FINTECH SELECT LTD.

CONSOLIDATED FINANCIAL STATEMENTS

YEARS ENDED DECEMBER 31, 2023 AND 2022

FINTECH SELECT LTD.

DECEMBER 31, 2023

CONTENTS

Wasserman
Ramsay
Chartered Professional Accountants

3601 Hwy 7 East, Suite 1008, Markham, Ontario L3R 0M3
Tel. (905) 948-8637 Fax (905) 948-8638
email: wram@wassermanramsay.ca

INDEPENDENT AUDITORS' REPORT

To the Shareholders of
Fintech Select Ltd.:

Opinion
We have audited the consolidated financial statements of Fintech Select Ltd. and its subsidiaries (the "Company"), which comprise the consolidated statements of financial position as at December 31, 2023 and 2022, and the consolidated statements of operations and comprehensive income, cash flows and changes in shareholders' deficit for the years then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Company as at December 31, 2023 and 2022, and its consolidated financial performance and its consolidated cash flows for the years then ended in accordance with International Financial Reporting Standards (IFRSs).

Basis for Opinion
We conducted our audits in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the consolidated 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 in the consolidated financial statements, which indicates that for the year ended December 31, 2023 the Company incurred losses resulting in an accumulated deficit of $26,337,249 and had a working capital deficiency of $872,342. As stated in Note 1, these events or conditions, along with other matters as set forth in Note 1, indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

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

- Management's Discussion and Analysis

Our opinion on the consolidated 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 consolidated 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 consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

We obtained Management's Discussion and Analysis prior to the date of this auditor's report. If, based on the work we have performed on this other information, we conclude that there is a material misstatement of this other information, we are required to report that fact in this auditor's report. We have nothing to report in this regard.

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

In preparing the consolidated 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 consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated 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 consolidated 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 consolidated 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 consolidated financial statements, including the disclosures, and whether the consolidated 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.

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

Wasserman Ramsay

Markham, Ontario
April 26, 2024

Chartered Professional Accountants
Licensed Public Accountants

Fintech Select Ltd.
Consolidated Statements of Financial Position
(Presented in Canadian Dollars)
As at December 31, 2023 and 2022

	Note	December 31 2023	December 31 2022
ASSETS			
CURRENT			
Cash – non-restricted		$ 15,101	$ 35,558
Accounts receivable		146,867	144,850
Intangibles – short term	5	279,574	112,270
Inventory		--	16,347
Prepaid and other assets		28,308	11,656
		469,850	320,681
LONG TERM			
Property and equipment	4	74,728	90,430
Intangibles – long term	5	10,669	71,921
		85,397	162,351
		$ 555,247	$ 483,032
LIABILITIES & SHAREHOLDER'S EQUITY			
CURRENT			
Accounts payable and accrued liabilities	12,16	1,211,882	1,316,009
Deferred revenue		6,448	6,448
Loan from a director	12	89,162	465,162
Demand loan	6	--	4,479
Customer deposits		34,700	34,700
Current portion of lease obligations	9	--	65,714
		1,342,192	1,892,512
NONCURRENT			
Lease obligations	9	--	--
		1,342,192	1,892,512
SHAREHOLDERS' EQUITY (DEFICIENCY)			
Share capital	7	18,686,265	18,686,265
Contributed and other surplus		6,734,115	6,696,166
Surplus – options and warrants	8	181,823	108,004
Other comprehensive loss		(51,899)	(233,454)
Deficit		(26,337,249)	(26,666,461)
		(786,945)	(1,409,480)
		$ 555,247	$ 483,032

Nature of Operations and Going concern (Note 1)
Provision (Note 16)

Approved by the Board

Naveed Ul-Hassan — Director (Signed)

Mohammad Abuleil — Director (Signed)

The accompanying notes form an integral part of these consolidated financial statements.

Fintech Select Ltd.
Consolidated Statements of Operations and Comprehensive Income
(Presented in Canadian Dollars)
For the years ended December 31, 2023 and 2022

	Note	2023	2022
REVENUE		$ 3,822,182	$ 2,587,867
EXPENSES			
Goods and services purchased		219,412	187,213
Salaries and benefits	13	2,942,337	2,623,166
Other general and administrative		210,737	243,620
Stock based compensation		111,768	--
Foreign exchange loss (gain)		25,884	(27,158)
Depreciation and amortization	4,5	79,143	124,990
Interest expenses	6,9	6,769	14,977
		3,596,050	3,166,808
Net income(loss) from operations		226,132	(578,941)
Impairment provision for software	5	--	(382,125)
Gain on settlement of accounts payable		103,080	2,157,450
Net income		329,212	1,196,384
Exchange difference on translating foreign operations		14,252	(38,813)
Gain (Loss) on revaluation of intangibles		167,303	(180,398)
Comprehensive income		510,767	977,173
Earnings per share			
Basic and diluted		$ 0.004	$ 0.015
Weighted Average number of shares outstanding			
Basic and diluted		80,049,515	79,520,611

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

Fintech Select Ltd.
Consolidated Statements of Cash Flow
(Presented in Canadian Dollars)
For the years ended December 31, 2023 and 2022

	Note	2023	2022
Cash provided by (used in)			
Operations			
Net income (loss)		$ 329,212	$ 1,196,384
Items not affecting cash			
Depreciation and amortization		79,143	124,990
Impairment provision for software		--	382,125
Interest expenses		6,769	14,977
Stock based compensation		111,768	--
Unrealized foreign exchange loss (gain)		14,468	(39,274)
Gain on settlement of accounts payable		(103,080)	(2,157,450)
		438,280	(478,248)
Net change in non-cash working capital			
Accounts receivable		(2,017)	9,711
Inventory		16,347	643
Prepaid and other assets		(16,654)	11,378
Accounts payable and accrued liabilities		(1,046)	212,895
Deferred revenue		--	--
		434,910	(243,621)
Investing			
Additions of property and equipment		(2,190)	(5,294)
Proceeds on disposal of short-term intangibles		-	-
		(2,190)	(5,294)
Financing			
Repayment of demand loan		(9,841)	(137,886)
Loan received from (repaid to) a director		(376,000)	465,162
Payment of lease		(67,120)	(114,912)
		(452,961)	212,364
Net change in cash		(20,241)	(36,551)
Effect of exchange rate changes on cash		(216)	463
Cash, beginning of year		35,558	71,646
Cash, end of year		$ 15,101	$ 35,558

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

Fintech Select Ltd.
Consolidated Statement of Changes in Shareholders' Deficit
(Presented in Canadian Dollars)
For the year ended December 31, 2023 and 2022

Year ended Dec 31, 2023	Share Capital Number	Share Capital Amount	Contributed Surplus	Options and Warrant Capital	Accumulated Other Comprehensive Income (Loss)	Deficit	Total
Balance, December 31, 2022	80,049,515	18,686,265	6,696,166	108,004	(233,454)	(26,666,461)	(1,409,480)
Options and warrants expired	--	--	37,949	(37,949)	--	--	--
Options granted	--	--	--	111,768	--	--	111,768
Other comprehensive income from translation of foreign entity	--	--	--	--	14,252	--	14,252
Gain on revaluation of intangibles	--	--	--	--	167,303	--	167,303
Net income	--	--	--	--	--	329,212	329,212
As at December 31, 2023	80,049,515	18,686,265	6,734,115	181,823	(51,899)	(26,337,249)	(786,945)
Balance, December 31, 2021	72,624,515	18,389,265	6,695,094	109,076	(14,243)	(27,862,845)	(2,683,653)
Options and warrants expired	--	--	1,072	(1,072)	--	--	--
Issue of shares	7,425,000	297,000	--	--	--	--	297,000
Other comprehensive income from translation of foreign entity	--	--	--	--	(38,813)	--	(38,813)
Gain on revaluation of intangibles	--	--	--	--	(180,398)	--	(180,398)
Net income	--	--	--	--	--	1,196,384	1,196,384
As at December 31, 2022	80,049,515	18,686,265	6,696,166	108,004	(233,454)	(26,666,461)	(1,409,480)

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

1. NATURE OF OPERATIONS AND GOING CONCERN UNCERTAINTY

Fintech Select Ltd. (the "Company") leads the way in financial payment services, offering cutting-edge solutions such as prepaid card programs, POS Cryptocurrency, and e-wallet and online payment solutions. The Company's registered office address is 100 King St W, Unit T201a, Chatham, ON, N7M 6A9, and its shares are listed on the TSX Venture Exchange under symbol FTEC.

These consolidated financial statements have been prepared on a going concern basis, which assumes the Company will continue its operations in the foreseeable future and that it will be able to realize its assets and discharge its liabilities in the normal course of operations. The facts and circumstances noted below cast significant doubt on the company's ability to continue as going concern.

In the fiscal year, the company generated a net income $329,212 (2022- 1,196,384) and experienced a net inflow of cash from operations of $434,910 (2022 Net outflow - $243,621). Despite this, the Company faces a working capital deficiency of $872,342 (2022 deficit $1,571,831) limiting its capacity to fund capital expenditures and operations.

The continuation of the Company as a going concern hinges on raising adequate working capital, reducing operating expenses, and bolstering revenues and profits. To this end, the Company is actively exploring additional financing options. However, there is no assurance that these efforts will succeed in the near term, and without sufficient financing, the Company may be compelled to cease operations.

These consolidated financial statements do not give effect to adjustments that would be necessary to the carrying values and classification of assets and liabilities should the going concern assumption not be appropriate. These adjustments could be material.

The consolidated financial statements were authorized for issuance by the Board of Directors on April 26, 2024.

2. BASIS OF PRESENTATION

Statement of compliance

These consolidated financial statements have been consistently 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") and effective as of December 31, 2023.

Basis of presentation

These consolidated financial statements are prepared on the historical cost basis except for held for sale investments which are measured at the fair value, with changes being recognized in other comprehensive income and financial assets classified as "fair value through profit and loss", if any, which are measured at fair value.

Principles of consolidation

The consolidated financial statements include the accounts of the Company and its wholly owned subsidiaries, 1382285 Ontario Limited ("SelectComm"), 2143436 Ontario Limited ("SelectCore Comm"), Local Fone Service, Inc. ("LFS"), SelectCore USA, LLC ("SelectCore US") and 2314606 Ontario Limited ("SelectCore Financial Services").

Subsidiaries are all entities over which the Company has the power, is exposed, or has rights, to variable returns from its involvement and has the ability to use its power to affect its returns. Subsidiaries are fully consolidated from the date on which control is transferred to the Company.

The company reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

Inter-Company transactions, balances and unrealized gains or losses between subsidiaries are eliminated in preparing the consolidated financial statements. The financial statements of the subsidiaries are prepared for the same reporting period as the reporting company using consistent accounting policies.

Functional and presentational currency

Unless otherwise noted, all amounts in the accompanying consolidated financial statements and these notes are presented in Canadian funds, which is the functional currency of the Company.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Inventory

Inventory comprises primarily of vouchers and point of sale activated Personal Identification Number ("Pins"), representing wireless prepaid airtime, which are valued at the lower of cost and net realizable value, with cost determined on a First-in First-out basis.

The amount of any write-down of inventories to net realizable value and all losses of inventories is recognized as an expense in the period the write-down or loss occurs. Reversals of previous inventory write downs are recognized in the period in which the reversals occur.

Property and Equipment

All property and equipment are stated at historical cost less amortization and impairment losses, if any. Property and equipment are amortized over their estimated useful lives as follows:

Terminals	-	30% declining balance basis
Electronic equipment	-	20-30% declining balance basis
Office furniture and fixtures	-	20% declining balance basis
Right of use assets	-	straight-line over the term of the lease

The assets' residual values, amortization methods and useful lives are reviewed and adjusted if appropriate at each reporting date.

An item is derecognized upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on disposal of the asset, determined as the difference between the net disposal proceeds and the carrying amount of the asset, is recognized in profit or loss.

Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. All other costs, such as repairs and maintenance, are charged to profit or loss during the financial period in which they are incurred.

Leases

Right of use ("ROU") assets

ROU assets are initially recorded at cost, which comprises the initial amount of the lease liability and any initial direct costs incurred less any lease payments made at or before the initial recognition date. ROU assets are depreciated on a straight-line basis over the estimated useful life of the asset if the Corporation expects to take ownership of the asset at the end of the lease term, or over the lease term if the Corporation does not expect to take ownership of the asset at the end of the lease term. The lease term includes periods covered by an option to extend if the Corporation's intention is to exercise that option. ROU assets are periodically reduced by impairment losses, if any, and adjusted for re-measurements of the lease obligation.

Lease liabilities

The lease liability is measured at the present value of the expected lease payments over the lease term, discounted at the implicit rate in the lease; if the rate cannot be determined, the incremental borrowing rate of the asset or asset grouping is used. The lease liability is increased for the passage of time and payments on the lease are offset against the lease liability. The liability is subsequently re-measured when there is a change in the lease agreement, such as a change in future lease payments or if the Corporation decides to purchase, extend or terminate the lease option. When the lease liability is re-measured, an adjustment is applied to the carrying value of the ROU asset.

SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

Intangibles

Intangible assets comprise computer software and cryptocurrency. Computer software is recorded at cost and amortized on a 30% declining balance basis. Costs associated with maintaining computer software are recognized as an expense in the period incurred. Development costs that are directly attributable to the design and testing of identifiable and unique software products controlled by the Company are recognized as intangible assets when the following criteria are met:

- It is technically feasible to complete the software product so that it will be available for use;
- Management intends to complete the software product and use or sell it;
- There is an ability to use the software product;
- It can be demonstrated that the software product will generate probable future economic benefits;
- Adequate technical, financial and other resources are available to complete the development and to use or sell the software product; and
- The expenditure attributable to the software during its development can be reliably measured.

Other development expenditures that do not meet these criteria are recognized as an expense when incurred. Completed computer software costs are recognized as assets and amortized over their useful lives.

The amortization methods and estimated useful lives of intangible assets are reviewed annually.

Cryptocurrency is recognized at purchase cost and then revalued at the end of each quarter using an open market quoted price. Any decrease in value as a result of revaluation is recorded in profit and loss while increase in value is recorded as other comprehensive income. However, the increase is recognised in profit and loss to the extent that it reverses revaluation decrease of the same asset previously recognised in profit and loss.

SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

Impairment of Long-lived Assets

The carrying amount of Company's non-current assets, which includes property and equipment and intangible assets with finite useful lives are reviewed at each balance sheet date to determine whether there is any indication of impairment. If any indication exists, the assets' recoverable amount is estimated. An impairment loss is charged to profit or loss whenever the carrying amount of an asset (or its cash generating unit) exceeds its recoverable amount. An asset's recoverable amount is greater of its fair value less costs to sell and its value-in-use (calculated as the present value of expected future cash flows). Impairment losses are charged to profit or loss but may be reversed (other than goodwill) if there has been a change in the estimates used to determine the recoverable amount.

Share Issuance Costs

Professional, consulting, regulatory fees and other costs that are directly attributable to the issuance of shares are charged to share capital when the related shares are issued net of any tax effects. Transaction costs of abandoned equity transactions are recognized in the statement of income and comprehensive loss.

Revenue Recognition

The Company recognizes revenue at the time persuasive evidence of an agreement exists, the price is fixed and determinable, the delivery has occurred and collectability is reasonably assured.

In addition, the Company applies the following specific revenue recognition policies:

(a) Revenue for prepaid financial services is generated from multiple sources including transaction fees, cardholder fees and interchange fees and is recognized when transactions occur. Revenue from sales of physical cards is recognized when the card is delivered to the customer.

(b) The Company's revenues are partly generated from delivering point of sale activated prepaid mobile top-up pins and vouchers. Sales of these pins and vouchers under third party brands, where the price to the consumer is fixed or determinable and collection is reasonably assured, are recognized at the date of sale to the customer. Sales of vouchers which allow for the purchase of Pins at a later date are recognized when the pins are delivered. At year end, any voucher amount that has not been delivered to final users is recorded as deferred revenue.

(c) Call center revenue is recognized monthly based on the service categories and minutes of services used by our customers.

(d) Revenue from subscriber services, such as local phone lines, is recognized when the service is provided to the customer. Any payment received in advance of providing services is recorded as deferred revenue.

(e) The Company charges commission on cryptocurrency transactions through our POS system. Once the transaction is completed, the service is considered provided and revenue is recognized monthly based on transactions completed and commission charged during the month.

SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

Stock-Based Compensation

The Company applies a fair value-based method of accounting for stock-based compensation.

Stock-based compensation is charged to operations as an employee or consultant expense over the vesting period and the offset is credited to warrants capital. An individual is classified as an employee when the individual is an employee for legal or tax purposes (direct employee) or provides services similar to those performed by a direct employee. Awards with graded vesting are valued and recognized as compensation cost based on the respective vesting tranche. The amount of compensation cost recognized is adjusted to reflect the number of awards expected to vest based on continued employment vesting conditions, such that the amount ultimately recognized as compensation cost is based on the number of awards that vest.

Consideration received upon the exercise of stock options is credited to share capital and the related warrants capital amount is transferred to share capital.

The fair value of stock options is determined by the Black-Scholes option pricing model with assumptions for risk-free interest rates, dividend yields, volatility factors of the expected market price of the Company's common shares and an expected life of the option issued. The fair value of direct awards of stock is determined by the quoted market price of the Company's stock.

In situations where equity instruments are issued to non-employees and some or all of the goods or services received by the Company as consideration cannot be reliably measured, they are measured at fair value of the equity instruments issued. Otherwise, such stock-based compensation is measured at the fair value of goods or services received.

Warrants

For transactions involving the issuance of warrants, the company measures these transactions at the fair value of the goods or services received, unless the fair value cannot be estimated reliably. In cases where the fair value cannot be estimated reliably, the company measures these transactions by reference to the fair value of the equity instruments granted. In the case of unit placements, the proceeds from the issuance of units is allocated between common shares and warrants on pro-rata basis based on relative fair values. Share issuance costs incurred in connection with the issuance of capital stock are netted against the proceeds received.

SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

Income Taxes

(a) Income tax

Current income tax assets and liabilities for the current and prior periods 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 at the end of each reporting period.

(b) Deferred income tax

Deferred income tax is provided using the liability method on temporary differences, at the end of each reporting period, between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred income tax assets are recognized for all deductible temporary differences, carry forward or unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences and the carry forward of unused tax credits and unused tax losses can be utilized.

The carrying amount of deferred income tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilized. Unrecognized deferred income tax assets are reassessed at the end of each reporting period and are recognized to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

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 at the end of each reporting period. Deferred income tax relating to items recognized directly in equity is recognized in equity and not in the statement of comprehensive income.

Deferred income tax assets and deferred income tax liabilities are offset if, and only if, a legally enforceable right exists to set off current tax assets against current tax liabilities and deferred tax assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities which intend to either settle current tax liabilities and assets on a net basis, or to realize the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax assets or liabilities are expected to be settled or recovered.

SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

Provisions

Provisions are recognized where a legal or constructive obligation has been incurred as a result of past events, it is probable that an outflow of resources will be required to settle the obligation, and a reliable estimate of the amount of the obligation can be made. Provisions are measured at the present value of the expenditures expected to be required to settle the obligation (see Note 16).

Foreign Currency Transactions

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transaction. Foreign exchange gains and losses resulting from the settlement of such transactions as well as from the translation of monetary assets and liabilities not denominated in the functional currency are recognized in the statement of operations and comprehensive loss.

Assets and liabilities of subsidiaries with functional currencies other than Canadian dollars are translated to Canadian dollars at the period end rates of exchange, and their earnings and expense accounts and cash flow statement items are translated at average rates of exchange for the period. The resulting translation adjustments are included in other comprehensive loss in shareholders' deficiency.

When the settlement of a monetary item receivable from or payable to a foreign operation is neither planned nor likely in the foreseeable future, foreign exchange gains and losses arising from such a monetary item are considered to form part of the net investment in a foreign operation and are recognized in other comprehensive losses.

On disposal of part or all of the operations, the proportionate share of the related cumulative gains and losses previously recognized in the equity are included in determining the profit or loss on disposal of that operation recognized in the profit or loss.

Earnings (loss) per share

Basic net income or loss per common share is calculated by dividing the net income or loss by the weighted average number of common shares outstanding during the period. Diluted net income or loss per common share is calculated by dividing the applicable net income or loss by the sum of the weighted average number of common shares outstanding and all additional common shares that would have been outstanding if potentially dilutive common shares had been issued during the period. The dilutive effect of outstanding stock options and warrants on earnings per share is calculated by determining the proceeds for the exercise of such securities which are then assumed to be used to purchase common shares of the Company.

SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

Financial Instruments

Financial assets

Financial assets are classified as either financial assets at fair value through profit or loss ("FVTPL"), fair value through other comprehensive income ("FVTOCI") or amortized cost. The Company determines the classification of financial assets at initial recognition.

Financial assets at Fair-value through profit or loss

Financial instruments classified as fair value through profit and loss are reported at fair value at each reporting date, and any change in fair value is recognized in the statement of operations in the period during which the change occurs. Realized and unrealized gains or losses from assets held at FVPTL are included in losses in the period in which they arise.

Financial assets at Fair-value through other comprehensive income

Financial assets carried at FVTOCI are initially recorded at fair value plus transaction costs with all subsequent changes in fair value recognized in other comprehensive income (loss). For investments in equity instruments that are not held for trading, the Company can make an irrevocable election (on an instrument-by-instrument bases) at initial recognition to classify them as FVTOCI. On the disposal of the investment, the cumulative change in fair value remains in other comprehensive income (loss) and is not recycled to profit or loss.

Financial assets at amortized cost

Financial assets are classified at amortized cost if the objective of the business model is to hold the financial asset for the collection of contractual cash flows, and the asset's contractual cash flows are comprised solely of payments of principal and interest. The Company's accounts receivable are recorded at amortized cost as they meet the required criteria. A provision is recorded based on the expected credit losses for the financial asset and reflects changes in the expected credit losses at each reporting period.

Financial liabilities

Financial liabilities are initially recorded at fair value and subsequently measured at amortized cost, unless they are required to be measured at FVTPL (such as derivatives) or the Company has elected to measure at FVTPL. The Company's financial liabilities include trade and other payables which are classified at amortized cost.

SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

Impairment

IFRS 9 requires an 'expected credit loss' model to be applied, which requires a loss allowance to be recognized based on expected credit losses. This applies to financial assets measured at amortized cost. The expected credit loss model requires an entity to account for expected credit losses and changes in those expected credit losses at each reporting date to reflect changes in initial recognition.

Fair value hierarchy

Financial instruments recorded at fair value on the statement of financial position are classified using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

• Level 1 - valuation based on quoted prices (unadjusted) in active markets for identical assets or liabilities;

• Level 2 - valuation techniques based on inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices);

• Level 3 - valuation techniques using inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The Company's cash is classified as Level 2. Cash is recorded at fair value on the consolidated statement of financial position. Other than that, none of the Company's financial instruments are recorded at fair value on the consolidated statement of financial position. The fair values of financial instruments approximate their carrying values due to their short term to maturity.

Segment reporting

An operating segment is a component of the Company that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Company's other components. The Company currently has three reportable segments: distribution, call centers, and financial services.

SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

Critical Judgements in Applying Accounting Policies

In the preparation of these consolidated financial statements management has made judgements, in addition to judgement over the going concern assumption described in note 1, aside from those that involve estimates, in the process of applying the accounting policies. These judgements can have an effect on the amounts recognized in the financial statements.

Revenue recognition

Certain revenues earned by the Company require judgement to determine if revenue should be recorded gross as a principal or net of related costs as an agent. The Company evaluates each significant contract using various criteria to determine if revenue should be recognized on a gross basis if the Company is the primary obligor to its customers and bears the risk of loss of inventory in its possession. Revenue from transactions where the Company earns a fee and does not incur inventory risk is recognized on a net basis.

Critical Accounting Estimates

The preparation of the financial statements in conformity with IFRS requires management to make estimates and assumptions that affect the amounts reported in the consolidated financial statements and notes to the consolidated financial statements. While management believes that these estimates and assumptions, based on management's best knowledge of current events and actions that the Company may undertake in the future, are reasonable, actual results could differ from these estimates.

Significant estimates and assumptions include those related to determining the value in use for impairment test, valuation of investments, valuation of share-based payments, the useful lives of property and equipment for amortization purposes, allowance for doubtful accounts, and the fair values of financial assets.

These estimates have been applied in a manner consistent with that in prior periods and there are no known trends, commitments, events or uncertainties that we believe will materially affect the assumptions utilized in these consolidated financial statements. The estimates are impacted by many factors, some of which are highly uncertain.

(Presented in Canadian Dollars)

4. PROPERTY AND EQUIPMENT

Activity during the year ended December 31, 2023 is as follows:

Cost	Terminals	Electronic Equipment	Office Furniture & Fixtures	Totals
Balance January 1, 2023	954,633	685,621	184,327	1,824,581
Additions	-	1,990	200	2,190
Balance December 31, 2023	954,633	687,611	184,527	1,826,771
Accumulated Depreciation				
Balance January 1, 2023	941,339	625,874	166,938	1,734,151
Depreciation	3,483	3,191	11,218	17,892
Balance December 31, 2023	944,822	629,065	178,156	1,752,043
Net Book Value	9,811	58,546	6,371	74,728

Activity during the year ended December 31, 2022 is as follows:

Cost	Terminals	Electronic Equipment	Office Furniture & Fixtures	Totals
Balance January 1, 2022	954,633	680,694	183,960	1,819,287
Additions	-	4,927	367	5,294
Balance December 31, 2022	954,633	685,621	184,327	1,824,581
Accumulated Depreciation				
Balance January 1, 2022	936,619	612,922	163,072	1,712,613
Depreciation	4,720	12,952	3,866	21,538
Balance December 31, 2022	941,339	625,874	166,938	1,734,151
Net Book Value	13,294	59,747	17,389	90,430

(Presented in Canadian Dollars)

5. INTANGIBLES

Intangibles – short term represents bitcoins held for sale. As of December 31, 2023, the Company held 5 bitcoins (December 31, 2022: 5 bitcoins). Cryptocurrency was revalued quarterly using open market quoted prices.

		Cryptocurrency		
		31-Dec-23		31-Dec-22
Balance January 1,	$	112,270	$	292,668
Additions				
Disposal		-		-
Revaluation		167,303		(180,398)
Balance period end	$	279,573	$	112,270

Intangibles – long term represents computer software, Right-of-Use assets and leasehold improvement.

Cost	**Computer Software**	**Right-of-use Assets**	**Leasehold Improvement**	**Totals**
Balance January 1, 2023	1,209,013	499,967	6,522	1,715,502
Additions	-	-	-	-
BalanceDecember 31, 2023	1,209,013	499,967	6,522	1,715,502
Accumulated Depreciation				
Balance January 1, 2023	1,194,557	443,392	5,632	1,643,581
Depreciation	3,787	56,575	890	61,252
Balance December 31, 2023	1,198,344	499,967	6,522	1,704,833
Net Book Value	10,669	-	-	10,669

Cost	**Computer Software**	**Right-of-use Assets**	**Leasehold Improvement**	**Totals**
Balance January 1, 2022	1,591,138	499,967	6,522	2,097,627
Additions	-	-	-	-
Impairment provision	(382,125)			(382,125)
BalanceDecember 31, 2022	1,209,013	499,967	6,522	1,715,502
Accumulated Depreciation				
Balance January 1, 2022	1,189,428	346,407	4,297	1,540,132
Depreciation	5,129	96,985	1,335	103,449
Balance December 31, 2022	1,194,557	443,392	5,632	1,643,581
Net Book Value	14,456	56,575	890	71,921

(Presented in Canadian Dollars)

6. Demand Loan

	December 31, 2023	December 31, 2022
Demand loan	**$ --**	$ 4,479

This loan carries an annual interest rate of 8%. It was secured by a promissory note and a general security agreement, encompassing all assets of the Company. The loan was repaid in full in the current year.

7. SHARE CAPITAL

Authorized: Unlimited common shares

Issued and fully paid:

	2023		2022	
	Number	Amount	Number	Amount
Common Shares	**80,049,515**	**$ 18,686,265**	80,049,515	$ 18,686,265
Total	**80,049,515**	**$ 18,686,265**	80,049,515	$ 18,686,265

In January 2022, the Company issued 7,425,000 shares to three of its directors as a settlement for $297,000 owed for directors' fees and management compensation.

8. STOCK OPTIONS

In December 2022, the shareholders approved a Performance and Restricted Share Unit Plan ("PRSU Plan") for officers, directors, employees and consultants of the Company. This plan allows the Board of Directors to grant to grant restricted share units and/or performance share units at their discretion. As of December 31, 2023, the Company has not issued any shares under the PRSU Plan.

Additionally, the Board of Directors adopted a stock option plan (the "Options Plan") for the Company. Under this plan, the Board of Directors may allocate non-transferable options to purchase shares to directors, officers and technical consultants.

Both the PRSU Plan and the Options Plan stipulate that the aggregate number of shares issued upon the exercise of options, along with other equity incentive plans, cannot exceed 10% of outstanding shares. Moreover, the total shares issued upon exercise of options, together with performance and restricted shares issued to any participant, should not surpass 5% of issued and outstanding shares. The number of shares reserved for issuance to any technical consultant is limited to 2% of issued and outstanding shares. Furthermore, the aggregate number of restricted share units and/or performance share units granted to insiders within a one-year period cannot exceed 5% of issued and outstanding common shares.

Options granted under the Options Plan must expire no later than five years from the date of grant. They may be exercised no later than ninety days following cessation of the optionee's position with the Company. If cessation is due to death, the option may be exercised within one year after such event, subject to the option's expiry date.

(Presented in Canadian Dollars)

The exercise price of options issued under the Options Plan must not be lower than the applicable discount permitted by the stock exchange on which the shares are traded. The options vest based on provisions determined by the Board at the time of grant.

On December 28, 2021, the Company granted 2,160,000 incentive stock options to certain directors and officers. These options allow the holder to acquire one common share each. Among them, 1,600,000 options are exercisable at $0.05 per option and 560,000 options at $0.075 per option. All options are exercisable for three years from the grant date and vest immediately. None of these options were exercised as of December 31, 2023.

On November 28, 2023, the Company granted 3,600,000 incentive stock options, each giving the holder the right to acquire one common shares to certain of its directors, officers and consultants. The options are exercisable at $0.05 per option. All these options are exercisable for a period of three year from the date of grant, vesting immediately. None of these options were exercised as at December 31, 2023.

The Company had following options outstanding and exercisable at December 31, 2023:

	Year ended December 31, 2023		Year ended December 31, 2022	
In number of units, except for exercise price	Number of options	Weighted average exercise price	Number of options	Weighted average exercise price
Outstanding, beginning of year	4,210,000	0.05	4,260,000	0.25
Granted	3,600,000	0.05	--	0.06
Expired	(2,050,000)	0.05	(50,000)	0.30
Exercised	--	--	--	0.05
Outstanding, end of year	5,760,000	0.05	4,210,000	0.05
Exercisable, end of year	5,760,000	0.05	4,210,000	0.05

Below is a summary of exercise prices, and weighted average remaining life as at December 31, 2023 for each grant of options. .

	Number of options	**Weighted average exercise price**	**Remaining life (Years)**
Granted in December 2021	2,160,000	0.06	1.0
Granted in November 2023	3,600,000	0.05	2.9
Balance, December 31, 2023	5,760,000	$0.05	2.2

(Presented in Canadian Dollars)

The valuations of each grant of options and the key assumptions used to value these options are as follows:

Date of Expiry	Number of Options	Exercise Price	Grant Date Fair Value of options
29-Nov-26	3,600,000	$0.05	$ 111,768

The options granted were valued using the Black-Scholes option pricing model with the following assumptions.

	2023
Expected dividend yield	0.00%
Expected volatility	189%
Risk free interest rate	4.78%
Expected life	3

Date of Expiry	Number of Options	Exercise Price	Grant Date Fair Value of options
27-Dec-24	1,600,000	$0.05	$ 53,186

The options granted were valued using the Black-Scholes option pricing model with the following assumptions.

	2021
Expected dividend yield	0.00%
Expected volatility	167%
Risk free interest rate	0.25%
Expected life	3

(Presented in Canadian Dollars)

Date of Expiry	Number of Options	Exercise Price	Grant Date Fair Value of options
27-Dec-24	560,000	$0.075	$ 17,941

The options granted were valued using the Black-Scholes option pricing model with the following assumptions.

	2021
Expected dividend yield	0.00%
Expected volatility	167%
Risk free interest rate	0.25%
Expected life	3

9. COMMITMENTS

a) The Company has no lease commitments as at December 31, 2023.

b) Right of use assets

The Company had the following future commitments associated with its lease obligations:

Balance at December 31, 2022	$ 65,714
Interest expense	1,406
Lease payments	(67,120)
Balance at December 31, 2023	$ --
Current portion	$ --

In relation to the leases recognized, the Company has recognized during the year ended December 31, 2023, $56,575 of depreciation charges, $67,120 of lease payments and $1,406 of interest expense from these leases.

As at December 31, 2023, the Company has recorded $nil right-of-use asset (included in "Intangibles – Long term") and a $nil lease obligation in current portion of lease obligations as the lease ended in the current year and was not renewed.

10. CAPITAL MANAGEMENT

The Company's capital management objective is to sustain its capacity to operate as a going concern, thereby facilitating returns for shareholders and benefits for other stakeholders. Capital, as defined by the Company, encompasses equity, including issued common shares, warrant reserve, contributed surplus, and accumulated other comprehensive income.

The primary aim of the Company's capital management is to ensure it maintains adequate cash resources to support growth initiatives and sustain ongoing operations. To secure additional capital required for these endeavors, the Company may explore avenues such as issuing equity or pursuing debt financing (refer to note 1).

During the periods ended December 31, 2023, and 2022, the Company's overarching capital management strategy involved raising share capital, reaching settlements with creditors, discontinuing unprofitable ventures, and expanding its profitable call center business.

11. FINANCIAL RISK MANAGEMENT

The Company is exposed to a variety of financial risks by virtue of its activities: market risk (including currency risk and interest rate risk), credit risk and liquidity risk. The overall risk management program focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on financial performance.

Risk management is carried out by the accounting and finance department under policies approved by the Board of Directors. This department identifies and evaluates financial risks in close cooperation with management. The finance department is charged with the responsibility of establishing controls and procedures to ensure that financial risks are mitigated in accordance with the approved policies.

(a) Market Risk

(i) Currency Risk

The Company operates primarily in Canada and has a subsidiary in USA that had ceased operation. The Company has exposure to foreign exchange risk. Foreign exchange risk arises from purchase and sales transactions, as well as recognized financial assets and liabilities denominated in foreign currencies.

The Company's main objective in managing its foreign exchange is to maintain Canadian cash on hand to support Canadian forecasted cash flows over a 12-month horizon. To achieve this objective, the Company monitors forecasted cash flows in foreign currencies and attempts to mitigate the risk by modifying the currency of cash held.

Balances denominated in USD at December 31, 2023 and 2022 are as follows:

	2023	**2022**
Cash	**$ --**	$ 10,299
Accounts receivable and other receivables	**129,822**	123,544
Accounts payable and accrued liabilities	**(25,921)**	(113,528)
Total net asset (liability)	**$ 103,901**	$ 20,315

Fluctuations in the Canadian dollar exchange rate have an impact on the Company's results from operations.

A 5% fluctuation of the U.S. dollar relative to the Canadian dollar would impact net income by approximately

$ 5,195 as of December 31, 2023 (2022 impact net income - $1,016).

(ii) Interest rate risk:

Interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

Financial assets and financial liabilities with variable interest rates expose the Company to cash flow interest rate risk. However, the Company's demand loan has fixed interest rates and is not exposed to interest rate risk.

(b) Credit Risk

Credit risk is the risk of a financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligation. The maximum exposure to credit risk of the Company at period-end is the carrying value of its cash and accounts receivables.

The Company manages credit risk by maintaining bank accounts with Schedule 1 banks in Canada。

FINANCIAL RISK MANAGEMENT (Cont'd)

The Company does not require collateral or other security for accounts receivable or amounts due from related parties. The Company estimates its provision for uncollectable amounts based on analysis of the specific amount and debtor's payment history and prospects. Accounts receivable are stated net of an allowance for doubtful accounts of $6,529 (2022 $20,744).

Top three customers represent 87% of accounts receivable as of December 31, 2023 (2022 - three customers represented 89%). As of April 25, 2024, 88% (2022 – 79%) of the accounts receivable balance was collected. As of December 31, 2023, approximately $8,844 (2022 –$27,910) of the Company's receivable were 60 days past due of which approximately $6,529 (2022- $20,744) have been allowed for as doubtful debts.

(c) Liquidity Risk

Liquidity risk is the risk that the Company will not be able to meet its obligations as they fall due.

The Company manages its liquidity risk by forecasting cash flows from operations and anticipated investing and financing activities. Senior management is also actively involved in the review and approval of planned expenditures.

As at December 31, 2023, the Company has accounts payable and accrued liabilities and loan from a director of $1,301,044 due within 12 months (December 31, 2022 - $1,851,364), cash of $15,101 (December 31, 2022 - $35,558), receivables of $146,867 (December 31, 2022 - $144,850) and intangibles-short term of $279,574 (December 31, 2022 - $112,270) to meet its current obligations. As a result of the shortfall in working capital, the Company faces high liquidity risk.

(d) Economic Dependence

One customer, which constitutes more than 10% of total revenues, accounted for 92% of the Company's revenue in the current year (2022 – 87%). Although a single customer contributes a significant portion of its revenue and maintains a longstanding relationship spanning over 20 years, the Company serves numerous clients and operates various programs under this customer.

(e) Fair value

The estimated fair values of accounts receivable, accounts payable, accrued liabilities and demand loans approximates their carrying values due to the relatively short-term nature of the instruments. The fair value of investments is based on open market prices.

(Presented in Canadian Dollars)

12. RELATED PARTY TRANSACTIONS AND BALANCES

The following summarizes the Company's outstanding balances with related parties:

		2023	2022
Accounts payable (*)	$	**270,695**	222,486
Loan from a director (**)		**89,162**	465,162

* The balances are unsecured and do not carry interest or specific payment terms. They primarily consist of compensations owed to directors for services provided.
** This represents a one-year loan from a director, with the principal amount potentially increasing up to $500,000. The loan is interest-free until May 31, 2023, following which an interest rate equal to the prime commercial rate of interest charged by the Toronto Dominion Bank will apply. The director has waived the interest charge for the year ended December 31, 2023. Additionally, the Company has provided a registrable general security to the lender, under terms deemed customary and appropriate by the Board of Directors and independent counsel.

13. KEY MANAGEMENT COMPENSATION

Key management personnel are individuals who hold authority and responsibility for planning, directing and overseeing the Company's activities, whether directly or indirectly. This group comprises the board of directors, Chief Executive Officer & President, Chief Financial Officer and Director of Business Operations.

The remuneration of Directors and key management personnel of the Company was as follows:

	2023	2022
Salaries and Benefits	$ 484,712	$ 407,000
Share-based compensation	88,483	--
	$ 573,195	$ 407,000

(Presented in Canadian Dollars)

14. INCOME TAXES

(a) Income tax expense

The following table reconciles income taxes calculated at combined Canadian federal/ provincial tax rates with the income tax expense in the consolidated financial statements:

	2023	2022
Income (loss) before income taxes	**$329,212**	$1,196,384
Statutory rate	**26.50%**	26.50%
Expected income tax expense (recovery)	**87,241**	317,040
Effect on income taxes of unrecognized deferred income tax asset relating to deductible temporary differences on:		
Change in unrecognized deferred tax asset and rates	**--**	--
Losses recognized in the year	**(87,241)**	(317,040)
Income tax expense	**--**	-

(b) Deferred income taxes

The temporary differences that give rise to deferred income tax assets and deferred income tax liabilities are presented below:

	2023	2022
Amounts related to tax loss and credits carry forwards	**$4,665,000**	$4,661,000
Property and equipment, intangible assets and investments	**314,000**	479,000
Deferred tax asset, not recognized	**4,979,000**	5,140,000

(c) Loss and tax credits carry forwards

As at December 31, 2022, the company has non-capital **losses** expiring as follows:

2032	**6,680,000**
2033	**2,507,000**
2034	**1,844,000**
2035	**1,955,000**
2036	**1,539,000**
2037	**232,000**
2038	**133,000**
2039	**955,000**
2040	**965,000**
2041	**580,000**
2042	**211,000**
	$17,601,000

The potential tax benefit relating to the non-capital losses and tax credit carry forwards have not been reflected in these financial statements.

15. SEGMENT INFORMATION

While the Company generates revenue from customers in the US, its operations are exclusively conducted within Canada.

The Company operates primarily across three industry segments based on the nature of the product/service:

- Distribution Division: This segment focuses on selling prepaid wireless airtime.
- Call Center: This segment handles call center operations.
- Financial Services Division: This segment offers prepaid debit card services.

	Distribution		Call Center		Financial Services		Corporate		Total	
$ Millions	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022
Revenue	0.03	0.05	3.79	2.53	--	0.01	--	--	3.82	2.59
Assets	0.33	0.07	0.20	0.26	0.01	0.02	0.02	0.13	0.56	0.48
Net Profit/(Loss)	(0.02)	(0.10)	1.07	0.05	0.05	(0.07)	(0.77)	1.32	0.33	1.20

16. Provisions

In July 2019, one of the Company's subsidiary ("subsidiary") received a Statement of Claim from His Majesty the King in Right of Alberta ("Alberta") in the amount of $633,284 (referred to as the "Alberta Claim"). The Alberta Claim pertained to the balance of funds on expired cards under a Card Management Agreement between the subsidiary and Alberta. The claimed amount was included in the Claim served on the Company by its service provider. The Company has recorded the full provision for this claim in its financial statements. In April 2023, the Company consented to a judgement in this claim.