Edgewater Wireless Systems Inc.

CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

FOR THE THREE AND NINE MONTHS ENDED JANUARY 31, 2025 AND 2024

(EXPRESSED IN CANADIAN DOLLARS) (UNAUDITED)

NOTICE TO READER

The accompanying unaudited condensed interim consolidated financial statements of the Company have been prepared by and are the responsibility of management. The unaudited condensed interim consolidated financial statements have not been reviewed by the Company's auditors.

Edgewater Wireless Systems Inc.
Condensed Interim Consolidated Statements of Financial Position
(Expressed in Canadian Dollars)
(Unaudited)

	As at January 31, 2025	As at April 30, 2024
ASSETS		
Current assets		
Cash	**$ 1,606,330**	$ 99,393
Short-term investments (note 4)	**11,542**	11,080
Amounts receivable (note 5)	**42,791**	8,460
Prepaid expenses and deposits	**123,615**	148,201
Total current assets	**1,784,278**	267,134
Non-current assets		
Property and equipment (note 6)	**1,156**	1,139
Right-of-use asset (note 7)	**4,284**	17,127
Total assets	**$ 1,789,718**	$ 285,400
LIABILITIES AND SHAREHOLDERS' DEFICIENCY		
Current liabilities		
Accounts payable and accrued liabilities (notes 8 & 12)	**$ 1,580,918**	1,409,940
Deferred revenue	**252,119**	252,119
Lease liability (note 9)	**5,212**	19,732
Notes and loan payable (note 10)	**12,789**	12,494
Convertible debentures (note 11)	**66,107**	-
Total current liabilities	**1,917,145**	1,694,285
Non-current liabilities		
Loan payable (note 10)	**60,000**	60,000
Convertible debentures (note 11)	**537,000**	181,834
Total liabilities	**2,514,145**	1,936,119
Shareholders' deficiency		
Share capital (note 13)	**37,470,853**	36,503,080
Warrants	**1,910,178**	983,250
Contributed surplus	**8,597,635**	8,478,231
Deficit	**(48,703,093)**	(47,615,280)
Total shareholders' deficiency	**(724,427)**	(1,650,719)
Total liabilities and shareholders' deficiency	**$ 1,789,718**	$ 285,400

Going concern (note 1)
Contingencies (note 17)
Subsequent events (note 18)

Approved on behalf of the Board:

(Signed) "Brian C. Imrie"	(Signed) "Ralph Garcea"
Director	Director

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

Edgewater Wireless Systems Inc.
Condensed Interim Consolidated Statements of Loss and Comprehensive Loss
(Expressed in Canadian Dollars)
(Unaudited)

	Three Months Ended January 31, 2025	Three Months Ended January 31, 2024	Nine Months Ended January 31, 2025	Nine Months Ended January 31, 2024
Revenues (note 15)				
Products	**$ -**	$ -	**$ -**	$ 1,749
Services	**-**	-	**-**	11,605
	-	-	**-**	13,354
Cost of sales	**-**	229	**-**	1,271
Gross margin	**-**	(229)	**-**	12,083
Operating expenses (note 16)				
Sales and marketing	**24,951**	19,963	**25,358**	62,061
General and administrative (notes 12 & 16)	**241,489**	123,833	**567,637**	513,206
Product development	**(11)**	6,623	**963**	16,583
Operations	**3,654**	11,891	**37,455**	35,335
Loss from operations	**270,083**	162,310	**631,413**	627,185
Change in fair value of convertible debentures (note 11)	**296,602**	(51,484)	**355,166**	(89,878)
Interest expense	**20,673**	1,616	**90,045**	4,220
Finance income	**(3,506)**	(1,775)	**(4,233)**	(1,845)
Foreign exchange loss (gain)	**11,551**	(17,534)	**15,422**	(5,911)
Net loss and comprehensive loss	**$ (595,403)**	$ (93,362)	**$ (1,087,813)**	$ (521,688)
Basic and diluted loss per share (note 14)	**$ (0.003)**	$ (0.001)	**$ (0.005)**	$ (0.003)
Weighted average number of common shares outstanding (basic and diluted) (note 14)	**210,727,896**	190,908,589	**201,732,043**	188,883,543

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

Edgewater Wireless Systems Inc.
Condensed Interim Consolidated Statements of Cash Flows
(Expressed in Canadian Dollars)
(Unaudited)

	Nine Months Ended January 31, 2025	Nine Months Ended January 31, 2024
Operating activities		
Net loss for the period	**$ (1,087,813)**	$ (521,688)
Items not affecting cash:		
Share-based payments	**119,404**	28,435
Change in fair value of convertible debentures	**355,166**	(89,878)
Interest expense	**87,729**	3,520
Interest income	**(462)**	-
Depreciation of property and equipment	**478**	997
Amortization on right-of-use asset	**12,843**	12,843
Foreign exchange loss	**295**	5,144
Changes in non-cash operating working capital:		
Amounts receivable	**(34,331)**	(12,213)
Prepaid expenses and deposits	**24,586**	26,178
Accounts payable and accrued liabilities	**245,978**	229,067
Net cash used in operating activities	**(276,127)**	(317,595)
Financing activities		
Proceeds from private placements	**1,840,000**	391,983
Share issuance costs	**(38,150)**	(9,958)
Repayment of notes payable	**(2,262)**	-
Lease liability payments	**(16,029)**	(16,029)
Net cash provided by financing activities	**1,783,559**	365,996
Investing activities		
Purchase of equipment	**(495)**	(219)
Net cash used in investing activities	**(495)**	(219)
Net change in cash	**1,506,937**	48,182
Cash, beginning of period	**99,393**	81,098
Cash, end of period	**$ 1,606,330**	$ 129,280
Non-cash items not included in cash flows		
Shares issued for settlement of interest on convertible debenture	**$ 17,851**	$ 53,946
Units issued for settlement of payables	**$ 75,000**	$ -
Shares issued as payment of share issuance cost	**$ 107,310**	$ -
Warrants issued as payment of share issuance cost	**$ 111,911**	$ -

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

Edgewater Wireless Systems Inc.
Condensed Interim Consolidated Statements of Changes in Shareholders' Deficiency
(Expressed in Canadian Dollars)
(Unaudited)

	Share capital	Warrants	Contributed surplus	Deficit	Total
Balance, April 30, 2023	**$ 36,118,718**	**$ 984,569**	**$ 8,218,551**	**$ (47,415,719)**	**$ (2,093,881)**
Share-based payments (note 13(d))	-	-	28,435	-	28,435
Shares issued to settle interest on convertible debenture (note 11)	53,946	-	-	-	53,946
Warrants expired (note 13(c))	-	(185,067)	185,067	-	-
Private placements (note 13(b))	323,070	68,913	-	-	391,983
Issuance costs (note 13(b))	(8,205)	(1,753)	-	-	(9,958)
Net loss and comprehensive loss	-	-	-	(521,688)	(521,688)
Balance, January 31, 2024	**$ 36,487,529**	**$ 866,662**	**$ 8,432,053**	**$ (47,937,407)**	**$ (2,151,163)**
Balance, April 30, 2024	**$ 36,503,080**	**$ 983,250**	**$ 8,478,231**	**$ (47,615,280)**	**$ (1,650,719)**
Share-based payments (note 13(d))	-	-	119,404	-	119,404
Shares issued to settle interest on convertible debenture (note 11)	17,851	-	-	-	17,851
Private placements (note 13(b))	1,080,750	1,053,471	-	-	2,134,221
Issuance costs (note 13(b))	(130,828)	(126,543)	-	-	(257,371)
Net loss and comprehensive loss	-	-	-	(1,087,813)	(1,087,813)
Balance, January 31, 2025	**$ 37,470,853**	**$ 1,910,178**	**$ 8,597,635**	**$ (48,703,093)**	**$ (724,427)**

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

1. NATURE OF OPERATIONS AND GOING CONCERN

Incorporated under the Canada Business Act, Edgewater Wireless Systems Inc. (the "Company") main activity is developing and commercializing leading edge technologies and intellectual property for the communications market. The Company's head office is Suite 202, 11 Hines Road, Kanata, Ontario, Canada.

These unaudited condensed interim consolidated financial statements have been prepared on a going concern basis in accordance with International Financial Reporting Standards. The going concern basis of presentation assumes that the Company will continue in operation for the foreseeable future and be able to realize its assets and discharge its liabilities and commitments in the normal course of business.

The Company has not earned substantial revenue from the sale of its products and is, therefore, considered to be in the development stage. For the nine months ended January 31, 2025, the Company incurred a net loss of $1,087,813 and negative cash flow from operating activities of $276,127. In addition, the Company had a deficit of $48,703,093 and a working capital deficiency (current assets less current liabilities) of $132,867 at January 31, 2025. As a result of the above factors, a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. The continuation of the Company's operations, including product development and marketing activities, is dependent upon the Company's ability to successfully fund its working capital requirements through either debt or equity financing.

Management will need to secure additional financing in sufficient time to complete its planned programs for Fiscal 2026. There can be no assurance that the capital will be available as necessary to meet these continuing expenditures or, if the capital is available, that it will be on terms acceptable to the Company. If the Company cannot secure additional financing on terms acceptable to it or generate product sales with upfront payments, the Company will have to consider additional strategic alternatives which may include, among other strategies, additional cost curtailments, exploring the monetization of intangible assets, seeking to out-license and/or divest assets, winding up, dissolution or liquidation of the Company.

The unaudited condensed interim consolidated financial statements do not reflect adjustments that would be necessary if the going concern assumption were not appropriate. If the going concern basis were not appropriate for these consolidated financial statements, then adjustments would be necessary in the carrying value of the assets and liabilities, the reported revenue and expenses and the consolidated statement of financial position classifications used.

2. BASIS OF PRESENTATION

Statement of compliance

These unaudited condensed interim consolidated financial statements have been prepared in accordance with International Accounting Standard 34, Interim Financial Reporting ("IAS 34"), and follow the same accounting policies and methods of application as the annual consolidated financial statements of the Company for the year ended April 30, 2024, except as noted below under changes in accounting policies. Accordingly, they do not contain all disclosures required by International Financial Reporting Standards ("IFRS") and should be read in conjunction with the annual consolidated financial statements for the year ended April 30, 2024 and the notes thereto. These unaudited condensed interim consolidated financial statements were approved by the Board of Directors of the Company on March 28, 2025.

These unaudited condensed interim consolidated financial statements have been prepared under the historical cost convention, except for certain financial instruments measured at fair value, as set out in the accounting policies in note 3 of the annual consolidated financial statements for the year ended April 30, 2024.

The preparation of these unaudited condensed interim consolidated financial statements in accordance with IAS 34 requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Company's accounting policies. The significant judgments made by management in applying the Company's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the annual consolidated financial statements for the year ended April 30, 2024.

(Expressed in Canadian Dollars) (Unaudited)

3. MATERIAL ACCOUNTING POLICIES

New accounting policies adopted

Certain pronouncements were issued by the IASB or the IFRIC that are mandatory for accounting periods commencing on or after May 1, 2024. Many are not applicable or do not have a significant impact to the Company and have been excluded. The Company has adopted the following policy effective May 1, 2024.

IAS 1, Presentation of Financial Statements ("IAS 1")

IAS 1 was amended in January 2020 to provide a more general approach to the classification of liabilities under IAS 1 based on the contractual arrangements in place at the reporting date. The amendments clarify that the classification of liabilities as current or non-current is based solely on a company's right to defer settlement at the reporting date. The right needs to be unconditional and must have substance. The amendments also clarify that the transfer of a company's own equity instruments is regarded as settlement of a liability, unless it results from the exercise of a conversion option meeting the definition of an equity instrument. The amendments are effective for annual periods beginning on January 1, 2024. There was no significant impact to the Company.

4. SHORT-TERM INVESTMENT

At January 31, 2025, the Company had invested $11,010 in a guaranteed investment certificate bearing an annual interest rate of 4.25% and maturing in February 2025.

5. AMOUNTS RECEIVABLE

The composition of amounts receivable was as follows:

	As at January 31, 2025	As at April 30, 2024
HST receivables	**42,791**	8,460
	$ 42,791	$ 8,460

6. PROPERTY AND EQUIPMENT

Cost	Laboratory equipment	Computer hardware	Furniture and fixtures	Total
Balance at April 30, 2023	$ 175,586	$ 117,729	$ 10,799	$ 304,114
Additions	-	546	-	546
Balance at April 30, 2024	$ 175,586	$ 118,275	$ 10,799	$ 304,660
Additions	-	495	-	495
Balance at January 31, 2025	**$ 175,586**	**$ 118,770**	**$ 10,799**	**$ 305,155**

Accumulated Depreciation	Laboratory equipment	Computer hardware	Furniture and fixtures	Total
Balance at April 30, 2023	$ 175,586	$ 115,777	$ 10,799	$ 302,162
Depreciation	-	1,359	-	1,359
Balance at April 30, 2024	$ 175,586	$ 117,136	$ 10,799	$ 303,521
Depreciation	-	478	-	478
Balance at January 31, 2025	**$ 175,586**	**$ 117,614**	**$ 10,799**	**$ 303,999**

(Expressed in Canadian Dollars) (Unaudited)

6. PROPERTY AND EQUIPMENT (continued)

Net Book Value	Laboratory equipment	Computer hardware	Furniture and fixtures	Total
Balance at April 30, 2024	$ -	$ 1,139	$ -	$ 1,139
Balance at January 31, 2025	**$ -**	**$ 1,156**	**$ -**	**$ 1,156**

The following table presents the depreciation expense by function for the nine months ended January 31, 2025 and 2024:

	Three Months Ended January 31, 2025	Three Months Ended January 31, 2024	Nine Months Ended January 31, 2025	Nine Months Ended January 31, 2024
General and administrative	**$ 11**	$ 294	**$ 475**	$ 910
Product development	**(11)**	38	**3**	87
	$ -	$ 332	**$ 478**	$ 997

7. RIGHT-OF-USE ASSET

Office right-of-use asset	
Balance at April 30, 2023	$ 34,251
Amortization	(17,124)
Balance at April 30, 2024	$ 17,127
Amortization	(12,843)
Balance at January 31, 2025	**$ 4,284**

8. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	As at January 31, 2025	As at April 30, 2024
Trade accounts payable and accruals	**$ 1,059,164**	$ 935,558
Accrued vacation pay	**-**	33,277
Accrued salaries	**521,754**	441,105
	$ 1,580,918	$ 1,409,940

9. LEASE LIABILITY

The Company entered into a three-year office lease at its 11 Hines Road location in Kanata, Ontario with the facility being fully available on May 1, 2022. As at January 31, 2025, the present value of the lease using a 15% discount rate was $19,732. The lease matures on April 30, 2025.

Balance at April 30, 2023	$ 36,732
Interest expense	4,372
Lease payments	(21,372)
Balance at April 30, 2024	$ 19,732
Interest expense	1,509
Lease payments	(16,029)
Balance at January 31, 2025	**$ 5,212**

(Expressed in Canadian Dollars) (Unaudited)

9. LEASE LIABILITY (continued)

Allocated as:

	As at January 31, 2025	As at April 30, 2024
Current	**$ 5,212**	$ 19,732

The maturity analysis of the undiscounted contractual balances of the lease liability is as follows:

	As at January 31, 2025	As at April 30, 2024
Less than one year	**$ 5,343**	$ 21,372

10. NOTES AND LOAN PAYABLE

	As at January 31, 2025	As at April 30, 2024
Loan payable to the Government of Canada under the Canada Emergency Business Account (CEBA) program bearing interest of 5.0% per annum, due on December 31, 2026.	**$ 60,000**	$ 60,000
Note payable issued September 2015 non-interest bearing, effective rate of 6.0% per annum, payable on demand in one payment of $12,789 (Euro 8,502).	**12,789**	12,494
	$ 72,789	$ 72,494
Less: current portion	**(12,789)**	(12,494)
	$ 60,000	$ 60,000

During the year ended April 30, 2021, the Company applied and received $60,000 under the CEBA program offered by the Government of Canada. The CEBA loan has no repayment terms and are non-interest bearing during the initial term, until January 18, 2024. The Company has applied an interest rate of 12% in calculating the fair value of the interest free loan, and the $22,883 residual was initially recorded as deferred government assistance.

On January 18, 2024, the remaining outstanding loan balance was converted into a term loan at fixed interest rate of 5% per annum, due on December 31, 2026. If $40,000 of the loan is repaid by January 18, 2024, the remaining $20,000 of the loan will be forgiven. If the Company applies for refinancing with the financial institution that provided the loan by January 18, 2024, the Company may still qualify for the $20,000 loan forgiveness, if $40,000 of the loan and any outstanding interest is paid back by March 28, 2024. The Company did not qualify for the $20,000 loan forgiveness, and the interest free loan initially recorded as deferred government assistance was reclassified as loan payable subsequent to March 28, 2024.

(Expressed in Canadian Dollars) (Unaudited)

10. NOTES AND LOAN PAYABLE (continued)

Financial Liabilities	Notes and loan payable	Government Assistance	Total
Balance at April 30, 2023	$ 49,819	$ 22,883	$ 72,702
Repayment of loan payable	(492)	-	(492)
Interest expense	492	-	492
Foreign exchange adjustments	(208)	-	(208)
Reclassification	22,883	(22,883)	-
Balance at April 30, 2024	$ 72,494	$ -	$ 72,494
Repayment of loan payable	(2,262)	-	(2,262)
Interest expense	2,262	-	2,262
Foreign exchange adjustments	295	-	295
Balance at January 31, 2025	**$ 72,789**	**$ -**	**$ 72,789**

11. CONVERTIBLE DEBENTURES

On September 1, 2022, the Company issued non-secured convertible debentures for proceeds of $716,000 which mature on September 1, 2025 ("convertible debentures"). The convertible debentures bear annual interest at 10%, payable quarterly, in shares or cash, at the discretion of management. If the Company elects to pay in shares, the interest payments are based on the price per share which equals the higher of (i) the market price on the date the interest becomes payable or (ii) the volume weighted average trading price of the Company's shares for ten (10) consecutive trading days preceding the date the interest becomes payable. The principal of the convertible debentures is convertible, as described below, into Units which represent one common share and one warrant to purchase one common share at an exercise price of $0.23 for a period of three years after September 1, 2022. The Company can elect to accelerate expiry of the Warrant if the volume weighted average trading price of the Company's shares exceeds $0.30 for ten consecutive trading days. The principal is convertible to Units at the option of the holders at any time after January 1, 2023 and at the option of the Company at any time after September 1, 2023 at $0.12 per Unit. The Company has the option to prepay the convertible debentures and accrued but unpaid interest at any time after September 1, 2023.

The convertible debentures, which are hybrid instruments, were initially elected to be recognized at fair value through profit and loss. On initial recognition, the liability component of the convertible debentures was valued at $538,214 determined by the sum of the fair values of the host debt and the net conversion and redemption feature. The host debt was valued at $611,732 based on the terms above and selected market yield of 30%. The net conversion and redemption feature was valued at $73,518 using the following assumptions: interest rate of 10%, unit price of $0.08, exercise price of $0.12, discount rate of 30%, volatility of 100%, risk-free rate of 3.51%, and expected life of 1 year. The unit price is determined as the share price plus the fair value of each warrant. Each warrant was valued at $0.01 using the barrier option model as they are subject to an acceleration feature if the volume weighted average price of the shares exceed $0.30 for 10 consecutive days. The following assumptions were used: share price of $0.07, exercise price of $0.23, barrier of $0.30, rebate of $0.07, volatility of 85%, risk-free rate of 3.54%, and expected life of 3 years.

Since the convertible debentures were entered into with non-arm's length related parties, the difference between the fair value at inception and the proceeds received from the convertible debentures of $177,786 was recognized as a capital contribution and included in contributed surplus.

The redemption feature of the convertible debentures became effective on September 1, 2023. As such, the Company holds the discretion to force the conversion of the host debt into units if the price per unit falls below $0.12. Since the fair value of units is below $0.12 as of the valuation date, the fair value of the convertible debentures is determined to equal to fair value of the units. As at January 31, 2025, the liability component of the convertible debentures was valued at $537,000.

(Expressed in Canadian Dollars) (Unaudited)

11. CONVERTIBLE DEBENTURES (continued)

The following table depicts the activity related to the convertible debentures for the nine months ended January 31, 2025 and year ended April 30, 2024.

	Convertible Debentures	Contributed Surplus
Balance at April 30, 2023	$ 359,313	$ 177,786
Non-credit risk fair value adjustment	(123,533)	-
Settlement of interest through issuance of common shares (note 13)	(53,946)	-
Balance at April 30, 2024	$ 181,834	$ 177,786
Interest expense	83,958	-
Settlement of interest through issuance of common shares (note 13)	(17,851)	-
Non-credit risk fair value adjustment	355,166	-
Balance at January 31, 2025	**$ 603,107**	**$ 177,786**

Allocated as:	
Current	$ 66,107
Non-current	537,000
Balance, January 31, 2025	**$ 603,107**

12. RELATED PARTY TRANSACTIONS

During the nine months ended January 31, 2025 and 2024, the Company paid no amounts to directors or senior management of the Company other than as remuneration in their capacity as directors or employees or reimbursement of expenses incurred traveling in the performance of their duties. The Company's compensation program provides that total compensation for senior management may include a combination of base salary, and objective-based incentives as well as the same health and insurance benefit programs as provided to all other employees. All directors and officers are eligible to receive stock options (see note 13(d)).

Senior management personnel are not entitled to any post-employment benefits other than those available to all employees.

Accounts payable and accrued liabilities at January 31, 2025 includes $1,969 (April 30, 2024 - $1,969) due to related parties.

	Three Months Ended January 31, 2025	Three Months Ended January 31, 2024	Nine Months Ended January 31, 2025	Nine Months Ended January 31, 2024
Compensation and benefits	**$ 47,010**	$ 48,476	**$ 138,272**	$ 167,861
Share-based payments	**22,180**	3,596	**85,898**	20,404
	$ 69,190	$ 52,072	**$ 224,170**	$ 188,265

13. SHARE CAPITAL

a) Authorized

- Unlimited number of common shares of no par value;
- 1,600,000 convertible preferred shares Series 1; and
- Unlimited number of convertible voting preferred shares Series 2.

(Expressed in Canadian Dollars) (Unaudited)

13. SHARE CAPITAL (continued)

b) Issued

	Number of common shares		Amount
Balance at April 30, 2023	187,566,114	$	36,118,718
Shares issued to settle interest on convertible debentures (note 11)	1,052,777		53,946
Shares issued in private placement	7,830,000		323,070
Share issuance costs	-		(8,205)
Balance at January 31, 2024	196,448,891	$	36,487,529
Balance at April 30, 2024	**196,948,891**	**$**	**36,503,080**
Shares issued to settle interest on convertible debentures (note 11)	357,016		17,851
Shares issued in private placement	38,300,000		973,440
Shares issued as payment of share issuance cost	1,533,000		107,310
Share issuance costs	-		(130,828)
Balance at January 31, 2025	**237,138,907**	**$**	**37,470,853**

On December 20, 2023, the Company closed the first tranche of its non-brokered private placement (the "2023 Private Placement") of 7,830,000 units of the Company (the "Units") at a price of $0.05 per Unit, for gross proceeds of $391,500. Each Unit is comprised of one common share and one common share purchase warrant (a "Warrant") of the Company. Each Warrant is exercisable into one common share at a price of $0.10 per share for a period of 24 months from the date of issuance.

The gross proceeds of $391,500 were allocated between share capital (in the amount of $322,587) and the warrant reserve (in the amount of $68,913) on a relative fair value basis. The Company incurred share issuance costs of $9,958, out of which $8,205 related to the common share portion was recorded as a reduction of share capital and $1,753 related to the warrant portion was recorded as a reduction to the warrant reserve.

On December 31, 2024, the Company closed its non-brokered private placement (the "Dec 2024 Private Placement") of 38,300,000 units of the Company (the "Units") at a price of $0.05 per Unit, for gross proceeds of $1,915,000. Each Unit is comprised of one common share and one common share purchase warrant (a "Warrant") of the Company. Each Warrant is exercisable into one common share at a price of $0.08 per share for a period of 24 months from the date of issuance.

The gross proceeds of $1,915,000 were allocated between share capital (in the amount of $973,440) and the warrant reserve (in the amount of $941,560) on a relative fair value basis. The Company incurred cash commissions of $17,150, legal fees of $21,000, and issued 1,533,000 common shares with a fair value of $107,310 and 2,314,000 finder's warrants with a fair value of $111,911, for total share issuance costs of $257,371, out of which $130,828 related to the common share portion was recorded as a reduction of share capital and $126,543 related to the warrant portion was recorded as a reduction to the warrant reserve.

There were no preferred shares of either series issued or outstanding at the dates of the statements of financial position presented.

(Expressed in Canadian Dollars) (Unaudited)

13. SHARE CAPITAL (continued)

c) Warrants

The following table reflects the continuity of warrants for the nine months ended January 31, 2025 and 2024:

	Number of Warrants	Weighted Average Exercise Price ($)
Balance, April 30, 2023	29,225,029	0.23
Issued	7,875,500	0.10
Expired	(12,000,396)	0.24
Balance, January 31, 2024	25,100,133	0.23
Balance, April 30, 2024	**25,635,133**	**0.19**
Issued	40,614,000	0.08
Balance, January 31, 2025	**66,249,133**	**0.12**

On December 20, 2023, as part of the closing of the 2023 Private Placement, the Company issued 7,830,000 warrants, exercisable into one additional common share at a price of $0.10 per share for a period of 24 months from the date of issuance. The Company issued an additional 45,500 finder's warrants with the same terms as above in connection with the closing of the 2023 Private Placement.

The value allocated to 7,830,000 warrants was determined to be $68,913 based on the relative fair value between the fair value of the common shares and the fair value of warrants issued in 2023 Private Placement. The fair value of the warrants was determined using the Black-Scholes option pricing model with the following assumptions: share price of $0.04, dividend yield of 0%, volatility of 90%, risk-free rate of 3.94%, and expected life of 2 years. The fair value of 45,500 finder's warrants was determined to be $483 using the Black-Scholes option pricing model with the same assumptions as above, of which $398 related to the common share portion is recorded as a reduction to share capital and $85 related to the warrant portion is recorded as a reduction to warrant reserves on a relative fair value basis.

On December 31, 2024, as part of the closing of the Dec 2024 Private Placement, the Company issued 38,300,000 warrants, exercisable into one additional common share at a price of $0.08 per share for a period of 24 months from the date of issuance. The Company issued an additional 2,314,000 finder's warrants with the same terms as above in connection with the closing of the Dec 2024 Private Placement.

The value allocated to 38,300,000 warrants was determined to be $941,560 based on the relative fair value between the fair value of the common shares and the fair value of warrants issued in Dec 2024 Private Placement. The fair value of the warrants was determined using the Black-Scholes option pricing model with the following assumptions: share price of $0.07, dividend yield of 0%, volatility of 147.23%, risk-free rate of 2.93%, and expected life of 2 years. The fair value of 2,314,000 finder's warrants was determined to be $111,911 using the Black-Scholes option pricing model with the same assumptions as above, of which $56,887 related to the common share portion is recorded as a reduction to share capital and $55,024 related to the warrant portion is recorded as a reduction to warrant reserves on a relative fair value basis.

(Expressed in Canadian Dollars) (Unaudited)

13. SHARE CAPITAL (continued)

c) Warrants (continued)

The following table reflects the actual warrants issued and outstanding as at January 31, 2025:

Expiry Date	Exercise Price($)	Number of Options Outstanding
March 30, 2025	0.23	6,316,405
April 1, 2025	0.23	9,681,189
April 26, 2025	0.23	1,227,039
December 20, 2025	0.10	7,875,500
February 26, 2026	0.10	535,000
December 31, 2026	0.08	40,614,000
	0.12	**66,249,133**

d) Stock options

The Company's stock option plan provides that total options outstanding be limited to a maximum of 10% of the issued and outstanding common shares, calculated at the time of each grant. Options may be granted to Directors, employees or consultants at the discretion of the Board. The plan further provides that vesting requirements, pricing and term are all established, at the discretion of the Board of Directors, at the time of each grant, subject to a maximum term of 10 years and any regulatory restrictions.

The following table reflects the continuity of stock options for the nine months ended January 31, 2025 and 2024:

	Number of Stock Options	Weighted Average Exercise Price ($)
Balance, April 30, 2023	15,455,001	0.16
Expired	(2,710,000)	0.13
Balance, January 31, 2024	12,745,001	0.16
Balance, April 30, 2024	**15,645,001**	**0.13**
Granted	4,050,000	0.05
Expired	(2,300,001)	0.05
Balance, January 31, 2025	**17,395,000**	**0.13**

On September 9, 2024, the Company granted 4,050,000 options, exercisable at a price of $0.05 per share to certain employees, consultants and directors of the Company, expiring September 9, 2029. These options will vest 33% immediately, 33% on the first anniversary of the date of grant, and 34% on the second anniversary of the date of grant. The fair value of these options was determined to be $140,130 using the Black-Scholes option pricing model with the following assumptions: share price of $0.04, dividend yield of 0%, expected volatility of 136.04%, risk-free interest rate of 2.77% and expected life of 5 years.

During the three and nine months ended January 31, 2025, share-based payments of $30,355 and $119,404, respectively (three and nine months ended January 31, 2024 – $4,888 and $28,435, respectively) were expensed as general and administrative.

(Expressed in Canadian Dollars) (Unaudited)

13. SHARE CAPITAL (continued)

d) Stock options (continued)

The following table reflects the actual stock options issued and outstanding as at January 31, 2025:

Expiry Date	Exercise Price($)	Remaining Contractual Life (years)	Number of Options Outstanding	Number of Options Vested (Exercisable)
December 15, 2025	0.27	0.87	1,405,000	1,405,000
February 16, 2027	0.31	2.04	1,865,000	1,865,000
November 7, 2028	0.16	3.77	2,185,000	2,185,000
February 16, 2029	0.05	4.05	2,900,000	1,058,500
April 28, 2029	0.14	4.24	2,000,000	2,000,000
June 15, 2029	0.135	4.37	1,450,000	1,450,000
September 9, 2029	0.05	4.61	4,050,000	1,336,500
November 22, 2030	0.08	5.81	1,540,000	1,050,400
	0.13	**3.88**	**17,395,000**	**12,350,400**

14. NET LOSS PER COMMON SHARE

The calculation of basic and diluted loss per share for the three and nine months ended January 31, 2025 was based on the loss attributable to common shareholders of $595,403 and $1,087,813, respectively (three and nine months ended January 31, 2024 - $93,362 and $521,688, respectively) and the weighted average number of basic common shares outstanding of 210,727,896 and 201,732,043, respectively (three and nine months ended January 31, 2024 - 190,908,589 and 188,883,543, respectively). For the years January 31, 2025 and 2024, all potential dilutive stock options and warrants were excluded from the diluted loss per share calculations as they are anti-dilutive.

15. OPERATING SEGMENTS

The Company's Chief Executive Officer ("CEO") has been identified as the chief operating decision maker. The CEO evaluates the performance of the Company and allocates resources based on the information provided by the Company's internal management system at a consolidated level. The Company has determined that it has only one operating segment.

The Company derives all of its revenues from a single product segment comprised of of silicon solutions, wireless access points, associated peripherals and support services. The Company derives its revenues globally and all sales are attributed to the Canadian head office. All of the Company's assets are in Canada. The same products and services are offered for sale in all geographic regions at the same average gross margins.

The Company's revenues were derived from the following regions:

	Three Months Ended January 31,		Nine Months Ended January 31,	
	2025	**2024**	**2025**	**2024**
North America (Canada, U.S.)	**$ -**	$ -	**$ -**	$ 1,749
Europe	**-**	-	**-**	11,605
	$ -	$ -	**$ -**	$ 13,354

(Expressed in Canadian Dollars) (Unaudited)

16. NATURE OF EXPENSES

The consolidated statements of loss and comprehensive loss presents the expenses of the Company categorized by their function. The table below provides supplementary information regarding some of the major expenses categorized by their nature.

	Three Months Ended January 31,		Nine Months Ended January 31,	
	2025	**2024**	**2025**	**2024**
Compensation, employees and directors	**$ 81,035**	$ 55,458	**$ 261,346**	$ 207,280
Depreciation and amortization	**4,410**	4,614	**13,321**	13,840
Consulting fees	**104,019**	48,155	**112,336**	127,853
Travel	**-**	1,039	**586**	2,962
Professional, legal and regulatory fees	**68,475**	27,500	**178,128**	199,970
Office and administrative	**12,144**	25,544	**65,696**	75,280
	$ 270,083	$ 162,310	**$ 631,413**	$ 627,185

17. CONTINGENCIES

The Company is aware of a possible claim that may exist against the Company which relates to a fractional interest that one of the predecessor companies to EWSI had acquired in an oil well. The history of this transaction dates from the 1980’s. Initially, the potential claimant proposed a quit claim settlement which the Company agreed to in an amount of $6,991. Settlement is pending, no estimate of any additional claims can be made at this time. That amount has been established in accrued liabilities. There have been no developments during the nine months ended January 31, 2025.

During the nine months ended January 31, 2025, the Company entered into a portfolio company services agreement with Silicon Catalyst, LLC ("Silicon Catalyst"). Silicon Catalyst has established an incubator program to encourage the development of early-stage companies whose technology relates to the semiconductor sciences by providing resources and management services which will foster their development. Silicon Catalyst will deliver a range of services from management training, introductions to potential advisors, access to technology development services and tools, and funding support to assist the Company. As part of the consideration for providing the services, the Company will grant 18,812,639 warrants, exercisable into one common share at a price of $0.05 per share for a period of 5 years from the date of issuance. The consideration is subject to the receipt of all required corporate and regulatory approvals, including the TSX Venture Exchange ("TSXV").

18. SUBSEQUENT EVENTS

On February 12, 2025, the Company issued 721,872 common shares of the Company at a deemed price of $0.05 per share to settle $36,094 of interest accrued on convertible debentures.