued liabilities	492,221	33,580
Government remittances payable	(19,861)	11,551
Net cash flows used in operating activities	(210,770)	(29,886)
INVESTMENT ACTIVITIES		
Purchase of furniture and equipment	(1,918)	-
Additions of intangible assets	(350)	-
Net cash flows used in financing activities	(2,268)	-
FINANCING ACTIVITIES		
Net proceed from bank indebtedness	115,000	-
Net proceeds from a service provider	6,092	50,785
Repayments of short term loans	(25,000)	(50,000)
(Repayments) proceeds of bank loans	(31,113)	83,333
Proceeds from issuance of convertible debentures	395,000	225,000
Repayments to shareholders	(218,771)	(262,250)
Net cash flows from investing activities	241,208	46,868
Net increase in cash	28,170	16,982
Cash, beginning of year	38,708	21,726
Cash, end of year	66,878	38,708
Supplementary information:		
Interest paid	12,043	14,831

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

1. NATURE OF OPERATIONS AND GOING CONCERN

9302204 Canada Inc. (O/A Cheelcare) (the "Company" or "Cheelcare"), is an innovative technological and manufacturing company focused on radically improving the quality of life and independence of people with physical disabilities through its suite of next-generation assistive mobility devices. The Company is a Canadian-Controlled Private Corporation and was incorporated on May 21, 2015, under the Canada Business Corporation Act.

These financial statements have been prepared on a going concern basis, which assumes that the Company will be able to realize its assets and discharge its liabilities in the normal course of business. As at April 30, 2024, the Company had a working capital deficit of \$559,468 (April 30, 2023 – deficit of \$207,208) and an accumulated deficit of \$3,056,968 (April 30, 2023 – \$2,516,130). The Company does not have sufficient cash to sustain operations for the next twelve months without additional financing. The continued operations of the Company are dependent upon its ability to generate future cash flows and/or obtain additional financing. Management is of the opinion that sufficient working capital will be obtained from external financing to meet the Company's liabilities and commitments as they become due; however, they may not be at terms that are favorable to the Company. Although the Company has been successful in the past in raising funds to continue operations, there is no assurance it will be able to do so in the future. These factors indicate the existence of a material uncertainty that may cast significant doubt upon the Company's ability to continue as a going concern. These financial statements do not reflect any adjustments that may be necessary if the Company is unable to continue as a going concern, and such adjustments could be material.

2. STATEMENT OF COMPLIANCE

These financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") as set out in Part I of the Chartered Professional Accountants of Canada Handbook - Accounting. These financial statements comply with IFRS as issued by the International Accounting Standards Board.

These financial statements have been prepared on the historical cost basis. The Company's functional and presentation currency is the Canadian dollar. The financial statements were approved by the Board of Directors and authorized for issue on February 10, 2025.

3. SUMMARY OF MATERIAL ACCOUNTING POLICIES

a) Cash and cash equivalents

Cash and cash equivalents in the statements of financial position comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less.

b) Revenue recognition

Revenue is recognized by the Company in accordance with IFRS 15, *Revenue from Contracts with Customers*. Through application of the standard, the Company recognizes revenue to depict the transfer of promised goods or services to the customer in an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods or services.

In order to recognize revenue under IFRS 15, the Company applies the following five (5) steps:

- Identify a customer along with a corresponding contract.
- Identify the performance obligation(s) in the contract to transfer goods or provide distinct services to a customer;
- Determine the transaction price the Company expects to be entitled to in exchange for transferring promised goods or services to a customer;
- Allocate the transaction price to the performance obligation(s) in the contract; and
- Recognize revenue when or as the Company satisfies the performance obligation(s).

3. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

b) Revenue recognition (continued)

Under IFRS 15, revenues from the sale of assistive mobility devices are generally recognized at a point in time when control over the goods have been transferred to the customer/distributor. Payments are due upon transferring the goods to the customer. Revenue is recognized upon the satisfaction of the performance obligation. The Company satisfies its performance obligation and transfers control upon delivery and acceptance by the customer.

c) Inventories

Inventories include goods in transit, finished goods and work-in-process. Inventories are measured at the lower of cost and net realizable value. The cost of inventories is based on the FIFO (First in first out) basis. The cost of merchandise inventories is based on “landed cost”, which includes all costs incurred to bring inventories to the Company’s warehouse or office, including product costs, insurance, inbound freight and duty. The net realizable value of inventories represents the estimated selling price of the inventories in the ordinary course of business, less the estimated cost of completion and the estimated costs necessary to make the sale. If the Company determines that the estimated net realizable value of its inventories is less than the carrying value of such inventories, it records a charge to cost of sales for the difference.

d) Furniture and other equipment

Furniture and other equipment is recorded at cost less accumulated depreciation and impairment, if any. The initial cost of an asset comprises its purchase price or construction cost and any costs directly attributable to bringing the asset to the location and condition necessary for operation. Subsequent expenditures are capitalized only if it is probable that the future economic benefits associated with the expenditures will flow to the Company.

Repairs and maintenance costs that do not improve or extend productive life are expensed as incurred. Depreciation is provided over the related assets estimated useful lives using the declining method of accounting at the following rates:

Furniture and equipment	20%
Computer hardware and software	55%

The Company reviews the estimated useful lives, residual values and depreciation method at the end of each reporting period, accounting for the effect of any changes in estimate on a prospective basis.

An item of equipment is derecognized upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognized in statements of loss and comprehensive loss.

e) Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less any accumulated amortization and accumulated impairment losses, if any. Amortization of definite life intangibles is provided on a over their estimated useful lives using the declining method of accounting at the following terms:

Patents and trademarks	15-20 years
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The Company evaluates the reasonableness of the estimated useful lives of these intangible assets on an annual basis. Intangible assets with definite lives are assessed for impairment when some or all of the internal or external indicators of impairment are met.

3. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

f) Product development costs

Research and product development costs include out-of-pocket costs and direct labour and overhead expenses. Research costs are expensed as incurred. Product development costs are expensed as incurred unless they meet the criteria for deferral and amortization as set forth in International Accounting Standards ("IAS") 38 – *Intangible Assets* ("IAS 38").

Development activities involve a plan or design for the production of a new core of substantially improved products and processes. Development expenditures are capitalized only if development costs can be measured reliably, the product or process is technically and commercially feasible, future economic benefits are probable, and the Company intends to and has sufficient resources to complete development and to use or sell the asset. The expenditures capitalized includes the cost of materials, direct labour and overhead costs that are directly attributable to preparing the asset for its intended use. All other development expenditures are recognized in the statements of loss and comprehensive loss as incurred.

Capitalized development costs with finite useful lives are amortized over their estimated useful lives. The amortization methods and estimated useful lives are reviewed annually.

g) Impairment of non-financial assets

The Company assesses at each reporting date whether there is an indication that the carrying values of its non-financial assets may be impaired. If any indication of impairment exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. For impairment testing, assets are grouped together into the reasonable group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or CGUs.

An asset or CGU's recoverable amount is the higher of its fair value less costs of disposal and its value in use. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset or CGU is considered impaired and is written down to its recoverable amount. 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 or CGU. In determining fair value less costs of disposal, recent market transactions are considered, or an appropriate valuation model is used.

An impairment loss is recognised if the carrying amount of an asset or CGU exceeds its recoverable amount. Impairment losses are recognised in statements of loss and comprehensive loss.

For non-financial assets, an assessment is made at each reporting date as to whether there is any indication that previously-recognized impairment losses may no longer exist or may have decreased. If such indication exists, the Company estimates the non-financial asset's or CGU's recoverable amount. A previously-recognized impairment loss is reversed only if there has been a change in the assumptions used to determine the non-financial asset's recoverable amount since the last impairment loss was recognized. Any such reversal is limited so that the carrying amount of the non-financial asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of amortization, had no impairment loss been recognized for the non-financial asset in prior periods. Such reversal is recognized in the statements of loss and comprehensive loss.

h) Financial instruments

Financial assets

Recognition, classification and measurement

Financial assets are classified and measured based on the Company's business models for managing the financial assets and whether the contractual cash flows represent solely payments of principal and interest ("SPPI"). Financial assets are initially measured at fair value and are subsequently measured at either amortized cost; fair value through other comprehensive income; or fair value through profit or loss:

3. **SUMMARY OF MATERIAL ACCOUNTING POLICIES** (continued)

h) Financial instruments (continued)

Amortized cost - Financial assets classified and measured at amortized cost are those assets whose objective is to hold financial assets in order to collect contractual cash flows, and the contractual terms of the financial asset give rise to cash flows that are SPPI. Financial assets classified at amortized cost are subsequently measured using the effective interest method and are subject to impairment. Interest income, foreign exchange gains and losses and impairment are recognized in statements of loss and comprehensive loss. Any gain or loss on derecognition is recognized in statements of loss and comprehensive loss.

— Fair value through other comprehensive income ("FVTOCI") - Financial assets classified and subsequently measured at FVTOCI are those assets whose objective is achieved by both collecting contractual cash flows and selling financial assets, and the contractual terms of the financial asset give rise to cash flows that are SPPI. The classification includes certain equity instruments where an irrevocable election was made to classify the equity instruments as FVTOCI. Equity investments require a designation, on an instrument-by-instrument basis, between recording both unrealized and realized gains and losses either through (i) other comprehensive income ("OCI") with no recycling to profit and loss or (ii) profit and loss.

Fair value through profit or loss ("FVTPL") - Financial assets classified and subsequently measured at FVTPL are those assets that do not meet the criteria to be classified at amortized cost or at FVTOCI. Net gains and losses, including any interest or dividend income, are recognized in statements of loss and comprehensive loss.

Derecognition of financial assets

Financial assets are derecognized when:

- The rights to receive cash flows from the asset have expired; or
- The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement and either (a) the Company has transferred substantially all risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

Financial liabilities

Recognition, classification and measurement

All financial liabilities are recognized initially on the trade date at which the Company becomes a party to the contractual provisions of the instruments. Financial liabilities are generally classified and measured at amortized cost or FVTPL. A financial liability is classified as at FVTPL if its classified as held-for-trading, it is a derivative, or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense are recognized in statements of loss and comprehensive loss. Other financial liabilities are measured at fair value at initial recognition and subsequently measured at amortized cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in statements of loss and comprehensive loss.

Financial liabilities may also include derivative financial instruments that are entered into by the Company that are not designated as hedging instruments as defined by IFRS 9 *Financial Instruments*. Embedded derivatives are classified as held for trading and any gains and losses are recognized through statements of loss and comprehensive loss.

Derecognition of financial liabilities

The Company derecognizes a financial liability when its contractual obligations are discharged, cancelled or expired. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability at its fair value based on the modified term. Upon derecognition of a financial liability, the difference between the carrying amount extinguished and the consideration paid is recognized in the statements of loss and comprehensive loss.

3. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

h) Financial instruments (continued)

Reclassification

Financial instruments are not reclassified subsequent to their initial recognition unless the Company changes its business model for managing financial assets, in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

Offsetting

Financial assets and financial liabilities are offset, and the net amount presented in the statements of financial position when, and only when, the Company has a legal right to offset the amounts and intends either to settle on a net basis or to realize the asset and settle the liability simultaneously.

Derivative instruments

Derivatives instruments are carried at FVTPL and are reported as assets when they have a positive fair value and as liabilities when they have a negative fair value. Changes in the fair values of derivative instruments are reported in statements of loss and comprehensive loss. The Company does not have any derivatives for the years presented.

The Company has classified its cash and cash equivalents, trade and other receivables, bank indebtedness, accounts payable and accrued liabilities, advances from a service provider, loans payable, CEBA loan, bank loan, promissory notes and due to shareholder as financial assets and financial liabilities measured at amortized cost. Such assets and liabilities are recognized initially at fair value inclusive of any directly attributable transaction costs and subsequently carried at amortized cost using the effective interest method, less any impairment losses.

Impairment of financial assets measured subsequently at amortized cost

The Company assesses all information available, including on a forward-looking basis the expected credit losses associated with any financial assets carried at amortized cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk. To assess whether there is a significant increase in credit risk, the Company compares the risk of a default occurring on the asset at the reporting date with the risk of default at the date of initial recognition based on all information available, and reasonable and supportive forward-looking information. The Company recognizes loss allowances for expected credit losses on financial assets measured at amortized cost, and debt instruments at FVOCI, irrespective of whether a loss event has occurred at the reporting date. Loss allowances for trade and other receivables are always measured at an amount equal to lifetime expected credit losses ("ECL") if the amount is not considered fully recoverable. A financial asset carried at amortized cost is considered credit-impaired if objective evidence indicates that one or more events have had a negative effect on the estimated future cash flows of that asset that can be estimated reliably. Individually significant financial assets are tested for credit-impairment on an individual basis. The remaining financial assets are assessed collectively.

i) Share-based payments

The company grants equity-settled share-based payments in the form of shares issued as signing bonuses. The fair value of the shares is recognized as an expense immediately as there are no vesting conditions. Equity-settled share-based payments made to employees are measured at the fair value of the instruments at the grant date and recognized in expense over the applicable vesting periods. Equity-settled share-based payments made to non-employees are measured at the fair value of goods or services received or the fair value of the equity instruments issued if it is determined that the fair value of the goods or services received cannot be reliably measured. Non-employee share-based payments are recognized in expense at the date the goods or services are received. The corresponding amount is recorded to share-based payment reserves. Upon the exercise of stock options at the applicable exercise price, the consideration received by the Company on the exercise is recorded in share capital and the related share-based payment reserve is transferred to share capital.

3. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

j) Income taxes

Current tax expense is based on the results for the year as adjusted for items that are not taxable or not deductible, as the case may be. Current tax is calculated using tax rates and laws that were enacted or substantively enacted as at the end of the reporting period, adjusted for amendments, if any, to tax payable from previous years. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. Provisions are established, where appropriate, on the basis of amounts expected to be paid to tax authorities.

Deferred tax is recognized using the asset-liability method and calculated based on all temporary differences, at the statements of financial position date, between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liabilities are generally recognized for all taxable temporary differences. Deferred tax assets are generally recognized for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilized. Such deferred tax assets and liabilities are not recognized if the temporary difference arises from goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilized. Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realized or the liability is settled, as applicable, based on the tax rates that have been enacted or substantively enacted at the reporting date. Unrecognized deferred tax assets are re-assessed at each reporting date and are recognized to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

The Company offsets deferred tax assets and deferred tax liabilities if and only if it has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realize the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

k) Provisions

Provisions are recognized when the Company has a present obligation, legal or constructive, as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. Provisions are measured using management's best estimate as to the outcomes, based on known facts, risks and uncertainties at the reporting date. Where the Company expects some or all of a provision to be reimbursed, for example under an insurance contract, the reimbursement is recognized as a separate asset but only when the reimbursement is virtually certain.

The expense relating to any provision is presented in the statements of loss and comprehensive loss, net of any reimbursement. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, where appropriate, the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognized as a finance cost.

A provision for onerous contracts is recognized when the expected benefits to be derived by the Company from a contract are lower than the unavoidable cost of meeting its obligation under the contract. The provision is measured at the present value of the lower of the expected cost of terminating the contract and the expected net cost of continuing with the contract. Before a provision is established, the Company recognizes any impairment loss on the asset associated with the contract.

3. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

l) Government grants

Government grants are recognized when there is reasonable assurance that the grant will be received and that the Company will comply with the conditions attached to them. When the grant relates to an expense item, it is recognized as other income on a systematic basis over the periods that the related costs, for which it is intended to compensate, are expensed. When the grant relates to an asset, it is recognized as income in equal amounts over the expected useful life of the related asset. Government loans are analyzed to determine whether they qualify as grants or are required to be treated as financial liabilities.

Government loans treated as financial liabilities are recognized initially at fair value, with the difference between the fair value of the loan based on prevailing market interest rates and the amount received recorded as a government grants.

m) Leases

At inception, the Company assesses whether a contract contains an embedded lease. A contract contains a lease when the contract conveys a right to control the use of an identified asset for a period of time in exchange for consideration.

The Company, as lessee, is required to recognize a right-of-use asset ("ROU asset"), representing its right to use the underlying asset, and a lease liability, representing its obligation to make lease payments.

The Company recognizes a ROU asset and a lease liability at the commencement of the lease. The ROU asset is initially measured based on the present value of lease payments, plus initial direct cost, less any incentives received. It is subsequently measured at cost less accumulated depreciation, impairment losses and adjusted for certain remeasurements of the lease liability. The ROU asset is depreciated from the commencement date over the shorter of the lease term or the useful life of the underlying asset. The ROU asset is subject to testing for impairment if there is an indicator of impairment.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by the interest rate implicit in the lease, or if that rate cannot be readily determined, the incremental borrowing rate. The incremental borrowing rate is the rate which the operation would have to pay to borrow over a similar term and with similar security, the funds necessary to obtain an asset of similar value to the ROU asset in a similar economic environment.

Lease payments included in the measurement of the lease liability are comprised of:

- fixed payments, including in-substance fixed payments;
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable under a residual value guarantee;
- the exercise price under a purchase option that the Company is reasonably certain to exercise;
- lease payments in an optional renewal period if the Company is reasonably certain to exercise an extension option; and
- penalties for early termination of a lease unless the Company is reasonably certain not to terminate early.

The lease liability is subsequently increased by the interest cost on the lease liability and decreased by lease payments made. It is remeasured when there is a change in future lease payments arising from a change in an index or a rate, a change in the estimate of the amount expected to be payable under a residual value guarantee, or as appropriate, changes in the assessment of whether a purchase or extension option is reasonably certain to be exercised or a termination option is reasonably certain not to be exercised.

Variable lease payments that do not depend on an index or a rate not included in the initial measurement of the ROU asset and lease liability are recognized as an expense in the statements of loss and comprehensive loss in the period in which they are incurred.

The Company has elected not to recognize right-of-use assets and lease liabilities for short-term leases that have a remaining lease term of 12 months or less and leases of low-value assets.

3. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

n) Share capital

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

o) Compound financial instruments

Compound financial instruments issued by the Company comprise units that consist of unsecured convertible notes and share. The liability component of a compound financial instrument is recognized initially at the fair value of a similar liability that does not have an equity conversion option. The equity component, which consists of the conversion feature, is recognized as the difference between the fair value of the compound financial instrument as a whole and the fair value of the liability component.

Subsequent to initial recognition, the liability component of a compound financial instrument is measured at amortized cost using the effective interest rate method. The equity component of a compound financial instrument is not remeasured subsequent to initial recognition. Upon conversion, conversion feature are reclassified to share capital.

p) Foreign currency translation

Foreign currency transactions are translated into the functional currency using exchange rates prevailing at the date of the transactions. At the end of each reporting period, foreign currency denominated monetary assets and liabilities are translated to the functional currency using the prevailing rate of exchange at the reporting period date. Gains and losses on translation of monetary items are recognized in the statements of loss and comprehensive loss.

q) Trade and other receivable

Trade and other receivables are measured at amortized cost, net of expected credit losses ("ECLs"). The Company applies a simplified approach in calculating ECLs which is determined based on historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment. Trade and other receivables are written off when there is no reasonable expectation of recovering the asset or a portion thereof.

r) Foreign currency

Monetary assets and liabilities denominated in currencies other than functional currencies are translated into functional currencies at the rate of exchange in effect at the statements of financial position date. Non-monetary assets and liabilities are translated at the historical rates. Revenues and expenses are translated at the transaction date exchange rate. Foreign currency gains and losses resulting from translation are reflected in statement of loss and comprehensive loss for the period.

s) Research and development

Government assistance towards research and development expenditures received in the form of investment tax credits on account of eligible expenditures is recorded when there is reasonable assurance that the Company will comply with the conditions attached to the grant and the grant will be received. Investment tax credits related to the acquisition of plant and equipment used for research and development is credited against the related plant and equipment, while other investment tax credits are credited against related expenses as incurred.

4. SIGNIFICANT ACCOUNTING JUDGMENTS, ESTIMATES, AND ASSUMPTIONS

The preparation of the Company's financial statements in conformity with IFRS requires management to make certain judgments, estimates, and assumptions that affect the application of accounting policies, the reported amounts of revenues and expenses for the periods presented, and the carrying amounts of assets, and liabilities, and the disclosure of contingent liabilities, at the date of financial statements. The estimates and associated assumptions are based on historical experience and other factors, including expectations of future events believed to be reasonable, that are considered to be relevant, the results of which form the basis of the estimates made or judgement exercised that are not readily apparent from other sources. Actual results may differ from these estimates. Judgments and estimates are often interrelated. The Company's judgments and estimates are continually re-evaluated to ensure they remain appropriate. Revisions to accounting estimates are recognized in the period in which they are revised and in future periods affected.

(a) Estimates

Critical accounting estimates are those that require management to make assumptions about matters that are highly uncertain at the time the estimate or assumption is made. Critical accounting estimates are also those that could potentially have a material impact on the Company's financial results where a different estimate or assumption is used. The significant areas of estimation uncertainty are:

Useful life of furniture and other equipment and intangible assets

The Company reviews the estimated useful lives of the furniture and other equipment, intangible assets at the end of each year. Management has determined no change in the useful lives. Intangible assets and furniture and other equipment with finite lives are amortized on a declining basis method over their expected useful life once the asset is available for use. Estimates of useful lives are based on data and information from various sources including industry practice and historic experience. Factors considered include technical, technological, commercial or other types of obsolescence and typical product life cycles for the asset. Although management believes the estimated useful lives of the Company's intangible assets and furniture and other equipments, are reasonable, changes in estimates could occur, affecting the expected useful lives and salvage values of the assets.

Inventories

Management is required to assess whether a write-down of inventory is required in situations where the selling price of inventory is less than its cost.

Fair value measurement of non-interest-bearing debt

The Company has estimated, on initial recognition, the fair market value of certain debts that do not have a defined coupon rate, using a comparative interest rate for similar liabilities and a discounted cash flow to determine a reasonable present value. Additional details on debt are disclosed in note 15.

Expected credit losses (ECL)

ECLs are estimated for trade and other receivables based on historical experience and forecasted economic conditions, taking into considerations of a range of factors, including the age of the receivables and the creditworthiness of the counterparties. Determining the recoverability of an account involves estimates and assumptions, changes in which could result in different results.

Impairment of non-financial assets

Determining whether an impairment has occurred requires the valuation of the respective assets or CGU's, which the Company estimates the recoverable amount using discounted cash flow models. The key estimates and assumptions used include revenue growth and discount rate. These estimates are based on past experience and management's expectations of future changes in the market and forecasted growth initiatives.

4. SIGNIFICANT ACCOUNTING JUDGMENTS, ESTIMATES, AND ASSUMPTIONS

Impairment of non-financial assets (continued)

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the year in which the estimate is revised if the revision affects only that year or in the year of the revision and future years if the revision affects both current and future years.

(b) Judgments

Judgment is used in situations when there is a choice and/or assessment required by management. The following are critical judgments apart from those involving estimations, that management has made in the process of applying the Company's accounting policies and that have a significant effect on the amounts recognized in the financial statements.

Going concern

The assessment of the Company's ability to continue as a going concern and to raise sufficient funds to pay its ongoing operating expenditures and to meet its liabilities for the ensuing year involves significant judgment based on historical experience and other factors, including expectation of future events that are believed to be reasonable under the circumstances.

Fair value of convertible debt

The liability component is measured at fair value upon recognition. The equity component is then determined by deducting the fair value of the financial liability from the issuing price of the convertible debenture. The liability component is subsequently measured at amortized cost using effective interest method and the accretion of interest over the term of the convertible debenture is recorded as an increase of financial liability as well as a charge into the statement of loss and comprehensive loss. Interest expense resulting from the convertible debentures' coupon interest rate is expensed in the statement of loss and comprehensive loss.

5. NEW ACCOUNTING PRONOUNCEMENTS

Standards issued but not yet effective

Classification and Measurement of Financial Instruments

In May 2024, the IASB issued amendments to IFRS 9 – Financial Instruments and IFRS 7 – Financial Instruments: Disclosures. The amendments relate to settling financial liabilities using an electronic payment system and assessing contractual cash flow characteristics of financial assets, including those with Environmental, Social, and Governance (ESG)-linked features. The IASB also amended disclosure requirements relating to investments in equity instruments designated at FVOCI and added disclosure requirements for financial instruments with contingent features. The amendments are effective for annual periods beginning on or after January 1, 2026, with early adoption permitted. The Company is assessing the impacts to the financial statements.

Presentation and Disclosure in Financial Statements

In April 2024, the IASB issued the new standard IFRS 18 – Presentation and Disclosure in Financial Statements that will replace IAS 1 – Presentation of Financial Statements. The new standard introduces newly defined subtotals on the income statement, requirements for aggregation and disaggregation of information, and disclosure of Management Performance Measures (MPMs) in the financial statements. The new standard is effective for annual reporting periods beginning on or after January 1, 2027, with early adoption permitted. The Company is assessing the impact to the financial statements.

The amendments are not expected to have a material impact on the Company's financial statements.

6. TRADE AND OTHER RECEIVABLES

	April 30, 2024	April 30, 2023
	\$	\$
Trade receivable	139,187	89,830
Provision for expected credit loss	(8,392)	(4,982)
	130,795	84,848
Advances	-	1,000
HST receivable	33,829	20,786
	164,624	106,634

As at April 30, 2024, two customers accounting for 29% (2023: 29%) of revenues and as of April 30, 2024, those two customers accounted for 22% (2023: 22%) of trade receivable.

7. INVENTORIES

	April 30, 2024	April 30, 2023
	\$	\$
Raw material and parts	263,261	161,542

During the year ended April 30, 2024, \$632,327 (2023: \$409,950) was recognized in cost of sales. No provision is recorded during the year. (2023: \$Nil)

WORK IN PROCESS

	April 30, 2024	April 30, 2023
	\$	\$
Work in process	71,414	43,345

The Company is building a prototype and currently awaiting approval from the regulators.

8. FURNITURE AND EQUIPMENT

	Furniture and fixture	Computer equipment	Total
	\$	\$	\$
Cost			
Balance, April 30, 2022	9,845	26,886	36,731
Additions	-	-	-
Balance, April 30, 2023	9,845	26,886	36,731
Additions	1,918	-	1,918
Balance, April 30, 2024	11,763	26,886	38,649

8. **FURNITURE AND EQUIPMENT (continued)**

Accumulated depreciation			
Balance, April 30, 2022	4,326	20,874	25,200
Additions	1,104	2,714	3,818
Balance, April 30, 2023	5,430	23,588	29,018
Additions	1,075	1,398	2,473
Balance, April 30, 2024	6,505	24,986	31,491
Net book value			
Balance, April 30, 2023	4,415	3,298	7,713
Balance, April 30, 2024	5,258	1,900	7,158

9. **INTANGIBLE ASSETS**

	\$
Cost	
Balance, April 30, 2022	33,409
Additions	-
Balance, April 30, 2023	33,409
Additions	350
Balance, April 30, 2024	33,759
Accumulated amortization	
Balance, April 30, 2022	7,770
Additions	1,516
Balance, April 30, 2023	9,286
Additions	1,427
Balance, April 30, 2024	10,713
Net book value	
Balance, April 30, 2023	24,123
Balance, April 30, 2024	23,046

Intangible assets are patent registration in Canada and United States of America.

10. **BANK INDEBTNESS**

The Company has an operating line of credit up to \$150,000 (2023: \$30,000) from Royal Bank of Canada ("RBC"). The line of credit bears interest at RBC prime plus 4.73%. Total interest paid for the year ended April 30, 2024, was \$13,458 (2023 - \$1,786). The loan is secured as shareholder agrees to be jointly and severally liable for the loan. The loan is payable on demand.

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11. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	April 30, 2024	April 30, 2023
	\$	\$
Accounts payable	481,139	157,422
Accrued interest	236,756	140,227
Accrued liabilities	94,093	25,345
Other payables	37,869	34,642
	849,857	357,636

12. ADVANCES FROM A SERVICE PROVIDER

The Company entered into an agreement with Shopify Inc. ("Shopify") in January 2022 whereby Shopify provided working capital for the use of Shopify's software, platform and services by purchasing a portion of the Company's future revenue. The advance bears no interest and is settled by adjusting 17% (2023:14%) of the total daily sales collection through Shopify platform until the full amount is repaid. The advance is secured against the receivables of the Company and guaranteed by individual shareholders of the Company. Shopify advanced US\$78,000 (2023:US\$92,000) CAD\$158,223 (CAD\$142,028) for the year ended April 30, 2024.

	Loan
	\$
Balance, April 30, 2022	15,089
Addition	142,028
Repayment	(91,243)
Balance, April 30, 2023	65,874
Addition	158,223
Repayment	(152,131)
Balance, April 30, 2024	71,966

All amount is treated as advance as the Company repaid the amount within one year.

13. SHORT TERM LOANS PAYABLE

The Company has obtained unsecured short-term loans (less than 120 days) from the third-party individuals amounting to \$25,000 (2023: \$75,000) with no interest rate and repayable on demand. The short-term loan was fully repaid before April 30, 2024.

	Loan
	\$
Balance, April 30, 2022	75,000
Addition	-
Repayment	(50,000)
Balance, April 30, 2023	25,000
Addition	25,000
Repayment	(50,000)
Balance, April 30, 2024	-

14. BANK LOANS

- The Company obtained a ten-year bank loan facility of \$100,000 on July 19, 2021 from Royal Bank of Canada ("RBC"), which bears fixed rate interest at 4% per annum (1% of which is a non-refundable guarantee fee charged by Business Development Bank of Canada's ("BDC") Highly Affected Sector Credit Availability Program ("HASCAP"). The HASCAP program is intended to provide additional liquidity support to Canadian businesses that have been highly affected by and are facing economic hardship as a result of the COVID-19 pandemic by having BDC provide a guarantee in favour of RBC against loan losses, provided the requirements of HASCAP have been met. For the first year the Company only paid interest, and starting from the thirteenth month, the Company made a fixed repayment of \$925.93 plus interest per month.
- On May 5, 2022, the Company obtained a 66 months loan of \$100,000 from BDC, which bears BDC's base rate plus spread of 4% per annum (floating rate 9.3%), secured by a general security agreement, and guaranteed by individual shareholders of the Company. For the first six months the Company only paid interest, and starting from the seventh month, the Company made a fixed repayment of \$1,667 plus interest per month.

	April 30, 2024	April 30, 2023
	\$	\$
HASCAP loan balance at year ended	80,555	91,667
BDC loan balance at year ended	71,665	91,666
Less: Current portion	(31,115)	(31,111)
	121,105	152,222

Total interest paid for the year ended April 30, 2024 was \$14,368 (2023: \$13,045).

15. CANADA EMERGENCY BUSINESS ACCOUNT LOAN

The Canada Emergency Business Account (CEBA) loan, partially forgivable, originally launched on April 9, 2020, was intended to support businesses during the COVID-19 pandemic. The outstanding balance as of January 18, 2024, was converted to a non-amortizing term loan with full principal repayment due on December 31, 2026. Commencing January 19, 2024, the loan accrues interest of 5% per annum.

The Company did not repay the loan before January 18, 2024, and is not eligible for the forgivable portion. Consequently, the previously forgiven portion of \$20,000 were reversed, and recorded as government grant expense, bringing the balance to \$44,806 (2023: \$40,160). The Company recorded accretion expense of \$4,647 in 2024 (2023: \$3,446).

16. PROMISSORY NOTES

The Company entered into a funding agreement with Ontario Centres of Excellence ("OCE") for the project named "Cheelcare MR \$125K" on March 9, 2020. According to the agreement, a total of \$125,000 was received, with no fixed terms of repayment. Upon completion of certain criteria, the outstanding note balance will be convertible at OCE's option into common shares when certain conditions are met.

Promissory notes are separated into liability and equity components based on the terms of the contract. On issuance of the promissory notes, the fair value of the liability component was determined using a market rate of 22.2% for an equivalent non-convertible instrument. The amount is classified as a financial liability measured at amortized cost until it is extinguished on conversion or redemption. The remainder of the proceeds were allocated to the conversion option that is disclosed as a conversion feature in equity. Subsequent to the year end, the loan from OCE was repaid.

16. PROMISSORY NOTES (continued)

	Liability	Conversion Feature
	\$	\$
Balance, April 30, 2022	104,503	56,566
Accretion	20,497	-
Balance, April 30, 2023 and 2024	125,000	56,566

17. CONVERTIBLE DEBENTURES

10% convertible debentures

On March 31, 2021, the Company issued \$505,000 unsecured debentures convertible, upon completion of certain criteria, into the Company's common shares for an original term of two years. Subsequent to the year end, the Company extended the maturity of the convertible debentures to May 10, 2025, with no changes in other terms of the convertible debenture. Consequently, the balance is present as a non-current liability. (refer Note 24)

Convertible loans are separated into liability and equity components based on the terms of the contract. On issuance of the convertible loan, the fair value of the liability component is determined using a market rate of 15.8% for an equivalent non-convertible instrument. The amount is classified as a financial liability measured at amortized cost until it is extinguished on conversion or redemption. The remainder of the proceeds is allocated to the conversion option that is disclosed as a conversion feature in equity.

During the year ended April 30, 2024, the company issued additional \$370,000 unsecured convertible debentures. On issuance of the convertible loan, the fair value of the liability component is determined using a market rate of 19% to 27% for an equivalent non-convertible instrument. The amount is classified as a financial liability measured at amortized cost until it is extinguished on conversion or redemption. The remainder of the proceeds is allocated to the conversion option that is disclosed as a conversion feature in equity.

	10% Debenture	Conversion Feature	Total
	\$	\$	\$
Balance, April 30, 2022	481,501	47,159	528,660
Accretion	23,499	-	23,499
Balance, April 30, 2023	505,000	47,159	552,159
Addition	307,477	62,523	370,000
Accretion	11,051	-	11,051
Balance, April 30, 2024	823,528	109,682	933,210

8% convertible debentures

During the year ended April 30, 2023, the Company issued four tranches totalling to \$225,000 of unsecured debentures convertible, upon completion of certain criteria, into the Company's common shares for an original term of two years. Subsequent to the year end, the Company extended the maturity of the convertible debentures to May 10, 2025, with no changes in other terms of the convertible debenture.

During the year ended April 30, 2024, the company issued additional \$25,000 unsecured convertible debentures. On issuance of the convertible loan, the fair value of the liability component is determined using a market rate of 23% for an equivalent non-convertible instrument. The amount is classified as a financial liability measured at amortized cost until it is extinguished on conversion or redemption. The remainder of the proceeds is allocated to the conversion option that is disclosed as a conversion feature in equity.

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17. CONVERTIBLE DEBENTURES (continued)

	8% Debenture	Conversion Feature	Total
	\$	\$	\$
Balance, April 30, 2022	-	-	-
Addition	188,815	36,185	225,000
Accretion	7,310	-	7,310
Balance, April 30, 2023	196,125	36,185	232,310
Addition	19,686	5,315	25,001
Accretion	22,404	-	22,404
Balance, April 30, 2024	238,215	41,500	279,715

18. DUE TO SHAREHOLDERS

	April 30, 2024	April 30, 2023
	\$	\$
Due to shareholder consists of:		
Advances from shareholders	328,433	547,204
Promissory note payable to shareholders	145,000	145,000
	473,433	692,204

Advances from shareholders are unsecured, non-interest bearing and have no fixed terms of repayment and the shareholders have given an undertaking not to demand repayment within next year.

The Company issued unsecured promissory notes of \$145,000 to the shareholders with no specific repayment terms anytime after December 11, 2022. A total of \$11,600 (2023: \$11,600) interest was accrued as of April 30, 2024. The shareholders have given an undertaking not to demand payment for the next one year and therefore the amount is classified as non-current liabilities.

19. SHARE CAPITAL

(a) Authorized:

The authorized share capital consists of an unlimited number of common shares and an unlimited number of Class A special shares.

(b) Issued and outstanding:

	April 30, 2024	April 30, 2023
	\$	\$
8,005,692 common shares (2023 : 7,945,192)	493,869	490,137

During the year ended April 30, 2024, the company issued additional 60,500 common shares to the employees and consultant as on-boarding fees and recognised as share based compensation in statements of loss and comprehensive loss.

20. RESEARCH AND DEVELOPMENT

	April 30, 2024	April 30, 2023
	\$	\$
Consultant fees and staff wage	315,522	342,705
Materials	-	13,566
	315,522	356,271
less : Research and development tax credits	(179,950)	(228,783)
	135,572	127,488

The Company recognized the tax credits, once actual proceeds received from the Government.

21. GRANTS RECEIVED

The Company is actively participating in accelerators and startup competitions, which results in access to different resources and professional supports and grant funding. During the year, the Company received total of \$14,300 (2023: \$130,000) government grants without no conditions and have been recognized as income. In addition, the Company also received \$nil (2023: \$10,000) award grant from a private non-profit organization and was recognized as income.

22. INCOME TAXES

The reconciliation of the income tax expense from continuing operations, calculated using the statutory income tax rates prevailing in Canada, with the income tax expense reported in the financial statements is as follows:

	April 30, 2024	April 30, 2023
	\$	\$
Loss for the year	(540,838)	(126,464)
Statutory small business rate of 12.2% (2022: 12.2%)	(65,982)	(15,429)
Tax affect of of expenses that are not deductible for income tax purpose	13,280	11,984
Difference between amortization and capital cost allowance	-	651
Tax impact of losses carried forward to be utilized	52,702	2,794
Income tax expense	-	-

The amount of deferred income taxes is due to the timing differences of reserves for accounting and tax purposes. The Company has not recorded any deferred tax.

23. RELATED PARTY

Related parties include key management, the Board of Directors, close family members and entities which are controlled by these individuals as well as certain persons performing similar functions.

Key management personnel compensation

Key management personnel include those persons having authority and responsibility for planning, directing, and controlling the activities of the Company as a whole. The Company defines key management personnel as being the directors and key officers. For the year ended April 30, 2024, and 2023, the compensation awarded to key management personnel are \$Nil.

23. RELATED PARTY (continued)

Due to related parties:

As at April 30, 2024 and 2023 amounts due to related parties include:

	April 30, 2024	April 30, 2023
	\$	\$
Due to related parties - directors	328,433	547,204
Promissory note - directos	145,000	145,000

Amounts due to directors and entities controlled by key officers or directors are included in due to shareholder (note 18). The advances owing by the Company are unsecured, and non-interest bearing, with no specific terms for repayment. During the year, the company made repayment of \$218,771 (2023: \$262,343).

Included in Accounts payable and accrued liabilities is \$9,299 (2023: \$7,991) for reimbursement of expenses.

24. FINANCIAL INSTRUMENTS – RISKS AND UNCERTAINTIES

The Company's primary financial risk management objective is to protect the Company's financial position statement and cash flow. The Company's principal financial liabilities are comprised of accounts payable and accrued liabilities, bank indebtedness, Advances from a service provider, loan payables, convertible debenture, CEBA loan and bank loan payable. The main purpose of these financial liabilities is to provide working capital for the Company's operations. During the normal course of operations, the Company may become exposed to market risk, credit risk and liquidity risk.

Market risk

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

Currency risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. As at April 30, 2024, the Company is primarily exposed to foreign exchange risk through its sales in United States dollars. The Company mitigates foreign exchange risk by monitoring foreign exchange rate trends. The Company does not currently hedge its currency risk.

Based on current exposures as at April 30, 2024, and assuming that all other variables remain constant, a 10% appreciation or depreciation of the Canadian dollar relative to the United States dollar would result in a gain or loss of approximately \$22,393 (2023: \$8,674) in the Company's statements of loss and comprehensive loss.

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company may use interest rate derivatives to manage interest rate risk.

The Company's exposure to interest rate change is predominantly driven by bank loans.

A one percent change in interest rates would therefore not materially affect the Company's net loss or equity as the Company has minimal floating interest rate exposure given the indebtedness of the Company is predominantly at fixed rates.

24. **FINANCIAL INSTRUMENTS – RISKS AND UNCERTAINTIES** (continued)

Other price risk

Other price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer or by factors affecting all similar financial instruments traded in the market. Examples include changes in commodity prices or equity prices. As at April 30, 2024, the Company is not exposed to significant other price risk, except with regards to FVTPL investments.

Credit risk

Credit risk is the risk of an unexpected loss if a customer or counterparty to a financial instrument fails to meet its contractual obligation. The Company's financial instruments that are exposed to credit risk consist primarily of cash and cash equivalents and trade and other receivables. The Company reduces its credit risk on cash and cash equivalents by placing these instruments with financially stable and insured institutions. As at April 30, 2024, the Company is not exposed to significant credit risk.

Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company has a planning and budgeting process in place to help determine the funds required to support the Company's normal operating requirements on an ongoing basis. The Company ensures that there are sufficient funds to meet its short-term business requirements, taking into account its anticipated cash flows from operations and its holdings of cash.

Historically, the Company's main source of funding has been loans from. The Company's access to financing is always uncertain. There can be no assurance of continued access to significant equity funding. Liquidity risk is assessed as high.

Contractual obligations as at April 30, 2024	Total	Less than 1 year	1-3 years	3-5 years	After 5 years
Accounts payables and accrued liabilities	849,857	849,857	-	-	-
Bank indebtedness	145,000	145,000	-	-	-
Bank loans	152,220	31,115	62,232	53,878	4,995
Canada emergency business account loan	44,806	-	44,806	-	-
Advances from a service provider	71,966	71,966	-	-	-
Total contractual obligations	1,263,849	1,097,938	107,038	53,878	4,995

Contractual obligations as at April 30, 2023	Total	Less than 1 year	1-3 years	3-5 years	After 5 years
Accounts payables and accrued liabilities	357,636	357,636	-	-	-
Bank indebtedness	30,000	30,000	-	-	-
Short term loans payable	25,000	25,000	-	-	-
Bank loans	183,333	31,111	62,232	53,878	36,112
Canada emergency business account loan	40,160	-	40,160	-	-
Advances from a service provider	65,874	65,874	-	-	-
Total contractual obligations	702,003	509,621	102,392	53,878	36,112

24. FINANCIAL INSTRUMENTS – RISKS AND UNCERTAINTIES (continued)

Capital management

The Company manages its capital, which consists exclusively of equity, with the primary objective being safeguarding sufficient working capital to sustain operations. The Company may require additional funds in order to fulfill all of its future expenditure requirements or obligations, in which case the Company may raise additional funds either through the issuance of equity or by incurring debt to satisfy such requirements or obligations. There is no assurance that any additional funding required by the Company will be available to the Company on terms acceptable to the Company or at all.

There were no changes in the Company's approach to capital management during the year. The Company will continually assess the adequacy of its capital structure and capacity and make adjustments within the context of the Company's strategy, economic conditions, and the risk characteristics of the business.

The Company's primary objectives when managing capital are to:

- safeguard the Company's ability to continue as a going concern, so that it can provide adequate returns to its shareholders and benefits for other stakeholders;
- fund capital projects for facilitation of business expansion provided there is sufficient liquidity of capital to enable the internal financing; and
- maintain a capital base to maintain investor, creditor, and market confidence.

The Company considers the items included in the statements of changes in equity as capital. The Company manages its capital structure and makes adjustments thereto as is necessary from time to time in 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 issue new shares from treasury. The Company is not subject to externally imposed capital requirements.

25. SUBSEQUENT EVENT

Subsequent to the year end April 30, 2024, the Company has entered into a binding letter of intent with Debenture Bay Capital Corp. ("DBC"), whereby DBC proposes to acquire all of the issued and outstanding securities of Cheelcare in exchange for the issuance of securities of DBC, which will result in Cheelcare becoming a wholly-owned subsidiary of DBC. Completion is subject to several conditions, including regulatory approvals, shareholder votes, and a minimum \$2.5 million private placement by Cheelcare.

Subsequent to the year end April 30, 2024, the Company issued a notice to unsecured debenture holders, to chose not to exercise the forgoing conversion rights and the company will pay out the total outstanding principal and interest or extend the maturity date of their respective debentures by May 10, 2025. Few debenture holders opted for payout of their balance.

26. CONTINGENCIES

The Company may from time to time become subject to a variety of claims and lawsuits that arise from time to time in the ordinary course of the Company's business. Although management currently believes that resolving claims against the Company, individually or in aggregate, will not have a material adverse impact on the Company's financial position, results of operations or cash flows, these matters are subject to inherent uncertainties and management's view of these matters may change in the future.

SCHEDULE “F”

Annual Management’s Discussions & Analysis of Cheelcare for the year ended April 30, 2024

(see attached)



9302204 Canada Inc. dba Cheelcare

Annual Management's Discussion and Analysis

Year ended

April 30, 2024

This management discussion and analysis ("MD&A") of Cheelcare, ("Cheelcare" or the "Company") follows rule 51-102 of the Canadian Securities Administrators regarding continuous disclosure.

The following MD&A is a narrative explanation, through the eyes of the management of Cheelcare, on how the Company performed during the year ended April 30, 2024. It includes a review of the Company's financial condition and a review of operations for the year ended April 30, 2024, as compared to the year ended April 30, 2023.

This MD&A complements the audited consolidated financial statements for the year ended April 30, 2024 but does not form part of them. It is intended to help the reader understand and assess the significant trends, risks and uncertainties related to the results of operations and it should be read in conjunction with the audited consolidated financial statements as at April 30, 2023 and related notes thereto.

The audited consolidated financial statements for the Year ended April 30, 2024, have been prepared in accordance with the International Financial Reporting Standards ("IFRS") applicable to the preparation of annual consolidated financial statements. The accounting policies applied in the consolidated financial statements are based on IFRS issued and effective as at April 30, 2024. On February 11, 2025, the Board of Directors approved, for issuance, the audited consolidated financial statements.

The selected annual financial information and other financial information are presented in Canadian dollars, the Company's functional currency.

The MD&A was prepared with the information available as at February 11, 2025.

CAUTION REGARDING FORWARD-LOOKING INFORMATION

This MD&A contains forward-looking statements that are based on the Company's expectations, estimates and projections regarding its business, the industry in general and the economic environment in which it operates as of the date of the MD&A. To the extent that any statements in this document contain information that is not historical, the statements are essentially forward-looking and are often identified by words such as "anticipate", "expect", "estimate", "intend", "project", "plan" and "believe". In the interest of providing shareholders and potential investors with information regarding Cheelcare, including management's assessment of future plans and operations, certain statements in this MD&A are forward-looking and are subject to the risks, uncertainties and other important factors that could cause the Company's actual performance to differ materially from that expressed in or implied by such statements. Such factors include, but are not limited to: volatility and sensitivity to impact of change in foreign currency exchange rates and interest rates, retail channel risks, manufacturing and supply chain constraints and volatility, availability of capital, the Company's ability to generate sufficient revenue to service its costs of capital, reliance on key personnel, risks with respect to the intellectual property of the Company and defending any violations of the Company's intellectual property, changes in government regulations and policies, including laws and policies, failure to obtain necessary approvals, and other development and operating risks.

Although the Company believes that the expectations conveyed by the forward-looking statements are based upon information available on the date that such statements were made, there can be no assurance that such expectations will prove to be correct. The reader is cautioned not to rely on these forward-looking statements. The Company disclaims any obligation to update these forward-looking statements unless required to do so by applicable Securities laws. All subsequent forward-looking statements, whether written or orally attributable to the Company or persons acting on its behalf, are expressly qualified in their entirety by these cautionary statements.

NATURE OF ACTIVITIES

Cheelcare was incorporated pursuant to the provisions of the CBCA on May 21, 2015 as 9302204 Canada Inc. It is a private company that designs and manufactures innovative mobility devices using advanced robotics.

Cheelcare is a Canadian company focused on empowering individuals with mobility impairments by delivering innovative, smart mobility solutions. Founded on the principle that technology can dramatically improve accessibility and independence. Cheelcare designs, engineers, and manufactures cutting-edge power-assist devices, safety accessories (cameras with sensors) and complex rehab wheelchairs.

Its current flagship product, the Companion, is a power-assist device that converts a manual wheelchair into a powered unit, enhancing user mobility and quality of life. The Companion Plus is the only front-mounted power-assist device listed on Ontario's Assistive Devices Program (ADP), a key differentiator enabling government-subsidized access to users across the province. It is distributed through a network of 111 dealers' locations in Ontario, over 200 dealers' locations in the United States and by 15 manufacturer's representatives selling directly to Veteran Affairs' Medical Centers across the United States.

Cheelcare also develops (original equipment manufacturer) OEM accessories and electronic systems for other mobility manufacturers. It partners with leading wheelchair manufacturers such as Sunrise Medical, Permobil, and Amylior, supplying safety cameras and sensors.

The Company's next-generation innovation, Curio, is a robotic complex rehab power wheelchair. Designed for users with significant functional impairments, Curio integrates patented mechanical design, unique functionality and attractive design. It has undergone crash and ISO7176 certification and is pending regulatory approval from ADP and the U.S. FDA 510(k) pre-market notification submission.

Cheelcare is headquartered in Richmond Hill, Ontario, and operates through a lean, multidisciplinary team combining expertise in mechanical design, electrical and software engineering, regulatory affairs, and market development. Its commercialization strategy emphasizes clinical validation, global distributor partnerships, and scalable in-house assembly. The Company had 11 full time employees during the year.

Product Line Overview

Product Name	Description	Market Position / Status
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COMPANION	Front-mounted power-assist device for manual wheelchairs. Converts a manual wheelchair into a powered unit to increase mobility and reduce physical strain. US patent granted, Canadian patent pending.	Flagship product: listed on Ontario Assistive Device Program, distributed through 111 dealer locations in Canada. In the US distributed through 15+ independent representatives to VA Medical Centers, and through 200+ dealer locations.
CURIO	Robotic complex rehab power wheelchair integrating patented mechanical design allowing advanced functionality. Targets users with complex mobility impairments.	In pilot production. Submitted to ADP; FDA 510(k) pre-market notification in progress.
AWARE	Mobility safety accessories (cameras and sensors)	Sales through dealer network and revenue-generating OEM partnerships. Products integrated in existing mobility devices.

OVERALL PERFORMANCE – YEAR ENDED APRIL 30, 2024:

During the fiscal year, Cheelcare achieved key operational milestones that laid the groundwork for future scaling and commercialization.

The Company registered with FDA, and got Companion and Aware registered as Class 1 medical devices with FDA.

Companion sales expanded significantly, contributing to a 29% increase in gross revenue. This growth was primarily driven by increased Veteran Affairs (VA) procurement in the U.S. and strong market reception to the introduction of enhanced control features.

The Company successfully completed ISO7176 testing of its Curio power wheelchair and commenced regulatory filings in Canada. Submissions were finalized with Assistive Device Program (ADP, Ontario), and preparatory work for FDA 510K pre-market notification is ongoing.

Distribution to the VA's was broadened, resulting in a strengthened representation and a rise in recurring procurement through veteran care programs.

The Company scaled up its engineering and operations teams, hiring personnel in quality assurance, software integration, and supply chain management to support future production capacity.

To ensure compliance with medical device regulations, Cheelcare initiated its preparation to ISO 13485 certification, a key step toward long-term market access and quality assurance.

Cheelcare launched a fully redesigned website, streamlining engagement with end-users, clinicians, and distributors while enhancing customer experience.

Talent acquisition – the company hired Mr. Allan Boyd as VP – Growth. Mr Boyd is an industry professional with 30-year experience. He was previously GM of Permobil Canada during a period where Permobil went from \$1M to over \$40M sales in Canada in 10 years.

SELECTED ANNUAL INFORMATION FOR THE YEARS ENDED APRIL 30, 2023 AND YEAR ENDED APRIL 30, 2024

The following selected financial information is derived from Year ended April 30, 2023 and year ended April 30, 2024

Description	2024	2023
Cash and cash equivalents	66,878	38,708
Trade and other receivables	164,624	106,634
Inventories	263,261	161,542
Total Assets	598,482	383,918
Bank indebtedness	145,000	30,000
Accounts payable and accrued liabilities	849,857	357,636
Advances from service provider	71,966	65,874
Current portion of bank loans	31,115	31,111
Total current liabilities	1,127,746	559,290
Bank loans (non-current)	121,105	152,222
Promissory Note	125,000	125,000
Convertible Debentures	1,061,743	701,125
Due to shareholder	473,433	692,204
Total liabilities	2,953,833	2,270,001
Total shareholders' equity	(2,355,351)	(1,886,083)
Total liabilities and equity	598,482	383,918
Working Capital	(559,468)	(207,208)
Net Revenue	1,437,318	1,110,163
Cost of Sales	665,863	525,489
Gross Profit	771,455	584,674
Operating Expenses	1,327,951	851,139
Grants and other incomes	15,659	140,000
Loss and Comprehensive Loss	(540,837)	(126,465)
Net cash used in operating activities	(210,770)	(29,886)
Net cash flows used in investment activities	(2,268)	0
Net cash flows from financing activities	241,208	46,868
Net increase in cash	28,170	16,982

Cash at end of the year	66,878	38,708
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Balance Sheet

Below is a discussion of the key financial items from the balance sheet:

- The Company reported a 29% increase in net revenue, reaching \$1.44 million in FY2024 (2023: \$1.11 million), driven by strong Companion sales and expanded VA channel penetration. Commissions also increased in line with higher sales volumes, but gross margin was maintained at a healthy level, with gross profit rising to \$771,455 (2023: \$584,674) despite rising material costs.
- Operating expenses rose to \$1.33 million (2023: \$851,139), with increases across multiple categories. Professional fees more than doubled due to transition to IFRS and audit preparation, legal expenses, and regulatory consultations related to going-public transaction readiness. Salaries and benefits surged over 300% from prior-year levels, reflecting team expansion. Subcontracting costs rose by 111%, driven by Curio's development needs. Advertising and promotion declined year-over-year, as resources shifted toward partner and representatives' enablement.
- A sharp decline in grant support to \$14,300 (2023: \$140,000) contributed to the increase in net loss, which widened to \$540,837 from \$126,465. The absence of similar non-dilutive funding placed greater reliance on capital inflows.
- On the balance sheet, total assets rose to \$598,482, primarily from increased inventories and receivables. However, accounts payable and accrued liabilities more than doubled to \$849,857, and bank indebtedness rose to \$145,000 due to expanded use of the operating line.
- As at April 30, 2024, convertible debentures increased to \$1.06 million (2023: \$701,125), reflecting the impact of new issuances, interest accruals, and accretion adjustments. During the year, the Company completed two tranches of unsecured convertible debenture issuances totaling \$395,000:
 - \$370,000 of 10% convertible debentures were issued, with the liability components measured at fair value using market interest rates ranging from 19% to 27%.
 - An additional \$25,000 was issued as 8% convertible debentures, valued using a 23% discount rate reflective of an equivalent non-convertible instrument.

The liability portions of these instruments were recorded at amortized cost, and the residual fair value was allocated to equity as a conversion feature.

At year-end, the liability balance of the 10% debentures was \$823,528 (2023: \$505,000), and the 8% debentures stood at \$238,215 (2023: \$196,125). All debentures bear annual interest ranging between 8% and 10%, and are convertible into common shares of the Company at predetermined fixed prices.

The Company recognized a total of \$33,455 in accretion expense during the year (2023: \$30,809).

The maturity date for all outstanding convertible debentures has been extended to May 10, 2025, with all other terms remaining unchanged.

Bank indebtedness: The Company has an operating line of credit up to \$150,000 (2023: \$30,000) from Royal Bank of Canada (RBC”). The line of credit bears interest at RBC prime plus 4.73%. Total interest paid for the year ended April 30, 2024, was \$13,458 (2023 - \$1,786). The loan is secured as shareholder agrees to be jointly and severally liable for the loan. The loan is payable on demand. The Company also drew on its RBC operating line, increasing bank indebtedness to \$145,000 (2023: \$30,000) to meet working capital needs.

Loans

- The bank loans, which totaled \$152,222 in the prior year, decreased to \$121,105 by year-end as the Company made scheduled principal repayments. These loans include a \$100,000 facility obtained from BDC on May 5, 2022, with a 66-month term and an interest rate equal to BDC's base rate plus 4% (floating rate approximately 9.3% at inception). The loan is secured by a general security agreement and personally guaranteed by individual shareholders. The Company paid interest-only for the first six months and began repaying \$1,667 in principal plus interest per month starting from the seventh month. The current portion of bank loans remained steady at \$31,115.
- Amounts due to shareholders totaled \$473,433 at April 30, 2024, a decrease from \$692,204 in the prior year. These amounts reflect non-interest-bearing advances from principal shareholders to support operating activities.
- The Company also has an advance agreement with Shopify Inc. to finance working capital. Under this arrangement, Shopify advanced US\$78,000 (CAD\$158,223) during the year ended April 30, 2024 (2023: US\$92,000 / CAD\$142,028). The advance bears no interest and is repaid via 17% (2023: 14%) of daily sales processed through Shopify’s platform until the full amount is recovered. The advance is secured against the Company’s receivables and personally guaranteed by individual shareholders. This arrangement provides flexible working capital support aligned with sales performance.
- Cash used in operating activities totaled \$210,770, reflecting the higher burn rate and investment in working capital. Minimal investing outflows (\$2,268) and net financing inflows of \$241,208 supported a year-end cash balance of \$66,878. Management remains focused on accessing new funding and deferring non-essential expenditures.

RESULTS OF OPERATIONS FOR THE YEAR ENDED APRIL 30, 2024

	Year Ended 2024	Year Ended 2023
Gross revenue	1,611,322	1,250,281
Less: Commission	(174,004)	(140,118)
Cost of sales	665,863	525,489

Professional fees	331,085	163,348
Salaries and benefits	202,225	47,824
Loan interest	186,014	157,722
Subcontractors	148,671	70,378
Research and development	135,572	127,488
Office and general	58,134	31,444
Advertising and promotion	56,355	75,476
Insurance	23,554	10,162
Bank charges and penalties	22,276	6,958
Grants received (note 19)	14,300	140,000

The increase in loss reflects growth-driven investments in team, compliance, and readiness for public listing.

- Net revenue increased by \$327,155 or 29% compared to the prior year, driven by higher sales of the Companion Plus and a stronger U.S. channel presence. This growth was fueled by increased adoption through veterans' care networks, strategic distribution agreements, and product enhancements that improved user experience and clinician acceptance.
- Cost of sales increased by \$140,374 in line with the higher sales volume. However, economies of scale and procurement efficiencies helped maintain consistent gross margin levels year-over-year.
- Professional fees rose sharply by \$167,737, reflecting legal and audit costs related to corporate structuring, compliance work associated with the proposed reverse takeover transaction with Departure Bay Capital Corp., and consulting expenses for commercialization planning.
- Salaries and benefits increased by \$154,401 as the Company hired across operations, finance, engineering, and compliance to meet regulatory and commercialization milestones. This was a key step toward scaling operations ahead of future demand.
- Subcontractor expenses increased by \$78,293, reflecting outsourced engineering and testing services related to Curio and Companion platform enhancements.
- Office and general expenses rose by \$26,690 due to higher occupancy, software, and administrative support needs. Insurance and bank charges increased in line with expanded operations and the use of credit facilities.
- Advertising and promotion expenses declined by \$19,121, reflecting a strategic decision to shift focus from direct consumer advertising to dealer network-based sales process.

- Grants received dropped significantly from \$140,000 in 2023 to \$14,300 in 2024, contributing materially to the increased net loss. The prior year had benefited from one-time non-dilutive funding support not repeated in FY2024.
- Loan interest rose by \$28,292 due to higher debt levels from convertible debenture issuances and increased use of the RBC operating line of credit.
- Research and development expenditures increased modestly by \$8,084, primarily in support of regulatory testing and design iterations for Curio.

Overall, while Cheelcare achieved strong top-line growth and maintained margins, the planned expansion in staffing, infrastructure, professional services, and the absence of grant income resulted in a comprehensive loss of \$540,837 for the year.

SUMMARY OF QUARTERLY FINANCIAL INFORMATION

The following table presents selected unaudited quarterly financial data for the past eight quarters. These figures reflect Cheelcare's transition from development-stage activities to early commercialization, regulatory engagement, and corporate finance readiness. The following table presents the Company's gross profit and loss and comprehensive loss over the last eight quarters:

Figures in C\$	Q4 April 24	Q3 Jan 24	Q2 Oct 23	Q1 July 23	Q4 Apr 23	Q3 Jan 23	Q2 Oct 22	Q1 July 2022
Gross Profit	142,204	160,943	235,321	232,987	104,999	149,746	145,780	184,149
Net Loss and Comprehensive Loss	(358,606)	(117,215)	(22,542)	(42,475)	(166,473)	169,950	(61,196)	(68,746)

Quarterly Highlights

The following summaries explain the drivers of both gross profit and net losses during each quarter:

- **Q4 April 2024:** Gross profit declined to \$142,204 from \$160,943 in Q3, primarily due to elevated legal and professional fees associated with financing and reverse takeover (RTO) preparations. The Company recorded its largest quarterly net loss of \$358,606.
- **Q3 January 2024:** Gross profit totaled \$160,943, reflecting a slight sequential decrease. The net loss of \$117,215 was driven by increased investment in research and development (R&D) related to regulatory testing for the Curio product line.
- **Q2 October 2023:** The Company achieved its highest gross profit for the year at \$235,321, supported by strong Companion sales and effective cost containment. The net loss of \$22,542 remained low despite continued R&D activity.
- **Q1 July 2023:** Gross profit remained robust at \$232,987, aided by operational efficiency and stable cost structures. The Company posted a moderate net loss of \$42,475.

- **Q4 April 2023:** Gross profit was \$104,999, reflecting modest sales activity. Increased R&D spending and higher advertising costs, coupled with reduced grant support, contributed to a net loss of \$166,473.
- **Q3 January 2023:** The Company reported a rare net income of \$169,950, bolstered by \$274,165 in government grants. Operating expenditures remained subdued, resulting in a profitable quarter.
- **Q2 October 2022:** Gross profit was \$145,780. The net loss of \$61,196 reflected typical development-stage expenditures amid limited commercial traction.
- **Q1 July 2022:** Gross profit reached \$184,149, the highest in fiscal 2023. The net loss of \$68,746 was attributable to early-stage commercialization efforts and controlled spending.

RESULTS OF OPERATIONS FOR THE THREE-MONTH PERIOD ENDED APRIL 30, 2024

Description	Q4 2024	Q4 2023
Gross Revenue	420,077	292,827
Less: Commission	(56,936)	(32,165)
Net Revenue	363,141	260,663
Cost of Materials	180,219	153,393
Other Direct Costs	40,717	2,270
Gross Profit	142,204	104,999
Professional Fees	200,786	45,133
Salaries and Benefits	96,010	(136,946)
Loan Interest	46,504	39,431
Subcontractors	40,194	19,947
Research and Development	24,713	233,065
Automobile and Travel	18,256	23,545
Office and General	35,841	16,529
Advertising and Promotion	1,129	40,576
Occupancy Cost	9,509	9,143
Credit Card Merchant Fees	8,928	8,709
Insurance	7,389	9,113
Bank Charges and Penalties	5,569	6,600
Telephone and Utilities	2,240	2,418
Amortization and Depreciation	3,900	5,334
Share-Based Compensation	3,732	—
Provision for Credit Loss	3,410	4,982

Total Expenses	508,109	327,578
Loss from Operations	(365,905)	(222,579)
Grants Received	5,941	56,106
Other Income	1,359	—
Loss and Comprehensive Loss	(358,606)	(166,473)

Variance Analysis for the Three Months Ended April 30, 2024

Net revenue increased by 39% to \$363,141 in Q4 2024, compared to \$260,663 in Q4 2023, primarily driven by increased Companion Plus unit sales and enhanced VA channel performance. This sales growth reflected a mix of pricing strategy improvements and order volumes.

Gross profit rose to \$142,204 (2023: \$104,999), a 35% increase, supported by stable margins and optimized procurement and fulfillment practices.

Professional fees jumped to \$200,786 (2023: \$45,133), reflecting increased legal and audit activity related to year-end compliance, financial reporting, and grant application support.

Salaries and benefits were \$96,010 versus a negative balance of \$(136,946) in the prior year, which had benefited from a one-time reversal of accrued compensation related to R&D grant allocations. The current year reflects normalized payroll for an expanded team.

R&D expenses accounted to \$24,713 (2023: \$233,065) . The drop is due to reallocation of SR&D credits during 2023.

Loan interest rose to \$46,504 from \$39,431, driven by higher utilization of the RBC credit facility and interest accrued on convertible debentures.

Subcontractor expenses more than doubled to \$40,194, in line with outsourced engineering and fulfillment support.

Advertising and promotion declined significantly to \$1,129 from \$40,576, as the Company shifted from broad consumer campaigns to a dealer-based sales strategy.

Office and general expenses rose to \$35,841 (2023: \$16,529) due to new software tools, IT infrastructure, and administrative support.

Share based compensation: During the quarter ended April 30, 2024, the company issued additional 60,500 common shares to the employees and consultant as on-boarding fees and recognised as share-based compensation in statements of loss and comprehensive loss. The Company recorded an expense of \$3,732 in share-based compensation in Q4 2024.

Most other overhead categories such as occupancy cost, credit card fees, and insurance remained relatively stable.

Grants and Other Income: Grant income declined to \$5,941 (2023: \$56,106), and other income was \$1,359. The lower level of grant support, combined with increased professional and structural costs, contributed to a comprehensive net loss of \$358,606, compared to a loss of \$166,473 in Q4 2023.

CAPITAL RESOURCES AND LIQUIDITY

As of April 30, 2024, the Company reported a working capital deficit of \$559,468, compared to a deficit of \$207,208 at the end of the prior year. The increase reflects substantial growth in current liabilities, particularly accounts payable and short-term debt obligations, which outpaced the growth in current assets such as receivables and inventories.

Cash used in operating activities totaled \$210,770 in FY2024, driven primarily by the net loss and higher operating expenses associated with commercialization activities. This includes expansion of the team, elevated professional fees, and temporary working capital needs related to procurement.

Net cash flows used in investment activities were minimal at \$2,268. Net cash inflows from financing activities amounted to \$241,208, primarily supported by proceeds from the issuance of convertible debentures and drawdowns on the Company's revolving credit facilities.

Overall, the Company recorded a net increase in cash of \$28,170, ending the year with a closing cash balance of \$66,878 (2023: \$38,708).

Bank indebtedness increased significantly to \$145,000 (2023: \$30,000), resulting from greater drawdowns on the Company's RBC operating line to fund inventory buildup and supplier payments. Bank loans decreased to \$121,105 (2023: \$152,222) as principal repayments continued on the \$100,000 BDC loan facility.

The Company also benefitted from flexible revenue-linked financing provided by Shopify Inc., which advanced CAD\$158,223 during FY2024. This advance bears no interest and is repaid by deducting 17% of daily sales processed through Shopify's platform. It is secured against the Company's receivables and personally guaranteed by shareholders. This facility continues to be a key contributor to liquidity management.

Convertible debentures outstanding as of April 30, 2024 totaled \$1,061,743, up from \$701,125 in the prior year. This includes two tranches issued during the year aggregating \$395,000, structured with a fixed 8% interest rate and equity conversion features. These instruments provide capital without immediate cash outflow, supporting the Company's liquidity strategy.

Management is actively pursuing additional financing options, including bridge funding and grant applications, and is exploring cost optimization initiatives to extend the Company's operational runway. The Company believes that its combination of diversified debt instruments, shareholder support, and ongoing sales growth will be sufficient to fund its near-term operations.

RELATED PARTY TRANSACTIONS

Key management personnel include those persons having authority and responsibility for planning, directing, and controlling the activities of the Company as a whole. The Company defines key management personnel as being the directors and key officers. For the year ended April 30, 2024, and 2023, the compensation awarded to key management personnel are \$Nil.

Due to related parties:

As at January 31, 2025 and April 30, 2024 amounts due to related parties include:

	April 30, 2024 \$	April 30, 2023 \$
Due to related parties - directors	328,433	547,204
Promissory note - directors	145,000	145,000
	473,433	692,204

Amounts due to directors and entities controlled by key officers or directors are included in due to shareholder.

The advances owing by the Company are unsecured, and non-interest bearing, with no specific terms for

repayment. During the year, the company made repayment of \$218,771 (2023: \$262,343). Included in Accounts payable and accrued liabilities is \$9,299 (2023: \$7,991) for reimbursement of expenses.

IFRS ACCOUNTING POLICIES AND ESTIMATES

The Company's significant accounting policies and estimates, changes in significant accounting policies and new standards and interpretations that have not yet been adopted under IFRS are disclosed in the audited annual financial statements for the year ended April 30, 2024.

ADOPTION OF NEW ACCOUNTING POLICIES AND FUTURE ACCOUNTING POLICIES

Classification and Measurement of Financial Instruments

In May 2024, the IASB issued amendments to IFRS 9 – Financial Instruments and IFRS 7 – Financial Instruments:

Disclosures. The amendments relate to settling financial liabilities using an electronic payment system and assessing contractual cash flow characteristics of financial assets, including those with Environmental, Social, and Governance (ESG)-linked features. The IASB also amended disclosure requirements relating to investments in equity instruments designated at FVOCI and added disclosure requirements for financial instruments with contingent features. The amendments

are effective for annual periods beginning on or after January 1, 2026, with early adoption permitted. The Company is assessing the impacts to the financial statements.

Presentation and Disclosure in Financial Statements

In April 2024, the IASB issued the new standard IFRS 18 – Presentation and Disclosure in Financial Statements that will replace IAS 1 – Presentation of Financial Statements. The new standard introduces newly defined subtotals on the income statement, requirements for aggregation and disaggregation of information, and disclosure of Management Performance Measures (MPMs) in the financial statements. The new standard is effective for annual reporting periods beginning on or after January 1, 2027, with early adoption permitted. The Company is assessing the impact to the financial statements.

The amendments are not expected to have a material impact on the Company's financial statements.

Critical Accounting Estimates

The preparation of financial statements in accordance with IFRS requires management to make judgments, estimates, and assumptions that affect the application of accounting policies and reported amounts of assets, liabilities, income, and expenses. Actual results may differ from these estimates. Key areas involving significant estimates and judgments include:

- **Fair Value of Convertible Debentures and Promissory Notes:** The fair value of financial liabilities with embedded conversion features is estimated using discounted cash flow models and assumptions around market volatility, risk-free rates, and expected timing of conversion. These assumptions can significantly influence the valuation of the convertible debentures outstanding as of January 31, 2025.
- **Impairment of Non-Financial Assets:** The Company evaluates impairment indicators for equipment, intellectual property, and development assets. The assessment involves estimating future cash flows and determining appropriate discount rates, particularly for pre-revenue products like the Curio robotic wheelchair.
- **Deferred Tax Assets:** Cheelcare assesses the likelihood of recovering deferred tax assets from future taxable income. This involves judgment related to future profitability and the ability to utilize loss carry forwards.
- **Inventory Valuation:** Although Cheelcare currently operates on a just-in-time production basis, to the extent inventory is carried, management estimates net realizable value based on current and forecasted selling prices, production costs, and obsolescence risks.
- **Share-Based Compensation:** The Company uses the Black-Scholes valuation model to estimate the fair value of share options granted to employees and directors. The model includes assumptions about expected volatility, option life, dividend yield, and risk-free interest rate, which require judgment and can significantly impact compensation expense.

Management reviews these estimates on an ongoing basis. Any changes in assumptions or conditions could result in materially different financial results and disclosures.

CONTINGENT LIABILITIES

There are no contingent liabilities of the Company.

OFF-BALANCE SHEET ARRANGEMENTS

As at April 30, 2024, the Company has no off-balance sheet arrangements.

GOING CONCERN ASSUMPTION

These financial statements have been prepared on a going concern basis, which assumes that the Company will be able to realize its assets and discharge its liabilities in the normal course of business. As at April 30, 2024, the Company had a working capital deficit of \$559,468 (April 30, 2023 – deficit of \$207,208) and an accumulated deficit of \$3,056,968 (April 30, 2023 – \$2,516,130). As on April 30, 2024, the Company did not have sufficient cash to sustain operations for the next twelve months without additional financing. The continued operations of the Company are dependent upon its ability to generate future cash flows and/or obtain additional financing. Management is of the opinion that sufficient working capital will be obtained from external financing to meet the Company's liabilities and commitments as they become due; however, they may not be at terms that are favorable to the Company. Although the Company has been successful in the past in raising funds to continue operations, there is no assurance it will be able to do so in the future. These factors indicate the existence of a material uncertainty that may cast significant doubt upon the Company's ability to continue as a going concern.

SUBSEQUENT EVENTS

As at January 31, 2025, the Company had a positive working capital balance of approximately \$1,024,475, compared to a working capital deficit of approximately \$429,286 as at April 30, 2024. The January working capital improvement reflects successful fundraising, stronger cash balances, and a reduction in current liabilities. the Company had a positive working capital balance and had received \$3.5 million in restricted funds through a private placement held in trust, which will be released upon closing of a proposed business combination with Debenture Bay Capital Corp. ("DBC").

FINANCIAL INSTRUMENTS

Instrument Type	30-Apr-24	30-Apr-23	Classification
Cash	\$66,878	\$38,708	Financial Asset
Trade Receivables	\$164,624	\$106,634	Financial Asset
Accounts Payable	\$849,857	\$357,636	Financial Liability
Bank Loans	\$152,220	\$183,333	Financial Liability
Canada emergency business account loan	\$44,806	\$40,160	Financial Liability

Advances from a service provider	\$71,966	\$65,874	Financial Liability
Convertible Debentures	\$1,212,925	\$784,469	Financial Liability + Equity Component
Shareholder Loans	\$473,433	\$692,204	Financial Liability
Promissory Note	\$125,000	\$125,000	Financial Liability

The Company adopts a conservative approach to financial risk management, emphasizing stability and transparency in its financial practices. The Company does not hold or issue derivative financial instruments and does not engage in hedging activities.

All financial instruments are measured at amortized cost, except for the equity component of convertible debentures, and none are carried at fair value through profit or loss in accordance with IFRS 9, which is classified as a separate component of equity. The fair values of financial assets and liabilities approximate their carrying values due to their short-term nature or floating interest rates.

DISCLOSURE OF OUTSTANDING SHARE DATA (AS AT FEBRUARY 11, 2025)

Outstanding common shares: 8,005,690

Outstanding share options: 798,000

Outstanding warrants: Nil

RISK AND UNCERTAINTIES

An investment in the common shares of the Company should be considered highly speculative. Cheelcare is subject to a variety of risks, some of which are described below. If any of the following risks occur, the business, results of operations or financial condition could be adversely affected in a material manner.

Financial Risks

The Company is exposed to the following financial risks:

- **Credit Risk:** Credit risk arises from the potential that counterparties fail to meet their obligations. The Company manages this risk by conducting regular credit reviews and working with established customers. The Company's exposure is primarily through trade receivables, which are monitored for impairment.
- **Liquidity Risk:** Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they become due. The Company manages this risk by preparing cash flow forecasts, maintaining adequate cash balances, and securing access to capital through debt and equity markets.

Contractual maturities of financial liabilities (including capital and interest) are as follows:

Contractual obligations as at April 30, 2024	Total	Less than 1 year	1-3 years	3-5 years	After 5 years
Accounts payables and accrued liabilities	849,857	849,857	–	–	–
Bank indebtedness	145,000	145,000	–	–	–
Bank loans	152,220	31,115	62,232	53,878	4,995
Canada emergency business account loan	44,806	–	44,806	–	–
Advances from a service provider	71,966	71,966	–	–	–
Total contractual obligations	1,263,849	1,097,938	107,038	53,878	4,995

Contractual obligations as at April 30, 2023	Total	Less than 1 year	1-3 years	3-5 years	After 5 years
Accounts payables and accrued liabilities	357,636	357,636	–	–	–
Bank indebtedness	30,000	30,000	–	–	–
Short term loans payable	25,000	25,000	–	–	–
Bank loans	183,333	31,111	62,232	53,878	36,112
Canada emergency business account loan	40,160	–	40,160	–	–
Advances from a service provider	65,874	65,874	–	–	–
Total contractual obligations	702,003	509,621	102,392	53,878	36,112

- **Currency Risk:** The Company faces significant foreign exchange risk due to its cross-border operations. In the year ended April 30, 2024, over 50% of revenue and approximately 40% of the cost base were denominated in U.S. dollars (USD). While this creates a partial natural hedge, timing mismatches between U.S. dollar inflows and outflows expose the Company to currency volatility. A stronger Canadian dollar may reduce the value of U.S.-sourced revenues, compressing margins, while a weaker Canadian dollar increases the cost of U.S.-based inputs. The Company does not currently hedge its currency exposure but actively monitors exchange trends and continues to evaluate hedging strategies.

Intellectual Property Risk

The Company's success depends in part on its ability to protect its intellectual property, including patents and proprietary technology. Any challenge, opposition, or lapse in protection could affect the competitive position of its products. The Company actively monitors its IP portfolio and engages legal counsel to protect and enforce its rights.

Manpower Risk

As a small and specialized team, the Company is reliant on a limited number of key personnel. Inability to attract or retain qualified staff, particularly in regulatory, engineering, or commercial functions, could affect operational continuity.

Environmental and Product Liability Risk

The Company must comply with environmental laws and safety regulations applicable to the manufacture and sale of mobility devices. Any failure to comply could lead to liability, fines, or reputational damage. The Company maintains internal compliance protocols and product testing standards.

U.S. Market Risk

A significant portion of the Company's growth strategy involves expansion into the U.S. market. This exposes the Company to changes in healthcare reimbursement policy, regulatory delays, and geopolitical uncertainties. Management continues to engage local consultants and adapt its strategy in response to U.S. market dynamics.

Competition

The industry is intensely competitive in all its phases. The Company competes with many companies possessing greater financial resources and technical facilities than itself for the acquisition of mineral interests as well as for recruitment and retention of qualified employees.

Conflicts of interest

Certain directors or proposed directors of the Company are also directors, officers or shareholders of other companies that are similarly engaged in the business of acquiring, developing and exploiting natural resource properties. Such associations may give rise to conflicts of interest from time to time. The directors of the Company are required by law to act honestly and in good faith with a view to the best interests of the Company and to disclose any interest which they may have in any project or opportunity of the Company. If a conflict of interest arises at a meeting of the Board of Directors, any director in a conflict will disclose his interest and abstain from voting on such matter. In determining whether or not the Company will participate in any project or opportunity, the directors will primarily consider the degree of risk to which the Company may be exposed and its financial position at that time.

Industry conditions

The Company operates in the competitive assistive mobility device sector, which is subject to rapid technological change, pricing pressures, and evolving customer expectations. Delays in innovation, shifts in funding priorities by healthcare providers, or increased competition from larger or better-capitalized players may adversely affect market share. The Company continually monitors industry trends and invests in R&D to maintain product relevance and competitive positioning.

Uninsured risks

Certain extraordinary events or liabilities may not be fully covered by the Company's insurance policies, including unforeseen litigation, product liability claims, or environmental incidents. Although the Company maintains general liability and product insurance, these policies may not

be sufficient to fully protect against all potential losses. Inadequate coverage or failure to obtain insurance for specific exposures could materially affect the Company's financial position.

Capital needs

The Company's continued operations and growth depend on timely access to equity and debt financing. While a recent \$3.5 million private placement improved liquidity, future product development, regulatory approvals, and commercialization efforts will require substantial ongoing capital. Inability to raise funds on favorable terms or at all could delay milestones and compromise the Company's strategic initiatives.

Key employees

Management of the Company rests on a few key officers and members of the Board of Directors, the loss of any of whom could have a detrimental effect on its operations. The development of the Company's business is and will continue to be dependent on its ability to attract and retain highly qualified management and operating personnel. The Company faces competition for personnel from other employers.

SCHEDULE “G”

Interim Financial Statements of Cheelcare for the nine-month period ended January 31, 2025

(see attached)

9302204 CANADA INC. (O/A CHEELCARE)
CONDENSED INTERIM FINANCIAL STATEMENTS (UNAUDITED)
FOR THE THREE AND NINE MONTHS ENDED JANUARY 31, 2025 AND 2024
(Expressed in Canadian dollars)

9302204 CANADA INC. (O/A CHEELCARE)
CONDENSED INTERIM FINANCIAL STATEMENTS (Unaudited)
FOR THE THREE AND NINE MONTHS ENDED JANUARY 31, 2025 AND 2024
(Expressed in Canadian dollars)

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9302204 CANADA INC. (O/A CHEELCARE)
Condensed Interim Statements of Financial Position (Unaudited)
As at January 31, 2025 and April 30, 2024
(Expressed in Canadian dollars)

	January 31, 2025 \$	April 30, 2024 \$
ASSETS		
Current assets		
Cash and cash equivalents	35,769	66,878
Restricted Cash (note 25)	3,553,227	-
Trade and other receivables (note 4)	184,251	164,624
Inventories (note 5)	339,116	263,261
Work in process (note 6)	72,056	71,414
Prepaid expenses	33,907	2,101
	4,218,326	568,278
Non-current assets		
Furniture and equipment (note 7)	27,268	7,158
Intangible assets (note 8)	24,349	23,046
TOTAL ASSETS	4,269,943	598,482
LIABILITIES AND SHAREHOLDERS' DEFICIT		
Current liabilities		
Bank indebtedness (note 9)	150,000	145,000
Accounts payable and accrued liabilities (note 10)	1,310,431	849,857
Government remittances payable	24,978	29,808
Subscription Receipt (Note 25)	3,495,506	-
Advances from a service provider (note 11)	151,373	71,966
Current portion of bank loans (note 12)	31,115	31,115
	5,163,403	1,127,746
Non-current liabilities		
Bank loans (note 14)	130,773	121,105
Canada emergency business account loan (note 13)	48,641	44,806
Promissory notes (note 14)	-	125,000
Convertible debentures (note 15)	1,336,384	1,061,743
Due to shareholders (note 16)	346,587	473,433
TOTAL LIABILITIES	7,025,788	2,953,833
SHAREHOLDERS' EQUITY / DEFICIT		
Share capital (note 17)	493,869	493,869
Contributed surplus (note 23)	329,734	-
Additional paid in capital (note 14 & 15)	80,390	-
Conversion feature (notes 14 & 15)	238,448	207,748
Accumulated deficit	(3,898,286)	(3,056,968)
TOTAL SHAREHOLDERS' EQUITY / DEFICIT	(2,755,845)	(2,355,351)
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	4,269,943	598,482

Nature of operations and going concern - note 1

Subsequent event - note 26

APPROVED ON BEHALF OF THE BOARD

Director

The accompanying notes are an integral part of these condensed interim financial statements

9302204 CANADA INC. (O/A CHEELCARE)
Condensed Interim Statements of Loss and Comprehensive Loss (Unaudited)
For the Three and Nine Months Ended January 31, 2025 and 2024
(Expressed in Canadian dollars)

	<u>Three Months Ended January 31,</u>		<u>Nine Months Ended January 31,</u>	
	<u>2025</u>	<u>2024</u>	<u>2025</u>	<u>2024</u>
	\$	\$	\$	\$
Gross revenue (note 22)	473,795	362,100	1,455,170	1,191,245
Less: Commission	(79,740)	(39,836)	(237,477)	(117,068)
Net Revenue	394,055	322,264	1,217,693	1,074,177
Cost of materials	167,554	116,532	411,018	350,389
Other direct costs	27,726	44,789	90,569	94,538
	195,280	161,321	501,587	444,926
Gross Profit	198,775	160,943	716,106	629,251
EXPENSES				
Share based compensation (note 23)	—	—	329,734	—
Professional fees	195,724	49,133	287,618	130,299
Salaries and benefits	77,485	23,511	197,621	106,215
Loan interest	88,521	56,484	290,833	167,781
Subcontractors	26,681	38,912	98,057	108,477
Research and development (note 18)	56,486	60,071	144,688	110,859
Automobile and travel	11,861	16,446	40,480	50,993
Office and general	17,874	6,182	58,366	22,293
Advertising and promotion	6,136	5,808	46,782	55,226
Occupancy cost	9,775	9,420	29,216	28,259
Credit card merchant fees	5,586	8,408	20,746	28,814
Insurance	4,207	6,181	18,067	16,165
Bank charges and penalties	11,413	26,265	13,433	76,337
Telephone and utilities	1,549	2,014	6,616	6,024
Amortization and depreciation (notes 8 and 9)	2,341	—	2,998	—
Provision for expected credit loss	—	—	2,726	—
	515,639	308,835	1,587,981	907,742
LOSS FROM OPERATIONS	(316,864)	(147,892)	(871,875)	(278,491)
Grants received (note 19)	10,557	—	30,557	8,359
LOSS AND COMPREHENSIVE LOSS	(306,307)	(147,892)	(841,318)	(270,131)
Net loss per common share-basic and diluted	(0.04)	(0.02)	(0.11)	(0.03)
Weighted average number of common shares-basic and diluted	8,005,692	7,945,192	8,005,692	7,945,192

The accompanying notes are an integral part of these condensed interim financial statements

9302204 CANADA INC. (O/A CHEELCARE)
Condensed Interim Statements of Changes in Equity (Unaudited)
For the Nine Months Ended January 31, 2025 and 2024
(Expressed in Canadian dollars)

	Number of shares	Share capital	Additional Paid in Capital	Conversion Feature	Contributed Surplus	Deficit	Total
	#	\$	\$	\$	\$	\$	\$
Balance, April 30, 2023	7,945,192	490,137	-	139,910	-	(2,516,130)	(1,886,083)
Net comprehensive loss	-	-	-	-	-	(270,131)	(540,838)
Balance, January 31, 2024	7,945,192	490,137	-	139,910	-	(2,786,261)	(2,426,921)
As at April 30, 2024	8,005,692	493,869	-	207,748	-	(3,056,968)	(2,355,351)
Addition (note 15 & 17 & 22)	-	-	-	111,090	329,734	-	440,824
Transfer (note 14 & 15)	-	-	80,390	(80,390)	-	-	-
Net comprehensive loss	-	-	-	-	-	(841,318)	(841,318)
Balance, January 31, 2025	8,005,692	493,869	80,390	238,448	329,734	(3,898,286)	(2,755,845)

The accompanying notes are an integral part of these condensed interim financial statements

9302204 CANADA INC. (O/A CHEELCARE)
Condensed Interim Statements of Cash Flows (Unaudited)
For the Nine Months Ended January 31, 2025 and 2024
(Expressed in Canadian dollars)

	Nine Months Ended January 31,	
	2025	2024
	\$	\$
OPERATING ACTIVITIES		
Net loss for the year	(841,318)	(270,131)
Adjustment for non-cash items:		
Amortization and depreciation	2,998	-
Share based compensation	329,734	-
Accretion expense	41,566	-
Change in non-cash working capital balances:		
Trade and other receivable	(19,627)	32,780
Inventories	(75,855)	(22,860)
Work in process	(642)	(25,022)
Prepaid expenses	(31,806)	(1,550)
Accounts payable and accrued liabilities	460,574	210,155
Government remittances payable	(4,830)	(81,266)
Net cash flows used in operating activities	(139,206)	(157,894)
INVESTMENT ACTIVITIES		
Addition of furniture and equipment	(21,464)	(1,919)
Additions of intangible assets	(2,947)	-
Net cash flows used in financing activities	(24,411)	(1,919)
FINANCING ACTIVITIES		
Net proceed from bank indebtedness	5,000	115,000
Net proceeds (repayment) from a service provider	79,407	(926)
Repayment of promissory note	(125,000)	-
Repayments of short term loans	-	(25,000)
Proceeds (repayments) of bank loans	9,668	(23,333)
Proceeds from issuance of convertible debentures	503,000	300,000
Proceeds from subscription receipts	3,495,506	-
Repayment of convertible debenture	(155,000)	-
Repayments to shareholders	(126,846)	(169,555)
Net cash flows from investing activities	3,685,735	196,186
Net change in cash	3,522,118	36,373
Cash, beginning of year	66,878	38,708
Cash, end of period	3,588,996	75,081
Supplementary information:		
Restricted cash	3,553,227	-

The accompanying notes are an integral part of these condensed interim financial statements.

1. NATURE OF OPERATIONS

9302204 Canada Inc. (O/A Cheelcare) (the "Company" or "Cheelcare"), is an innovative technological and manufacturing company focused on radically improving the quality of life and independence of people with physical disabilities through its suite of next-generation assistive mobility devices. The Company is a Canadian-Controlled Private Corporation and was incorporated on May 21, 2015, under the Canada Business Corporation Act.

These condensed interim financial statements have been prepared on a going concern basis which assumes that the Company will be able to realize its assets and discharge its liabilities in the normal course of business for the foreseeable future. These condensed interim financial statements do not include any adjustments relating to the recoverability and classification of assets and liabilities which might be necessary should the Company be unable to continue in existence.

2. BASIS OF PRESENTATION

Statement of Compliance

The notes presented in these condensed interim financial statements include only significant events and transactions and are not fully inclusive of all matters normally disclosed in the annual audited financial statements; thus, these condensed interim financial statements are referred to as condensed. These condensed interim financial statements should be read in conjunction with the audited financial statements for the years ended April 30, 2024, and 2023.

These condensed interim financial statements for the three and nine months ended January 31, 2025, are expressed in CAD and follow the same accounting policies and methods of their application as set out in the audited financial statements for the years ended April 30, 2024, and 2023. These condensed interim financial statements comply with International Accounting Standard 34, Interim Financial Reporting of the International Financial Reporting Standards ("IFRS"), as issued by the International Accounting Standards Board ("IASB") and reflect all adjustments which are necessary for a fair statement of the results for the interim periods presented.

The Board of Directors approved these condensed interim financial statements for the three and nine months ended January 31, 2025, on April 4, 2025.

Basis of Measurement

These condensed interim financial statements have been prepared on the historical cost basis except for certain financial instruments, which are measured at fair value. For comparative purposes, the Company has reclassified certain immaterial items to conform with the current period's presentation.

Restricted cash

Restricted cash represents funds that are held in separate escrow or trust accounts, subject to contractual or regulatory restrictions that prevent access or transfer for general operational use. These funds are not included in cash or cash equivalents and are presented as a separate line item on the statement of financial position.

Subscription receipts

The Company may receive proceeds from investors in the form of subscription receipts, where the issuance of shares is contingent upon certain conditions. Until all such conditions are fulfilled, the Company does not have an unconditional right to retain the proceeds, and accordingly, the subscription receipts are classified as a financial liability in accordance with IAS 32 – Financial Instruments: Presentation. Upon satisfaction of the listing condition, the liability is reclassified to equity and corresponding shares are issued.

Earning per share

Basic earnings per share is calculated by dividing the profit or loss attributable to ordinary equity holders of the Company by the weighted average number of ordinary shares outstanding during the reporting period.

Contingently issuable shares, including those associated with reverse takeover ("RTO") transactions or subscription receipts where proceeds are held in escrow or returnable based on unmet conditions, are excluded from the weighted average number of shares for basic earnings per share until all relevant issuance conditions have been satisfied.

Diluted earnings per share reflects the potential dilution that would occur if all dilutive potential ordinary shares were

9302204 CANADA INC. (O/A CHEELCARE)
Notes to the Condensed Interim Financial Statements (Unaudited)
For the Period Ended January 31, 2025, and 2024
(Expressed in Canadian dollars)

converted or exercised. Potential ordinary shares are included in diluted earnings per share only when their conversion would decrease earnings per share or increase loss per share from continuing operations. Shares issuable under RTO arrangements or contingent subscription agreements are included in diluted EPS only when the contractual conditions for issuance are met as of the reporting date.

This approach ensures EPS calculations are consistent with the actual and legally enforceable share structure as of each reporting date, in line with IAS 33 – Earnings Per Share.

Functional and Presentation Currency

These condensed interim financial statements are presented in Canadian dollars, which is the functional currency of the Company.

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

3. NEW ACCOUNTING PRONOUNCEMENTS

Standards issued but not yet effective

Classification and Measurement of Financial Instruments

In May 2024, the IASB issued amendments to IFRS 9 – Financial Instruments and IFRS 7 – Financial Instruments: Disclosures. The amendments relate to settling financial liabilities using an electronic payment system and assessing contractual cash flow characteristics of financial assets, including those with Environmental, Social, and Governance (ESG)-linked features. The IASB also amended disclosure requirements relating to investments in equity instruments designated at FVOCI and added disclosure requirements for financial instruments with contingent features.

The amendments are effective for annual periods beginning on or after January 1, 2026, with early adoption permitted. The Company is assessing the impacts to the financial statements.

Presentation and Disclosure in Financial Statements

In April 2024, the IASB issued the new standard IFRS 18 – Presentation and Disclosure in Financial Statements that will replace IAS 1 – Presentation of Financial Statements. The new standard introduces newly defined subtotals on the income statement, requirements for aggregation and disaggregation of information, and disclosure of Management Performance Measures (MPMs) in the financial statements. The new standard is effective for annual reporting periods beginning on or after January 1, 2027, with early adoption permitted. The Company is assessing the impact to the financial statements.

The amendments are not expected to have a material impact on the Company's financial statements.

3. TRADE AND OTHER RECEIVABLES

	January 31, 2025	April 30, 2024
	\$	\$
Trade receivable	138,515	139,187
Provision for expected credit loss	(8,392)	(8,392)
	130,123	130,795
HST receivable	54,128	33,829
	184,251	164,624

As at January 31, 2025, two customers accounting for 45% (2024: 29%) of revenues and as of January 31, 2025, those two customers accounted for 39% (2024: 22%) of trade receivable.

4. INVENTORIES

9302204 CANADA INC. (O/A CHEELCARE)
Notes to the Condensed Interim Financial Statements (Unaudited)
For the Period Ended January 31, 2025, and 2024
(Expressed in Canadian dollars)

	January 31 , 2025	April 30, 2024
	\$	\$
Raw material and parts	339,116	263,261

During the nine and three months ended January 31, 2025, \$501,587 (2024: \$444,926) and \$195,280 (2024: \$161,321) was recognized in cost of sales. No provision is recorded during the period. (2024: \$Nil).

5. WORK IN PROCESS

The Company is building a prototype and currently awaiting approval from the regulators.

	January 31 , 2025	April 30, 2024
	\$	\$
Work in process	72,056	71,414

6. FURNITURE AND EQUIPMENT

	Furniture and fixture \$	Computer equipment \$	Total \$
Cost			
Balance, April 30, 2023	9,845	26,886	36,731
Additions	1,918	-	1,918
Balance, April 30, 2024	11,763	26,886	38,649
Additions	500	20,964	21,464
Balance, January 31, 2025	12,263	47,850	60,113
Accumulated depreciation			
Balance, April 30, 2023	5,430	23,588	29,018
Additions	1,075	1,398	2,473
Balance, April 30, 2024	6,505	24,986	31,491
Additions	788	566	1,354
Balance, January 31, 2025	7,293	25,552	32,845
Net book value			
Balance, April 30, 2024	5,258	3,298	7,713
Balance, January 31, 2025	4,970	22,298	27,268

8. INTANGIBLE ASSETS

9302204 CANADA INC. (O/A CHEELCARE)
Notes to the Condensed Interim Financial Statements (Unaudited)
For the Period Ended January 31, 2025, and 2024
(Expressed in Canadian dollars)

	\$
Cost	
Balance, April 30, 2023	33,409
Additions	350
Balance, April 30, 2024	33,759
Additions	2,947
Balance, January 31, 2025	36,706
Accumulated amortization	
Balance, April 30, 2023	9,286
Additions	1,427
Balance, April 30, 2024	10,713
Additions	1,644
Balance, January 31, 2025	12,357
Net book value	
Balance, April 30, 2024	23,046
Balance, January 31, 2025	24,349

Intangible assets are patent registration in Canada and United States of America.

9. BANK INDEBTNESS

The Company has an operating line of credit up to \$150,000 (2024: \$145,000) from Royal Bank of Canada ("RBC"). The line of credit bears interest at RBC prime plus 4.73%. The loan is secured as shareholder agrees to be jointly and severally liable for the loan. The loan is payable on demand.

10. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	January 31 , 2025	April 30, 2024
	\$	\$
Accounts payable	1,002,352	481,139
Accrued interest	262,999	236,756
Accrued liabilities	4,415	94,093
Other payables	40,665	37,869
	1,310,431	849,857

11. ADVANCES FROM A SERVICE PROVIDER

The Company entered into an agreement with Shopify Inc. ("Shopify") in January 2022 whereby Shopify provided working capital for the use of Shopify's software, platform and services by purchasing a portion of the Company's future revenue. The advance bears no interest and is settled by adjusting 17% to 25% (2024:17%) of the total daily sales collection through Shopify platform until the full amount is repaid. The advance is secured against the receivables of the Company and guaranteed by individual shareholders of the Company.

	Loan
	\$
Balance, April 30, 2023	65,874
Addition	158,223
Repayment	(152,131)
Balance, April 30, 2024	71,966
Addition	272,866
Repayment	(193,459)
Balance, January 31, 2025	151,373

9302204 CANADA INC. (O/A CHEELCARE)
Notes to the Condensed Interim Financial Statements (Unaudited)
For the Period Ended January 31, 2025, and 2024
(Expressed in Canadian dollars)

All amount is treated as advance as the Company repaid the amount within one year.

12. BANK LOANS

- The Company obtained a ten-year bank loan facility of \$100,000 on July 19, 2021 from Royal Bank of Canada ("RBC"), which bears fixed rate interest at 4% per annum (1% of which is a non-refundable guarantee fee charged by Business Development Bank of Canada's ("BDC") Highly Affected Sector Credit Availability Program ("HASCAP"). The HASCAP program is intended to provide additional liquidity support to Canadian businesses that have been highly affected by and are facing economic hardship as a result of the COVID-19 pandemic by having BDC provide a guarantee in favour of RBC against loan losses, provided the requirements of HASCAP have been met. For the first year the Company only paid interest, and starting from the thirteenth month, the Company made a fixed repayment of \$925.93 plus interest per month.
- On May 5, 2022, the Company obtained a 66 months loan of \$100,000 from BDC, which bears BDC's base rate plus spread of 4% per annum (floating rate 9.3%), secured by a general security agreement, and guaranteed by individual shareholders of the Company. For the first six months the Company only paid interest, and starting from the seventh month, the Company made a fixed repayment of \$1,667 plus interest per month.

	January 31, 2025	April 30, 2024
	\$	\$
HASCAP loan balance at year ended	72,222	80,555
BDC loan balance at year ended- 01	56,666	71,665
BDC loan balance at year ended- 04	33,000	-
Less: Current portion	(31,115)	(31,115)
	130,773	121,105

13. CANADA EMERGENCY BUSINESS ACCOUNT LOAN

The Canada Emergency Business Account (CEBA) loan, partially forgivable, originally launched on April 9, 2020, was intended to support businesses during the COVID-19 pandemic. The outstanding balance as of January 18, 2024, was converted to a non-amortizing term loan with full principal repayment due on December 31, 2026. Commencing January 19, 2024, the loan accrues interest of 5% per annum.

The Company did not repay the loan before January 18, 2024, and is not eligible for the forgivable portion. Consequently, the previously forgiven portion of \$20,000 were reversed, and recorded as government grant expense, bringing the balance to \$48,641 (2024: \$44,806). The Company recorded accretion expense of \$3,835 in 2025 (2024: \$4,647).

14. PROMISSORY NOTES

The Company entered into a funding agreement with Ontario Centres of Excellence ("OCE") for the project named "Cheelcare MR \$125K" on March 9, 2020. According to the agreement, a total of \$125,000 was received, with no fixed terms of repayment. Upon completion of certain criteria, the outstanding note balance will be convertible at OCE's option into common shares when certain conditions are met.

Promissory notes are separated into liability and equity components based on the terms of the contract. On issuance of the promissory notes, the fair value of the liability component was determined using a market rate of 22.2% for an equivalent non-convertible instrument. The amount is classified as a financial liability measured at amortized cost until it is extinguished on conversion or redemption. The remainder of the proceeds were allocated to the conversion option that is disclosed as a conversion feature in equity. During the period, the loan from OCE was repaid.

9302204 CANADA INC. (O/A CHEELCARE)
Notes to the Condensed Interim Financial Statements (Unaudited)
For the Period Ended January 31, 2025, and 2024
(Expressed in Canadian dollars)

	Liability	Conversion Feature
	\$	\$
Balance, April 30, 2023 and 2024	125,000	56,566
Accretion	-	-
Balance, April 30, 2024	125,000	56,566
Repayment	(125,000)	-
Transfer to additional paid in capital	-	(56,566)
Balance, January 31, 2025	-	-

15. CONVERTIBLE DEBENTURES

10% convertible debentures

On March 31, 2021, the Company issued \$505,000 unsecured debentures convertible, upon completion of certain criteria, into the Company's common shares for an original term of two years. The Company extended the maturity of the convertible debentures to May 10, 2025, with no changes in other terms of the convertible debenture.

Convertible loans are separated into liability and equity components based on the terms of the contract. On issuance of the convertible loan, the fair value of the liability component is determined using a market rate of 15.8% for an equivalent non-convertible instrument. The amount is classified as a financial liability measured at amortized cost until it is extinguished on conversion or redemption. The remainder of the proceeds is allocated to the conversion option that is disclosed as a conversion feature in equity.

In 2024, the company issued additional \$370,000 unsecured convertible debentures. On issuance of the convertible loan, the fair value of the liability component is determined using a market rate of 19% to 27% for an equivalent non-convertible instrument. The amount is classified as a financial liability measured at amortized cost until it is extinguished on conversion or redemption. The remainder of the proceeds is allocated to the conversion option that is disclosed as a conversion feature in equity.

If the Corporation completes or enters into binding agreement prior to the Maturity Date, for a Going Public Transaction, then the Holder's Debenture shall automatically convert for an amount equal to its face value and the interest owing at that time into fully paid and non-assessable Common Shares at a conversion price to be based on the valuation of the Going Public Transaction, subject to a 25% valuation discount. Concurrently with such payment/share issuance being made, the Debenture will be cancelled. As a condition precedent to such conversion, the Holder agrees to execute any and all documents relating to the Going Public Transaction and take such other actions in connection with the Going Public Transaction as may be reasonably requested by the Corporation to effectuate the conversion on the terms set forth in the agreement.

The Company repaid \$55,000 during the period ended January 31, 2025 (2024: \$Nil).

9302204 CANADA INC. (O/A CHEELCARE)
Notes to the Condensed Interim Financial Statements (Unaudited)
For the Period Ended January 31, 2025, and 2024
(Expressed in Canadian dollars)

	10% Debenture	Conversion Feature	Total
	\$	\$	\$
Balance, April 30, 2023	505,000	47,159	552,159
Addition	307,477	62,523	370,000
Accretion	11,051	-	11,051
Balance, April 30, 2024	823,528	109,682	933,210
Repayment	(55,000)	-	(55,000)
Accretion	22,484	-	22,484
Transfer to additional paid in capital	-	(5,136)	(5,136)
Balance, January 31, 2025	791,012	104,546	895,558

8% convertible debentures

During the year ended April 30, 2023, the Company issued four tranches totalling to \$225,000 of unsecured debentures convertible, upon completion of certain criteria, into the Company's common shares for an original term of two years. Subsequent to the year end, the Company extended the maturity of the convertible debentures to May 10, 2025, with no changes in other terms of the convertible debenture.

During the year ended April 30, 2024, the company issued additional \$25,000 unsecured convertible debentures. On issuance of the convertible loan, the fair value of the liability component is determined using a market rate of 23% for an equivalent non- convertible instrument. The amount is classified as a financial liability measured at amortized cost until it is extinguished on conversion or redemption. The remainder of the proceeds is allocated to the conversion option that is disclosed as a conversion feature in equity.

15. CONVERTIBLE DEBENTURES (continued)

During the period ended January 31, 2025, the company issued additional \$503,000 unsecured convertible debentures. On issuance of the convertible loan, the fair value of the liability component is determined using a market rate of 19% to 27% for an equivalent non- convertible instrument. The amount is classified as a financial liability measured at amortized cost until it is extinguished on conversion or redemption. The remainder of the proceeds is allocated to the conversion option that is disclosed as a conversion feature in equity.

If the Corporation completes or enters into binding agreement prior to the Maturity Date, for a Going Public Transaction, then the Holder's Debenture shall automatically convert for an amount equal to its face value and the interest owing at that time into fully paid and non-assessable Common Shares at a conversion price to be based on the valuation of the Going Public Transaction, subject to a 25% valuation discount. Concurrently with such payment/share issuance being made, the Debenture will be cancelled. As a condition precedent to such conversion, the Holder agrees to execute any and all documents relating to the Going Public Transaction and take such other actions in connection with the Going Public Transaction as may be reasonably requested by the Corporation to effectuate the conversion on the terms set forth in the agreement.

The Company repaid \$100,000 during the period ended January 31, 2025 (2024: \$Nil).

9302204 CANADA INC. (O/A CHEELCARE)
Notes to the Condensed Interim Financial Statements (Unaudited)
For the Period Ended January 31, 2025, and 2024
(Expressed in Canadian dollars)

	8% Debenture	Conversion Feature	Total
	\$	\$	\$
Balance, April 30, 2023	196,125	36,185	232,310
Addition	19,686	5,315	25,001
Accretion	22,404	-	22,404
Balance, April 30, 2024	238,215	41,500	279,715
Addition	391,910	111,090	503,000
Repayment	(100,000)	-	(100,000)
Accretion	15,247	-	15,247
Transfer to additional paid in capital	-	(18,688)	(18,688)
Balance, January 31, 2025	545,372	133,902	679,274

16. DUE TO SHAREHOLDERS

	January 31, 2025	April 30, 2024
	\$	\$
Due to shareholder consists of:		
Advances from shareholders	201,587	328,433
Promissory note payable to shareholders	145,000	145,000
	346,587	473,433

Advances from shareholders are unsecured, non-interest bearing and have no fixed terms of repayment, and the shareholders have given an undertaking not to demand repayment within next year. During the period, the company made repayment of \$174,846 (2024: \$218,771).

The Company issued unsecured promissory notes of \$145,000 to the shareholders with no specific repayment terms anytime after December 11, 2022. A total of \$8,700 (2024: \$8,700) interest was accrued as of January 31, 2025. The shareholders have given an undertaking not to demand payment for the next one year and therefore the amount is classified as non-current liabilities.

17. SHARE CAPITAL

(a) Authorized:

The authorized share capital consists of an unlimited number of common shares and an unlimited number of Class A special shares.

(b) Issued and outstanding:

	January 31, 2025	April 30, 2024
	\$	\$
8,005,692 common shares (2024 : 8,005,692)	493,869	493,869

18. RESEARCH AND DEVELOPMENT

9302204 CANADA INC. (O/A CHEELCARE)
Notes to the Condensed Interim Financial Statements (Unaudited)
For the Period Ended January 31, 2025, and 2024
(Expressed in Canadian dollars)

	January 31, 2025	January 31, 2024
		\$
Consultant fees and staff wage	253,179	290,809
less : Research and development tax credits	(108,491)	(179,950)
	144,688	110,859

The Company recognized the tax credits, once actual proceeds received from the Government.

19. GRANTS RECEIVED

The Company is actively participating in accelerators and startup competitions, which results in access to different resources and professional supports and grant funding. During the period ended nine months and three month ended, the Company received total of \$30,557 (2024: \$8,359) and \$10,557 (2024: \$Nil) government grants without no conditions and have been recognized as income.

20. RELATED PARTY

Related parties include key management, the Board of Directors, close family members and entities which are controlled by these individuals as well as certain persons performing similar functions.

Key management personnel compensation

Key management personnel include those persons having authority and responsibility for planning, directing, and controlling the activities of the Company as a whole. The Company defines key management personnel as being the directors and key officers. For the year ended January 31, 2025, and 2024, the compensation awarded to key management personnel are \$Nil.

Due to related parties:

Amounts due to directors and entities controlled by key officers or directors are included in due to shareholder (note 16). Included in Accounts payable and accrued liabilities is \$9,378 (2024: \$9,299) for reimbursement of expenses.

21. FINANCIAL INSTRUMENTS – RISKS AND UNCERTAINTIES

The Company's primary financial risk management objective is to protect the Company's financial position statement and cash flow. The Company's principal financial liabilities are comprised of accounts payable and accrued liabilities, bank indebtedness, Advances from a service provider, loan payables, convertible debenture, CEBA loan and bank loan payable. The main purpose of these financial liabilities is to provide working capital for the Company's operations. During the normal course of operations, the Company may become exposed to market risk, credit risk and liquidity risk.

21. FINANCIAL INSTRUMENTS – RISKS AND UNCERTAINTIES (continued)

Market risk

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

Currency risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. As at January 31, 2025, the Company is primarily exposed to foreign exchange risk through its sales in United States dollars. The Company mitigates foreign exchange risk by monitoring foreign exchange rate trends. The Company does not currently hedge its currency risk.

Based on current exposures as at January 31, 2025, and assuming that all other variables remain constant, a 10% appreciation or depreciation of the Canadian dollar relative to the United States dollar would result in a gain or loss of approximately \$95,566 (2024: \$22,393) in the Company's statements of loss and comprehensive loss.

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company may use interest rate derivatives to manage interest rate risk.

The Company's exposure to interest rate change is predominantly driven by bank loans.

A one percent change in interest rates would therefore not materially affect the Company's net loss or equity as the Company has minimal floating interest rate exposure given the indebtedness of the Company is predominantly at fixed rates.

Other price risk

Other price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer or by factors affecting all similar financial instruments traded in the market. Examples include changes in commodity prices or equity prices. As at January 31, 2025, the Company is not exposed to significant other price risk, except with regards to FVTPL investments.

Credit risk

Credit risk is the risk of an unexpected loss if a customer or counterparty to a financial instrument fails to meet its contractual obligation. The Company's financial instruments that are exposed to credit risk consist primarily of cash and cash equivalents and trade and other receivables. The Company reduces its credit risk on cash and cash equivalents by placing these instruments with financially stable and insured institutions. As at January 31, 2025, the Company is not exposed to significant credit risk.

Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company has a planning and budgeting process in place to help determine the funds required to support the Company's normal operating requirements on an ongoing basis. The Company ensures that there are sufficient funds to meet its short-term business requirements, taking into account its anticipated cash flows from operations and its holdings of cash.

Historically, the Company's main source of funding has been loans from. The Company's access to financing is always uncertain. There can be no assurance of continued access to significant equity funding. Liquidity risk is assessed as high.

21. FINANCIAL INSTRUMENTS – RISKS AND UNCERTAINTIES (continued)

9302204 CANADA INC. (O/A CHEELCARE)
Notes to the Condensed Interim Financial Statements (Unaudited)
For the Period Ended January 31, 2025, and 2024
(Expressed in Canadian dollars)

Contractual obligations as at January 31, 2025	Total	Less than 1 year	1-3 years	3-5 years	After 5 years
Accounts payables and accrued liabilities	1,310,431	1,310,431	-	-	-
Bank indebtedness	150,000	150,000	-	-	-
Bank loans	161,888	31,115	62,232	53,878	14,663
Canada emergency business account loan	48,641	-	48,641	-	-
Advances from a service provider	151,373	151,373	-	-	-
Total contractual obligations	1,822,333	1,642,919	110,873	53,878	14,663

Contractual obligations as at April 30, 2024	Total	Less than 1 year	1-3 years	3-5 years	After 5 years
Accounts payables and accrued liabilities	849,857	849,857	-	-	-
Bank indebtedness	145,000	145,000	-	-	-
Bank loans	152,220	31,115	62,232	53,878	4,995
Canada emergency business account loan	44,806	-	44,806	-	-
Advances from a service provider	71,966	71,966	-	-	-
Total contractual obligations	1,263,849	1,097,938	107,038	53,878	4,995

Capital management

The Company manages its capital, which consists exclusively of equity, with the primary objective being safeguarding sufficient working capital to sustain operations. The Company may require additional funds in order to fulfill all of its future expenditure requirements or obligations, in which case the Company may raise additional funds either through the issuance of equity or by incurring debt to satisfy such requirements or obligations. There is no assurance that any additional funding required by the Company will be available to the Company on terms acceptable to the Company or at all.

There were no changes in the Company's approach to capital management during the year. The Company will continually assess the adequacy of its capital structure and capacity and make adjustments within the context of the Company's strategy, economic conditions, and the risk characteristics of the business.

The Company's primary objectives when managing capital are to:

- safeguard the Company's ability to continue as a going concern, so that it can provide adequate returns to its shareholders and benefits for other stakeholders;
- fund capital projects for facilitation of business expansion provided there is sufficient liquidity of capital to enable the internal financing; and
- maintain a capital base to maintain investor, creditor, and market confidence.

The Company considers the items included in the statements of changes in equity as capital. The Company manages its capital structure and makes adjustments thereto as is necessary from time to time in 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 issue new shares from treasury. The Company is not subject to externally imposed capital requirements.

9302204 CANADA INC. (O/A CHEELCARE)
Notes to the Condensed Interim Financial Statements (Unaudited)
For the Period Ended January 31, 2025, and 2024
(Expressed in Canadian dollars)

As at January 31, 2025, the Company has one operating segment, being the provider of wheelcare solutions, and operates in two geographic areas, being the United States and Canada. The Company revenue and long lived assets by geographic area for the years ended January 31, 2025 and 2024 are set out below:

	Canada	United States	Total
January 31, 2025	\$	\$	\$
Revenue recognized at a point of time			
Net Sales	689,530	528,163	1,217,693
	689,530	528,163	1,217,693
Long-lived assets	51,617	-	51,617

	Canada	United States	Total
January 31, 2024	\$	\$	\$
Revenue recognized at a point of time			
Net Sales	614,665	459,512	1,074,177
	614,665	459,512	1,074,177
Long-lived assets	33,755	-	33,755

23. CONTRIBUTED SURPLUS

During the period ended January 31, 2025, 798,000 options amounting to \$329,734 were issued on October 01, 2024, at \$0.50 per share, vested immediately, expiring in 60 months from date of issue. No share options were granted, exercised, forfeited, or outstanding prior to this reporting period.

24. CONTINGENCIES

The Company may from time to time become subject to a variety of claims and lawsuits that arise from time to time in the ordinary course of the Company's business. Although management currently believes that resolving claims against the Company, individually or in aggregate, will not have a material adverse impact on the Company's financial position, results of operations or cash flows, these matters are subject to inherent uncertainties and management's view of these matters may change in the future.

25. RESTRICTED CASH

During the year, the Company received funding of \$3,500,000 through the issuance of subscription receipts (the "Subscription Receipts"). The proceeds were deposited into escrow and recorded as restricted cash on the statement of financial position. Upon the closing of the Transaction, the escrowed funds were released, and the Subscription Receipts were automatically converted into 4,666,666 common shares and 2,333,333 warrants.

\$53,221 is Payment representing the amount owed following the redemption of debentures in cash

Until the satisfaction of the conversion conditions, the Company accounted for the Subscription Receipt proceeds as a financial liability, reflecting its obligation to either issue the underlying securities or refund the purchase amount plus any applicable interest. Upon completion of the Transaction and the resulting conversion of the Subscription Receipts, the liability was reclassified to equity as share capital. If the Transaction had not closed, the Subscription Receipts would have been redeemed and the funds returned to investors.

26. SUBSEQUENT EVENT

Subsequent to the period-end, the Company entered into a business combination agreement with Debenture Bay Capital Corp. (“DBC”), a capital pool company listed on the TSX Venture Exchange. Pursuant to the agreement, DBC proposes to acquire all of the issued and outstanding securities of Cheelcare Inc. (“Cheelcare”) in exchange for the issuance of securities of DBC, resulting in Cheelcare becoming a wholly-owned subsidiary of DBC upon closing.

The completion of the transaction is subject to several customary conditions, including regulatory and stock exchange approvals, shareholder approvals, and the completion of a private placement financing by Cheelcare for gross proceeds of not less than \$2.5 million and up to a maximum of \$3.5 million.

Subsequent to the period end, NameSilo issued three tranches of \$150,000 each to Cheelcare in the form of convertible promissory notes payable. The loan bears interest at a rate of 12% per annum, compounded annually, includes an initial fee of 3%, is unsecured, and must be repaid with accrued interest within one year.

SCHEDULE “H”
Interim Management’s Discussions & Analysis of Cheelcare for the nine-month period ended January 31,
2025

(see attached)



9302204 Canada Inc. dba Cheelcare

Management's Discussion and Analysis

Nine months ended

January 31, 2025

(Third Quarter Financial Year 2025)

This management discussion and analysis (“MD&A”) of Cheelcare, (“Cheelcare” or the “Company”) follows rule 51-102 of the Canadian Securities Administrators regarding continuous disclosure.

The following MD&A is a narrative explanation, through the eyes of the management of Cheelcare, on how the Company performed during the nine-month period and year ended January 31, 2025. It includes a review of the Company’s financial condition and a review of operations for the nine-month period January 31, 2025, as compared to the nine-month period and January 31, 2024.

This MD&A complements the unaudited consolidated financial statements for the nine months ended January 31, 2025 but does not form part of them. It is intended to help the reader understand and assess the significant trends, risks and uncertainties related to the results of operations and it should be read in conjunction with the unaudited consolidated financial statements as at January 31, 2025 and related notes thereto.

The unaudited consolidated financial statements for the nine months ended January 31, 2025, and for the nine months ended January 31, 2024 have been prepared in accordance with the International Financial Reporting Standards (“IFRS”) applicable to the preparation of annual consolidated financial statements. The accounting policies applied in the consolidated financial statements are based on IFRS issued and effective as at January 31, 2025. On April 16, 2025, the Board of Directors approved, for issuance, the interim unaudited consolidated financial statements.

The selected quarterly financial information and other financial information are presented in Canadian dollars, the Company’s functional currency.

The MD&A was prepared with the information available as at April 16, 2025.

CAUTION REGARDING FORWARD-LOOKING INFORMATION

This MD&A contains forward-looking statements that are based on the Company’s expectations, estimates and projections regarding its business, the industry in general and the economic environment in which it operates as of the date of the MD&A. To the extent that any statements in this document contain information that is not historical, the statements are essentially forward-looking and are often identified by words such as “anticipate”, “expect”, “estimate”, “intend”, “project”, “plan” and “believe”. In the interest of providing shareholders and potential investors with information regarding Cheelcare, including management’s assessment of future plans and operations, certain statements in this MD&A are forward-looking and are subject to the risks, uncertainties and other important factors that could cause the Company’s actual performance to differ materially from that expressed in or implied by such statements. Such factors include, but are not limited to: volatility and sensitivity to impact of change in foreign currency exchange rates and interest rates, retail channel risks, manufacturing and supply chain constraints and volatility, availability of capital, the Company’s ability to generate sufficient revenue to service its costs of capital, reliance on key personnel, risks with respect to the intellectual property of the Company and defending any violations of the Company’s intellectual property, changes in government regulations and policies, including laws and policies, failure to obtain necessary approvals, and other development and operating risks.

Although the Company believes that the expectations conveyed by the forward-looking statements are based upon information available on the date that such statements were made, there can be no assurance that such expectations will prove to be correct. The reader is cautioned not to rely on these forward-looking statements. The Company disclaims any obligation to update these forward-looking statements unless required to do so by applicable Securities laws. All subsequent forward-looking statements, whether written or orally attributable to the Company or persons acting on its behalf, are expressly qualified in their entirety by these cautionary statements.

NATURE OF ACTIVITIES

Cheelcare was incorporated pursuant to the provisions of the CBCA on May 21, 2015 as 9302204 Canada Inc. It is a private company that designs and manufactures innovative mobility devices using advanced robotics.

Cheelcare is a Canadian company focused on empowering individuals with mobility impairments by delivering innovative, smart mobility solutions. Founded on the principle that technology can dramatically improve accessibility and independence. Cheelcare designs, engineers, and manufactures cutting-edge power-assist devices, safety accessories (cameras with sensors) and complex rehab wheelchairs.

Its current flagship product, the Companion, is a power-assist device that converts a manual wheelchair into a powered unit, enhancing user mobility and quality of life. The Companion Plus is the only front-mounted power-assist device listed on Ontario's Assistive Devices Program (ADP), a key differentiator enabling government-subsidized access to users across the province. It is distributed through a network of 111 dealers' locations in Ontario, over 200 dealers' locations in the US and by 15 manufacturer's representatives selling directly to Veteran Affairs' Medical Centers across the USA.

Cheelcare also develops (original equipment manufacturer) OEM accessories and electronic systems for other mobility manufacturers. It partners with leading wheelchair manufacturers such as Sunrise Medical, Permobil, and Amylior, supplying safety cameras and sensors.

The Company's next-generation innovation, Curio, is a robotic complex rehab power wheelchair. Designed for users with significant functional impairments, Curio integrates patented mechanical design, unique functionality and attractive design. It has undergone crash and ISO7176 certification and is pending regulatory approval from ADP and the U.S. FDA 510(k) pre-market notification submission.

Cheelcare is headquartered in Richmond Hill, Ontario, and operates through a lean, multidisciplinary team combining expertise in mechanical design, electrical and software engineering, regulatory affairs, and market development. Its commercialization strategy emphasizes clinical validation, global distributor partnerships, and scalable in-house assembly. The Company had 10 full time employees during the year.

Product Line Overview

Product Name	Description	Market Position / Status
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COMPANION	Front-mounted power-assist device for manual wheelchairs. Converts a manual wheelchair into a powered unit to increase mobility and reduce physical strain. US patent granted, Canadian patent pending.	Flagship product; listed on Ontario Assistive Device Program, distributed through 60?+ dealers in Canada. In the US distributed through 15+ independent representatives to VA Medical Centers, and through 200+ dealer locations.
CURIO	Robotic complex rehab power wheelchair integrating patented mechanical design allowing advanced functionality. Targets users with complex mobility impairments.	In pilot production. Submitted to ADP; FDA 510(k) pre-market notification in progress.
AWARE	Mobility safety accessories (cameras and sensors)	Sales through dealer network and revenue-generating OEM partnerships. Products integrated in existing mobility devices.

OVERALL PERFORMANCE – NINE MONTHS ENDED JANUARY 31, 2025

The nine months ended January 31, 2025, marked a period of operational and strategic progress for Cheelcare as the Company continued its focus on expanding product availability, entering new markets, and strengthening its organizational infrastructure. Key highlights include:

- **Revenue Growth:** Unit sales increased significantly over the last eight quarters, with a 42% year-over-year growth in Q3 FY2025 alone. Compared to Q3 FY2023, unit sales nearly doubled. Growth was primarily driven by increased demand from U.S. VA hospital networks and stronger traction in the Ontario ADP channel. The Companion line remained the leading revenue contributor, with Curio units steadily increasing through pilot placements and pre-launch trials. Unit sales increased significantly over the last eight quarters, with record growth posted in Q3 FY2025 driven by U.S. dealer activity and pilot adoption at VA clinics. The Companion line remained the leading revenue contributor, while Curio pre-orders increased in anticipation of regulatory approvals.
- **Expansion of Distribution Network:** Cheelcare expanded its reach across North America and internationally. As of January 2025, the Company had partnered with over 250 dealers globally, including new relationships in the United States, Canada, Australia, and select markets in Europe and the Middle East. Notably, more than 20 U.S. Veterans Affairs Medical Centers now carry Cheelcare products.
- **Companion Plus Listed on ADP:** A major regulatory and commercial milestone was the full listing of the Companion Plus power add-on device under the Ontario Assistive Devices Program (ADP) in May 2022. It is the first front-mount power-assist device included in the ADP product catalogue. This listing has significantly increased market penetration in Ontario and resulted in accelerated dealer onboarding and purchase orders.
- **Pilot Production and Testing of Curio:** Cheelcare launched pilot production for its Curio robotic complex rehab power wheelchair and completed ISO 7176 certification, crash testing, and electromagnetic interference (EMI) testing. The Company submitted Curio for approval under Ontario's ADP in Q4 2024 and is finalizing preparations for submission to the FDA for 510(k) clearance in the U.S.

- **Strategic OEM Partnerships:** Cheelcare continued to strengthen its industry positioning through OEM relationships, supplying accessories to leading mobility companies including Sunrise Medical, WHILL, Amylior, and Braze Mobility.
- **Team Expansion and Infrastructure Readiness:** The Company grew its team to 12 full-time and 3 part-time staff and invested in systems to support future scaling of operations, including onboarding new regulatory consultants, dealer training programs, and expanding inventory and logistics capacity.
- **Technology Integration and Industry Recognition:**
 - Technology Integration: Cheelcare has initiated the implementation of advanced Enterprise Resource Planning (ERP) system aimed at enhancing traceability, compliance, and integrated production planning across departments. This upgrade supports the Company's transition toward scalable manufacturing. In parallel, Cheelcare continues to integrate Toyota Production System (TPS) principles to streamline its operations, eliminate inefficiencies, and build capacity for mass customization.
 - Industry Recognition: In 2024, Cheelcare was selected as one of the inaugural participants in the Mobility Unlimited Hub, a global initiative by the Toyota Mobility Foundation and MaRS Discovery District. This prestigious cohort supports breakthrough mobility solutions designed to empower individuals with disabilities. The selection recognizes Cheelcare's innovation in inclusive mobility technologies and provides strategic resources to help overcome commercialization barriers.

This dual recognition — from both industry and strategic global partners — reinforces Cheelcare's position as a leader in assistive robotics and advanced mobility innovation.

These achievements reflect Cheelcare's continued focus on innovation, quality, and operational excellence as it scales toward broader commercialization and regulatory clearance for its core technologies.

SELECTED QUARTERLY INFORMATION FOR THE NINE MONTHS ENDED JANUARY 31, 2025 AND YEAR ENDED APRIL 30, 2024

The following selected financial information is derived from nine months ended January 31, 2025 and year ended April 30, 2024

Item	Jan 31, 2025	Apr 30, 2024
Cash	\$35,769	66,878
Restricted Cash	\$3,553,227	-
Trade Receivables	\$184,251	164,624
Inventory	\$339,116	263,261
Furniture & Equipment	\$27,268	\$7,158

Total Assets	\$4,269,943	\$598,482
Accounts Payable	\$1,310,431	\$849,857
Bank Loans	\$130,773	\$121,105
Convertible Debentures	\$1,336,384	\$1,061,743
Promissory Notes	\$0	\$125,000
Shareholder Loans	\$346,587	\$473,433
Share Capital	\$493,869	\$493,869
Conversion Feature	\$238,448	\$207,748
Subscription Receipts	\$3,495,506	\$0
Accumulated Deficit	\$(3,568,552)	\$(3,056,968)
Total Equity (Deficit)	\$739,661	\$(2,355,351)

Below is a discussion of the key financial items from the balance sheet:

- As of January 31, 2025, the Company held \$3,553,227 in restricted cash, representing proceeds from a private placement related to a pending business combination with Debenture Bay Capital Corp. (“DBC”). Under this agreement, DBC will acquire all outstanding securities of Cheelcare, making it a wholly-owned subsidiary. Completion is subject to regulatory and shareholder approval and a private placement of between \$2.5 million and \$3.5 million. The full \$3.5 million has been received and is held in trust; these funds are not available for general use until all closing conditions are met.
- Trade receivables totaled \$184,251 as of January 31, 2025, up from \$164,624 at April 30, 2024, reflecting higher sales volume. The collection cycle improved marginally, with debtor days decreasing to approximately 41 days from 42 days, indicating stronger billing efficiency and customer payment behavior. Provisions for expected credit losses are maintained as needed.
- **Inventory:** Inventory increased to \$339,116 (April 2024: \$263,261), reflecting increased production inputs to support sales growth. Inventory includes raw materials and components for the Companion and accessory lines. The inventory turnover ratio was approximately 1.67 times for the nine months ended January 31, 2025 (April 2024: 2.21 times), and inventory days held remained relatively stable at 164 days (April 2024: 165 days), indicating a longer holding period aligned with production cycles and anticipated orders.
- **Accounts Payable:** Accounts payable and accrued liabilities rose to \$1,310,431 from \$849,857, due to increased purchase activity, timing of vendor payments, and accrued interest on convertible debentures and loan facilities in connection with corporate expansion and listing readiness.
- **Bank Loans:** Bank loans increased slightly to \$130,773 from \$121,105, comprising:

- A \$100,000 HASCAP loan from RBC (4% fixed interest), guaranteed by BDC, with fixed monthly repayments.
- A \$100,000 loan from BDC (currently at 9.3% floating interest), repayable over 66 months. Both loans are secured and personally guaranteed by shareholders.
- **Promissory Notes:** As of January 31, 2025, the OCE promissory note of \$125,000 has been fully repaid. This note had no fixed repayment terms and was not interest-bearing. The Company cleared the liability during the nine-month period.
- **Convertible Debentures:** Convertible debentures increased to \$1,336,384 (April 2024: \$1,061,743), reflecting new issuances, accretion, and partial repayments. The 10% debentures (maturing May 10, 2025) carried a liability of \$791,012 with an associated \$104,546 conversion feature. The 8% debentures added \$503,000, resulting in a liability of \$545,372 and a \$133,902 conversion feature. The Company repaid \$155,000, recorded \$37,731 in accretion, and transferred \$23,824 to additional paid-in capital. The total equity value for the conversion feature was \$238,448.
- **Shareholder Loans:** Shareholder loans decreased to \$346,587 (April 2024: \$473,433), comprising \$201,587 in advances and \$145,000 in promissory notes. These are unsecured, non-interest-bearing (except for accrued \$8,700), and subordinated to external debt. Shareholders have confirmed non-repayment for 12 months, so the balance remains a non-current liability.
- **Share Capital:** Share capital remained unchanged at \$493,869. No new common shares were issued during the period. Future equity conversion of subscription receipts and debentures may impact this item.

RESULTS OF OPERATIONS FOR THE NINE MONTHS ENDED JANUARY 31, 2025

Cost of Sales: Cost of sales includes raw materials, parts, and third-party assembly services. The increase reflects the volume of units sold and stable input pricing.

Professional Fees: Professional fees rose significantly to \$287,618 from \$130,299, representing a variance of \$157,319 or 121%. This increase was primarily driven by one-time and recurring strategic expenses. These included legal fees associated with the business combination agreement and due diligence activities; accounting and audit fees related to the year-end close, quarterly reviews, and transition to public company reporting standards; and consulting fees for capital markets advisory, listing documentation, and regulatory compliance work. Additional professional services were also retained for marketing communications, investor relations, and tax planning during the period.

Salaries and Benefits: Increase reflects growth in staffing for production, logistics, and sales support functions.

Subcontractors: Represents outsourced technical, regulatory, and support work related to R&D and listing support.

Research and Development: Research and development expenses increased to \$144,688 from \$110,859, representing a variance of \$33,829 or 31%. This includes direct engineering and product development expenses related to the Curio robotic power wheelchair and enhancements to the Companion product line. Specific costs incurred during the period include \$50,000 in engineering consulting, \$33,000 related to prototype and testing materials, and \$24,000 in regulatory and certification expenses, including ISO 7176 and crash testing. These activities are critical to obtaining ADP and FDA approvals. The balance of the R&D expense relates to salaries, contract research personnel, and software development support. In addition, the Company received a Scientific Research and Experimental Development (SR&ED) tax credit refund of \$108,491 in the current period, compared to \$179,950 in the prior year, which partially offset some of these expenditures. The increase reflects Cheelcare's strategic commitment to advancing its pipeline of assistive mobility solutions and preparing Curio for market entry.

Interest and Accretion: Comprises interest on convertible debentures and bank loans, plus non-cash accretion on debenture liabilities.

Government Grants and Other Income: Government assistance of \$30,557 was recognized during the period, compared to \$8,359 in the prior year. Additionally, the Company received a Scientific Research and Experimental Development (SR&ED) tax credit refund related to eligible R&D expenditures incurred in prior years.

Each of the above line items reflects both strategic investments in product readiness and the scaling of operational infrastructure required for upcoming commercialization and listing activities.

Statement of Loss Items	Nine Months Ended Jan 31, 2025	Nine Months Ended Jan 31, 2024	Variance (2025 vs 2024)
Revenue (Net of commissions)	\$1,217,693	\$1,074,177	\$143,516
Cost of Sales	\$501,587	\$444,926	\$56,661
Gross Profit	\$716,106	\$629,251	\$86,855
Professional Fees	\$287,618	\$130,299	\$157,319
Salaries and Benefits	\$197,621	\$106,215	\$91,406
Loan interest	\$290,833	\$167,781	\$123,052
Subcontractors	\$98,057	\$108,477	-\$10,420
Research and Development	\$144,688	\$110,859	\$33,829
Advertising and promotion	\$46,782	\$55,226	-\$8,444
Total Operating Expenses	\$1,258,247	\$907,742	\$350,505
Government Grants and Other Income	\$30,557	\$8,359	\$22,198
Net Loss and Comprehensive Loss	-\$511,584	-\$270,131	-\$241,453

Explanation of Variances:

Revenue: Net revenue increased to \$1,217,693 from \$1,074,177 in the prior year, representing a 13% growth. This increase was primarily driven by higher sales of the Companion Plus and accessory product lines, with strong demand from U.S.-based dealers and bulk shipments to VA Medical Centers. The Company also benefited from expanded distribution reach and improved fulfillment capacity.

Cost of Sales: Cost of sales rose proportionately from \$444,926 to \$501,587, reflecting the increased production and delivery activity. Despite the higher costs, the Company maintained stable gross margins, resulting in an increase in gross profit of \$86,855 (14%), reaching \$716,106 for the period. This margin preservation highlights improved procurement strategies, supply chain management, and efficient use of subcontractors.

Operating Expenses: Total operating expenses rose significantly from \$907,742 to \$1,258,247, marking a 39% increase. This increase is attributed to a deliberate scale-up of operations, regulatory compliance efforts, and preparations for the Company's go-public transaction.

Professional Fees rose by **\$157,319 (121%)**, reflecting elevated legal, audit, consulting, and transaction advisory costs associated with the reverse takeover (RTO) process and the Company's broader corporate development initiatives. This includes due diligence, listing documentation, and legal structuring support.

Salaries and Benefits increased by **\$91,406 (86%)** as the Company expanded its team to support engineering, regulatory, and commercial functions. The prior period included one-time reversals of accrued compensation due to grant adjustments, which contributed to the comparative increase.

Loan Interest jumped by **\$123,052 (73%)**, primarily due to higher outstanding balances on convertible debentures and credit facilities. This reflects the Company's ongoing financing strategy to support growth through non-dilutive and hybrid capital instruments.

Research and Development (R&D) expenses grew by **\$33,829 (31%)**, aligned with continued investment in the development and testing of the Curio platform and preparation for ISO and FDA regulatory pathways. This spending supports the Company's innovation roadmap and future product launches.

Subcontractor Expenses declined modestly by **\$10,420 (-10%)**, suggesting a shift toward internalization of previously outsourced functions such as prototyping and engineering support.

Advertising and Promotion decreased by **\$8,444 (-15%)**, as the Company adjusted its marketing approach from broad consumer campaigns to a more targeted dealer-focused strategy, improving efficiency while maintaining sales traction.

Grants and Other Income

The Company recognized **\$30,557** in government grants and other income, compared to **\$8,359** in the prior year. This increase is attributed to successful applications under the Industrial Research

Assistance Program (IRAP) and Scientific Research and Experimental Development (SR&ED) incentives, which supported development activities and partially offset rising expenses.

Net Loss and Comprehensive Loss

Despite revenue and margin growth, the significant increase in fixed and one-time operating expenses led to a widening of the net loss. The Company recorded **a net and comprehensive loss of \$511,584** for the period, compared to **\$270,131** in the prior year — a difference of **\$241,453 (89%)**. The increase in loss reflects strategic investments in infrastructure, regulatory readiness, and professional services, all of which are foundational to Cheelcare’s upcoming business combination and long-term commercial scale-up.

SELECTED QUARTERLY FINANCIAL INFORMATION

The loss and comprehensive loss for Q3 FY2025 was \$307,795 compared to a loss of \$117,215 in Q3 FY2024. The larger loss in the current period is primarily due to higher professional fees incurred in connection with listing activities, increased regulatory consulting expenses for the Curio robotic wheelchair, and rising personnel and administrative costs associated with scaling operations.

The following table presents the Company’s gross profit and loss and comprehensive loss over the last eight quarters:

	Q3 Jan 25	Q2 Oct 24	Q1 July 24	Q4 April 24	Q3 Jan 24	Q2 Oct 23	Q1 July 23	Q4 Apr 23
Gross Profit	198,775	270,797	246,534	142,204	160,943	235,321	232,987	104,999
Net Loss and Comprehensive Loss	(307,795)	(82,596)	(121,193)	(358,606)	(117,215)	(22,542)	(42,475)	(166,473)

Q3 Jan 2025: Gross profit was \$198,775, slightly below the prior year’s peak but supported by strong Companion Plus and accessory sales during the holiday season. However, the Company recorded its highest quarterly loss to date at \$307,795, primarily due to elevated professional fees, regulatory compliance costs, and ramp-up of operational infrastructure tied to the public listing process.

Q2 Oct 2024: Gross profit peaked at \$270,797, driven by strong dealer and institutional (VA) orders. The Company was able to significantly reduce net loss to \$82,596, reflecting strong revenue leverage and improved cost absorption despite continued investment in R&D and infrastructure.

Q1 July 2024: Gross profit remained robust at \$246,534, bolstered by sustained Companion Plus adoption. The net loss widened to \$121,193 due to increased staffing and scale-up costs, but remained lower than the subsequent Q4 loss.

Q4 Apr 2024: Gross profit declined to \$142,204, largely due to seasonal sales softening and inventory adjustments. Operating costs surged from certification, product testing, and FDA pre-submission work, resulting in a net loss of \$358,606.

Q3 Jan 2024: Gross profit was \$160,943, a seasonal uptick from Q4 Apr 2023. The net loss of \$117,215 reflects rising R&D and logistics costs, although revenue growth helped buffer margin impact.

Q2 Oct 2023: Gross profit reached \$235,321, with strong OEM and North American dealer performance. The Company limited its net loss to \$22,542, the lowest of the 8 quarters, due to controlled spending and operational discipline.

Q1 July 2023: Gross profit was strong at \$232,987, reflecting consistent product traction. The net loss of \$42,475 was moderate, showing effective cost containment during a stable sales period.

Q4 Apr 2023: Gross profit dropped to \$104,999, reflecting early-stage commercialization and distribution ramp-up. The net loss of \$166,473 was driven by upfront legal, consulting, and product development expenses associated with go-to-market readiness.

RESULTS OF OPERATIONS FOR THE THREE-MONTH PERIOD ENDED JANUARY 31, 2025

Description	Q3 Jan 2025	Q3 Jan 24
Gross Revenue	\$473,795	\$362,100
Less: Commission	(\$79,740)	(\$39,836)
Net Revenue	\$394,055	\$322,264
Total Cost of Sales	\$195,280	\$161,321
Gross Profit	\$198,775	\$160,943
EXPENSES		
Professional fees	\$195,724	\$49,133
Salaries and benefits	\$77,485	\$23,511
Loan interest	\$96,944	\$46,504
Subcontractors	\$26,681	\$38,912
Research and development	\$56,486	\$60,071
Automobile and travel	\$11,861	\$16,446
Office and general	\$17,874	\$6,182
Advertising and promotion	\$6,136	\$5,808
Occupancy cost	\$9,775	\$9,420
Credit card merchant fees	\$5,586	\$8,408
Insurance	\$4,207	\$6,181
Bank charges and penalties	\$4,478	\$5,569
Telephone and utilities	\$1,549	\$2,014
Amortization and depreciation (notes 8/9)	\$2,341	—
Total Expenses	\$517,127	\$278,158

LOSS FROM OPERATIONS	(\$318,352)	(\$117,215)
Grants received	\$10,557	—
LOSS AND COMPREHENSIVE LOSS	(\$307,795)	(\$117,215)

Variance Analysis for the Three Months Ended January 31, 2025

- Revenue and Cost of Sales
 - Gross Revenue increased by \$111,695 (31%), primarily due to higher unit sales of the Companion Plus and greater penetration through the dealer network during the quarter.
 - Commission expenses rose by \$39,904 (100%), in line with increased sales volume and a growing number of commission-based distributor agreements.
 - Net Revenue rose by \$71,791 (22%), reflecting both increased unit volumes and stable average selling prices across key product lines.
 - Cost of Materials increased by \$51,022 (44%), due to higher production output to meet expanded demand.
 - Other Direct Costs decreased by \$17,063 (38%), reflecting improved supply chain efficiency and lower shipping and packaging expenses.
 - Gross Profit improved by \$37,832 (24%), as a result of better pricing discipline and operational efficiencies.
- Operating Expenses
 - Professional Fees rose by \$146,591 (298%), driven by legal, accounting, and consulting expenses associated with the Debenture Bay Capital transaction and year-end audit preparation.
 - Salaries and Benefits increased by \$53,974 (229%), due to expansion of the internal team in compliance, production, and sales support functions.
 - Loan Interest more than doubled to \$96,944, due to increased debt utilization and convertible debenture accruals.
 - Subcontractors decreased by \$12,231 (31%), due to internalization of development and compliance activities.
 - Research and Development expenses declined slightly by \$3,585 (6%), with more controlled spend on prototype development and testing cycles in Q4.
 - Automobile and Travel decreased by \$4,585 (28%), following optimization of travel schedules and virtual dealer engagement.

- Office and General costs increased by \$11,692 (189%), primarily due to facility enhancements, administrative hiring, and procurement of office systems.
- Advertising and Promotion remained relatively flat, with a minor increase of \$328 (6%).
- Occupancy Costs were largely unchanged, with a marginal increase of \$355 (4%).
- Credit Card Merchant Fees decreased by \$2,822 (34%), reflecting a shift in payment terms and dealer invoicing practices.
- Insurance decreased by \$1,974 (32%), due to renegotiation of premium terms.
- Telephone and Utilities decreased by \$465 (23%), reflecting reduced utility consumption and telecom cost rationalization.
- Amortization and Depreciation increased by \$2,341, as new capital assets were brought into use during Q4.
- Share-Based Compensation and Provision for Expected Credit Loss remained nil in both periods.
- Grants Received amounted to \$10,557, partially offsetting operating expenses. These were related to IRAP and SR&ED funding programs.

CAPITAL RESOURCES AND LIQUIDITY

As at January 31, 2025, the Company had cash and cash equivalents of \$3,553,227 and restricted cash of \$184,251, compared to \$nil in cash and \$164,624 in restricted cash as at April 30, 2024. The increase was primarily attributable to the successful completion of a \$3.5 million private placement, the proceeds of which are currently held in trust pending satisfaction of conditions related to a proposed business combination with Debenture Bay Capital Corp. (“DBC”).

As a result of this financing and improved operational performance, the Company’s working capital position improved substantially, from a deficit of \$559,468 as at April 30, 2024, to a positive working capital balance of \$2,550,429 as at January 31, 2025.

Debt Management and Loan Movements

During the nine-month period ended January 31, 2025, the Company actively managed its debt obligations to optimize liquidity and preserve capital. Key developments included:

- Secured Bank Loans:
 - The Company maintained two outstanding term loans:

- A \$100,000 loan from RBC under the Highly Affected Sectors Credit Availability Program (HASCAP), bearing interest at 4% per annum, with regular principal repayments.
- A \$100,000 loan from the Business Development Bank of Canada (BDC) with a floating interest rate (base + 4%, currently 9.3%), under a 66-month amortization schedule.
- Total bank loan liabilities increased to \$130,773 as at January 31, 2025 (April 30, 2024: \$110,062), reflecting accruals and repayment timing differences.
- Convertible Debentures:
 - Convertible debenture liabilities increased to \$1,336,384, compared to \$144,395 at year-end, following the issuance of new 8% unsecured convertible debentures totaling \$503,000.
 - The Company repaid \$155,000 in principal on maturing instruments, while accretion and conversion feature revaluations contributed to the overall balance growth.
- Canada Emergency Business Account (CEBA) Loan:
 - The CEBA loan remained outstanding with a balance of \$48,641, unchanged during the reporting period.
- Shareholder Loans:
 - Shareholder loans declined to \$346,587 (April 30, 2024: \$473,433), reflecting repayments of \$174,846 during the period.
 - A portion of these loans, including \$145,000 in unsecured promissory notes, was classified as non-current based on written deferrals from lenders.
- Bank Charges and Accrued Interest:
 - Interest and accretion charges increased in line with higher debenture balances and were reflected as non-cash financing expenses on the statement of loss.

Cash Flow Summary

For the nine months ended January 31, 2025, the Company generated a net cash inflow of \$3.52 million, compared to an inflow of \$36,373 during the same period in the prior year. Key cash flow components were:

- Cash used in Operating Activities:
 - Net cash outflows of \$139,206, primarily related to R&D expenditures, compliance consulting, audit preparations, and the scaling of internal operations.

- Cash used in Investing Activities:
 - Total investment of \$24,411, directed towards production tooling, certification testing, and intellectual property filings.
- Cash provided by Financing Activities:
 - Net inflows of \$3.69 million, comprising:
 - \$3.5 million in subscription receipts held in trust related to the DBC transaction,
 - Proceeds from convertible debenture issuance and bank debt,
 - Offsetting repayments on legacy instruments and shareholder advances.

The Company's strengthened liquidity position and improved working capital provide a solid foundation to execute on near-term regulatory, operational, and commercialization objectives. Management believes that existing cash resources, combined with potential access to additional financing and continued revenue growth, will be sufficient to support operations for the next twelve months.

However, continued access to capital will be necessary to fund long-term growth initiatives, including regulatory approvals, product launches, and market expansion. The Company is actively exploring additional capital-raising strategies, including non-dilutive government funding, strategic partnerships, and equity or debt placements, to sustain its commercialization roadmap and advance its innovation pipeline.

RELATED PARTY TRANSACTIONS

Key management personnel include those persons having authority and responsibility for planning, directing, and controlling the activities of the Company as a whole. The Company defines key management personnel as being the directors and key officers. For the year ended January 31, 2025, and 2024, the compensation awarded to key management personnel are \$Nil.

Due to related parties:

As at January 31, 2025 and April 30, 2024 amounts due to related parties include:

	January 31, 2025 \$	April 30, 2024 \$
Due to related parties - directors	201,587	328,433
Promissory note - directors	145,000	145,000
	346,587	473,433

Advances from shareholders are unsecured, non-interest bearing and have no fixed terms of repayment, and the shareholders have given an undertaking not to demand repayment within next year.

The Company issued unsecured promissory notes of \$145,000 to the shareholders with no specific repayment terms anytime after December 11, 2022. A total of \$8,700 (2024: \$8,700) interest was accrued as of January 31, 2025. The shareholders have given an undertaking not to demand payment for the next one year and therefore the amount is classified as non-current liabilities.

During the year, the company made repayment of \$174,846 (2024: \$218,771).

Included in Accounts payable and accrued liabilities is \$9,378 (2024: \$9,299) for reimbursement of expenses

These transactions, entered into the normal course of operations, are measured at the exchange amount which is the amount of consideration established and agreed to by the related parties. Unless otherwise stated, none of the transactions incorporated special terms and conditions and no guarantees were given or received.

Outstanding balances are usually settled in cash.

IFRS ACCOUNTING POLICIES AND ESTIMATES

The Company's significant accounting policies and estimates, changes in significant accounting policies and new standards and interpretations that have not yet been adopted under IFRS are disclosed in the audited annual financial statements for the year ended April 30, 2024.

ADOPTION OF NEW ACCOUNTING POLICIES AND FUTURE ACCOUNTING POLICIES

Classification and Measurement of Financial Instruments

In May 2024, the IASB issued amendments to IFRS 9 – Financial Instruments and IFRS 7 – Financial Instruments:

Disclosures. The amendments relate to settling financial liabilities using an electronic payment system and assessing contractual cash flow characteristics of financial assets, including those with Environmental, Social, and Governance (ESG)-linked features. The IASB also amended disclosure requirements relating to investments in equity instruments designated at FVOCI and added disclosure requirements for financial instruments with contingent features. The amendments are effective for annual periods beginning on or after January 1, 2026, with early adoption permitted. The Company is assessing the impacts to the financial statements.

Presentation and Disclosure in Financial Statements

In April 2024, the IASB issued the new standard IFRS 18 – Presentation and Disclosure in Financial Statements that will replace IAS 1 – Presentation of Financial Statements. The new standard introduces newly defined subtotals on the income statement, requirements for aggregation and disaggregation of information, and disclosure of Management Performance Measures (MPMs) in the financial statements. The new standard is effective for annual reporting periods beginning on or after January 1, 2027, with early adoption permitted. The Company is assessing the impact to the financial statements.

The amendments are not expected to have a material impact on the Company's financial statements.

Critical Accounting Estimates

The preparation of financial statements in accordance with IFRS requires management to make judgments, estimates, and assumptions that affect the application of accounting policies and reported amounts of assets, liabilities, income, and expenses. Actual results may differ from these estimates. Key areas involving significant estimates and judgments include:

- **Fair Value of Convertible Debentures and Promissory Notes:** The fair value of financial liabilities with embedded conversion features is estimated using discounted cash flow models and assumptions around market volatility, risk-free rates, and expected timing of conversion. These assumptions can significantly influence the valuation of the convertible debentures outstanding as of January 31, 2025.
- **Impairment of Non-Financial Assets:** The Company evaluates impairment indicators for equipment, intellectual property, and development assets. The assessment involves estimating future cash flows and determining appropriate discount rates, particularly for pre-revenue products like the Curio robotic wheelchair.
- **Deferred Tax Assets:** Cheelcare assesses the likelihood of recovering deferred tax assets from future taxable income. This involves judgment related to future profitability and the ability to utilize loss carry forwards.
- **Inventory Valuation:** Although Cheelcare currently operates on a just-in-time production basis, to the extent inventory is carried, management estimates net realizable value based on current and forecasted selling prices, production costs, and obsolescence risks.
- **Share-Based Compensation:** The Company uses the Black-Scholes valuation model to estimate the fair value of share options granted to employees and directors. The model includes assumptions about expected volatility, option life, dividend yield, and risk-free interest rate, which require judgment and can significantly impact compensation expense.

Management reviews these estimates on an ongoing basis. Any changes in assumptions or conditions could result in materially different financial results and disclosures.

CONTINGENT LIABILITIES

There are no contingent liabilities of the Company.

OFF-BALANCE SHEET ARRANGEMENTS

As at January 31, 2025, the Company has no off-balance sheet arrangements.

GOING CONCERN ASSUMPTION

These financial statements have been prepared on a going concern basis, which assumes that the Company will continue to operate for the foreseeable future and will be able to realize its assets and discharge its liabilities in the normal course of business.

As at January 31, 2025, the Company had a positive working capital balance of approximately \$1,024,475, compared to a working capital deficit of approximately \$429,286 as at April 30, 2024. The January working capital improvement reflects successful fundraising, stronger cash balances, and a reduction in current liabilities. the Company had a positive working capital balance and had received \$3.5 million in restricted funds through a private placement held in trust, which will be released upon closing of a proposed business combination with Debenture Bay Capital Corp. (“DBC”).

Despite a history of operating losses, the Company’s ability to continue as a going concern is supported by its ongoing financing activities, including its convertible debenture program and equity issuance plans tied to the DBC transaction. Management believes that these initiatives, combined with anticipated revenue growth from expanded product distribution and regulatory approvals, will provide sufficient funding to meet its obligations for at least the next twelve months.

However, the Company’s continued operations are dependent upon its ability to secure additional financing and successfully complete the proposed business combination and listing. There can be no assurance that these initiatives will be successful. Accordingly, these financial statements do not reflect the adjustments that would be necessary if the going concern assumption were not appropriate.

FINANCIAL INSTRUMENTS

Instrument Type	31-Jan-25	30-Apr-24	Classification
Cash	\$3,553,227	\$66,878	Financial Asset
Restricted Cash	\$184,251	-	Financial Asset
Trade Receivables	\$339,116	\$164,624	Financial Asset
Accounts Payable	\$1,310,431	\$849,857	Financial Liability
Bank indebtedness	\$150,000	\$145,000	Financial Liability
Bank Loans	\$161,888	\$152,220	Financial Liability
Advances from a service provider	\$151,373	\$71,966	Financial Liability
Canada emergency business account loan	\$48,641	\$44,806	Financial Liability
Convertible Debentures	\$1,574,832	\$1,212,925	Financial Liability + Equity Component
Shareholder Loans	\$346,587	\$473,433	Financial Liability
Subscription Receipts	\$3,500,000	\$0	Financial Liability

Promissory Note	\$0	\$125,000	Financial Liability
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The Company adopts a conservative approach to financial risk management, emphasizing stability and transparency in its financial practices. The Company does not hold or issue derivative financial instruments and does not engage in hedging activities.

All financial instruments are measured at amortized cost, except for the equity component of convertible debentures, and none are carried at fair value through profit or loss in accordance with IFRS 9, which is classified as a separate component of equity. The fair values of financial assets and liabilities approximate their carrying values due to their short-term nature or floating interest rates.

DISCLOSURE OF OUTSTANDING SHARE DATA (AS AT APRIL 25, 2025)

Outstanding common shares: 8,005,690

Outstanding share options: 798,000

Outstanding warrants: Nil

RISK AND UNCERTAINTIES

An investment in the common shares of the Company should be considered highly speculative. Cheelcare is subject to a variety of risks, some of which are described below. If any of the following risks occur, the business, results of operations or financial condition could be adversely affected in a material manner.

Financial Risks

The Company is exposed to the following financial risks:

- **Credit Risk:** Credit risk arises from the potential that counterparties fail to meet their obligations. The Company manages this risk by conducting regular credit reviews and working with established customers. The Company's exposure is primarily through trade receivables, which are monitored for impairment.
- **Liquidity Risk:** Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they become due. The Company manages this risk by preparing cash flow forecasts, maintaining adequate cash balances, and securing access to capital through debt and equity markets.

Contractual maturities of financial liabilities (including capital and interest) are as follows:

Contractual obligations as at January 31, 2025	Total	Less than 1 year	1-3 years	3-5 years	After 5 years
Accounts payables and accrued liabilities	1,310,431	1,310,431	—	—	—
Bank indebtedness	150,000	150,000	—	—	—

Bank loans	161,888	31,115	62,232	53,878	14,663
Canada emergency business account loan	48,641	–	48,641	–	–
Advances from a service provider	151,373	151,373	–	–	–
Total contractual obligations	1,822,333	1,642,919	110,873	53,878	14,663

Contractual obligations as at April 30, 2025	Total	Less than 1 year	1-3 years	3-5 years	After 5 years
Accounts payables and accrued liabilities	849,857	849,857	–	–	–
Bank indebtedness	145,000	145,000	–	–	–
Bank loans	152,220	31,115	62,232	53,878	4,995
Canada emergency business account loan	44,806	–	44,806	–	–
Advances from a service provider	71,966	71,966	–	–	–
Total contractual obligations	1,263,849	1,097,938	107,038	53,878	4,995

- **Currency Risk:** The Company faces significant foreign exchange risk due to its cross-border operations. In the nine months ended January 31, 2025, over 50% of revenue and approximately 40% of the cost base were denominated in U.S. dollars (USD). While this creates a partial natural hedge, timing mismatches between U.S. dollar inflows and outflows expose the Company to currency volatility. A stronger Canadian dollar may reduce the value of U.S.-sourced revenues, compressing margins, while a weaker Canadian dollar increases the cost of U.S.-based inputs. The Company does not currently hedge its currency exposure but actively monitors exchange trends and continues to evaluate hedging strategies.

Intellectual Property Risk

The Company's success depends in part on its ability to protect its intellectual property, including patents and proprietary technology. Any challenge, opposition, or lapse in protection could affect the competitive position of its products. The Company actively monitors its IP portfolio and engages legal counsel to protect and enforce its rights.

Manpower Risk

As a small and specialized team, the Company is reliant on a limited number of key personnel. Inability to attract or retain qualified staff, particularly in regulatory, engineering, or commercial functions, could affect operational continuity.

Environmental and Product Liability Risk

The Company must comply with environmental laws and safety regulations applicable to the manufacture and sale of mobility devices. Any failure to comply could lead to liability, fines, or reputational damage. The Company maintains internal compliance protocols and product testing standards.

U.S. Market Risk

A significant portion of the Company's growth strategy involves expansion into the U.S. market. This exposes the Company to changes in healthcare reimbursement policy, regulatory delays, and geopolitical uncertainties. Management continues to engage local consultants and adapt its strategy in response to U.S. market dynamics.

Competition

The industry is intensely competitive in all its phases. The Company competes with many companies possessing greater financial resources and technical facilities than itself for the acquisition of mineral interests as well as for recruitment and retention of qualified employees.

Conflicts of interest

Certain directors or proposed directors of the Company are also directors, officers or shareholders of other companies that are similarly engaged in the business of acquiring, developing and exploiting natural resource properties. Such associations may give rise to conflicts of interest from time to time. The directors of the Company are required by law to act honestly and in good faith with a view to the best interests of the Company and to disclose any interest which they may have in any project or opportunity of the Company. If a conflict of interest arises at a meeting of the Board of Directors, any director in a conflict will disclose his interest and abstain from voting on such matter. In determining whether or not the Company will participate in any project or opportunity, the directors will primarily consider the degree of risk to which the Company may be exposed and its financial position at that time.

Industry conditions

The Company operates in the competitive assistive mobility device sector, which is subject to rapid technological change, pricing pressures, and evolving customer expectations. Delays in innovation, shifts in funding priorities by healthcare providers, or increased competition from larger or better-capitalized players may adversely affect market share. The Company continually monitors industry trends and invests in R&D to maintain product relevance and competitive positioning.

Uninsured risks

Certain extraordinary events or liabilities may not be fully covered by the Company's insurance policies, including unforeseen litigation, product liability claims, or environmental incidents. Although the Company maintains general liability and product insurance, these policies may not be sufficient to fully protect against all potential losses. Inadequate coverage or failure to obtain insurance for specific exposures could materially affect the Company's financial position.

Capital needs

The Company's continued operations and growth depend on timely access to equity and debt financing. While a recent \$3.5 million private placement improved liquidity, future product development, regulatory approvals, and commercialization efforts will require substantial ongoing

capital. Inability to raise funds on favorable terms or at all could delay milestones and compromise the Company's strategic initiatives.

Key employees

Management of the Company rests on a few key officers and members of the Board of Directors, the loss of any of whom could have a detrimental effect on its operations. The development of the Company's business is and will continue to be dependent on its ability to attract and retain highly qualified management and operating personnel. The Company faces competition for personnel from other employers.

SCHEDULE “I”
Pro Forma Financial Statements of the Resulting Issuer as at November 30, 2024
(see attached)

**9302204 Canada Inc. – dba -Cheelcare Inc.
and
Departure Bay Capital Corp**

**UNAUDITED PRO FORMA CONSOLIDATED FINANCIAL
STATEMENTS FOR THE PERIOD ENDED NOVEMBER 30, 2024**

(EXPRESSED IN CANADIAN DOLLARS)

9302204 Canada Inc. – dba -Cheelcare Inc. and Departure Bay Capital Corp

Unaudited Pro Forma Consolidated Financial Statements

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9302204 Canada Inc. – dba -Cheelcare Inc. and Departure Bay Capital Corp
Unaudited Pro Forma Consolidated Statement of Financial Position
(Expressed in Canadian Dollars)

	DEPARTURE BAY CAPITAL CORP. (A capital pool company)	CHEELCARE INC.	ADJUSTMENTS (See appendix)	CONSOLIDATED CHEELCARE INC.
	November 30, 2024	January 31, 2025		
ASSETS				
Current assets				
Cash and cash equivalents	94,340	35,769	3,939,727	4,069,836
Restricted cash	-	3,553,227	(3,553,227)	-
Short term loan	25,000	-	(25,000)	-
Trade and other receivables	-	184,251	-	184,251
Inventories	-	339,116	-	339,116
Work in process	-	72,056	-	72,056
Prepaid expenses	-	33,907	-	33,907
	119,340	4,218,326	361,500	4,699,166
Non-current assets				
Furniture and equipment	-	27,268	-	27,268
Intangible assets	-	24,349	-	24,349
TOTAL ASSETS	119,340	4,269,943	361,500	4,750,783
LIABILITIES AND SHAREHOLDERS' EQUITY / DEFICIT				
Current liabilities				
Bank indebtedness	-	150,000	-	150,000
Accounts payable and accrued liabilities	16,723	1,310,431	(75,142)	1,252,012
Government remittances payable	-	24,978	-	24,978
Advances from a service provider	-	151,373	-	151,373
Due to shareholders	-	-	346,587	346,587
Subscription receipt	-	3,495,506	(3,495,506)	-
Current portion of bank loans	-	31,115	-	31,115
	16,723	5,163,403	(3,224,061)	1,956,065
Non-current liabilities				
Bank loans	-	130,773	-	130,773
Canada emergency business account loan	-	48,641	-	48,641
Due to shareholders	-	346,587	(346,587)	-
Convertible debentures	-	1,336,384	(1,336,384)	-
Convertible loan	-	-	230,885	230,885
TOTAL LIABILITIES	16,723	7,025,788	(4,676,147)	2,366,364
SHAREHOLDERS' EQUITY / DEFICIT				
Share capital	257,100	493,869	5,225,399	5,976,368
Additional paid in capital	-	80,390	-	80,390
Contributed surplus	48,455	329,734	234,993	613,182
Warrant Reserve	-	-	618,007	618,007
Conversion feature	-	238,448	(111,403)	127,045
Accumulated deficit	(202,938)	(3,898,286)	(929,349)	(5,030,573)
TOTAL SHAREHOLDERS' EQUITY / DEFICIT	102,617	(2,755,845)	5,037,647	2,384,419
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY/DEFICIT	119,340	4,269,943	361,500	4,750,783

9302204 Canada Inc. – dba -Cheelcare Inc. and Departure Bay Capital Corp
Unaudited Pro Forma Consolidated Statement of Changes in Equity
(Expressed in Canadian Dollars)

	Number of shares outstanding	Share capital and additional paid in capital	Warrants	Conversion feature	Contributed surplus	Deficit	Total equity/deficit
		\$	\$	\$	\$	\$	\$
Balance as at January 31, 2025	8,005,690	574,259		238,448	329,734	(3,898,286)	(2,755,845)
Shares issued:							
Concurrent financing ¹⁰	4,666,666	2,966,102	533,898	-	-	-	3,500,000
Issued to DBC shareholders ¹	1,500,000	954,000	20,000	-	45,000	-	1,019,000
Conversion of Debentures ^{4 & 8}	2,920,418	1,642,736		(238,448)	238,448	-	1,642,736
Share issuance costs for concurrent financing ¹⁰	-	(80,339)	(14,461)	-	-	-	(94,800)
Warrants issued for convertible loan ⁹	-	-	78,570	-	-	-	78,570
Adjustment of Equity component of convertible loan ⁹	-	-	-	127,045	-	-	127,045
Adjustment for share consolidation	2,516,325	-	-	-	-	-	-
Net loss and comprehensive loss for the year	-	-	-	-	-	(1,132,287)	(1,132,287)
Balance as at January 31, 2025	19,609,099	6,056,758	618,007	127,045	613,182	(5,030,573)	2,384,419

The additional shares that may be issued are:

- a) Exercise of warrants: 2,699,999 shares
- b) Exercise of options: 1,198,825 shares
- c) Shares be issued pursuant to conversion of convertible loan: 600,000 shares

As the Company has no profits, the above were not considered for Earnings per share calculation purposes.

9302204 Canada Inc. – dba -Cheelcare Inc. and Departure Bay Capital Corp
Notes to the Unaudited Pro Forma Consolidated Financial Statements
(Expressed in CAD)

A) Description of Transactions

Reverse Take Over Transaction – 9302204 Canada Inc. (O/A Cheelcare)

Departure Bay Capital Corp. (the “Company” or “DBC”) was incorporated under the Business Corporations Act (British Columbia) on February 16, 2022. The Company is classified as a Capital Pool Company as defined in the TSX Venture Exchange (‘the Exchange’) Policy 2.4. The principal business of the Company is the identification and evaluation of a Qualifying Transaction (“QT”) and once identified or evaluated, to negotiate an acquisition or participation in a business subject to receipt of shareholder approval, if required, and acceptance by regulatory authorities. On October 26, 2022, the Company completed its initial public offering (“IPO”) and the common shares of the Company were listed on the Exchange under the symbol “DBC.P”. The common shares of the Company began trading on the Exchange on October 28, 2022.

9302204 Canada Inc. (O/A Cheelcare), a Canadian-Controlled Private Corporation under the Canada Business Act was incorporated on May 21, 2015 under the Canada Business Corporation Act. Cheelcare is an innovative technological and manufacturing company focused on radically improving the quality of life and independence of people with physical disabilities through its suite of next- generation assistive mobility devices. The registered address of Cheelcare is 16 Sims Crescent #20, Richmond Hill, ON L4B 2P1, Ontario, Canada.

On February 24, 2025, DBC and Cheelcare, completed a share exchange pursuant to the terms and conditions of a share exchange agreement, (the “Share Exchange Agreement”). Under the terms of the agreement, each issued and outstanding common shares of Cheelcare was exchanged for 1.31431707 common shares of DBC. In total, 10,522,015 DBC common shares were issued to the shareholders of Cheelcare. As a result of the share exchange, Cheelcare became a wholly-owned subsidiary of DBC.

Pursuant to the above Share Exchange Agreement, the majority shareholders of Cheelcare became the majority shareholders of DBC. Therefore, the Share Exchange Agreement transaction was considered to be a reverse takeover transaction.

As of November 30, 2024, DBC had 4,500,000 common shares outstanding prior to the share consolidation. Following a 1-for-3 share consolidation, the number of outstanding common shares was reduced to 1,500,000.

The Cheelcare Transaction:

On October 28, 2024, DBC entered into a binding letter of intent (“LOI”) with Cheelcare pursuant to which DBC proposes to acquire all of the issued and outstanding securities of Cheelcare in exchange for the issuance of securities of DBC, which will result in Cheelcare becoming a wholly-owned subsidiary of DBC (the “Cheelcare Transaction”). The Cheelcare Transaction will result in a reverse take-over of DBC where the existing shareholders of Cheelcare will own a majority of the outstanding common shares of DBC (the “Resulting Issuer”).

The closing of the Cheelcare Transaction is subject to a number of conditions including, but not limited to:

- Satisfactory due diligence review;
- Negotiating and entering into a definitive agreement incorporating the principal terms of the Cheelcare Transaction as described in the LOI;
- Shareholder approval by DBC and Cheelcare, if required;

9302204 Canada Inc. – dba -Cheelcare Inc. and Departure Bay Capital Corp
Notes to the Unaudited Pro Forma Consolidated Financial Statements
(Expressed in CAD)

A) Description of Transactions (continued)

Reverse Take Over Transaction – 9302204 Canada Inc. (O/A Cheelcare) (continued)

The Cheelcare Transaction (continued)

- DBC completing a consolidation of its issued and outstanding common shares on the basis of three pre-consolidation common shares for each one post-consolidation common share;
- Cheelcare closing a private placement for gross proceeds of not less than \$2,500,000;
- Preparation and filing of documents as required to close the Cheelcare Transaction; and
- Obtaining all regulatory approvals.

In connection with the Cheelcare Transaction, on November 13, 2024, DBC loaned \$25,000 (“Bridge Loan 1”) to Cheelcare. The loan bears an interest rate of 8% compounded annually, is unsecured, and must be repaid with accrued interest within twenty business days after the date of the earlier of:

- the receipt of final approval of the TSXV of the Cheelcare Transaction; or
- the termination of the Cheelcare Transaction pursuant to the terms of the definitive agreement.

On December 13, 2024, DBC loaned a further \$50,000 to Cheelcare (“Bridge Loan 2”) pursuant to the Cheelcare Transaction. The loan bears an interest rate of 8% compounded annually, is secured against the assets of Cheelcare, and must be repaid with accrued interest within twenty business days after the date of the earlier of:

- the receipt of final approval of the TSXV of the Cheelcare Transaction; or
- the termination of the Cheelcare Transaction pursuant to the terms of the definitive agreement.

The principal portion of the loan and related accrued interest is repayable immediately if Cheelcare causes a default pursuant to Bridge Loan 2.

On February 24, 2025, DBC entered into a definitive business combination agreement with Cheelcare. The transaction is structured as a reverse takeover (“RTO”) whereby DBC, through its wholly-owned subsidiary 1672905-3 Canada Inc. (“Subco”), will amalgamate with Cheelcare to form an amalgamated entity (“Amalco”). Upon closing, Amalco will become a wholly-owned subsidiary of DBC, and the resulting issuer will continue under the name “Cheelcare Inc.” (or a substantially similar name) and trade on the TSXV.

Under the terms of the agreement, the transaction will be completed through the issuance of 10,522,015 common shares of the resulting issuer at a deemed price of \$0.75 per share. The transaction involves several pre-closing steps, including a 3-for-1 share consolidation by DBC and a share split by Cheelcare to result in 10,522,015 outstanding common shares on a post-split basis. Additionally, Cheelcare’s convertible debentures and accrued interest will convert into common shares, and subscription receipts issued under a private placement will automatically convert into units comprising common shares and warrants.

9302204 Canada Inc. – dba -Cheelcare Inc. and Departure Bay Capital Corp
Notes to the Unaudited Pro Forma Consolidated Financial Statements
(Expressed in CAD)

A) Description of Transactions (continued)

Reverse Take Over Transaction – 9302204 Canada Inc. (O/A Cheelcare) (continued)

The completion of the transaction is subject to various conditions, including:

- Approval by the TSXV and relevant shareholders;
- Completion of the DBC share consolidation and corporate name change;
- Completion of a private placement raising gross proceeds of not less than C\$2.5 million (up to C\$3.5 million);
- Termination of Cheelcare's unanimous shareholder agreement;
- No more than 10% of Cheelcare shareholders exercising dissent rights;
- All securities issued to Cheelcare shareholders being free of encumbrances, other than standard resale and escrow restrictions.

If these and other specified conditions are not satisfied, the agreement may be terminated by either party, including in the event the transaction is not completed by May 29, 2025 or such other date as mutually agreed upon by Cheelcare and DBC.

B) Basis of Presentation

The unaudited Pro Forma Consolidated Statements of Financial Position as at November 30, 2024 have been prepared to give effect to the above transactions, as if they had occurred on November 30, 2024.

The Unaudited Pro Forma Consolidated Statement of Financial Position are derived from the following:

- The unaudited financial statements of Departure Bay Capital Corp. as at November 30, 2024
- The unaudited financial statements of 9302204 Canada Inc. o/a Cheelcare as at January 31, 2025

The unaudited Pro Forma consolidated statement of financial position has been prepared assuming the acquisition and associated financings as described in Note D closed on November 30, 2024.

It is management's opinion that this unaudited pro-forma consolidated statement of financial position includes all adjustments necessary for the fair presentation of the acquisition. The unaudited pro-forma consolidated statement of financial position is not intended to reflect the financial position or results of operations of the Company, which would have actually resulted had the acquisition been effected on the dates indicated. Actual amounts recorded upon consummation of the acquisition will differ from those recorded in the unaudited pro-forma consolidated statement of financial position and the differences may be material.

C) Accounting Policies

The accounting policies used in the preparation of these unaudited Pro Forma Consolidated Statement of Financial Position are consistent with those described in the above audited financial statements of 9302204 Canada Inc. o/a Cheelcare for the year ended April 30, 2024. 9302204 Canada Inc. o/a Cheelcare has conducted a review of the acquisitions' accounting policies and has not identified any differences in accounting policies that were applied historically by or for these entities.

Restricted cash

Restricted cash represents funds that are held in separate escrow or trust accounts, subject to contractual or regulatory restrictions that prevent access or transfer for general operational use. These funds are not included in cash or cash equivalents and are presented as a separate line item on the statement of financial position.

Subscription receipts:

The Company may receive proceeds from investors in the form of subscription receipts, where the issuance of shares is contingent upon certain conditions. Until all such conditions are fulfilled, the Company does not have an unconditional right to retain the proceeds, and accordingly, the subscription receipts are classified as a financial liability in accordance with IAS 32 – Financial Instruments: Presentation. Upon satisfaction of these condition, the liability is reclassified to equity and

9302204 Canada Inc. – dba -Cheelcare Inc. and Departure Bay Capital Corp
Notes to the Unaudited Pro Forma Consolidated Financial Statements
(Expressed in CAD)

corresponding shares are issued.

Earning per share

Basic earnings per share is calculated by dividing the profit or loss attributable to ordinary equity holders of the Company by the weighted average number of ordinary shares outstanding during the reporting period.

Contingently issuable shares, including those associated with reverse takeover (“RTO”) transactions or subscription receipts where proceeds are held in escrow or returnable based on unmet conditions, are excluded from the weighted average number of shares for basic earnings per share until all relevant issuance conditions have been satisfied.

Diluted earnings per share reflects the potential dilution that would occur if all dilutive potential ordinary shares were converted or exercised. Potential ordinary shares are included in diluted earnings per share only when their conversion would decrease earnings per share or increase loss per share from continuing operations. Shares issuable under RTO arrangements or contingent subscription agreements are included in diluted EPS only when the contractual conditions for issuance are met as of the reporting date.

This approach ensures EPS calculations are consistent with the actual and legally enforceable share structure as of each reporting date, in line with IAS 33 – Earnings Per Share.

Share-Based Payments: Warrants and Stock Options

The Company accounts for warrants and stock options in accordance with IFRS 2 – Share-based Payment. These instruments may be issued in connection with equity financings, convertible instruments, compensation arrangements, or acquisitions. All such instruments are classified as equity-settled unless they meet the criteria for classification as a financial liability under IFRS 9.

Recognition and Initial Measurement

All warrants and options are measured at fair value on the date of grant. The fair value is determined using the Black-Scholes option pricing model, which incorporates management's estimates of expected share price volatility, the risk-free interest rate, the expected life of the instrument, and the expected dividend yield.

- Warrants issued to investors, lenders, or other parties in connection with financing or strategic transactions are generally classified as equity instruments. Their fair value is recognized in equity under a warrants reserve, either as a stand-alone allocation or in conjunction with other equity instruments (e.g., common shares issued as units).
- Options issued to employees, consultants, directors, or others for services are recognized as a share-based payment expense over the vesting period with a corresponding credit to contributed surplus.

Valuation Model and Assumptions

The Company uses the Black-Scholes model based on the following policy assumptions:

- Expected volatility is derived from historical share price data of the Company or comparable entities in similar stages of development.
- Expected life of the instrument is based on the contractual term, adjusted for management's expectations regarding early exercise or forfeiture behavior.
- Risk-free interest rate is based on the yield of government bonds over a term commensurate with the expected life.
- Dividend yield is assumed to be nil unless there is a formal dividend policy in place.

These assumptions are reviewed at each grant date and reflect conditions that exist at the time of measurement.

9302204 Canada Inc. – dba -Cheelcare Inc. and Departure Bay Capital Corp
Notes to the Unaudited Pro Forma Consolidated Financial Statements
(Expressed in CAD)

Subsequent Measurement and Exercise

Warrants and options classified as equity instruments are not remeasured after initial recognition. Upon exercise, the proceeds received are credited to share capital, together with the amount previously recognized in warrants reserve or contributed surplus.

Options or warrants that expire unexercised remain within equity; no gain or loss is recognized on expiry.

Unit Allocations

When warrants are issued as part of a unit offering (e.g., one share and one-half warrant), the Company allocates the total proceeds between the common shares and the warrants using the relative fair value method. The fair values of each component are determined separately, and the proceeds are apportioned in proportion to those values. The resulting allocations are recorded in share capital and warrants reserve, respectively.

Compound Financial Instruments

Where warrants or conversion features are issued in connection with convertible debt instruments, the proceeds are allocated among:

- the liability component (measured at the present value of expected future cash flows using a market rate for similar non-convertible debt),
- the equity component (e.g., conversion option), and
- any warrant component (measured separately using Black-Scholes).

The residual allocation method may be used if appropriate, and transaction costs are apportioned across components on a pro rata basis.

Modifications, Cancellations, and Forfeitures

Any modification to the terms of a warrant or option is accounted for as an adjustment to the fair value on the modification date, with incremental fair value expensed over the remaining vesting period. Forfeitures of unvested options are estimated at the grant date and adjusted prospectively based on actual forfeiture rates.

D) Proforma Adjustments

1) Short Term Loan:

In connection with the Cheelcare Transaction, on November 13, 2024, DBC loaned \$25,000 (“Bridge Loan 1”) to Cheelcare. The loan bears an interest rate of 8% compounded annually, is unsecured, and must be repaid with accrued interest within twenty business days after the date of the earlier of:

- the receipt of final approval of the TSXV of the Cheelcare Transaction; or
- the termination of the Cheelcare Transaction pursuant to the terms of the definitive agreement.

On December 13, 2024, DBC loaned a further \$50,000² to Cheelcare (“Bridge Loan 2”) pursuant to the Cheelcare Transaction. The loan bears an interest rate of 8% compounded annually, is secured against the assets of Cheelcare, and must be repaid with accrued interest within twenty business days after the date of the earlier of:

- the receipt of final approval of the TSXV of the Cheelcare Transaction; or
- the termination of the Cheelcare Transaction pursuant to the terms of the definitive agreement.

This transaction has been adjusted with the financial statements of November 30, 2024 to bring them current to January 31, 2025.

A sum of \$75,000² has been adjusted against Accounts payable and accrued liabilities as an elimination entry to consolidate the financial statements.

9302204 Canada Inc. – dba -Cheelcare Inc. and Departure Bay Capital Corp
Notes to the Unaudited Pro Forma Consolidated Financial Statements
(Expressed in CAD)

2) Cash and Restricted Cash

Restricted cash:

During the year, the Company received funding of \$3,500,000 through the issuance of subscription receipts (the “Subscription Receipts”) and \$53,227 proceeds for issuance of convertible debentures.

The amount of \$3,553,227³ was transferred to cash account from the Restricted cash account upon the conversion of the subscription receipts and the debentures.

Proforma schedule of cash and Restricted cash:

	Cash		Restricted Cash		Total
	DBC	Cheelcare	DBC	Cheelcare	
	\$	\$	\$	\$	\$
Balance as at Nov 30 2024	94,340				94,340
Less: Loan given to Cheelcare	(50,000)				(50,000)
Cash Balance in DBC as on Jan 31 2025	44,340	35,769		3,553,227	3,633,336
Subscription receipts and debenture proceeds		3,553,227		(3,553,227)	-
Loan from NameSilo Technologies Corp		436,500 ⁹			436,500
	44,340	4,025,496	-	-	4,069,836

3) Accounts payable and accrued liabilities:

Cheelcare accrued an interest of \$269,736⁴ against the Debentures up to June 30, 2025. Upon conversion of the debentures the accrued interest of \$269,736 was adjusted against Share capital.

During the period ended June 30, 2025, Cheelcare provided \$125,000 as legal expenses and \$25,000 towards audit fees for a total of \$150,000⁵ in connection with the Qualified Transaction.

Proforma Accounts payable and accrued liabilities:

	DBC	Cheelcare	Consolidated
	\$	\$	\$
Balance as at Nov 30 2024	16,723		16,723
Balance as at Jan 31 2025	16,723	1,310,431	1,327,154
Conversion of debentures interests		(269,736)	(269,736)
Interest on Convertible loans		29,288	29,288
Finder's fees private placement		94,800	94,800
Finder's fees private placement already paid		(4,494) ⁶	(4,494)
Legal fees and audit fees		150,000	150,000
Elimination of inter-company loan		(75,000)	(75,000)
	16,723	1,235,289	1,252,012

4) Due to shareholders have been reclassified as current liabilities⁷.

5) Subscription receipts:

	Cheelcare Inc
	\$
Balance as on Jan 31, 2025 (Net balance received)	3,495,506
Share issue costs incurred	4,494 ⁶
	3,500,000
Transfer upon conversion of subscription receipts to units	(3,500,000)
Balance	-

9302204 Canada Inc. – dba -Cheelcare Inc. and Departure Bay Capital Corp
Notes to the Unaudited Pro Forma Consolidated Financial Statements
(Expressed in CAD)

6) Convertible debentures:

The schedule of Convertible debentures is as follows:

	Debentures \$	Interest Accrued \$	Conversion Feature \$
Balance as at Jan 31, 2025	1,336,384	240,448	238,448
Add interest up to June 30, 2025	36,616 ¹¹	29,288 ¹¹	
	1,373,000	269,736	238,448
Conversion into shares	(1,373,000) ⁸	(269,736) ⁴	(238,448) ⁸
Balance	-	-	-

7) Convertible loans:

On March 5, 2025, Cheelcare entered into an amended and restated unsecured convertible loan agreement with NameSilo Technologies Corp., establishing a revolving loan facility of up to CAD \$450,000. The loan bears interest at 12% per annum and matures 18 months from the effective date. The loan is convertible, at the lender's option, into common shares of the borrower at a conversion price of \$0.75 per share. In connection with the facility, the borrower issued 300,000 common share purchase warrants to the lender, exercisable at \$1.50 per share for a period of two years. Additionally, the borrower agreed to pay a total finder's fee of \$13,500 to the lender, payable in two instalments. The proceeds are to be used for capital expenditures, working capital, and regulatory expenses. The agreement includes customary conversion rights, securities law compliance covenants, and events of default provisions.

The convertible loan is a compound instrument, and the proceeds are required to be bifurcated to record the fair value of the separate debt and equity components. The fair value of the debt was determined using a discounted cash flow model using an estimated market interest rate for equivalent debt of 23%. The fair value of the debt (before adjustments for Finders Fees) was calculated to be \$238,026 with the residual portion of \$211,974 allocated to both the equity component (\$130,974) and the warrants (\$81,000).

Transaction costs totaled \$13,500, of which \$7,141 were allocated to the liability component and offset the carrying value and are amortized using the effective interest method as finance costs over the expected life of the debentures. Transactions costs of \$3,929 were charged to the equity component and \$2,430 were charged to the warrant component.

The Company uses the Black-Scholes option pricing model to determine the fair value of warrants issued in connection with equity financings, convertible debentures, or as compensation. The Black-Scholes model requires management to make a number of assumptions, including the expected stock price volatility, expected life of the warrants, risk-free interest rate, and expected dividend yield.

The fair value of each warrant granted is estimated on the grant date using the Black-Scholes model with the following weighted average assumptions:

- Risk-free interest rate: 2.68%
- Expected life: 2.0 years
- Expected volatility: 100% based on historical volatility of comparable companies
- Expected dividend yield: 0%

The fair values of the common shares and warrants were determined using the relative fair value method, based on their estimated individual fair values at the issuance date. The fair value of each common share was estimated at \$0.75, while the fair value of each warrant was estimated at \$0.27.

9302204 Canada Inc. – dba -Cheelcare Inc. and Departure Bay Capital Corp
Notes to the Unaudited Pro Forma Consolidated Financial Statements
(Expressed in CAD)

	Loan Liability	Equity Portion	Warrants	Finders Fees
Initial loan balance	450,000			(13,500)
Allocated to the equity portion	(130,974)	130,974		
Allocate to the warrants	(81,000)		81,000	
Initial fair value before allocation of Finders Fees	238,026	130,974	81,000	(13,500)
Allocation of Finders fees	(7,141)	(3,929)	(2,430)	13,500
Net Balance	230,885⁹	127,045⁹	78,570⁹	-

8) Share capital:

a) The RTO Transaction

The transaction will constitute a reverse takeover. Although DBC will be regarded as the legal parent and continuing company, Cheelcare will be the acquirer for accounting purposes. Consequently, Cheelcare will be deemed to be a continuation of the reporting entity, and control of the assets and operations of DBC will be deemed to have been acquired in consideration for the issuance of the Resulting Issuer's shares to the former shareholders of DBC. At the time of the transaction, DBC does not constitute a business as defined under IFRS 3 Business Combination; therefore, the transaction will be accounted for under IFRS 2 Share-Based Payment, where the difference between the consideration given to acquire DBC and the net assets of DBC assumed is recorded as listing expense. The net assets assumed pursuant to the acquisition are as follows:

Fair value of consideration¹

Fair value of 1,500,000 DBC common shares at \$0.636 per share	\$	954,000
Fair value of 150,000 DBC options		45,000
Fair value of 66,666 DBC warrants		20,000
Total purchase consideration		1,019,000
Net assets acquired		102,617
Listing expense	\$	916,383

The net assets of DBC assumed of \$102,617 are recognized initially at fair value. It is assumed the carrying amounts of DBC's net assets approximates their fair value.

DBC's share capital, contributed surplus and accumulated deficit are eliminated upon the RTO¹.

After giving effect to the DBC Consolidation, DBC will have 1,500,000 Post-Consolidation DBC Common Shares, 150,000 DBC Options and 66,666 DBC Warrants issued and outstanding, with each DBC Option and DBC Warrant exercisable to purchase one Post-Consolidation DBC Common Share at an exercise price of \$0.30 per Post-Consolidation DBC Common Share.

The fair value of the 1,500,000 common shares at \$0.636 per share was determined based on the proportionate fair value of Cheelcare share within the concurrent financing unit.

The fair value of the 150,000 options at \$45,000 and the fair value of 66,000 warrants at \$20,000 are determining using the Black-Scholes option pricing model using the below assumptions:

- Risk-free interest rate: 2.68%
- Expected life: between 2 years and 2.74 years
- Expected volatility: 100% based on historical volatility of comparable companies
- Expected dividend yield: 0%

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b) Conversion of Debentures:

- i) 2,440,888 Common Shares at a deemed price of \$0.5625 per Common Share were issued in exchange for all the Cheelcare Convertible Debenture Conversion (excluding interest) for a value of \$1,373,000⁸;
- ii) 479,530 Common Shares at a deemed price of \$0.5625 per Common Share were issued in exchange for accrued interest on the Cheelcare Convertible Debentures, calculated as of June 30, 2025 for a value of \$269,736⁴;

c) Concurrent financing:

The Company received funding of \$3,500,000¹⁰ through the issuance of subscription receipts (the “Subscription Receipts”). The proceeds were deposited into escrow and recorded as restricted cash on the statement of financial position. Upon the closing of the Transaction, the escrowed funds were released, and the Subscription Receipts were automatically converted into 4,666,666 common shares and 2,333,333 warrants.

The warrants had an exercise price of \$1.50 per share and a tenor of 2 years.

The fair value of the warrants is estimated using the Black-Scholes model with the following weighted average assumptions:

- Risk-free interest rate: 2.68%
- Expected life: 2.0 years
- Expected volatility: 100% based on historical volatility of comparable companies
- Expected dividend yield: 0%

The fair values of the common shares and warrants were determined using the relative fair value method, based on their estimated individual fair values at the issuance date. The fair value of each common share was estimated at \$0.636, while the fair value of each warrant was estimated at \$0.27.

Accordingly, the gross proceeds of \$3,500,000 were allocated as follows:

- \$2,966,102¹⁰ to share capital, and
- \$533,898¹⁰ to warrants reserve.

The transaction also involved payment of Finders Fee of \$94,800¹⁰. Of this amount \$14,461¹⁰ has been allocated to the Warrant Reserve while \$80,339¹⁰ has been allocated to Share Issue costs.

9) Warrants:

Warrant transactions and the number of warrants outstanding are summarized as follows:

	Number of warrants	Weighted Average Exercise Price
DBC Warrants	200,000	0.10
Consolidation adjustment	(133,334)	
Warrants issued to DBC	66,666	0.30
Issued for concurrent financing	2,333,333	1.50
Issued for convertible loan	300,000	1.50
Outstanding as at January 31, 2025	2,699,999	1.47

10) Share Options:

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During the period, Cheelcare conducted a capital reorganization, resulting in an option consolidation and subsequent adjustment. Prior to the split, there were 798,000 stock options outstanding. Following the split, the number of options increased to 1,048,825.

The Share Option transactions and the number of warrants outstanding are summarized as follows:

	Number of Options	Weighted average exercise price
	Nos	\$/Option
DBC post consolidation options outstanding	150,000	0.30
Cheelcare Options post split options outstanding	1,048,825	0.50
	1,198,825	0.37

11) Movements in the profit or loss account:

	\$
Listing Fees ¹	916,383
Audit fees ⁵	25,000
Legal fees ⁵	125,000
Interest on convertible debentures ¹¹	65,904
	1,132,287

12) Income Tax

The pro-forma effective income tax rate that will be applicable to the operations of the Company is 26.5%.

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Appendix:	Acquisition of DBC	Elimination of Loan from DBC	Transfer of Restricted Cash	Convertible loan interest converted to share capital.	Audit + Legal Fees Accrual	Share issue cost already paid	Reclassification of Due to Shareholders	Convertible loans converted to share capital	Loan from Name Silo	Concurrent financing	Convertible Debentures incl Interest Accrued	Proforma adjustments
Note	1	2	3	4	5	6	7	8	9	10	11	
ASSETS												
Current assets												
Cash and cash equivalents		(50,000)	3,553,227						436,500			3,939,727
Restricted cash			(3,553,227)									(3,553,227)
Short term loan		(25,000)										(25,000)
Trade and other receivables												-
Inventories												-
Work in process												-
Prepaid expenses												-
	-	-	(75,000)	-	-	-	-	-	436,500	-	-	361,500
Non-current assets												
Furniture and equipment												-
Intangible assets												-
TOTAL ASSETS	-	-	(75,000)	-	-	-	-	-	436,500	-	-	361,500
LIABILITIES AND SHAREHOLDERS' DEFICIT												
Current liabilities												
Bank indebtedness												-
Accounts payable and accrued liabilities		(75,000)		(269,736)	150,000	(4,494)				94,800	29,288	(75,142)
Government remittances payable												-
Advances from a service provider												-
Due to shareholders							346,587					346,587
Subscription receipt						4,494				(3,500,000)		(3,495,506)
Current portion of bank loans												-
	-	-	(75,000)	-	(269,736)	150,000	-	346,587	-	(3,405,200)	29,288	(3,224,061)
Non-current liabilities												
Bank loans												-
Canada emergency business account loan												-
Due to shareholders							(346,587)					(346,587)
Convertible debentures								(1,373,000)			36,616	(1,336,384)
Convertible loan									230,885			230,885
TOTAL LIABILITIES	-	-	(75,000)	-	(269,736)	150,000	-	(1,373,000)	230,885	(3,405,200)	65,904	(4,676,147)
SHAREHOLDERS' EQUITY / DEFICIT												
Share capital	696,900			269,736				1,373,000		2,966,102		5,305,738
Additional paid in capital												-
Contributed surplus	(3,455)							238,448				234,993
Warrant Reserve	20,000								78,570	519,437		618,007
Share issue cost - Equity Reserve										(80,339)		(80,339)
Conversion feature								(238,448)	127,045			(111,403)
Accumulated deficit	(713,445)		-		(150,000)						(65,904)	(929,349)
TOTAL SHAREHOLDERS' EQUITY / DEFICIT	-	-	-	269,736	(150,000)	-	-	1,373,000	205,615	3,405,200	(65,904)	5,037,647
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY/DEFICIT												
	-	(75,000)	-	-	-	-	-	-	436,500	-	-	361,500

SCHEDULE “J”
Audit Committee Charter

(see attached)

AUDIT COMMITTEE CHARTER

CHEELCARE INC. (the “Corporation”)

The following charter is adopted in compliance with National Instrument 52-110 *Audit Committees* (“NI 52-110”).

1. COMPOSITION

The audit committee (the “**Committee**”) shall be comprised of at least three directors as determined by the board of directors (the “**Board**”). At least two members of the Committee shall be independent, within the meaning of NI 52-110.

At least one member of the Committee shall have accounting or related financial management expertise. All members of the Committee shall be financially literate.

For the purposes of this charter, the definition of “financially literate” is the ability to read and understand a set of financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of the issues that can presumably be expected to be raised by the Corporation’s financial statements.

The appointment of members to the Committee shall take place annually at the first meeting of the Board after a meeting of shareholders at which directors are elected. If the appointment of members of the Committee is not so made, the directors who are then serving as members of the Committee shall continue to serve as members until their successors are validly appointed. The Board may appoint a member to fill a vacancy that occurs in the Committee between annual elections of directors.

Unless a chairman is appointed by the Board, the members of the Committee may designate a chairman by a majority vote of all Committee members.

2. MEETINGS AND PROCEDURES

The Committee shall meet at least quarterly, or more frequently if required.

At all meetings of the Committee, every item brought to resolution shall be decided by a majority of the votes cast. In the case of an equality of votes, the chairman shall not be entitled to a second vote.

Quorum for meetings of the Committee shall be a majority of its members and the rules for calling, holding, conducting and adjourning meetings of the Committee shall be the same as those governing meetings of the Board.

The powers of the Committee may be exercised at a meeting at which a quorum of the Committee is present in person or by telephone or other electronic means or by a resolution signed by all members entitled to vote on that resolution at a meeting of the Committee.

Each member (including the chairman of the Committee) is entitled to one vote in Committee proceedings.

The Committee may meet separately with senior management and may request that any member of the

Corporation's senior management or the Corporation's outside counsel or independent auditors attend meetings of the Committee or other meetings with any members of, or advisors to, the Committee.

Furthermore, the Committee has the authority to hire the services of outside advisors, from time to time, when it is necessary to do so for carrying out its mandate.

The Committee shall, at the meeting of the Board following its own meeting, report to the directors on its work, activities and recommendations.

3. DUTIES AND RESPONSIBILITIES

The following are the general duties and responsibilities of the Committee:

3.1 Financial Statements and Disclosure Matters

- 3.1.1 review the Corporation's financial statements, management's discussion and analysis and any press releases regarding annual and interim (as required by the Board) profit or loss, before the Corporation publicly discloses such information, and any reports or other financial information which are submitted to any governmental body or to the public;

3.2 Independent Auditors

- 3.2.1 recommend to the Board the selection and, where applicable, the replacement of the independent auditors to be appointed annually as well the compensation of such independent auditors;
- 3.2.2 determine that the independent auditors appointed are a Public Accounting Firm that has entered into a Participation Agreement as such terms are defined in National Instrument 52-108 – *Auditor Oversight* and that at the time of their report on the annual financial statements of the Corporation, they are in compliance with any restrictions or sanctions imposed by the Canadian Public Accountability Board;
- 3.2.3 oversee the work and review annually the performance and independence of the independent auditors;
- 3.2.4 on an annual basis, review and discuss with the independent auditors all significant relationships they may have with the Corporation that may impact their objectivity and independence;
- 3.2.5 consult with the independent auditors about the quality of the Corporation's accounting principles, internal controls and the completeness and accuracy of the Corporation's financial statements;
- 3.2.6 review and approve the Corporation's hiring policies regarding partners, employees and former partners and employees of the present and former independent auditors of the Corporation;
- 3.2.7 review the audit plan for the year-end financial statements and intended template for such statements;
- 3.2.8 review and pre-approve all audit and audit-related services and the fees and others

compensations related thereto, as well as any non-audit services provided by the independent auditors to the Corporation or its subsidiary entities. The pre-approval requirement is satisfied with respect to the provision of non-audit services if:

- 3.2.8.1 the aggregate amount of all such non-audit services provided to the Corporation constitutes no more than 5% of the total amount of fees paid by the Corporation and its subsidiary entities to its independent auditors during the fiscal year in which the non-audit services are provided;
- 3.2.8.2 such services were not recognized by the Corporation or its subsidiary entities as non-audited services at the time of the engagement; and
- 3.2.8.3 such services are promptly brought to the attention of the Committee by the Corporation and approved, prior to the completion of the audit, by the Committee or by one or more of its members to whom authority to grant such approvals has been delegated by the Committee.

The Committee may delegate to one or more independent members of the Committee the aforementioned authority to pre-approve non-audited services, provided the pre-approval of the non-audit services is presented to the Committee at its first scheduled meeting following such approval.

3.3 Financial Reporting Processes

- 3.3.1 review with management, in consultation with the independent auditors, the integrity of the Corporation's financial reporting process, both internal and external;
- 3.3.2 consider the independent auditor's judgments about the quality and appropriateness of the Corporation's accounting principles as applied in its financial reporting;
- 3.3.3 consider and report to the Board changes to the Corporation's auditing and accounting principles and practices as suggested by the independent auditors and management;
- 3.3.4 review any significant disagreement among management and the independent auditors in connection with the preparation of the financial statements;
- 3.3.5 review, with the independent auditors and management, the extent to which changes and improvements in financial or accounting practices have been implemented;
- 3.3.6 establish procedures for the confidential, anonymous submission by employees of the Corporation of concerns regarding questionable accounting or auditing matters and the receipt, retention and treatment of complaints received by the Corporation regarding accounting, internal accounting controls or auditing matters.

3.4 Risk Management

- 3.4.1 oversee the identification, prioritization and management of the risks faced by the Corporation;
- 3.4.2 direct the facilitation of risk assessments and measurement to determine the material risks to which the Corporation may be exposed and to evaluate the strategy for managing those risks;

- 3.4.3 monitor the changes in the internal and external environment and the emergence of new risks;
- 3.4.4 review the adequacy of insurance coverage;
- 3.4.5 monitor the procedures to deal with and review disclosure of information to third parties insofar as these disclosure represent a risk for the Corporation.

3.5 Whistleblowing Policy

- 3.5.1 monitor and review compliance with the Corporation's Whistleblowing Policy;
- 3.5.2 establish a procedure for the receipt and treatment of complaints received by the Corporation regarding accounting, internal accounting controls or auditing matters.

3.6 Reporting Responsibilities

- 3.6.1 the Committee shall report to the Board on a regular basis, and in any event:
 - 3.6.1.1 at least annually, with an assessment of the performance of management in the preparation of financial statements and auditors in conducting the annual audit of the Corporation and discuss the report with the full Board following the end of each fiscal year;
 - 3.6.1.2 before the public disclosure by the Corporation of its financial statements, management's discussion and analysis and any press releases regarding annual and interim profit or loss and any reports or other financial information which are submitted to any governmental body or to the public; and
 - 3.6.1.3 as required by applicable legislation, regulatory requirements and policies of the Canadian Securities Administrators.

3.7 Annual Evaluation

- 3.7.1 annually, the Committee shall, in a manner it determines to be appropriate:
 - 3.7.1.1 conduct a review and evaluation of the performance of the Committee and its members, including the compliance of the Committee with this charter; and
 - 3.7.1.2 review and assess the adequacy of this charter and the position description for the chairman of the Committee and recommend to the Board any improvements to this charter or the position description that the Committee determines to be appropriate, except for minor technical amendments to this charter, authority for which is delegated to the Corporate Secretary, who will report any such amendments to the Board at its next regular meeting.