



MATADOR

MATADOR GOLD TECHNOLOGIES INC.

FINANCIAL STATEMENTS FOR THE YEARS ENDED
OCTOBER 31, 2024 AND OCTOBER 31, 2023 (EXPRESSED IN
CANADIAN DOLLARS, UNLESS STATED OTHERWISE)



KINGSTON
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INDEPENDENT AUDITOR'S REPORT

February 26, 2025
Edmonton, Alberta

To the Shareholders of Matador Gold Technologies Inc.

Opinion

We have audited the financial statements of Matador Gold Technologies Inc. (the Company), which comprise the statement of financial position as at October 31, 2024 and 2023, and the statements of operations and comprehensive loss, cash flows, and changes in equity for the years then ended, and notes to the financial statements, including material accounting policy information.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at October 31, 2024 and 2023 and the financial performance and cash flow for the year then ended in accordance with International Financial Reporting Standards (IFRS).

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 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 Relating to Going Concern

We draw your attention to Note 1 in the financial statements, which indicates that the Company incurred a net loss and negative cash flows from operations during the year ended October 31, 2024. As stated in Note 1, these events or conditions, along with other matters as set forth in Note 1, indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Other Information

Management is responsible for the other information. The other information comprises the information, other than the consolidated financial statements and our auditor's report thereon, which includes 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 Management's Discussion and Analysis prior to the date of this auditor's report. If, based on the work we have performed on this other information, we conclude that there is a material misstatement of this other information, we are required to report that fact in this auditor's report. We have nothing to report in this regard.

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Independent Auditor's Report to the Shareholders of Matador Gold Technologies Inc.
(continued)

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.

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.

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Independent Auditor's Report to the Shareholders of Matador Gold Technologies Inc.
(continued)

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

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

Kingston Ross Pasmak LLP
Kingston Ross Pasmak LLP
Chartered Professional Accountants

Matador Gold Technologies Inc.
Statement of Financial Position
(Expressed in Canadian Dollars, Unless Stated Otherwise)

	Note Ref	As at October 31, 2024	As at October 31, 2023
Assets			
Current Assets			
Cash and Cash Equivalents		3,911,102	2,258,485
Term Deposits	2	48,608	46,660
Precious Metals	4	95,466	94,776
Prepaid Expenses		85,385	66,953
Total Current Assets		4,140,561	2,466,874
Non-Current Assets			
Digital Assets	3	2,172,432	-
Total Assets		6,312,993	2,466,874
Liabilities and Equity			
Liabilities			
Current Liabilities			
Accounts Payable and Accrued Liabilities		82,210	54,450
Total Liabilities		82,210	54,450
Shareholders Equity			
Share Capital	5	13,420,922	7,760,901
Contributed Surplus	6	3,775,505	1,180,429
Accumulated Other Comprehensive Income		58,237	-
Accumulated Deficit		(11,023,881)	(6,528,906)
Total Equity		6,230,783	2,412,424
Total Liabilities and Equity		6,312,993	2,466,874

See accompanying Notes to the Financial Statements.

Approved on behalf of the Board:

"Deven Soni", Director

"Richard Murphy", Director

Matador Gold Technologies Inc.
Statement of Operations and Comprehensive Loss
(Expressed in Canadian Dollars, Unless Stated Otherwise)

		Year Ended	
		October 31, 2024	October 31, 2023
EXPENSES			
Professional Fees		426,455	449,714
Advertising and Promotion		49,826	143,339
General and Administrative		217,014	68,959
Consulting Fees		454,807	935,099
Travel		22,951	25,707
Write (up) / down on Precious Metals	4	(690)	690
Exchange (Gain) or Loss		(70,284)	567
Share Based Compensation	5,6	2,229,047	805,809
Total Expenses		3,329,126	2,429,884
Operating Loss		3,329,126	2,429,884
Impairment Loss	3	(1,221,997)	-
Income Tax Expense	11	-	-
Interest Income		56,148	108,120
Total Net Loss		(4,494,975)	(2,321,764)
Other Comprehensive Income & Loss			
Revaluation Gain on Digital Assets	3	58,237	-
Total Net Loss & Other Comprehensive Loss		(4,436,738)	(2,321,764)
Basic and Diluted Loss Per Share		(0.07)	(0.04)

See accompanying Notes to the Financial Statements.

Matador Gold Technologies Inc.
Statement of Cash Flows
(Expressed in Canadian Dollars, Unless Stated Otherwise)

		Year Ended	
	Note Ref	October 31, 2024	October 31, 2023
OPERATING ACTIVITIES			
Net Loss		(4,494,975)	(2,321,764)
Items Not Affecting Cash			
Share Based Compensation	5,6	2,229,047	805,809
Impairment on Digital Assets	3	1,221,997	
Unrealized Foreign Exchange Gain		(52,784)	
Write (Up) / Down on Precious Metals Held	4	(690)	690
Accrued Interest		(1,949)	(1,456)
Change in Non-Cash Working Capital			
Precious Metals Purchased	4	-	(95,466)
Prepaid Expenses		(18,432)	(66,954)
Accounts Payable and Accrued Liabilities		27,761	(4,835)
Total Adjustments to reconcile Net Income to Net Cash provided by operations:		3,404,950	637,788
Net cash used in operating activities		(1,090,025)	(1,683,976)
FINANCING ACTIVITIES			
Proceeds From Share Issuances (Net of Issuance Costs)	5	1,512,613	-
Proceeds From Share Issuances Not Yet Completed (Net of Issuance Costs)	5	1,230,029	-
Net cash provided by financing activities		2,742,642	-
Effect of exchange rate differences on cash and cash equivalents		-	-
Net cash increase for period		1,652,617	(1,683,976)
Cash and Cash Equivalents at the Beginning of Period		2,258,485	3,942,461
Cash and Cash Equivalents at End of Period		3,911,102	2,258,485
Supplemental cash flow information - non-cash transactions			
Digital Asset's received in exchange for Share Issuances		3,283,408	-

See accompanying Notes to the Financial Statements.

Matador Gold Technologies Inc.
Statement of Changes in Equity For Year Ended October 31, 2024
(Expressed in Canadian Dollars, Unless Stated Otherwise, except for share information)

	Note Ref	Shares	Share Capital	Contributed Surplus	Accumulated Other Comprehensive Income	Accumulated Deficit	Total Equity
Balance as at October 31, 2022		60,021,100	7,609,651	525,870	-	(4,207,142)	3,928,379
Share Based Compensation Option Issuance	6	-	-	535,720	-	-	535,720
Share Based Compensation RSU Issuance	6	-	-	168,642	-	-	168,642
RSUs Vested and Issued	5,6	280,000	120,000	(120,000)	-	-	-
Share Based Compensation Performance Shares	6	-	-	101,447	-	-	101,447
Performance Shares Vested and Issued	5,6	-	31,250	(31,250)	-	-	-
Total Loss and Comprehensive Loss		-	-	-	-	(2,321,764)	(2,321,764)
Balance as at October 31, 2023		60,301,100	7,760,901	1,180,429	-	(6,528,906)	2,412,424
Share Based Compensation Option Issuance	6	-	-	552,715	-	-	552,715
Share Based Compensation RSU Issuance	6	-	-	102,708	-	-	102,708
RSUs Vested and Issued	5,6	273,000	126,500	(126,500)	-	-	-
Share Based Compensation Performance Shares	6	-	-	240,102	-	-	240,102
PSUs Vested and Issued	5,6	-	237,500	(237,500)	-	-	-
Share Based Compensation Advisory Shares	6	-	-	1,333,522	-	-	1,333,522
Advisory Shares Vested and Issued	5,6	1,000,000	500,000	(500,000)	-	-	-
Shares Issued in Private Placements (Net of Issuance Costs)	5	9,592,041	4,796,021	-	-	-	4,796,021
Proceeds Received in Connection with Concurrent Financing	5	-	-	1,230,029	-	-	1,230,029
Total Net Loss & Other Comprehensive Loss		-	-	-	58,237	(4,494,975)	(4,436,738)
Balance as at October 31, 2024		71,166,141	13,420,922	3,775,505	58,237	(11,023,881)	6,230,783

See accompanying Notes to the Financial Statements.

Matador Gold Technologies Inc.

Notes to Financial Statements For Year Ended October 31, 2024

(Expressed in Canadian Dollars)

1) Nature of operations

Matador Gold Technologies Inc. ("Matador", "our", "we", "us" or the "Company") was incorporated on November 29, 2021, under the laws of the Province of Ontario. The principal office of the Company is located at 40 King Street West, Suite 2400, Toronto, ON M5H 3Y2.

Matador is a technology company that develops an application that lets users in Canada buy and sell precious metals directly from a mobile phone. Our platform also allows customers to arrange for the purchase, sale and storage of precious metals. As of October 31, 2024, the application is finalized, and the Company anticipates launching its application in 2025. Matador also continues to explore innovative ways to integrate the blockchain and digital art to incentivize younger buyers to become interested in the gold market – including the use of Bitcoin Ordinals and digital art. Beyond gold, Matador's product vision extends to Layer 2 solutions, NFTs, and a broader range of digitized Real World Asset's (RWA's) on the Bitcoin blockchain.

The Company has incurred losses and negative cash flows from operations from inception that has primarily been funded through financing activities. The Company will need to raise additional capital during the next twelve months and beyond to support current operations and planned development. These factors indicate the existence of a material uncertainty that may cast significant doubt as to the Company's ability to continue as a going concern.

These financial statements have been prepared on a going concern basis, which contemplates the realization of assets and the settlement of liabilities and commitment in the normal course of business. These financial statements do not reflect the adjustments to the carrying values of assets and liabilities, the reported revenues and expenses, and the statement of financial position classifications used, that would be necessary if the Company were unable to realize its assets and settle its liabilities and commitment as a going concern in the normal course of operations. Such adjustments could be material.

2) Material Accounting Policy Information

Basis of Presentation

These financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and interpretations issued by the International Financial Reporting Interpretations Committee ("IFRIC"). Accounting policies are consistently applied to all periods presented.

These financial statements were approved for issuance by the Board of Directors on February 26, 2025.

Critical Accounting Estimates and Judgements

The preparation of these financial statements in conformity with IFRS requires management to make estimates and judgements that affect the applications of accounting policies regarding certain types of assets, liabilities, revenues, and expenses in the preparation of these financial statements. Estimates and judgements are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the year in which the estimates are revised and in any future years affected. These estimates and assumptions are based on management's historical experience, best knowledge of current events and conditions and activities that the Company may undertake in the future. The actual results could differ materially from these estimates.

Matador Gold Technologies Inc.

Notes to Financial Statements For Year Ended October 31, 2024

(Expressed in Canadian Dollars)

Judgements

Going Concern: The assumption that Matador will be able to continue as a going concern is subject to critical judgements by management with respect to assumptions surrounding the short and long-term operating budget, including the volatility of gold and digital asset prices, expected profitability, investing and financing activities, and management's strategic planning. Should those judgements prove to be inaccurate, management's continued use of the going concern assumption could be inappropriate.

Income taxes: Significant judgement is required in determining the provision for income taxes. There are many transactions and calculations undertaken during the ordinary course of business for which the ultimate tax determination is uncertain. The Company recognizes liabilities and contingencies for anticipated tax audit issues based on its current understanding of Canadian tax law. For matters where it is probable that an adjustment will be made, the Company records its best estimate of the tax liability including related interest and penalties. There is uncertainty regarding the taxation of digital assets, and the Canada Revenue Agency may assess the Company differently from the position adopted.

Assessment of indicators of impairment: Satoshis are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. In the determination of carrying values and impairment charges, management evaluates fair value based on market conditions, historical trends, and other relevant information. These determinations require significant judgement and assumptions about the future cash flows and discount rates applied.

Recoverability of gold and digital assets held with a custodian: The Company holds gold, Bitcoin, and Satoshis with a third-party custodian. The recoverability of these assets has been determined by management based on information available regarding the custodian's financial standing, security protocols, and legal obligations. Any material adverse changes in the custodian's status could impact the valuation and recoverability of these assets.

Estimates

Valuation of gold and digital assets: Matador holds gold as inventory and digital assets, including Bitcoin and Satoshis, as part of its intangible assets. Gold is measured at cost and subsequently, at the end of each reporting period, it is measured at the lower of cost and net realizable value (NRV), by assessing the quoted market price from recognized commodities exchanges to determine the net realizable value. Bitcoin is measured at fair value using the quoted price on reputable exchanges. Satoshis are measured using the cost method, due to the lack of an active market available to reliably determine their fair value. Under this method, digital assets are recorded at their original purchase cost, minus any impairment losses. Since satoshis have an indefinite life, no amortization is applied. If impairment indicators arise, the assets are evaluated against their recoverable amount, with any loss recognized in the statement of loss and comprehensive loss. Management assesses the recoverable amount of satoshis by evaluating factors such as market developments, regulatory changes, and technological advancements that could impact their value. If impairment indicators arise, a detailed review is conducted, considering available market data and relevant economic conditions. Any impairment loss identified is recognized in the statement of loss and comprehensive loss.

Fair value measurement of stock-based compensation: Estimating fair value for stock options and other share based compensation requires determining the most appropriate valuation model, which depends on the terms and conditions of the grant. This estimate also requires determination of the most appropriate inputs to the valuation model, including the expected life of stock options and volatility while making assumptions about them. The assumptions and models used for estimating fair value are disclosed in Note 6.

Management continuously reviews the assumptions and underlying data used in these estimates to ensure they reflect the best available information at the reporting date. However, due to inherent uncertainties, actual results may differ from these estimates, which could result in material adjustments in future financial periods.

Matador Gold Technologies Inc.

Notes to Financial Statements For Year Ended October 31, 2024

(Expressed in Canadian Dollars)

Revenue Recognition

The Company has no operating revenues for the 2024 fiscal year. However, the Company anticipates generating revenue in the 2025 fiscal year. Revenue recognition will be in accordance with IFRS 15, Revenue from Contracts with Customers, which requires the recognition of revenue when control of goods or services is transferred to the customer, based on the following five-step model:

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

The Company expects to generate revenue primarily from the sale of gold from its application. Interest revenue is recognized based upon the amounts to which the Company is contractually entitled.

Cash and Cash Equivalents

This category consists of cash on hand, demand deposits and short-term, highly liquid investments that are readily convertible to known amounts of cash within ninety days of purchase.

Term Deposits

Term deposits are classified as financial assets measured at amortized cost, and the cash flows consist solely of payments of principal and interest.

For the year ended October 31, 2023, term deposits include two non-redeemable guaranteed investment certificates ("GIC"). The first GIC was issued May 10, 2023, with a 1-year maturity, a principal of \$5,140 GICs and a fixed annual interest rate of 3.65%. The second GIC was issued August 11, 2023, with a 1-year maturity, a principal of \$41,060 GICs and an annual fixed interest rate of 3.90%.

For the year ended October 31, 2024, term deposits include two non-redeemable guaranteed investment certificates ("GIC"). The first GIC was issued May 10, 2024, with a 1-year maturity, a principal of \$5,328 GICs and a fixed annual interest rate of 4.50%. The second GIC was issued August 12, 2024, with a 1-year maturity, a principal of \$42,670 GICs and an annual fixed interest rate of 4.75%.

Digital Assets

Digital assets consist of cryptocurrency-denominated assets such as Bitcoin, as well as other Bitcoin Ordinal Assets such as Legacy Satoshis and Uncommon Satoshis. These assets are treated as long-term assets on the balance sheet. Digital assets meet the definition of intangible assets under IAS 38 Intangible Assets, as they are identifiable non-monetary assets without physical substance.

Digital assets are initially recorded at cost. The subsequent measurement of digital assets depends on their classification:

- Bitcoin is measured using the revaluation method, as an active market exists to reliably determine its fair value. Under this method, increases in fair value are recorded in other comprehensive income, while decreases are recorded in the statement of loss. There is no recycling of gains from other comprehensive income in the statements of loss and comprehensive loss, except to the extent that an increase in fair value reverses a previous decrease in fair value that has been recorded in the statements of loss and comprehensive loss.

Matador Gold Technologies Inc.

Notes to Financial Statements For Year Ended October 31, 2024

(Expressed in Canadian Dollars)

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- Legacy Satoshis and Uncommon Satoshis are measured using the cost method, due to the lack of an active market available to reliably determine their fair value. Under this method, digital assets are carried at their initial purchase cost, less any accumulated impairment losses. There is no amortization included as the satoshis have an indefinite life. If there is an indication of impairment, the carrying amount is assessed against the recoverable amount, with any resulting impairment loss recognized in the statement of loss and comprehensive loss.

The fair value of Bitcoin is determined by taking the last closing price for the day in Eastern Standard Time from www.blockchain.com.

The Company assesses impairment for its holdings of satoshis at each reporting period in accordance with IFRS standards. Given that satoshis are a form of cryptocurrency and are not considered cash or cash equivalents under IFRS, they are accounted for as intangible assets with an indefinite useful life under IAS 38 – Intangible Assets. Impairment is assessed by determining management’s best estimate of the satoshis value at the reporting date. The satoshis value is estimated based on observable market data, which includes:

- Historical Trading Activity: Analysis of past transactions and trends in market pricing.
- Market Depth: Examination of order books on exchanges to assess liquidity and price stability.
- Liquidity Discount: A discount applied to account for the potential impact of liquidating a significant position within the market.

If the estimated recoverable amount of satoshis falls below their carrying amount (cost basis), an impairment loss is recognized in the statement of profit or loss in accordance with IAS 36 – Impairment of Assets. The impairment loss is measured as the difference between the carrying amount and the recoverable amount. Once an impairment loss has been recorded, it can be reversed in subsequent periods up to the original cost basis, as per the requirements for intangible assets under IFRS. The Company continuously monitors the market conditions for satoshis and reassesses impairment at each reporting period based on updated market data and liquidity considerations.

Precious Metals

The Company purchases and holds gold as precious metals and treats it as a current asset on the balance sheet. The initial recognition of the precious metals is at cost, which includes the purchase price and any directly attributable costs of bringing it to its existing location and condition, such as transportation costs. Upon initial recognition, the precious metals are measured at cost. Subsequently, at the end of each reporting period, it is measured at the lower of cost and net realizable value (NRV), in compliance with IAS 2, Inventories. The cost of the precious metals is determined on a weighted average cost basis.

Net realizable value represents the estimated selling price for inventories less all estimated costs of disposal. The precious metals is derecognized from the balance sheet when it is sold or disposed. The amount of any write-down of inventories to net realizable value and all losses of inventories are recognized as an expense in the period the write-down or loss occurs.

Financial Instruments

a) Classification of financial assets

Financial assets are classified and measured based on the three categories: amortized cost, fair value through other comprehensive income (“FVTOCI”) and fair value through profit and loss (“FVTPL”).

Matador Gold Technologies Inc.

Notes to Financial Statements For Year Ended October 31, 2024

(Expressed in Canadian Dollars)

b) Classification of financial liabilities

Financial liabilities are classified and measured in two categories: amortized cost or FVTPL. Under IFRS 9, derivatives embedded in contracts where the host is a financial asset in the scope of the standard are not separated, but the hybrid financial instrument as a whole is assessed for classification.

The following table summarizes the classification of the financial instruments under IFRS 9:

	Classification
Cash and cash equivalents	Amortized cost
Term deposits	Amortized cost
Accounts payable and accrued liabilities	Amortized cost

Measurement of Financial Instruments

On initial recognition, a financial asset is classified as measured at amortized cost, FVTPL, or FVTOCI. Financial assets are not reclassified subsequent to their initial recognition unless the Company changes its business model for managing 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. The Company recognizes goods and services tax receivable initially when they are originated. All other financial assets are initially recognized when the Company becomes a party to the contractual provisions of the instrument. All other financial assets are initially measured at fair value plus, for items not classified as FVTPL, transaction costs that are directly attributable to its acquisition.

Subsequent to initial recognition, FVTPL financial assets are measured at fair value with a change in fair value recognized in profit and loss. Financial assets classified as amortized cost are measured at cost using the effective interest method. The amortized cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognized in profit of loss. Any gain or loss on derecognition is recognized in profit or loss.

All financial liabilities are initially recorded at amortized cost. All other financial liabilities are initially recognized when the Company becomes a party to the contractual provisions of the instrument. The Company's financial liabilities include accounts payable and accrued liabilities.

Impairment of Financial Assets

For financial assets carried at amortized cost, the Company recognizes loss allowances for expected credit losses ("ECLs"). ECLs are a probability-weighted estimate of credit losses. The Company applies a three-stage approach to measure ECLs. The Company measures loss allowance at an amount equal to twelve months of expected losses if the credit risk at the reporting date has not increased significantly since initial recognition (Stage 1) and at an amount equal to lifetime expected losses if there is a significant increase in credit risk since origination (Stage 2) and at an amount equal to lifetime expected losses which are credit impaired (Stage 3).

The Company considers a significant increase in credit risk to have occurred if contractual payments are more than 30 days past due and considers the financial assets carried at amortized cost to be in default if they are 90 days past due. A significant increase in credit risk or default may have also occurred if there are other qualitative factors (including forward looking information) to consider; such as borrower specific information (i.e. change in credit assessment). Such factors include consideration relating to whether the counterparty is experiencing significant financial difficulty, there is a breach of contract, concessions are granted to the counterparty that would not normally be granted, or it is probable the counterparty will enter into bankruptcy or a financial reorganization.

Matador Gold Technologies Inc.

Notes to Financial Statements For Year Ended October 31, 2024

(Expressed in Canadian Dollars)

Significant increases in credit risk are assessed based on changes in probability of default of a financial asset subsequent to initial recognition. The Company uses past due information to determine whether credit risk has increased significantly since initial recognition. Financial assets are considered to have experienced a significant increase in credit risk and are reclassified to Stage 2 if a contractual payment is more than 30 days past due as at the reporting date.

The Company defines default as the earlier of when a contractual payment is more than 90 days past due or when a loan becomes insolvent as a result of customer bankruptcy. Financial assets that have experienced a default event are considered to be credit impaired and are reclassified as Stage 3 loans.

The Company writes off an impaired financial asset, either partially or in full, when there is no realistic prospect of recovery. Where financial assets are secured, write-off is after the expected receipts from the realization of collateral.

Share Based Compensation

Equity-settled share-based payments to employees and others providing similar services are measured at the fair value of the equity instruments at the grant date. The fair value excludes the effect of non-market-based vesting conditions.

The fair value determined at the grant date of the equity-settled share-based payments, using the Black-Scholes option pricing model and is expensed on a straight-line basis over the vesting period, based on the estimate of the number of equity instruments that will eventually vest. At each reporting date, the Company revises its estimate of the number of equity instruments expected to vest as a result of the effect of non-market-based vesting conditions. The impact of the revision of the original estimates, if any, is recognized in profit or loss such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to reserves.

Equity-settled share-based payment transactions with parties other than employees are measured at the fair value of the goods or services received, except where that fair value cannot be estimated reliably, in which case they are measured at the fair value of the equity instruments granted, measured at the date the entity obtains the goods or the counterparty renders the service. For cash-settled share-based payments, a liability is recognized for the goods or services acquired, measured initially at the fair value of the liability. At each reporting date until the liability is settled, and at the date of settlement, the fair value of the liability is remeasured, with any changes in fair value recognized in profit or loss for the year.

Net Loss Per Share

The Company presents basic and diluted loss per share data for its common shares. Basic loss per share is calculated by dividing the income or loss attributable to common shareholders of the Company by the weighted average number of common shares outstanding during the period, adjusted for own shares held. Diluted loss per share is determined by adjusting the income or loss attributable to common shareholders and the weighted average number of common shares outstanding, adjusted for own shares held, and for the effects of all dilutive potential common shares.

Related Party Transactions

Parties are considered to be related if one party has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operating decisions. Related parties may be individuals or corporate entities. A transaction is considered to be a related party transaction when there is a transfer of resources or obligations between related parties. Related party transactions that are in the normal course of business and have commercial substance are measured at exchange amount.

Matador Gold Technologies Inc.

Notes to Financial Statements For Year Ended October 31, 2024

(Expressed in Canadian Dollars)

Share Capital

Common shares are classified as equity. Transaction costs directly attributable to the issue of common shares and share purchase options are recognized as a deduction from equity, net of any tax effects. For unit offerings, the proceeds from the issuance of units are allocated between common shares and share purchase warrants using the residual method, allocating fair value to the common shares first, and then to the share purchase warrants.

Foreign Exchange

Foreign currency transactions are translated into the functional currency of the Corporation, using the exchange rates prevailing at the dates of the transactions (spot exchange rate). Foreign exchange gains and losses resulting from the settlement of such transactions and from the remeasurement of monetary items denominated in foreign currency at period-end exchange rates are recognized in profit or loss.

Non-monetary items are not retranslated at the period-end. They are measured at historical cost (translated using the exchange rates at the transaction date), except for non-monetary items measured at fair value which are translated using the exchange rates at the date when fair value was determined.

Income Taxes

Income tax expense (benefit) comprises current and deferred tax. Current tax and deferred tax are recognized in profit or loss except to the extent that they relate to a business combination, or items recognized directly in equity or in other comprehensive income. Current tax is the expected tax payable or receivable on the taxable income or loss for the period, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years. Current tax payable also includes any tax liability arising from the declaration of dividends. Deferred tax is recognized in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes.

Deferred tax is not recognized for temporary differences on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss, temporary differences related to investments in subsidiaries and associates to the extent that it is probable that they will not reverse in the foreseeable future, and taxable temporary differences arising on the initial recognition of goodwill. A deferred tax asset is recognized only to the extent that it is probable that future taxable profits will be available against which the asset can be utilized.

New Accounting Standards and Interpretations Not Yet Effective

The following new standards, amendments and interpretations have been issued but are not effective for the fiscal period ending October 31, 2024, and, accordingly, have not been applied in preparing these financial statements.

Amendments to IAS 21 – Lack of Exchangeability

The amendments to IAS 21 will help an entity determine whether a currency is exchangeable into another currency and requirements the entity would apply when it is not. The amendments also require the disclosure of additional information when a currency is not considered exchangeable. The amendments are applied prospectively for annual periods beginning on or after 1 January 2025, with early application permitted. No significant impact to the Company's financial statements is expected.

Matador Gold Technologies Inc.

Notes to Financial Statements For Year Ended October 31, 2024

(Expressed in Canadian Dollars)

Implementation of IFRS 18 – Presentation and Disclosure of Financial Statements

The introduction of IFRS 18 will help to achieve comparability of the financial performance of similar entities. The new disclosures required for some management-defined performance measures will also enhance transparency. The new standards are applied retrospectively for annual periods beginning on or after January 1st, 2027, with early adoption permitted. The Company is currently assessing the expected impact of this standard.

Implementation of IFRS S1 – General Requirements for Disclosure of Sustainability-related Financial Information - and IFRS S2 – Climate-related Disclosures

In June 2023 the International Sustainability Standards Board (the “ISSB”) issued IFRS S1 General Requirements for disclosure of Sustainability-related Financial Information for Disclosure of Sustainability-related Financial Information (“IFRS S1”), proposing general requirements for an entity to disclose sustainability-related financial information about its sustainability-related risks and opportunities. The objective of IFRS S1 is to require an entity to disclose information about its sustainability related risks and opportunities that is useful to users of general purpose financial reports in making decisions relating to providing resources to the entity. IFRS S1 is effective for annual reporting periods beginning on or after January 1, 2024, with earlier application permitted as long as IFRS S2 climate related disclosures is also applied. The Company is currently assessing the expected impact of this standard.

In June 2023 the ISSB issued IFRS S2 Climate-Related Disclosures to integrate and build on the recommendations of the Task Force on Climate-Related Financial Disclosures (TCFD) and incorporating industry-based disclosure requirements derived from Sustainability Accounting Standards Board (SASB) Standards. The objective of IFRS S2 is to require an entity to disclose information about its climate related risks and opportunities that is useful to users of general purpose financial reports and making decisions relating to providing resource is to the entity. IFRS S2 is effective for annual reporting periods beginning on or after January 1st, 2024, with earlier application permitted as long as IFRS S1 is also applied. The Company is currently assessing the expected impact of this standard.

3) Digital Assets

On April 23, 2024, the Company received a strategic investment from UTXO Management, LLC (“UTXO”), a Bitcoin venture capital firm. The strategic investment was in the form of Bitcoin, Legacy Satoshis, and Uncommon Satoshis totaling \$3,000,000. The Legacy and Uncommon Satoshis were transferred at fair value, which at the time of the investment was \$437 per Legacy Satoshi and \$106 per Uncommon Satoshi. The Company also received 2.6 bitcoin (\$209,878) as part of the private placement which closed on July 23, 2024, and 3.4 bitcoin (\$344,941) as part of the private placement which closed on December 5, 2024.

	Bitcoin	
	Quantity	Fair Value
Balance as at October 31, 2023	-	-
Bitcoin (i)	8	773,105
Revaluation Gain		58,237
Balance as at October 31, 2024	8	831,342

(i) The Company’s Bitcoin was received at an average cost of \$91,122.

Matador Gold Technologies Inc.

Notes to Financial Statements For Year Ended October 31, 2024

(Expressed in Canadian Dollars)

	Legacy Satoshis		Uncommon Satoshis		Total Satoshis	
	Quantity	Cost	Quantity	Cost	Quantity	Cost
Balance as at October 31, 2023	-	-	-	-		
Satoshis	5,000	2,456,656	1,000	106,431	6,000	2,563,087
Impairment Loss		(1,174,193)		(47,804)		(1,221,997)
Balance as at October 31, 2024	5,000	1,282,463	1,000	58,627	6,000	1,341,090

(i) The cost for the satoshis was based on the fair value of the shares issued in consideration.

4) Precious Metals

Precious Metals consists of bullion gold bars owned and held by the Company.

	October 31, 2024		October 31, 2023	
	Quantity (ounces)	Value	Quantity (ounces)	Value
Precious Metals Opening Balance	35	94,776	35	95,466
Write Up / (Down) to Net Realizable Value	-	690		(690)
Total Precious Metals	35	95,466	35	94,776

5) Share Capital

The Company has an unlimited number of shares authorized with no par value. The shares are voting shares and contain certain transfer restrictions.

	Number of Shares Issued and Outstanding	Restricted Performance Shares Issued and Outstanding (ix)	Total Shares Issued and Outstanding
Balance as at October 31, 2022	58,946,100	-	58,946,100
Share Based Compensation Option Issuance	-	-	-
Share Based Compensation RSU Issuance (i)	280,000	-	280,000
Share Based Compensation Performance Shares (ii)	125,000	950,000	1,075,000
Balance as at October 31, 2023	59,351,100	950,000	60,301,100
RSUs Vested and Issued (iii)	273,000	-	273,000
PSUs Vested (ix)	950,000	(950,000)	-
Advisor Shares Vested and Issued (iv)	1,000,000	-	1,000,000
Shares Issued in Private Placements (v, vi, vii, viii)	9,592,041	-	9,592,041
Balance as at October 31, 2024	71,166,141	-	71,166,141

Matador Gold Technologies Inc.

Notes to Financial Statements For Year Ended October 31, 2024

(Expressed in Canadian Dollars)

-
- (i) As at October 31, 2023, the Company had 280,000 RSUs that vested at a price of \$0.25 per share.
- (ii) As at October 31, 2023, the Company had 125,000 Performance Shares that were granted as certain milestones were achieved by the Company's consultants at a price of \$0.25 per share.
- (iii) As at October 31, 2024, the Company had 273,000 RSUs that vested at a price of \$0.50 per share.
- (iv) As at October 31, 2024, the Company had 1,000,000 Advisor Shares that vested at a price of \$0.50 per share.
- (v) On April 23, 2024, the Company completed a non-brokered private placement under which a total of 6,000,000 Common Shares were sold at a price of \$0.50 CAD per Common Share for aggregate gross proceeds to the Company of \$3 million. Gross proceeds were in the form of Bitcoin, Legacy Satoshis, and Uncommon Satoshis (Note 3).
- (vi) On July 23, 2024, the Company completed a non-brokered private placement under which a total of 3,250,037 Common Shares were sold at a price of \$0.50 CAD per Common Share for aggregate gross proceeds to the Company of \$1.6 million.
- (vii) On August 16, 2024, the Company completed a non-brokered private placement under which a total of 342,004 Common Shares were sold at a price of \$0.50 CAD per Common Share for aggregate gross proceeds to the Company of \$171,002.
- (viii) On August 20, 2024, Matador commenced a concurrent financing in connection with its planned go-public transaction, to raise a minimum of \$3,500,000 and a maximum of \$4,500,000 gross proceeds by issuing shares at \$0.50 per share. The cash proceeds were received prior to year end and after year end, however shares were not issued until the closing of the financing on December 5, 2024. Prior to October 31, 2024, the Company raised gross proceeds of \$1,230,029. Subsequently, on December 5, 2024, Matador completed the financing and issued 12,446,822 shares, representing the full amount of shares issued in connection with the concurrent financing. Matador raised gross proceeds of \$1,230,029 before year end and \$4,993,382 after year end, for a total amount of \$6,223,411 raised. A portion of the financing proceeds was recognized in contributed surplus (\$1,230,029) in the year ended October 31, 2024.
- (ix) During the year ended October 31, 2024, the performance conditions for 950,000 performance conditions were waived.

6) Stock Based Compensation

Compensation expense recognized consists of stock based compensation offered to key employees.

	Year Ended	
	October 31, 2024	October 31, 2023
Share based Options	552,715	535,720
Share based RSUs	102,708	168,642
Share based Performance Shares	240,102	101,447
Share based Advisor Shares	1,333,522	-
Share based Compensation Expense	2,229,047	805,809

a) Stock Options

The Company's Long-Term Incentive Plan (the "LTIP") adopted in November 2021, provides that stock options may be granted to directors, senior officers, employees and consultants of the Company or any of its affiliates and employees of management companies engaged by the Company. The term and vesting period for options granted under the LTIP are determined by the Company's Board.

Matador Gold Technologies Inc.

Notes to Financial Statements For Year Ended October 31, 2024

(Expressed in Canadian Dollars)

During the year ended October 31, 2023, the Company experienced changes in market conditions, observed decreases in valuation multiples, and recognized the importance of maintaining a competitive and motivating equity incentive program. As a result, the exercise price of certain stock options granted to employees was adjusted from \$0.50 per share to \$0.25 per share (the “**Modification**”). The decision to modify the exercise price was multifaceted. Firstly, the Company responded to prevailing market conditions and a decrease in valuation multiples affecting the Company's industry. Additionally, the adjustment aimed to ensure that the stock options remain aligned with the Company's true value. Importantly, the modification was also motivated by the Company's commitment to fostering an environment of employee motivation and retention, recognizing the need to provide competitive and meaningful incentives in the current market landscape.

The following stock options were in existence as at October 31, 2023:

Option Series	Grant Date	Number of Options Granted	Expiry Date	Exercise Price	Fair Value at Grant Date Before Modification	Incremental Increase to Fair Value After Modification
1	30-Nov-21	2,510,100	01-Jan-27	\$0.25	\$0.19	\$0.05
2	06-Jan-22	1,350,000	06-Jan-25	\$0.25	\$0.13	\$0.05
3	11-Jan-22	1,350,000	10-Jan-26	\$0.25	\$0.17	\$0.05
5	19-Jan-22	30,000	19-Jan-32	\$0.25	\$0.24	\$0.03
6	01-Feb-22	160,000	01-Feb-32	\$0.25	\$0.24	\$0.03
7	01-Oct-22	50,000	01-Oct-32	\$0.25	\$0.49	\$0.03

All stock options were valued using the Black-Scholes pricing model. Where relevant, the expected life used in the model was adjusted based on management's best estimate for the effects of non-transferability, exercise restrictions (including the probability of meeting market conditions attached to the option), and behavioral considerations. Volatility is estimated based on the historical volatility of comparable companies to the Company over the year previous to the grant date, with an adjustment applied to reflect management's best estimate of future volatility, where appropriate.

Inputs into the model are as follows:

Before Modification

Option Series	Grant Date Share Price	Exercise Price	Volatility	Expected Life (years)
1	\$0.50	\$0.50	119.46%	5
2	\$0.50	\$0.50	104.78%	3
3	\$0.50	\$0.50	116.15%	4
5	\$0.50	\$0.50	135.02%	10
6	\$0.50	\$0.50	135.28%	10
7	\$0.50	\$0.50	137.77%	10

Matador Gold Technologies Inc.

Notes to Financial Statements For Year Ended October 31, 2024

(Expressed in Canadian Dollars)

After Modification

Option Series	Grant Date Share Price After Modification	Exercise Price	Volatility	Expected Life (years)
1	\$0.25	\$0.25	49.30%	4
2	\$0.25	\$0.25	68.45%	2
3	\$0.25	\$0.25	61.93%	3
5	\$0.25	\$0.25	62.03%	9
6	\$0.25	\$0.25	61.25%	9
7	\$0.25	\$0.25	61.98%	9

The following stock options were in existence as at October 31, 2024:

Option Series	Grant Date	Number of Options Granted	Expiry Date	Exercise Price	Fair Value at Grant Date
1	30-Nov-21	2,375,434	01-Jan-27	\$0.25	\$0.19
2	06-Jan-22	1,350,000	06-Jan-25	\$0.25	\$0.13
3	11-Jan-22	1,350,000	10-Jan-26	\$0.25	\$0.17
5	19-Jan-22	30,000	19-Jan-32	\$0.25	\$0.24
6	01-Feb-22	160,000	01-Feb-32	\$0.25	\$0.24
7	01-Oct-22	50,000	01-Oct-32	\$0.25	\$0.49
8	01-Aug-24	5,700,000	01-Aug-34	\$0.50	\$0.42

Stock options granted during the year ended October 31, 2024, were valued using the Black-Scholes pricing model. Where relevant, the expected life used in the model was adjusted based on management's best estimate for the effects of non-transferability, exercise restrictions (including the probability of meeting market conditions attached to the option), and behavioral considerations. Volatility is estimated based on the historical volatility of comparable companies to the Company over the year previous to the grant date, with an adjustment applied to reflect management's best estimate of future volatility, where appropriate.

Inputs into the model are as follows:

Option Series	Grant Date Share Price	Exercise Price	Volatility	Expected Life (years)	Grant Date	Expiry Date
1	\$0.25	\$0.25	49%	3	30-Nov-21	01-Jan-27
2	\$0.25	\$0.25	68%	1	06-Jan-22	06-Jan-25
3	\$0.25	\$0.25	62%	2	11-Jan-22	10-Jan-26
5	\$0.25	\$0.25	62%	8	19-Jan-22	19-Jan-32
6	\$0.25	\$0.25	61%	8	01-Feb-22	01-Feb-32
7	\$0.25	\$0.25	62%	8	01-Oct-22	01-Oct-32
8	\$0.50	\$0.50	85%	10	01-Aug-24	01-Aug-34

Matador Gold Technologies Inc.

Notes to Financial Statements For Year Ended October 31, 2024

(Expressed in Canadian Dollars)

Below is a summary of the activity related to outstanding options as at October 31, 2024 and October 31, 2023:

	Year Ended	Year Ended
Expressed in Units	October 31, 2024	October 31, 2023
Outstanding, beginning of period	5,315,434	5,490,100
Granted	5,700,000	-
Exercised	-	-
Forfeited and/or expired	-	(174,666)
Outstanding, end of period	11,015,434	5,315,434
Exercisable options	4,208,570	2,499,202

b) Restricted Share Units ("RSU")

The Company established a restricted stock unit plan ("RSU Plan") in November 2021. The purpose of the RSU Plan is to secure for the Company and its shareholders the benefits of incentive inherent in share ownership by certain directors, officers, other key employees and consultants of the Company ("Participants") who, in the judgement of the Board, will be responsible for its future growth and success. RSUs granted pursuant to this RSU Plan will be used to compensate Eligible Persons who have forgone salary to assist the Company in cash management in exchange for the grant of RSUs and incentive stock options under the Company's stock option plan. Each RSU gives the Participant the right to receive one common share of the Company. The aggregate number of common shares that may be reserved for issuance, at any time, under this Plan and under any other share compensation arrangement adopted by the Company, including the Company's incentive stock option plan, shall not exceed up to a maximum of 10% of the issued and outstanding Shares at the time of grant pursuant to awards granted under all share compensation plans. The term and vesting period for RSUs granted under the RSU Plan are determined by the Company's Board.

Details on the RSUs outstanding are as follows:

RSU Series	Grant Date	Number of RSUs Granted	Fair Value at Grant Date	Number of RSUs Outstanding
1	2022-03-07	160,000	\$0.25	-
2	2022-05-26	300,000	\$0.50	100,000
3	2022-08-03	300,000	\$0.50	100,000
6	2022-12-12	99,000	\$0.50	66,000

Below is a summary of the activity related to RSUs outstanding as at October 31, 2024 and October 31, 2023:

	Year Ended	Year Ended
Expressed in Units	October 31, 2024	October 31, 2023
Outstanding, beginning of period	539,000	720,000
Granted	-	99,000
Exercised	(273,000)	(280,000)
Forfeited and/or expired	-	-
Outstanding, end of period	266,000	539,000

Matador Gold Technologies Inc.

Notes to Financial Statements For Year Ended October 31, 2024

(Expressed in Canadian Dollars)

c) Performance Shares

The purpose of Performance Shares is to secure for the Company and its shareholders the benefits of incentive inherent in share ownership by certain directors, officers, other key employees and consultants of the Company ("Participants") who, in the judgement of the Board, will be responsible for its future growth and success. Performance Shares granted will be used to compensate Eligible Persons who have forgone salary to assist the Company in cash management in exchange for the grant of Performance Shares. Performance Shares will be tied to certain Participant milestones and the term and vesting period for the Performance Shares are determined by the Company's Board. During the period ended October 31, 2024, the Company granted no Performance Shares nor did it issue any common shares upon certain employees achieving certain performance milestones. During the year ended October 31, 2023, the Company issued 125,000 common shares upon certain employees achieving certain performance milestones. Based on the total estimated vesting conditions the total share based compensation expense for the year ended October 31, 2023 is \$101,447. During the year ended October 31, 2023, the Company granted 3,000,000 Performance Shares that had a fair value \$0.25 per common share.

Below is a summary of the activity related to Performance Shares outstanding as at October 31, 2024 and October 31, 2023:

	Year Ended	Year Ended
Expressed in Units	October 31, 2024	October 31, 2023
Outstanding, beginning of period	3,950,000	1,075,000
Granted	-	3,000,000
Exercised (i) (ii)	(950,000)	(125,000)
Forfeited and/or expired	-	-
Outstanding, end of period	3,000,000	3,950,000

(i) On December 1, 2021, 650,000 Common Shares were issued to a consultant of the Company and the performance conditions were waived on July 31, 2024. 450,000 Performance Shares had their performance conditions met in previous years, while the remaining 200,000 Performance Shares had their performance conditions waived in the current year. 200,000 shares have been issued and \$50,000 share based compensation has been recognized in the statement of operations and comprehensive loss.

(ii) On January 11, 2022, 1,500,000 Common Shares were issued to a consultant of the Company and the performance conditions were waived on July 31, 2024. 750,000 Performance Shares had their performance conditions met in previous years, while the remaining 750,000 Performance Shares had their performance conditions waived in the current year. 750,000 shares have been issued and \$115,518 share based compensation has been recognized in the statement of operations and comprehensive loss.

d) Advisor Shares

The purpose of Advisor Shares is to secure for the Company and its shareholders the benefits of incentive inherent in share ownership by certain advisors of the Company ("Advisors") who, in the judgement of the Board, will be responsible for its future growth and success. Advisor Shares granted will be used to compensate Advisors who have forgone salary to assist the Company in exchange for the grant of Advisor Shares. Advisor Shares will be tied to a specific term and vesting period for the Advisor Shares are determined by the Company's Board. During the period ended October 31, 2024, the Company granted 6,000,000 Advisor Shares that had a fair value of \$0.50 per common share. These Advisor Shares were granted on April 23, 2024, and vest on a quarterly basis. As of October 31, 2024, 1,000,000 Advisor Shares were issued. Based on the total estimated vesting conditions the total share based compensation expense for the year ended October 31, 2024 is 1,035,627 (October 31, 2023 – nil).

Matador Gold Technologies Inc.

Notes to Financial Statements For Year Ended October 31, 2024

(Expressed in Canadian Dollars)

Below is a summary of the activity related to Advisor Shares outstanding as at October 31, 2024 and October 31, 2023:

Expressed in Units	Year Ended	
	October 31, 2024	October 31, 2023
Outstanding, beginning of period	-	-
Granted	6,000,000	-
Exercised	(1,000,000)	-
Forfeited and/or expired	-	-
Outstanding, end of period	5,000,000	-

7) Related Party Transactions

TDK Cash Flow Ltd. and Hillcrest Merchant Partners Inc. are related parties of the Company. TDK Cash Flow Ltd. is a Co-Founder and shareholder of Matador. Hillcrest Merchant Partners Inc. is a Co-Founder and shareholder of Matador.

During the year ended October 31, 2024, the Company paid \$339,000 (period ended October 31, 2023 – \$374,030) in consulting fees to TDK Cash Flow Ltd. and Hillcrest Merchant Partners Inc. for:

- a) Business operations support;
- b) HR services;
- c) Bookkeeping services;
- d) Corporate secretarial services;
- e) Financial advisory services.

These services were incurred in the normal course of operations.

Consulting fees paid to key management personnel for the year ended October 31, 2024 totaled \$206,474 (period ended October 31, 2023 – \$235,001). Share based payments to key management personnel and the Board of Directors of the Company for the year ended October 31, 2024, were valued using the Black-Scholes valuation model to be \$310,927 (period ended October 31, 2023 – \$307,537) and this is included in share based compensation. Key management personnel is comprised of the Company's Chief Executive Officer ("CEO").

8) Net Loss per Share

	Year Ended	
	October 31, 2024	October 31, 2023
Net Loss	(4,494,975)	(2,321,764)
Weighted Average Number of Shares Outstanding	65,733,621	59,334,127
Basic and Diluted Loss Per Share	(0.07)	(0.04)

Matador Gold Technologies Inc.

Notes to Financial Statements For Year Ended October 31, 2024

(Expressed in Canadian Dollars)

9) Financial Instruments and Risk Management

In common with all other businesses, the Company is exposed to risks arising from its use of financial instruments. This note describes the Company's objectives, policies, and processes for managing those risks and the methods used to measure them. Further quantitative information in respect of these risks is presented below.

General Objectives, Policies and Processes

Management has overall responsibility for determining the Company's risk management objectives and policies. While management retains ultimate responsibility, it has delegated the authority for designing and implementing processes that ensure effective risk management to the Company's finance function.

The Company's overall objective is to set policies that minimize risk as far as possible without unduly affecting competitiveness and flexibility. The Company has established risk management policies and procedures designed to reduce the potentially adverse effects of market volatility on operating results and financial position. Further details regarding these policies are set out below.

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's approach is to ensure sufficient liquidity to meet operational, tax, capital, and regulatory requirements under both normal and stressed conditions. Cash flow projections are prepared and reviewed regularly to ensure continuity of funding. The Company's financial liabilities consist of accounts payable and accrued liabilities, all of which are due within one year.

Fair Values of Financial Instruments and Digital Assets

IFRS 7 – Financial Instruments: Disclosures requires classification of financial instruments into a three-level hierarchy ("FV hierarchy") based on the significance of the inputs used in making fair value measurements:

- Level 1: Fair value is determined using quoted prices in active markets for identical assets or liabilities.
- Level 2: Fair value is determined using inputs other than quoted prices that are observable, either directly or indirectly.
- Level 3: Fair value is determined using inputs that are unobservable and significant to the overall fair value measurement.

As at October 31, 2024, the Company's financial and digital assets are classified within the FV hierarchy as follows:

Financial Instrument / Digital Asset	Level 1	Level 2	Level 3
Digital Assets (Bitcoin)		X	
Accounts Payable & Accrued Liabilities		X	

X = Classification within the FV hierarchy

IFRS 7 - Financial Instruments: Disclosures requires disclosure of a three-level hierarchy ("FV hierarchy") that reflects the significance of the inputs used in making fair value measurements and disclosures. Fair values of assets and liabilities included in Level 1 are determined by reference to quoted prices in active markets for identical assets and liabilities. Assets and liabilities in Level 2 include those whose valuations are determined using inputs other than quoted prices for which all significant outputs are observable, either directly or indirectly. Level 3 valuations are those based on inputs that are unobservable and significant to the overall fair value measurement.

Matador Gold Technologies Inc.

Notes to Financial Statements For Year Ended October 31, 2024

(Expressed in Canadian Dollars)

As at October 31, 2024, the Company's financial instruments are comprised of cash and cash equivalents, term deposits and accounts payable and accrued liabilities. These are measured at amortized cost (excluding accounts payable and accrued liabilities, which are measured at fair value). During the year ended October 31, 2024, there were no transfers between levels of the fair value hierarchy. The carrying value of the accounts payable and accrued liabilities approximate their fair values due to their short-term nature.

Digital assets are measured at fair value in accordance with IFRS 13 – Fair Value Measurement, which defines fair value as the price at which an asset could be exchanged between knowledgeable, willing parties in an arm's length transaction at the measurement date.

The Company classifies its digital assets within the fair value hierarchy as follows:

- Bitcoin – Level 2: The fair value of Bitcoin is determined using observable market inputs, such as aggregated exchange data from active markets, rather than a single quoted price.

If quoted prices are unavailable, fair value is estimated using valuation techniques that prioritize observable inputs while minimizing the use of unobservable data.

The fair value of these Digital Assets was determined as follows:

- Bitcoin: determined by taking the last closing price for the day in eastern standard time from www.blockchain.com.

Digital assets are subject to significant market volatility. The value of digital assets can fluctuate widely over short periods due to various factors, including but not limited to changes in investor sentiment, regulatory developments, technological advancements, macroeconomic factors, and market supply and demand dynamics. Given this volatility, the fair value of digital assets may experience substantial changes between reporting periods. Such fluctuations can result in material gains or losses being recognized in the financial statements. The Company regularly monitors the market value of its digital asset holdings and adjusts their carrying value accordingly.

10) Capital Risk Management

The Company manages its capital with the following objectives:

- a) to ensure sufficient financial flexibility to achieve the ongoing business objectives including funding of future growth opportunities and pursuit of accretive acquisitions; and
- b) to maximize shareholder return, through enhancing the share value.

The Company monitors its capital structure and makes adjustments according to market conditions in an effort to meet its objectives given the current outlook of the business and industry in general. The Company may manage its capital structure by issuing new shares, repurchasing outstanding shares, adjusting capital spending, or disposing of assets. The capital structure is reviewed by management and the Board of Directors on an ongoing basis. The Company considers its capital to be equity, comprising share capital, options, RSUs, performance shares, advisor shares and retained earnings, which at October 31, 2024 totaled \$6,230,783 (at October 31, 2023 – \$2,412,424).

Matador Gold Technologies Inc.

Notes to Financial Statements For Year Ended October 31, 2024

(Expressed in Canadian Dollars)

11) Income Taxes

The reconciliation of the combined Canadian federal and provincial statutory income tax rate of 27% to the effective tax rate is as follows:

	Year Ended	
	October 31, 2024	October 31, 2023
Net Loss Before Income Tax Recovery	(4,494,975)	(2,321,764)
Expected Income Tax Recovery at Effective Tax Rate of 27%	(1,191,168)	(615,268)
Permanent Differences	146,600	174,834
Temporary Differences	323,829	-
Non-Capital Losses Carried Forward	720,739	440,433
Income Tax Expense	-	-

Deferred taxes are provided as a result of temporary differences that arise due to the differences between the income tax values and the carrying amount of assets and liabilities. Deferred tax assets have not been recognized in respect of the following deductible temporary differences. As at October 31, 2024, the Company has \$8,061,181 (at October 31, 2023 – \$5,341,411) of non-capital loss carry forwards available to reduce taxable income for future years. These losses will expire between 2044.

	Year Ended	
	October 31, 2024	October 31, 2023
Non-Capital Losses Carried Forward	2,136,213	1,415,474
Unrecognized Deferred Tax Asset	(2,444,609)	(1,415,474)
Digital Assets	308,396	-
Net Deferred Tax	-	-

12) Subsequent Events

On August 20, 2024, Matador commenced a concurrent financing in connection with a planned go-public transaction. As part of this financing, the Company raised funds both before year end (October 31, 2024) and after year end (by December 5, 2024). The concurrent financing objective was to raise a minimum of \$3,500,000 and a maximum of \$4,500,000 gross proceeds by issuing shares at \$0.50 per share. Prior to October 31, 2024, the Company raised gross proceeds of \$1,230,029, however the shares were not issued until the closing of the financing on December 5, 2024. Subsequently, on December 5, 2024, Matador completed the financing and issued 12,446,822 shares, representing the full number of shares issued in connection with the concurrent financing. Matador raised gross proceeds of \$1,230,029 before year end and \$4,993,382 after year end, for a total amount of \$6,223,411 raised.

On December 9, 2024, Matador announced the completion of its previously announced “Qualifying Transaction” as defined under *Policy 2.4 – Capital Pool Companies* of the TSX Venture Exchange. The Qualifying Transaction was effected through a reverse takeover structured as a court approved plan of arrangement under Section 182 of the Business Corporations Act (Ontario) on the terms and conditions set out in the merger agreement dated October 16, 2024.