MINEHUB TECHNOLOGIES INC.

Consolidated Financial Statements

For the Years Ended January 31, 2024 and 2023

(Expressed in Canadian Dollars)

Independent Auditor's Report

To the Shareholders of Minehub Technologies Inc.

Opinion

We have audited the consolidated financial statements of Minehub Technologies Inc. (the "Company"), which comprise the consolidated statements of financial position as at January 31, 2024 and 2023, and the consolidated statements of comprehensive loss, changes in shareholders' equity (deficit) and cash flows for the years then ended, and notes to the consolidated financial statements, including material accounting policy information (collectively referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at January 31, 2024 and 2023, and its financial performance and its cash flows for the years then ended in accordance with International Financial Reporting Standards.

Basis for Opinion

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

Material Uncertainty Related to Going Concern

We draw attention to Note 1 to the financial statements, which describes events or conditions that indicate the existence of a material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Key Audit Matters

Key audit matters are those matters, that in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

In addition to the matter described in the Material Uncertainty Related to Going Concern section, we have determined the matters described below to be key audit matters to be communicated in our report.

<table>
<tr><th>KEY AUDIT MATTER</th><th>HOW THE MATTER WAS ADDRESSED IN THE AUDIT</th></tr>
<tr><td>

Evaluation of the acquisition-date fair value of intangible assets acquired in the Waybridge business combination

Refer to Note 3 to the financial statements.

On March 10, 2023, the Company acquired certain assets and liabilities of Waybridge Technologies Inc. (“Waybridge”) for a purchase price of $1,706,106. In connection with the transaction, the Company recognized intangible assets of $370,980. In determining the fair value of the intangible assets at the acquisition date, the Company’s significant assumptions included revenue forecast, royalty rates, and discount rates.

We considered this a key audit matter due to the significant estimation uncertainty and judgments required in determining the fair value of the intangible assets at acquisition. Auditing these management estimates requires a high degree of auditor subjectivity and judgment in applying audit procedures and in evaluating the results of those procedures. This resulted in an increased extent of audit effort, including the involvement of valuation specialists.

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Our approach to addressing the matter included the following procedures, among others:

- With the assistance of valuation specialists:
    - Evaluated the appropriateness of the valuation methodology used by management;
    - Evaluated the longer-term revenue forecast by considering industry data and other comparables;
    - Assessed the reasonableness of the valuation assumptions applied;
    - Tested the mathematical accuracy of the calculations;
- Evaluated overall reasonableness of revenue forecast;
- Performed sensitivity analysis on revenue forecast; and
- Reviewed the adequacy of the disclosures made in relation to the Waybridge business combination in the financial statements.

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Determining the recoverable amount of goodwill

Refer to Note 6 to the financial statements.

As at January 31, 2024, the carrying amount of goodwill was $489,706.

Goodwill is tested for impairment annually and whenever there is an indication of impairment. In performing the impairment assessment of the carrying amount of goodwill, the recoverable amount of the cash-generating unit (“CGU”) to which goodwill has been attributed is determined. The Company determined that the recoverable amount of the CGU corresponded to its fair value less costs of disposal. The estimation of the CGU’s

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Our approach to addressing the matter included the following procedures, among others:

- Evaluated management’s assessment in determining the CGU and the underlying carrying amount;
- With the assistance of valuation specialists:
    - Evaluated the appropriateness of the valuation methodology used by management;
    - Assessed the reasonableness of the valuation assumptions used in the fair value less costs of disposal calculation;

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recoverable amount requires the Company's management to exercise significant judgment. We considered this a key audit matter due to the significant estimation uncertainty and judgments required in determining the recoverable amount of the CGU. Auditing these management estimates requires a high degree of auditor subjectivity and judgment in applying audit procedures and evaluating the results of those procedures. This resulted in an increased extent of audit effort, including the involvement of valuation specialists.	○ Tested the mathematical accuracy of the calculations; • Performed sensitivity analysis; and • Reviewed the adequacy of the disclosures made in relation to the impairment assessment of goodwill in the financial statements.

Other Information

Management is responsible for the other information. The other information comprises the information included in 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, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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

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

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

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

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

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DALE MATHESON CARR-HILTON LABONTE LLP
CHARTERED PROFESSIONAL ACCOUNTANTS
Vancouver, BC

May 29, 2024

MINEHUB TECHNOLOGIES INC.
Consolidated Statements of Financial Position
(Expressed in Canadian Dollars)

	Notes	January 31, 2024	January 31, 2023
Assets			
Current assets			
Cash		$ 3,869,376	$ 1,153,102
Receivables	5	466,934	281,326
Prepaid expenses	9	139,445	147,010
Total current assets		4,475,755	1,581,438
Intangible assets	3,6	277,120	-
Goodwill	3,6	489,706	-
Total assets		**$ 5,242,581**	**$ 1,581,438**
Liabilities			
Current liabilities			
Trade payables and accrued liabilities	7,11	$ 1,215,371	$ 633,884
Convertible debt	8	866,675	842,348
Deferred revenue and other income	12	372,756	155,488
Total current liabilities		2,454,802	1,631,720
Non-current liabilities			
Deferred revenue	12	19,766	-
Total liabilities		2,474,568	1,631,720
Shareholders' equity			
Share capital	9	31,227,928	22,901,097
Equity component of convertible debt reserve	8,10	88,029	88,029
Equity compensation reserve	9,10	2,414,059	2,349,144
Deficit		(30,962,003)	(25,388,552)
Total shareholders' equity		2,768,013	(50,282)
Total liabilities and shareholders' equity		**$ 5,242,581**	**$ 1,581,438**

Nature of and continuance of operations (Note 1)
Subsequent events (Note 16)

Approved on behalf of the Board:

" Vince Sorace "
Vince Sorace, Director

" Joseph Nakhla "
Joseph Nakhla, Director

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

MINEHUB TECHNOLOGIES INC.
Consolidated Statements of Comprehensive Loss
(Expressed in Canadian Dollars)

	Notes	Year Ended January 31, 2024	Year Ended January 31, 2023
Revenue	12	$ 2,009,166	$ 186,784
Expenses			
Payroll and contractor expenses	11	5,959,097	3,337,546
Professional fees	3	636,234	256,126
Office and miscellaneous		635,746	718,464
Marketing		475,449	369,070
Consulting	9,11	367,871	626,047
Administrative services	11	231,245	203,232
Management fees	11	280,066	532,430
Development costs	4	206,810	1,737,331
Travel		100,773	142,798
Regulatory fees		72,930	74,300
Stock-based compensation	9,11	325,553	622,432
Interest and accretion expense	8	114,333	88,626
Amortization	6	93,860	-
Total operating expenses		9,499,967	8,708,402
Net loss from operations		(7,490,801)	(8,521,618)
Other income (expenses)			
Other income	12	988,901	-
Gain on debt remeasurement	8	90,006	52,911
Foreign exchange gain (loss)		(70,738)	(60,949)
Total other income (expenses)		1,008,169	(8,038)
Net and comprehensive loss		$ (6,482,632)	$ (8,529,656)
Loss per share – basic and diluted		$ (0.14)	$ (0.26)
Weighted Average Number of Shares Outstanding	16	46,485,866	33,380,979

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

MINEHUB TECHNOLOGIES INC.
Consolidated Statements of Changes in Shareholders' Equity (Deficit)
(Expressed in Canadian dollars)

		Share Capital					
	Notes	Number of Shares	Amount	Equity Compensation Reserve	Equity Component of Convertible Debt Reserve	Deficit	Total Shareholders' Equity (Deficit)
Balance, January 31, 2022		60,603,493	17,228,945	1,962,707	104,334	(17,385,236)	1,910,750
Shares issued for cash, net of share issue cost	9	16,100,000	5,201,343	253,144	-	-	5,454,487
Repayment and conversion of convertible debt	8,9	810,000	406,809	-	(16,305)	-	390,504
Compensation warrants	9	-	-	37,201	-	-	37,201
Warrant exercise	9	100,000	64,000	-	-	-	64,000
Fair value reclass of expired compensation warrants	9	-	-	(370,569)	-	370,569	-
Options cancelled	9	-	-	(155,771)	-	155,771	-
Stock-based compensation	9,11	-	-	622,432	-	-	622,432
Net and comprehensive loss for the year		-	-	-	-	(8,529,656)	(8,529,656)
Balance, January 31, 2023		77,613,493	$ 22,901,097	$ 2,349,144	$ 88,029	$ (25,388,552)	$ (50,282)
Shares issued for cash, net of share issue cost	9	50,479,241	6,620,725	607,480	-	-	7,228,205
Shares issued pursuant to acquisition	3,9	8,176,634	1,706,106	-	-	-	1,706,106
Compensation warrants	9	-	-	41,063	-	-	41,063
Fair value reclass of expired compensation warrants	9	-	-	(504,426)	-	504,426	-
Fair value reclass of expired options	9	-	-	(404,755)	-	404,755	-
Stock-based compensation	9,11	-	-	325,553	-	-	325,553
Net and comprehensive loss for the year		-	-	-	-	(6,482,632)	(6,482,632)
Balance, January 31, 2024		136,269,368	$ 31,227,928	$ 2,414,059	$ 88,029	$ (30,962,003)	$ 2,768,013

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

MINEHUB TECHNOLOGIES INC.
Consolidated Statements of Cash Flows
(Expressed in Canadian dollars)

	Year Ended January 31, 2024	Year Ended January 31, 2023
Cash provided by (used in):		
Operating activities		
Net loss	$ (6,482,632)	$ (8,529,656)
Item not effecting cash:		
Interest expense and accretion	114,333	88,623
Amortization	93,860	-
Compensation warrants	-	37,201
Stock-based compensation	325,553	622,432
Gain on debt remeasurement	(90,006)	(52,911)
Non-cash finance expense	11,792	91,946
Changes in non-cash working capital items:		
Receivables	(30,785)	(90,191)
Prepaid expenses	54,520	443,977
Accounts payable and accrued liabilities	861,951	(24,643)
Deferred revenue	237,034	155,488
Net cash used in operating activities	(4,904,380)	(7,257,734)
Investing activities		
Cash acquired in acquisition, net of acquisition costs	351,386	-
Net cash provided by investing activities	351,386	-
Financing activities		
Proceeds from issuance of shares, net of issue costs	7,269,268	5,454,487
Loan repayment	-	(48,647)
Proceeds from stock option and warrant exercises	-	64,000
Net cash provided by financing activities	7,269,268	5,469,840
Increase (decrease) in cash	2,716,274	(1,787,894)
Cash, beginning	1,153,102	2,940,996
Cash, ending	$ 3,869,376	$ 1,153,102
Non-cash transactions:		
Shares issued pursuant to acquisition	$ 1,706,106	$ -
Shares issued for repayment of convertible debt	$ -	$ 406,809

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

1. Nature and continuance of operations

MineHub Technologies Inc. (the "Company") was incorporated in the province of British Columbia on February 19, 2018. The Company is engaged in the development and operation of a digital supply chain platform for the commodity markets. The Company's registered and records office is 2501-550 Burrard Street, Vancouver, British Columbia, V6C 0A8. The Company's head office is located at 918-1030 West Georgia Street, Vancouver, British Columbia, V6E 2Y3. On September 7, 2021, the Company's common shares began trading on the TSX Venture Exchange ("TSX-V") under the ticker MHUB and on the OTCQB under the ticker MHUBF.

These consolidated financial statements have been prepared on the assumption that the Company will continue as a going concern, meaning it will continue in operation for the foreseeable future and will be able to realize assets and discharge liabilities in the ordinary course of operations. Different bases of measurement may be appropriate if the Company is not expected to continue operations for the foreseeable future. As at January 31, 2024, the Company has generated minimal revenues and has incurred losses since inception. The Company's continuation as a going concern is dependent on its ability to generate future cash flows and/or obtain additional financing. These factors indicate the existence of a material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern. Management intends to finance operating costs over the next twelve months with cash on hand, loans from directors and companies controlled by directors and/or private placements of common stock. There is a risk that additional financing will not be available on a timely basis or on terms acceptable to the Company. These consolidated financial statements do not reflect any adjustments that may be necessary if the Company is unable to continue as a going concern, and such adjustments could be material.

These consolidated financial statements were authorized for issue by the Board of Directors on May 23, 2024.

2. Material accounting policy information

(a) Statement of compliance to International Financial Reporting Standards

The consolidated financial statements of the Company have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and interpretations of the International Financial Reporting Interpretations Committee ("IFRIC").

(b) Basis of preparation

The consolidated financial statements have been prepared on an accrual basis except for cash flow information and are based on historical costs modified where applicable. The consolidated financial statements are presented in Canadian dollars unless otherwise noted. The policies set out below were consistently applied to all periods presented unless otherwise noted.

(c) Use of estimates and assumptions

The preparation of consolidated financial statements in accordance with IFRS requires the Company to make estimates and assumptions concerning the future. The Company's management reviews these estimates and underlying assumptions on an ongoing basis, based on experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Revisions to estimates are adjusted for prospectively in the period in which the estimates are revised.

Estimates and assumptions where there is significant risk of material adjustments to assets and liabilities in future accounting periods include fair value measurements for financial instruments, the recoverability and measurement of deferred tax assets and valuation of intangible assets and goodwill.

2. Material accounting policy information (Continued)

(d) Material judgments

The preparation of consolidated financial statements in accordance with IFRS requires the Company to make judgments, apart from those involving estimates, in applying accounting policies. The most significant judgments, estimates and assumptions applied to the Company's consolidated financial statements include:

- The assessment of the Company's ability to continue as a going concern and whether there are events or conditions that may give rise to significant uncertainty.
- Whether the expenditures incurred on the development of the Company's platform meet the criteria for recognition as an intangible asset pursuant to IAS 38 *Intangible Assets*. The Company has determined that to date the Company's platform under development does not meet the capitalization criteria. Consequently, the expenditures incurred that are directly attributable to its development have been expensed.
- The Company uses the Black-Scholes Option Pricing Model for valuation of stock-based compensation. Option pricing models require the input of subjective estimates and assumptions including expected price volatility, interest rate and forfeiture rate. Changes in the input estimates and assumptions can materially affect the fair value estimate and the Company's earnings and equity reserves.
- The Company uses significant judgment to assess whether services sold in a customer contract are considered distinct and should be accounted for as separate performance obligations. Non-distinct services are combined with other goods or services to form a single performance obligation. The Company also applies judgment to determine the estimated hours to completion which affects the timing of revenue recognized for services. Estimated hours to completion are continually and routinely revised based on changes in the progress of customer contracts.
- Management applied judgment with respect to whether the acquisitions completed were considered an asset acquisition or business combination (Note 3). The assessments required management to assess the inputs, processes and outputs of the acquired assets at the time of acquisition.
- Each significant component of intangible assets is amortized over their estimated useful lives. Estimated useful lives are determined based on current facts and past management experience and take into consideration current and forecasted demand.

(e) Basis of consolidation

These consolidated financial statements include the accounts of the Company and its wholly-owned subsidiaries, Minehub (USA) Inc., Yitong Digital Trade (Shanghai) Network Technology Development Co. Ltd. ("MineHub Technologies China"), MineHub Technologies Singapore Pte Ltd, Minehub Technologies Netherlands B.V, and CMDTY UK Ltd. All inter-company balances and transactions have been eliminated upon consolidation.

(f) Intangible assets

Intangible assets acquired from third parties are measured initially at their fair value and either classified as indefinite life or finite life depending on their characteristics. Internally generated intangible assets, such as development costs, are capitalized only when the product is technically and commercially feasible, the costs of generating the asset can be reliably measured, and there is an adequate plan to complete the project. Where these criteria are not met, these costs are expensed as development costs. Intangible assets with indefinite lives are tested for impairment at least annually and intangible assets with finite lives are reviewed for indicators of impairment at least annually.

2. Material accounting policy information (Continued)

(g) Foreign currency translation

Functional currency of each entity is measured using the currency of the primary economic environment in which that entity operates. The consolidated financial statements are presented in Canadian dollars which is the parent company's and subsidiaries' functional and presentation currency.

Foreign currency transactions are translated into functional currency using the exchange rates prevailing at the date of the transaction. Foreign currency monetary items are translated at the period-end exchange rate. Non-monetary items measured at historical cost continue to be carried at the exchange rate at the date of the transaction. Non-monetary items measured at fair value are reported at the exchange rate at the date when fair values were determined.

Exchange differences arising on the translation of non-monetary items are recognized in other comprehensive income to the extent that gains and losses arising on those non-monetary items are also recognized in other comprehensive income. Where the non-monetary gain or loss is recognized in profit or loss, the exchange component is also recognized in profit or loss.

(h) Income taxes

Current income tax

Current income tax assets and liabilities for the current period are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date. Current income tax relating to items recognized directly in other comprehensive income or equity is recognized in other comprehensive income or equity and not in profit or loss. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred income tax

Deferred income tax is provided using the asset and liability method on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes. The carrying amount of deferred income tax assets is reviewed at the end of each reporting period and recognized only to the extent that it is probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilized. Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. Deferred income tax assets and deferred income tax liabilities are offset, if a legally enforceable right exists to set off current tax assets against current income tax liabilities and the deferred income taxes relate to the same taxable entity and the same taxation authority.

(i) Financial instruments

(i) Classification

The Company classifies its financial instruments in the following categories: at fair value through profit and loss ("FVTPL"), at fair value through other comprehensive income (loss) ("FVTOCI") or at amortized cost. The Company determines the classification of financial assets at initial recognition. The classification of debt instruments is driven by the Company's business model for managing the financial assets and their contractual cash flow characteristics. Equity instruments that are held for trading are classified as FVTPL. For other equity instruments, on the day of acquisition the Company

2. Material accounting policy information (Continued)

(i) Classification (Continued)

can make an irrevocable election (on an instrument-by-instrument basis) to designate them as at FVTOCI. Financial liabilities are measured at amortized cost, unless they are required to be measured at FVTPL (such as instruments held for trading or derivatives) or if the Company has opted to measure them at FVTPL.

(ii) Measurement

Financial assets and liabilities at amortized cost
Financial assets and liabilities at amortized cost are initially recognized at fair value plus or minus transaction costs, respectively, and subsequently carried at amortized cost less any impairment.

Financial assets and liabilities at FVTPL
Financial assets and liabilities carried at FVTPL are initially recorded at fair value and transaction costs are expensed in the consolidated statements of comprehensive loss. Realized and unrealized gains and losses arising from changes in the fair value of the financial assets and liabilities held at FVTPL are included in the consolidated statements of comprehensive loss in the period in which they arise.

(iii) Impairment of financial assets at amortized cost

The Company recognizes a loss allowance for expected credit losses on financial assets that are measured at amortized cost. At each reporting date, the Company measures the loss allowance for the financial asset at an amount equal to the lifetime expected credit losses if the credit risk on the financial asset has increased significantly since initial recognition. If at the reporting date, the financial asset has not increased significantly since initial recognition, the Company measures the loss allowance for the financial asset at an amount equal to the twelve month expected credit losses. The Company recognizes in the consolidated statements of comprehensive loss, as an impairment gain or loss, the amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date to the amount that is required to be recognized.

(iv) Derecognition

Financial assets
The Company derecognizes financial assets only when the contractual rights to cash flows from the financial assets expire, or when it transfers the financial assets and substantially all of the associated risks and rewards of ownership to another entity.

Financial liabilities
The Company derecognizes a financial liability when its contractual obligations are discharged or cancelled, or expire. The Company also derecognizes a financial liability when the terms of the liability are modified such that the terms and / or cash flows of the modified instrument are substantially different, in which case a new financial liability based on the modified terms is recognized at fair value.

Gains and losses on derecognition are generally recognized in profit or loss.

(j) Share capital

Common shares are classified as equity. Transaction costs directly attributable to the issue of common shares and stock options are recognized as a deduction from equity, net of any tax effects.

2. Material accounting policy information (Continued)

(k) Loss per share

Basic loss per share is calculated by dividing net loss attributable to common shareholders of the Company by the weighted average number of common shares outstanding during the reporting period. Diluted loss per share is determined by adjusting the net loss attributable to common shares and the weighted average number of common shares outstanding, for the effects of all dilutive potential common shares.

(l) Share-based payments

Share-based payments to employees are measured at the fair value of the instruments issued and amortized over the vesting periods. Share-based payments to non-employees are measured at the fair value of goods or services received or the fair value of the equity instrument issued, if it is determined the fair value of the goods or services cannot be reliably measured, and are recorded at the date the goods or services are received. The corresponding amount is credited to the share-based payment reserve. The fair value of options is determined using the Black-Scholes Option Pricing Model. The number of shares and options expected to vest is reviewed and adjusted at the end of each reporting period such that the amount recognized for services received as consideration for the equity instruments granted, shall be based on the number of equity instruments that eventually vest.

(m) Revenue recognition

Revenue is recognized by applying the five-step model under IFRS 15, Revenue from Contracts with Customers. The Company recognizes revenue when services and performance obligations are satisfied.

Subscription-based services
The Company offers subscriptions for software as a service (SaaS), which allow customer access to the Company's software platform over the contract period. The revenue from this subscription service is recognized ratably over the contract period, commencing on the date the customer enters into the subscription agreement and the customer has the right to use and access the platform. Contract assets representing unbilled services rendered are included in "Receivables" in the consolidated statements of financial position. Contract liabilities representing amounts invoiced before the recognition of services are presented under "Deferred revenue" in the consolidated statements of financial position.

Other services
Revenue from customization of software that is not distinct, is recognized as a combined performance obligation using the percentage-of-completion method based primarily on labour hours. The percentage-of-completion method based on labour hours requires the Company to make significant judgments to determine the estimated hours to completion which affects the timing of revenue recognized.

(n) Business combinations

The Company uses the acquisition method of accounting, in accordance with IFRS 3 Business Combinations, when a business combination occurs and an acquirer obtains control of one or more businesses. The total consideration paid for the acquisition is the aggregate of the fair values of assets acquired, liabilities assumed, and equity instruments issued in exchange for control of the acquiree at the acquisition date. The acquisition date is the date when the Company obtains control of the acquiree.

2. Material accounting policy information (Continued)

(n) Business combinations (Continued)

The identifiable assets acquired and liabilities assumed are recognized at their acquisition date fair values, except for deferred taxes and share-based payment awards where IFRS provides exceptions to recording the amounts at fair value. Goodwill represents the difference between total consideration paid and the fair value of the net identifiable assets acquired. Acquisition costs incurred are expensed through the consolidated statement of comprehensive loss.

In order to allocate the purchase price based on the fair values of the identifiable assets acquired and liabilities assumed on the acquisition date, management will perform a valuation analysis based on the facts and circumstances that existed at the acquisition date. Valuations are highly subjective and dependent on the inputs used and assumptions made by management regarding the future performance of acquired assets and any changes in the discount rate applied. Management has one year from the acquisition date to confirm and finalize the facts and circumstances that support the finalized fair value analysis and related purchase price allocation.

Until such time, these values are provisionally reported and are subject to change. Changes to fair values and allocations are retrospectively adjusted in subsequent periods. Acquisitions that do not meet the definition of a business combination are accounted for as asset acquisitions. Consideration paid for an asset acquisition is allocated to the individual identifiable assets acquired and liabilities assumed based on their relative fair values. Asset acquisitions do not give rise to goodwill.

Where an analyzed transaction does not fall within the scope of IFRS 3 (e.g. share based reverse-acquisition transactions settled via share issuances), a share based payment should be accounted for under IFRS 2 – Share-based payments. IFRS 2 applies to transactions where an entity grants equity instruments and cannot specifically identify some or all of the goods or services received in return. The determination of the acquisition cost is calculated as the difference between the estimated fair value of the shares consideration and the fair value of the net assets acquired.

(o) Goodwill

Goodwill corresponds to the excess of the cost of an acquisition over the acquisition-date fair value of the acquirer's interest in net identifiable assets acquired and liabilities assumed. Goodwill is recognized as an asset at cost and is subsequently measured at cost less any accumulated impairment losses. Acquisition-related expenses are recognized in the income statement in the year in which they are incurred. Goodwill is tested annually for impairment or whenever there is an indication that its value may be impaired. Impairment losses are recognized in profit or loss and are not subsequently reversed.

(p) Accounting standards issued but not yet effective

Accounting standards or amendments to existing accounting standards that have been issued but have future effective dates are either not applicable or are not expected to have a significant impact on the Company's consolidated financial statements.

(q) Comparative figures

Certain comparative figures have been reclassified to conform with the current year's presentation. Amounts from consulting and office and miscellaneous have been reclassified to payroll and contractor expenses.

(Expressed in Canadian dollars)

3. Business Combination

On March 10, 2023, the Company issued 8,176,634 common shares to the shareholders of Waybridge Technologies Inc. ("Waybridge") pursuant to an agreement to purchase certain assets and assume certain liabilities from Waybridge and all the equity securities of the Waybridge UK entity, CMDTY UK Ltd. (Note 9). Waybridge has developed a SaaS platform that provides order processing, real-time shipment tracking, inventory management and reporting for the commodities ecosystem by automating data connections between customers and their entire supply chains, which compliments the MineHub platform. Waybridge had inputs, as well as substantial processes in place generating outputs. As a result, the acquisition of the Waybridge assets and liabilities acquired was determined to be a business combination under IFRS 3 Business Combinations.

In accordance with IFRS 3, the equity consideration was measured at fair value on the date of acquisition, the date control was obtained over the assets acquired and liabilities assumed. The purchase price allocation based on the fair value of assets acquired and liabilities assumed at the acquisition date are as follows:

Fair Value of 8,176,634 shares issued as consideration	$	1,706,106
Allocated to:		
Tangible assets:		
Cash		668,199
Accounts receivable		154,823
Other non-cash working capital		22,398
Intangible assets:		
Backlog (Note 6)		110,239
Technology (Note 6)		260,741
Goodwill (Note 6)		489,706
Total	$	1,706,106

The goodwill represents the excess of the purchase price over the fair value of net assets acquired. It is attributable to the workforce acquired and expected synergies from combining operations. None of the goodwill is deductible for tax purposes.

In connection with the transaction, the Company incurred $316,813 of acquisition costs, which are expensed in the consolidated statement of loss within professional fees.

The receivables acquired in the transaction have a fair value of $154,823, which approximates the gross contractual amounts receivable. The best estimate at the acquisition date of the contractual cash flow for which collection is uncertain is $Nil.

The financial results of Waybridge have been included in the Company's consolidated statements from March 10, 2023, and include revenue of $1,314,854 for the year ended January 31, 2024 and net and comprehensive loss of $2,936,386 for the year ended January 31, 2024. If the Waybridge acquisition had been effective on February 1, 2023, the consolidated pro forma revenue is estimated to be $2,123,435 and pro forma net and comprehensive loss is estimated to be $7,011,207 for the year ended January 31, 2024. The pro forma results of the results of the operations are not intended to reflect the actual results that would have occurred had the acquisition closed on February 1, 2023. Further, the pro forma results of the operations are not necessarily indicative of the results that may be generated by the Company in the future or reflect future events that may occur following the acquisition in subsequent periods.

(Expressed in Canadian dollars)

4. Development costs

On December 18, 2018, the Company entered into an agreement with The International Business Machines Corporation ("IBM") to collaboratively develop a block-chain enabled platform solution to track and trace minerals from miners to end buyers. During the year ended January 31, 2024, the Company engaged IBM Netherland B.V. and other various vendors to continue in the development process of the platform and incurred development costs from IBM of $80,086 (2023 - $1,351,345) (Note 7).

5. Receivables

	January 31, 2024	January 31, 2023
Accounts receivable	$ 399,148	$ 213,605
Sales taxes recoverable	67,786	67,721
	$ 466,934	$ 281,326

6. Intangible assets and goodwill

	Backlog	Technology	Total
Cost			
Balance, January 31, 2023	$ -	$ -	$ -
Additions (Note 3)	110,239	260,741	370,980
Balance, January 31, 2024	$ 110,239	260,741	$ 370,980
Accumulated amortization			
Balance, January 31, 2023	-	-	-
Amortization	(48,227)	(45,633)	(93,860)
Balance, January 31, 2024	$ (48,227)	$ (45,633)	$ (93,860)
Net book value			
Balance, January 31, 2023	-	-	-
Balance, January 31, 2024	$ 62,012	$ 215,108	$ 277,120

The useful life of backlog was determined to be 2 years and the useful life of technology is determined to be 5 years. Intangible assets are amortized using the straight-line method.

Additionally, the Company recognized goodwill of $489,706 on the acquisition of Waybridge during the year ended January 31, 2024 (Note 3).

The Company performed its annual test for goodwill impairment as at January 31, 2024. The Company did so by comparing the carrying value of the cash generating unit against its fair value less costs of disposal. The fair value less costs of disposal of the cash generating unit requires the use of assumptions. The fair value less costs of disposal calculation included the application of revenue multiples of comparable companies and an estimated costs of disposal percentage. The fair value less costs of disposal of the cash generating unit was determined to be higher than its carrying amount; therefore, no impairment was recorded.

(Expressed in Canadian dollars)

7. Trade payables and accrued liabilities

	January 31, 2024	January 31, 2023
Trade payables (Note 11)	$ 893,991	$ 339,354
IBM (Note 4)	-	64,564
Accrued liabilities (Note 11)	321,380	229,966
	$ 1,215,371	$ 633,884

8. Convertible debt

(a) On July 31, 2020, the Company entered into an agreement to combine four outstanding short-term loans into convertible debentures with a principal amount of $791,000. The lenders have an option to convert all or a portion of the principal amount of $664,500 and accrued interest into units of the Company at $0.25 per unit and $126,500 into common shares of the Company at $0.25 per share. Each unit consists of one common share of the Company and one-half share purchase warrant entitling the holder to purchase one share of the Company at an exercise price of $0.50 per unit until July 31, 2025.

The convertible debenture is a compound financial instrument as it includes both liability and equity components. On initial recognition, the Company determined the fair value of the liability component on the date of issue to be $702,971. The fair value of the liability was determined by calculating the fair value of the future cash flows of the loan assuming a discount rate of 12%. The equity component of the debenture was determined to be $88,029, which comprises of the principal value less the liability component.

On July 15, 2022, the lenders extended convertible promissory debentures to July 31, 2023, which resulted in a gain on debt modification of $51,661. On April 14, 2023, the lenders extended convertible promissory debentures to July 31, 2024, which resulted in a gain on debt modification of $87,638.

Details of movement of the convertible promissory debentures are as follows:

	January 31, 2024	January 31, 2023
Balance, beginning	$ 821,570	$ 788,014
Change in fair value on extension	(87,638)	(51,661)
Accretion of convertible debenture	73,841	47,821
Interest accrued	37,550	37,396
Balance, ending	$ 845,323	$ 821,570

(b) On January 21, 2021, the Company entered into two convertible promissory note agreements to borrow an amount of $500,000 each for total proceeds of $1,000,000. Each convertible note matured in one year on January 21, 2022 and bears interest of 10% per annum. As the Company did not complete an Initial Public Offering (“IPO”) within the first six month from the agreement date, the interest increased to 15% per annum. In addition, the Company issued 199,200 units to the lenders as a result of the delayed IPO. The lenders were required to convert a minimum of 25% of the outstanding principal amount and accrued interest into common shares of the Company at $0.50 per share on the event of an IPO (occurred September 7, 2021). The lenders have an option to convert all or any portion of the remaining 75% of the outstanding principal and accrued interest into common shares of the Company at $0.50 per share. Additionally, the Company issued 150,000 share purchase warrants to each lender for total 300,000 share purchase warrants. Each purchase warrant entitled the holder to purchase one share of the Company at an exercise price of $0.75 per share until January 21, 2023.

(Expressed in Canadian dollars)

8. Convertible debt (Continued)

The convertible promissory notes are a compound financial instrument as it includes both a liability and equity components. On initial recognition, the Company determined the fair value of the liability component of each convertible note on the date of issue to be $478,261. The fair value of the liability was determined by calculating the fair value of the future cash flows of the loan assuming a discount rate of 12%. The equity component of each promissory note was determined to be $21,739, which comprises of the principal value less the liability component. The fair value of the 150,000 warrants for each promissory note was determined to be $31,756 using Black-Scholes Option Pricing Model with the following assumptions: Number of warrants: 150,000; Risk free rate of 0.16%; Expected life of 2 years; Expected volatility of 100% and divided yield on $Nil. On April 16, 2021, the Company repaid in full the principal and accrued interest for total amount of $525,000 of one convertible promissory note. On September 1, 2021, the remaining lender converted $125,000 in principal and $8,305 in interest in exchange for 266,600 common shares with a fair value of $138,739. On February 1, 2022, the remaining $375,000 of the principal was converted into 750,000 common shares with a fair value of $391,354 (Note 9). The remaining $48,647 of accrued interest was paid in cash.

Details of movement of the convertible promissory notes are as follows:

		January 31, 2024		January 31, 2023
Balance, beginning	$	-	$	422,003
Amount advanced (repaid)		-		(48,647)
Loan amounts converted		-		(391,354)
Equity component of convertible debenture		-		16,305
Interest accrued		-		1,693
Balance, ending	$	-	$	-

(c) On September 4, 2021, $20,000 of the principal from the loan described in Note 8(a) was assigned to a new lender with the same terms. On December 8, 2021, the lender converted $5,000 in principal into 20,000 common shares with a fair value of $5,000 and 10,000 share purchase warrants. On March 18, 2022, the lender converted the remaining $15,455 in principal into 60,000 common shares with a fair value of $15,455 and 30,000 share purchase warrants (Note 9).

Details of movement of the convertible promissory note are as follows:

		January 31, 2024		January 31, 2023
Balance, beginning	$	-	$	15,366
Loan amount converted		-		(15,455)
Interest accrued		-		89
Balance, ending	$	-	$	-

(d) On September 4, 2021, an additional $20,000 of the principal from the loan described in Note 8(a) was assigned to a new lender with the same terms. On July 15, 2022, the Company extended convertible promissory note to July 31, 2023, which resulted in a gain on debt modification of $1,250. On April 14, 2023, the Company extended convertible promissory note to July 31, 2024, which resulted in a gain on debt modification of $2,368.

Details of movement of the convertible promissory note are as follows:

		January 31, 2024		January 31, 2023
Balance, beginning	$	20,778	$	20,404
Change in fair value on extension		(2,368)		(1,250)
Accretion		1,942		624
Interest accrued		1,000		1,000
Balance, ending	$	21,352	$	20,778

9. Share capital

Authorized share capital

Unlimited common shares without par value.

Issued share capital

At January 31, 2024, there were 136,269,368 issued and fully paid common shares (2023 – 77,613,493).

Share issuance

Year Ended January 31, 2024:

On March 10, 2023, the Company issued 8,176,634 common shares with a fair value of $1,706,106 to the shareholders of Waybridge pursuant to the purchase of certain assets from the company (Note 3).

On April 14, 2023, the Company issued 4,075,000 common shares and 2,037,500 share purchase warrants for gross proceeds of $1,018,750 pursuant to the closing of a non-brokered private placement. Each share purchase warrant is exercisable at $0.40 for 2 years. Using the residual value method, $142,625 of the gross proceeds were allocated to the share purchase warrants. The Company incurred cash share issuance costs of $51,724 and issued 67,500 broker warrants with a fair value of $8,385, which were valued using the Black-Scholes Option Pricing Model with the following assumptions: Average risk-free interest rate of 3.62%; expected life of 2 years; expected volatility of 117.5% and dividend yield of $Nil.

On June 9, 2023, the Company issued 5,000,000 common shares and 2,500,000 share purchase warrants for gross proceeds of $1,000,000 pursuant to the closing of a non-brokered private placement. Each share purchase warrant is exercisable at $0.40 for 2 years. Using the residual value method, the value of the share purchase warrants was $Nil. The Company incurred cash share issuance costs of $4,111.

On October 13, 2023, the Company issued 4,687,875 common shares and 2,343,937 share purchase warrants for gross proceeds of $1,500,120 pursuant to the closing of a non-brokered private placement. Each share purchase warrant is exercisable at $0.50 for 2 years. Using the residual value method, $281,273 of the gross proceeds were allocated to the share purchase warrants. The Company incurred cash share issuance costs of $39,850 and issued 48,112 broker warrants with a fair value of $3,784 which were valued using the Black-Scholes Option Pricing Model with the following assumptions: Average risk-free interest rate of 4.77%; expected life of 1 years; expected volatility of 122.9% and dividend yield of $Nil.

On January 31, 2024, the Company issued 36,716,366 common shares and 36,716,366 share purchase warrants for gross proceeds of $4,038,800 pursuant to the closing of a non-brokered private placement. Each share purchase warrant is exercisable at $0.20 for 3 years. Using the residual value method, $183,582 of the gross proceeds were allocated to the share purchase warrants. The Company incurred cash share issuance costs of $192,718 and issued 1,007,329 broker warrants with a fair value of $28,894 which were valued using the Black-Scholes Option Pricing Model with the following assumptions: Average risk-free interest rate of 4.17%; expected life of 1 years; expected volatility of 115.3% and dividend yield of $Nil.

Year ended January 31, 2023:

On February 1, 2022, the Company issued 750,000 common shares with a fair value of $391,354 pursuant to the conversion of $375,000 in principal related to convertible debt outstanding (Note 8(b)).

(Expressed in Canadian dollars)

9. Share capital (Continued)

On March 18, 2022, the Company issued 60,000 common shares and 30,000 share purchase warrants pursuant to the conversion of $15,455 in principal related to convertible debt outstanding (Note 8(c)).

On March 23, 2022, the Company issued 100,000 common shares for gross proceeds of $64,000 pursuant to the exercise of share purchase warrants. The share price on the date of exercise was $0.93.

On April 1, 2022, the Company issued 3,500,000 common shares and 1,750,000 share purchase warrants for gross proceeds of $3,150,000 pursuant to the closing of a non-brokered private placement. Using the residual value method, $175,000 of the gross proceeds were allocated to the share purchase warrants. The Company incurred cash share issuance costs of $149,312 and issued 162,500 broker warrants with a fair value of $54,656, which were valued using the Black-Scholes Option Pricing Model with the following assumptions: Average risk free interest rate of 2.50%; expected life of 2 years; expected volatility of 100% and dividend yield of $Nil.

On November 24, 2022, the Company issued 12,600,000 common shares for gross proceeds of $2,520,000 pursuant to the closing of a non-brokered private placement. The Company incurred cash share issuance costs of $66,201 and issued 297,500 broker warrants with a fair value of $23,488, which were valued using the Black-Scholes Option Pricing Model with the following assumptions: Average risk free interest rate of 3.86%; expected life of 1 years; expected volatility of 100% and dividend yield of $Nil.

Escrow

At January 31, 2024, there were 4,207,087 shares in escrow (2023 – 8,414,173). Beginning March 2022, the shares started being released 15% every 3 months.

Warrants

Warrant transactions are summarized as follows:

	Number of warrants	Weighted average exercise price
Warrants outstanding, January 31, 2022	5,910,221	$ 0.54
Issued	2,240,000	$ 1.31
Exercised	(100,000)	$ 0.64
Expired	(4,264,944)	$ 0.49
Warrants outstanding, January 31, 2023	3,785,277	$ 1.05
Issued	44,720,744	$ 0.24
Expired	(1,872,777)	$ 0.59
Warrants outstanding, January 31, 2024	46,633,244	$ 0.29

Details of warrants outstanding as at January 31, 2024 are as follows:

Exercise Price	Expiry Date	Balance, end of year
$1.50	April 1, 2024	1,750,000
$1.50	April 1, 2024	162,500
$0.40	April 17, 2026 (1)	2,037,500
$0.40	April 17, 2025	67,500
$0.40	June 9, 2025	2,500,000
$0.50	October 13, 2025	2,343,937
$0.50	October 13, 2024	48,112
$0.20	January 31, 2027	36,716,366
$0.20	January 31, 2025	1,007,329
		46,633,244

9. Share capital (Continued)

(1) During the year ended January 31, 2024, 2,037,500 warrants were extended by one year to a new expiry date of April 17, 2026.

At January 31, 2024, the weighted-average remaining contractual life of warrants outstanding was 2.65 years.

On February 1, 2021, the Company issued 500,000 compensation warrants at an exercise price of $0.25 per share with an expiry date one year from the date that the Company completes a listing of its common shares on a Canadian stock exchange, which was estimated to be August 31, 2021 and actually occurred on September 7, 2021. The compensation warrants vest according to the following schedule: 25% three months from the listing date, 25% six months from the listing date, 25% nine months from the listing date and 25% twelve months from the listing date. The total fair value of the compensation warrants was determined to be $161,760 using the Black-Scholes Option Pricing Model with the following assumptions: average risk-free interest rate of 0.23%; expected life of 1.58 years; expected volatility of 100% and dividend yield of $Nil. During the year ended January 31, 2023, the Company recognized $27,799 in finance expense on the consolidated statement of loss in accordance with the vesting of the compensation warrants. On September 7, 2022, the warrants expired unexercised. Accordingly, an amount of $161,760 was transferred to deficit.

On February 1, 2021, the Company issued 500,000 compensation warrants at an exercise price of $0.50 per share with an expiry date one year from the date that the Company completes a listing of its common shares on a Canadian stock exchange, which was estimated to be August 31, 2021 and actually occurred on September 7, 2021. The compensation warrants vest according to the following schedule: 25% on the listing date, 25% three months from the listing date, 25% six months from the listing date and 25% nine months from the listing date. The total fair value of the compensation warrants was determined to be $117,757 using the Black-Scholes Option Pricing Model with the following assumptions: average risk-free interest rate of 0.23%; expected life of 1.58 years; expected volatility of 100% and dividend yield of $Nil. During the year ended January 31, 2023, the Company recognized $9,402 in finance expense on the consolidated statement of comprehensive loss in accordance with the vesting of the compensation warrants. On September 7, 2022, the warrants expired unexercised. Accordingly, an amount of $117,757 was transferred to deficit.

On March 1, 2021, the Company issued 700,000 compensation warrants in exchange for services at an exercise price of $0.50 per share with an expiry date of March 1, 2023. The compensation warrants vest immediately. The total fair value of the compensation warrants was determined to be $182,995 using the Black-Scholes Option Pricing Model with the following assumptions: risk-free interest rate of 0.49%; expected life of 2 years; expected volatility of 100% and dividend yield of $Nil. The Company recognized $182,995 in prepaid expense and is amortizing the prepaid expense over the service period of two years. During the year ended January 31, 2024, the Company recognized $11,792 in consulting expense on the consolidated statement of comprehensive loss (2023 – $91,496).

During the year ended January 31, 2024, 1,872,777 (2023 – 4,264,944) warrants expired, accordingly a total of $504,426 (2023 – $370,569) was transferred to deficit.

Stock options

The Company has adopted an incentive stock option plan, which provides that the Board of Directors of the Company may from time-to-time, in its discretion, grant to directors, officers, employees and technical consultants to the Company, non-transferable stock options to purchase common shares, provided that the number of common shares reserved for issuance will not exceed a rolling 10% of the Company's issued and outstanding common shares at the time the options are granted.

(Expressed in Canadian dollars)

9. Share capital (Continued)

Stock options transactions are summarized as follows:

	Number of options	Weighted average exercise price
Options outstanding, January 31, 2022	5,595,000	$ 0.44
Issued	1,450,000	0.31
Cancelled	(470,000)	0.67
Options outstanding, January 31, 2023	6,575,000	$ 0.39
Issued	3,100,000	0.28
Cancelled	(1,833,750)	0.55
Options outstanding, January 31, 2024	7,841,250	$ 0.31
Options exercisable, January 31, 2024	5,727,000	$ 0.31

On September 1, 2020, the Company granted 2,425,000 stock options to officers and consultants of the Company at an exercise price of $0.25 per common share for a period of five years ending September 1, 2025. The options vest in four equal parts over two years ending September 1, 2022. The total value of these options on grant date was $447,807, determined using the Black-Scholes Option Pricing Model with the following assumptions: Risk free interest rate of 0.34%; Expected life of 5 years; Expected volatility of 100% and dividend yield of $Nil. The Company recognized $Nil (2023 - $37,816) in stock-based compensation expense for the portion of options vested during the year ended January 31, 2024.

On September 29, 2020, the Company granted 1,300,000 stock options to directors of the Company at an exercise price of $0.25 per common share for a period of five years ending September 29, 2025. The options vest in four equal parts over two years ending September 29, 2022. The total value of these options on grant date was $240,012, determined using the Black-Scholes Option Pricing Model with the following assumptions: Risk free interest rate of 0.31%; Expected life of 5 years; Expected volatility of 100% and dividend yield of $Nil. The Company recognized $Nil (2023 - $19,809) in stock-based compensation expense for the portion of options vested during the year ended January 31, 2024.

On January 29, 2021, the Company granted 680,000 stock options to officers and consultants of the Company at an exercise price of $0.50 per common share for a period of five years ending January 29, 2026. The options vest in four equal parts over two years ending January 29, 2023. The total value of these options on grant date was $250,089, determined using the Black-Scholes Option Pricing Model with the following assumptions: Risk free interest rate of 0.31%; Expected life of 5 years; Expected volatility of 100% and dividend yield of $Nil. The Company recognized $Nil (2023 - $36,657) in stock-based compensation expense for the portion of options vested during the year ended January 31, 2024.

On April 13, 2021, the Company granted 125,000 stock options to consultants of the Company at an exercise price of $0.50 per common share for a period of five years ending April 13, 2026. The options vest in four equal parts over two years ending April 13, 2023. The total value of these options on grant date was $46,408, determined using the Black-Scholes Option Pricing Model with the following assumptions: risk-free interest rate of 0.93%; expected life of 5 years; expected volatility of 100% and dividend yield of $Nil. The Company recognized $Nil (2023 - $(4,247)) in stock-based compensation expense for the portion of options vested during the year ended January 31, 2024.

9. Share capital (Continued)

On September 2, 2021, the Company granted 520,000 stock options to consultants of the Company at an exercise price of $1.00 per common share for a period of five years ending September 2, 2026. Of the options, 60,000 vested immediately and $44,795 in stock-based compensation was recorded, determined using the same assumptions as below. The remaining options vest in four equal parts over two years ending September 2, 2023. The total value of these options on grant date was $343,425, determined using the Black-Scholes Option Pricing Model with the following assumptions: risk-free interest rate of 1.56%; expected life of 5 years; expected volatility of 100% and dividend yield of $Nil. The Company recognized $3,808 (2023 - $149,475) in stock-based compensation expense for the portion of options vested during the year ended January 31, 2024.

On November 1, 2021, the Company granted 500,000 stock options to consultants of the Company at an exercise price of $1.06 per common share for a period of five years ending November 1, 2026. The options vest in four equal parts over two years ending November 1, 2023. The total value of these options on grant date was $369,500, determined using the Black-Scholes Option Pricing Model with the following assumptions: risk-free interest rate of 1.56%; expected life of 5 years; expected volatility of 100% and dividend yield of $Nil. The Company recognized a reversal of $110,281 (2023 – expense of $209,732) in stock-based compensation expense for the portion of options vested and unvested options cancelled during the year ended January 31, 2024.

On January 5, 2022, the Company granted 100,000 stock options to a consultant of the Company at an exercise price of $0.97 per common share for a period of five years ending January 5, 2027. The options vest in four equal parts over two years ending January 5, 2024. The total value of these options on grant date was $75,383, determined using the Black-Scholes Option Pricing Model with the following assumptions: risk-free interest rate of 1.67%; expected life of 5 years; expected volatility of 100% and dividend yield of $Nil. The Company recognized a reversal of $42,436 (2023 – expense of $55,663) in stock-based compensation expense for the portion of options vested and unvested options cancelled during the year ended January 31, 2024.

On February 1, 2022, the Company granted 100,000 stock options, which are exercisable at $0.93 for a period of 5 years. The options vest in four equal parts over two years ending February 1, 2024. The total value of these options on grant date was $66,163, determined using Black-Scholes Option Pricing Model with the following assumptions: risk-free interest rate of 1.79%; expected life of 5 years; expected volatility of 98.2% and dividend yield of $Nil. The Company recognized $11,354 (2023 - $52,311) in stock-based compensation expense for the portion of options vested during the year ended January 31, 2024.

On July 29, 2022, the Company granted 160,000 stock options, which are exercisable at $0.30 for a period of 5 years. The options vest in four equal parts over two years ending July 29, 2024. The total value of these options on grant date was $33,639, determined using the Black-Scholes Option Pricing Model with the following assumptions: risk-free interest rate of 2.83%; expected life of 5 years; expected volatility of 112.5% and dividend yield of $Nil. The Company recognized $6,646 (2023 - $17,684) in stock-based compensation expense for the portion of options vested during the year ended January 31, 2024.

On September 16, 2022, the Company granted 440,000 stock options, which are exercisable at $0.25 for a period of 5 years. The options vest in four equal parts over two years ending September 16, 2024. The total value of the options on grant date was $67,821, determined using the Black-Scholes Option Pricing Model with the following assumptions: risk-free interest rate of 3.24%; expected life of 5 years; expected volatility of 109.2% and dividend yield of $Nil. The Company recognized $20,250 (2023 - $26,622) in stock-based compensation expense for the portion of options vested during the year ended January 31, 2024.

9. Share capital (Continued)

On December 5, 2022, the Company granted 600,000 stock options, which are exercisable at $0.255 for a period of 5 years. The options vest in four equal parts over two years ending December 5, 2024. The total value of the options on grant date was $120,059, determined using the Black-Scholes Option Pricing Model with the following assumptions: risk-free interest rate of 3.37%; expected life of 5 years; expected volatility of 110.9% and dividend yield of $Nil. The Company recognized $80,928 (2023 - $19,550) in stock-based compensation expense for the portion of options vested during the year ended January 31, 2024.

On January 17, 2023, the Company granted 150,000 stock options, which are exercisable at $0.30 for a period of 5 years. The options vest in four equal parts over two years ending January 17, 2025. The total value of the options on grant date was $33,895, determined using the Black-Scholes Option Pricing Model with the following assumptions: risk-free interest rate of 2.88%; expected life of 5 years; expected volatility of 114.6% and dividend yield of $Nil. The Company recognized $7,114 (2023 - $1,360) in stock-based compensation expense for the portion of options vested during the year ended January 31, 2024.

On March 13, 2023, the Company granted 1,560,000 stock options, which are exercisable at $0.30 for a period of 5 years. The options vest in four equal parts over two years ending March 13, 2025. The total value of the options on grant date was $341,698, determined using the Black-Scholes Option Pricing Model with the following assumptions: risk-free interest rate of 3.05%; expected life of 5 years; expected volatility of 116.4% and dividend yield of $Nil. The Company recognized $205,773 in stock-based compensation expense for the portion of options vested during the year ended January 31, 2024.

On June 6, 2023, the Company granted 600,000 stock options, which are exercisable at $0.20 for a period of 5 years. The options vest immediately. The total value of the options on grant date was $123,836, determined using the Black-Scholes Option Pricing Model with the following assumptions: risk-free interest rate of 3.61%; expected life of 5 years; expected volatility of 116.7% and dividend yield of $Nil. The Company recognized $28,988 in stock-based compensation expense during the year ended January 31, 2024.

On June 15, 2023, the Company granted 300,000 stock options, which are exercisable at $0.25 for a period of 5 years. The options vest in two equal parts over one year ending June 15, 2024. The total value of the options on grant date was $53,577, determined using the Black-Scholes Option Pricing Model with the following assumptions: risk-free interest rate of 3.61%; expected life of 5 years; expected volatility of 116.4% and dividend yield of $Nil. The Company recognized $39,962 in stock-based compensation expense for the portion of options vested during the year ended January 31, 2024.

On July 17, 2023, the Company granted 400,000 stock options, which are exercisable at $0.30 for a period of 5 years. The options vest in four equal parts over two years ending July 17, 2025. The total value of the options on grant date was $81,519, determined using the Black-Scholes Option Pricing Model with the following assumptions: risk-free interest rate of 3.85%; expected life of 5 years; expected volatility of 118.4% and dividend yield of $Nil. The Company recognized $44,262 in stock-based compensation expense for the portion of options vested during the year ended January 31, 2024.

On August 8, 2023, the Company granted 190,000 stock options, which are exercisable at $0.35 for a period of 5 years. The options vest in four equal parts over two years ending August 8, 2025. The total value of the options on grant date was $55,491, determined using the Black-Scholes Option Pricing Model with the following assumptions: risk-free interest rate of 3.90%; expected life of 5 years; expected volatility of 119.2% and dividend yield of $Nil. The Company recognized $27,720 in stock-based compensation expense for the portion of options vested during the year ended January 31, 2024.

(Expressed in Canadian dollars)

9. Share capital (Continued)

On December 5, 2023, the Company granted 50,000 stock options, which are exercisable at $0.20 for a period of 5 years. The options vest in four equal parts over two years ending December 5, 2025. The total value of the options on grant date was $8,149, determined using the Black-Scholes Option Pricing Model with the following assumptions: risk-free interest rate of 3.18%; expected life of 5 years; expected volatility of 114.5% and dividend yield of $Nil. The Company recognized $1,465 in stock-based compensation expense for the portion of options vested during the year ended January 31, 2024.

During the year ended January 31, 2024, the Company recorded $325,553 (2023 - $622,432) in stock-based compensation expense. During the year ended January 31, 2024, 1,833,750 options were cancelled, accordingly $404,755 was transferred to deficit. During the year ended January 31, 2023, 470,000 options were cancelled, accordingly $155,771 was transferred to deficit.

10. Reserves

Equity compensation reserve

The equity compensation reserve records items recognized as stock-based compensation expense until such time that the stock options are exercised, at which time the corresponding amount will be transferred to share capital. If the options expire unexercised and cancelled, the amount recorded is transferred to deficit.

Equity component of convertible debt reserve

The convertible debt reserve records the equity component of convertible debt with liability and equity components. On conversion, the amount recorded is transferred to share capital.

11. Related party transactions

Related party transactions are as follows:

	Year Ended January 31, 2024	2023
Administrative, consulting, and management expenses	$ 406,409	$ 582,431
Payroll expenses	196,476	93,272
	$ 602,885	$ 675,703

Key management personnel include directors and senior officers of the Company. Key management compensation is as follows:

	Year Ended January 31, 2024	2023
Aggregate cash compensation	$ 602,885	$ 675,703
Stock-based compensation (Note 9)	150,183	76,122
	$ 753,068	$ 751,825

At January 31, 2024, included in accounts payable and accrued liabilities is $5,750 (2023 - $32,290) due to directors and officers or companies controlled by directors and officers. These amounts are unsecured, non-interest bearing and have no fixed payment terms (Note 7).

(Expressed in Canadian dollars)

12. Revenue and other income

The following table presents revenue from contracts with customers disaggregated by service type:

	Year Ended January 31, 2024	2023
Software as a service revenue	$ 1,443,267	$ 90,698
Professional services	565,899	96,086
	$ 2,009,166	$ 186,784

On May 16, 2023, the Company entered into a Concentrates Application Development Agreement with Sumitomo Corporation ("Sumitomo") under which Sumitomo agreed to fund future development costs subject to certain terms, conditions, and covenants. The Company received $968,383 from Sumitomo during the year ended January 31, 2024 representing the full amount of funding to be provided under the arrangement. The funding was recognized as other income during the year ended January 31, 2024.

The following table provides information about deferred revenue (contract liability):

	January 31, 2024	January 31, 2023
Balance, beginning	$ 155,488	$ -
Increase due to customer invoices issued, excluding amounts recognized as revenue during the year	392,522	155,488
Decrease from revenue recognized that was included in the deferred revenue balance at the beginning of the year	(155,488)	-
Balance, ending	$ 392,522	$ 155,488
Deferred revenue – current	372,756	155,488
Deferred revenue – non-current	19,766	-

13. Income taxes

A reconciliation of the expected income tax recovery to the actual income tax recovery is as follows:

	Year Ended January 31, 2024	Year Ended January 31, 2023
Net loss before income taxes	$ (6,482,632)	$ (8,529,656)
Statutory tax rate	27.0%	27.0%
Expected income tax recovery at the statutory tax rate	(1,750,311)	(2,303,007)
Effect of difference in tax rates	165,988	-
Finance costs	(77,869)	(58,189)
Non-deductible expenses and other	144,463	215,446
Deferred tax assets not recognized	1,517,729	2,145,750
Income tax recovery	$ -	$ -

13. Income taxes (Continued)

Details of deferred tax assets are as follows:

	January 31, 2024	January 31, 2023
Non-capital losses	$ 5,357,925	$ 3,750,724
Share-issue costs	215,080	239,531
Development costs	2,557,074	2,635,818
Intangible assets	13,723	-
Valuation allowance	(8,143,802)	(6,626,073)
Net deferred tax asset	$ -	$ -

The Company has incurred losses of $20,501,358 for tax purposes which are available to reduce future taxable income. The losses expire between 2039 and 2044.

14. Financial instruments and risks

(a) Fair values

The fair values of cash, receivables, accounts payable, and convertible debt approximate their carrying values due to the short-term to maturities of these financial instruments.

(b) Interest rate risk

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company is not exposed to interest rate risk.

(c) Credit risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. The Company's primary exposure to credit risk is in its cash. The risk in cash is managed through the use of a major financial institution which has a high credit quality as determined by rating agencies. For accounts receivable, the Company performs ongoing credit evaluations. Credit risk is assessed as low.

(d) Foreign exchange rate risk

Foreign exchange risk is the risk that the Company's financial instruments will fluctuate in value as a result of movements in foreign exchange rates. The Company is exposed to foreign exchange risk on fluctuations related to cash, receivables, and accounts payable denominated in US Dollars, Euros, British Pound Sterling, Chinese Renminbi, and Singapore Dollars. The Company has significant liabilities denominated in foreign currencies; therefore, foreign exchange risk is assessed as high.

The following is an analysis of Canadian dollar equivalent of financial assets and liabilities that are denominated in US dollars:

	As at January 31, 2024	As at January 31, 2023
Cash	$ 199,992	$ 5,792
Receivables	357,121	213,605
Accounts payable	(127,132)	(31,135)
	$ 429,981	$ 188,262

14. Financial instruments and risks (Continued)

The following is an analysis of Canadian dollar equivalent of financial assets and liabilities that are denominated in Euros:

	As at January 31, 2024	2023
Cash	$ 2,592	$ 60,391
Receivables	-	10,724
Accounts payable	(11,483)	(128,763)
	$ (8,891)	$ (57,648)

The following is an analysis of Canadian dollar equivalent of financial assets and liabilities that are denominated in British Pound Sterling:

	As at January 31, 2024	2023
Cash	$ 13,611	$ -
Receivables	6,466	-
Accounts payable	(605,528)	(186,278)
	$ (585,451)	$ (186,278)

The following is an analysis of Canadian dollar equivalent of financial assets and liabilities that are denominated in Singapore dollars:

	As at January 31, 2024	2023
Cash	$ 2,412	$ 21,829
Accounts payable	(16,548)	(5,518)
	$ (14,136)	$ 16,311

The following is an analysis of Canadian dollar equivalent of financial assets and liabilities that are denominated in Chinese Renminbi:

	As at January 31, 2024	2023
Cash	$ 10,196	$ 23,397
Accounts payable	(9,794)	(975)
	$ 402	$ 22,422

Based on the above net exposures, as at January 31, 2024, a 5% change in the US dollar to the Canadian dollar, Euro to the Canadian dollar, British Pound Sterling to the Canadian dollar, Singaporean dollar to Canadian dollar, and Chinese Renminbi to Canadian dollar, would impact the Company’s net loss by \$22,000, \$500, \$30,000, \$700 and \$20 respectively (2023 - \$9,000, \$3,000, \$9,000, \$800, and \$1,000 respectively).

14. Financial instruments and risks (Continued)

(e) 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 requires funds to finance its business development activities. In addition, the Company needs to raise equity financing to carry out its research and development activities. There is no assurance that financing will be available or, if available, that such financing will be on terms acceptable to the Company. Liquidity risk is assessed as high.

15. Capital management

The Company's capital structure consists of share capital. The Company manages its capital structure and makes adjustments to it, based on the funds available to the Company. The Board of Directors does not establish quantitative return on capital criteria for management, but rather relies on the expertise of the Company's management to sustain future development of the business. The Company is dependent on external financing to fund its activities. In order to carry out research and development and pay for administrative costs, the Company will spend its existing working capital and raise additional amounts as needed. Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company, is reasonable. There were no changes in the Company's approach to capital management since inception. The Company is not subject to externally imposed capital requirements.

16. Subsequent events

On February 5, 2024, the Company repaid $495,000 of the convertible debt (Note 8(a)).

On March 1, 2024, the Company consolidated the outstanding shares on the basis of one post-consolidation share for every two pre-consolidation shares.

On March 26, 2024, the Company granted 825,000 stock options, which are exercisable at $0.20 for a period of five years. The options vest 25% every six months.

On March 29, 2024, the Company granted 300,000 stock options, which are exercisable at $0.20 for a period of five years. The options vested immediately.

On May 1, 2024, the Company granted 400,000 stock options, which are exercisable at $0.25 for a period of five years. The options vest 25% every six months.

On May 8, 2024, the Company granted 1,025,000 stock options, which are exercisable at $0.25 for a period of five years. The options vest 25% every six months.

On May 23, 2024, the Company granted 120,000 stock options, which are exercisable at $0.30 for a period of 5 years. The options vest 25% every six months.