METAGUEST.AI INCORPORATED

UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

March 31, 2025

NOTICE TO READER

Under National Instrument 51-102, Part 4, subsection 4.3(3)(a), if an auditor has not performed a review of the interim financial statements, they must be accompanied by a notice indicating that the financial statements have not been reviewed by an auditor.

The accompanying unaudited condensed interim consolidated financial statements have been prepared by and are the responsibility of the management.

The Company's independent auditor has not performed a review of these financial statements in accordance with the standards established by the Canadian Institute of Chartered Accountants for a review of interim financial statements by an entity's auditor.

Consolidated Statements of Financial Position

As at		March 31 2025		December 2024
Assets				
Current assets				
Cash	$	48,321	$	53,984
Accounts receivable		45,856		40,134
Prepaid expenses		50,964		56,459
GST/HST receivable		136,673		108,259
		281,814		258,836
Deposits		3,580		3,580
Equipment (note 6)		1,329		1,437
Right of use asset (note 8)		180,385		217,197
Intellectual property (note 7)		546,916		612,546
Total assets	$	1,014,024	$	1,093,596
Liabilities				
Current liabilities				
Accounts payable and accrued liabilities	$	862,073	$	579,862
Deferred revenue (note 11)		199,471		177,101
Loan (note 10)		306,520		222,645
Current portion of convertible debentures (note 9)		437,284		428,991
Lease liability (note 8)		122,200		131,083
		1,927,548		1,539,682
Lease liability (note 8)		59,620		84,110
		59,620		84,110
Total liabilities		1,987,168		1,623,792
Shareholders' deficit				
Share capital (note 12)		5,388,749		5,373,749
Shares to be issued (note 12)		-		15,000
Contributed surplus (note 12)		1,132,127		1,127,863
Equity portion of debentures (note 9)		30,912		30,912
Deficit		(7,524,932)		(7,077,720)
Total shareholders' deficit		(973,144)		(530,196)
Total liabilities and shareholders' deficit	$	1,014,024	$	1,093,596

NOTES:

Going concern (note 2)
Subsequent events (note 17)

Approved on behalf of the Board

"Colin Keddy" Director

"Charlotte Jannsen" Director

See accompanying notes to consolidated financial statements.

METAGUEST.AI INCORPORATED
Consolidated Statements of Net and Comprehensive Loss

For the three months ended March 31		2025		2024
Net revenue				
Revenue	$	659,656	$	228,015
Cost of sales		(119,249)		(12,214)
	$	540,407	$	215,801
Expenses				
Salaries, wages and benefits		501,333		287,636
Share based compensation (note 12(c))		-		137,342
Subcontractors		184,567		106,720
Depreciation		102,550		88,661
Professional fees		33,739		20,001
Office and administration		108,799		77,252
Interest and accretion		29,765		22,222
Travel		26,866		15,176
		987,619		755,010
Net and comprehensive loss	$	(447,212)	$	(539,209)
Basic and diluted loss per share	$	(0.01)	$	(0.01)
Weighted average number of shares outstanding		70,626,867		62,570,625

See accompanying notes to consolidated financial statements.

METAGUEST.AI INCORPORATED
Consolidated Statements of Changes in Shareholders' Equity (Deficiency)

	Number of shares	Share capital	Shares to be issued	Contributed Surplus	Convertible Debentures	Deficit	Total
Balance as at December 31, 2023	61,429,934	$ 3,965,245	$ 55,843	$ 789,549	$ 17,479	$ (4,506,472)	$ 321,645
Share issuances (note 12(a))	1,415,432	278,293	(55,843)	-	-	-	222,449
Equity portion of debenture issuances (note 9)	-	-	-	-	13,433	-	13,433
Stock options issued (note 12(b))	-	-	-	137,342	-	-	137,342
Net and comprehensive loss for the period	-	-	-	-	-	(539,209)	(539,209)
Balance as at March 31, 2024	62,845,366	$ 4,243,538	$ -	$ 926,891	$ 30,912	$ (5,045,681)	$ 155,660
Balance as at December 31, 2024	70,626,867	$ 5,373,749	$ 15,000	$ 1,127,863	$ 30,912	$ (7,077,720)	$ (530,196)
Share issuances (note 12(a))	150,000	15,000	(15,000)	-	-	-	-
Warrants issued	-	-	-	4,264	-	-	4,264
Net and comprehensive loss for the period	-	-	-	-	-	(447,212)	(447,212)
Balance as at March 31, 2025	70,776,867	$ 5,388,749	$ -	$ 1,132,127	$ 30,912	$ (7,524,932)	$ (973,144)

See accompanying notes to consolidated financial statements.

METAGUEST.AI INCORPORATED
Consolidated Statements of Cash Flows

For the three months ended March 31	2025	2024
Operating activities		
Net and comprehensive loss	$ (447,212)	$ (539,209)
Non-cash items		
Depreciation	102,550	93,418
Interest and accretion	20,432	13,227
Share based compensation	-	137,342
Changes in non-cash working capital		
GST/HST receivable	(28,414)	16,502
Accounts receivable	(5,722)	(13,900)
Prepaid expenses	5,495	2,411
Deferred revenue	22,370	35,683
Accounts payable and accrued liabilities	282,211	92,643
	(48,290)	(161,883)
Financing activities		
Shares issued	-	278,292
Shares to be issued	-	(55,843)
Bridge Loan	76,000	235,000
Advance on bridge loan	-	(235,000)
Lease payments	(33,373)	(26,427)
	42,627	196,022
(Decrease) increase in cash	(5,663)	34,139
Cash, beginning of period	53,984	3,477
Cash, end of period	$ 48,321	$ 37,616

See accompanying notes to consolidated financial statements.

1. Nature of operations

METAGUEST.AI INCORPORATED and its wholly owned subsidiary METAGUEST INCORPORATED (the "Company") were incorporated under the laws of Alberta on February 4, 2021, and Delaware on May 21, 2021, respectively. The Company holds intellectual property related to the METAGUEST, BNSELLIT and BNBUYIT applications for iOS and Android operating systems.

The Company's corporate office is at 122 Judge Road, Unit 2, Toronto, ON, M8Z 5B7. The Company's Class A common shares are listed on the Canadian Securities Exchange ("CSE") under the symbol METG.

2. Going concern

These unaudited interim condensed consolidated financial statements have been prepared on a going concern basis which assumes the Company will continue operating for the foreseeable future and will be able to realize a return on its assets and discharge its liabilities and commitments in the ordinary course of its business.

For the three months ended March 31, 2025, the Company incurred a net and comprehensive loss of $447,212 (2024 - $539,209) and deficit of $7,524,932 (December 31, 2024 - $7,077,720). In assessing whether the going concern assumption is appropriate, management considers all available information about the future, which is at least, but not limited to, twelve months from the end of the reporting period. These conditions indicate the existence of material uncertainty that may cast significant doubt regarding the ability to continue as a going concern.

The Company's continued existence is dependent upon the commercial success of the intellectual property and the Company's ability to raise additional capital or financing which is uncertain. These consolidated financial statements do not include any adjustments that would be necessary should the Company be unable to continue as a going concern. Such adjustments could be material.

3. Statement of compliance

These unaudited interim condensed consolidated financialstatements have been prepared in accordance with International Accounting Standard ("IAS") 34, Interim Financial Reporting, using accounting policies consistent with International Financial Reporting Standards ("IFRS"), as issued by the International Accounting Standards Board ("IASB"), and do not include all of the information required for full annual financial statements.

The unaudited interim condensed consolidated financial statements were authorized for issue by the Board of Directors on May 27, 2025.

4. Material accounting policies

a) Basis of presentation

The consolidated financial statements have been presented in Canadian dollars, which is also the functional currency, on a historical cost basis except for measurement of financial instruments at fair value through profit or loss.

b) Consolidation

Assets, liabilities, income and expenses of the subsidiary are included in the consolidated financial statements from the date that the Company gains control until the date that the Company ceases to control the subsidiary. All intercompany balances and transactions have been eliminated on consolidation.

4. Material accounting policies, continued

c) Functional currency and foreign currency translation

The functional currency of the Company is the Canadian dollar (CAD). The functional currency of the wholly owned subsidiary is the United States dollar (USD).

Items included in the consolidated financial statements of the Company and its subsidiary are measured using the currency of the primary economic environment in which the entity operates (the functional currency). 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 and from the remeasurement of monetary assets and liabilities not denominated in the functional currency of an entity are at period end recognized in net loss for the period.

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

d) BNSELLIT platform intellectual property

BNSELLIT platform intellectual property (the "IP") is measured at cost less accumulated depreciation and impairment losses. The IP is amortized is amortized over its five year useful life upon being put in use.

e) Impairment of non-financial assets

The non-financial assets are reviewed for indicators of impairment during each financial period and are adjusted if appropriate. If any such indication exists, then the asset's recoverable amount is estimated. The recoverable amount is the greater of the asset's value in use and fair value less costs to sell.

An impairment loss is recognized if the carrying amount of an asset exceeds its estimated recoverable amount. Impairment losses are recognized in profit or loss. Impairment losses recognized in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation, if no impairment loss had been recognized.

f) Leases

At inception of a contract, the Company assesses whether a contract is, or contains, a lease. A contract is or contains a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. The Company recognizes a right-of-use asset and a lease liability at the lease commencement date. The right of use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right of use asset is subsequently amortized using the straight-line method from the commencement date to the lesser of the end of the lease term or the useful life of the underlying asset. The right of use asset is reduced by any impairment losses, if any, and adjusted for re- measurements of the lease liability. The lease liability is initially measured at the present value of the lease payments discounted using the interest rate implicit in the lease if readily determinable, or the Company's incremental borrowing rate.

4. Material accounting policies, continued

f) Leases, continued

The lease payments include fixed and variable payments, residual value guarantees, and the exercise price under a purchase option that the Company is reasonably certain to exercise. The lease liability is measured at amortized cost using the effective interest method. It is re-measured when there is a change in the expected future lease payments because of a revision to the lease term.

The Company does not recognize right of use assets and lease liabilities for leases of low-value assets and short-term leases of less that twelve months. Lease payments associated with these leases are expensed on a straight-line basis over the lease term.

g) Revenue recognition

The Company earns subscription fees and transaction fees. Subscription fees are paid in advance and recognized during the subscription period. Transaction fees are recognized when the corresponding transaction has occurred, the amount can reliably be measured and collection is reasonably assured.

h) Income taxes

Income tax expense comprises current and deferred tax. Current tax and deferred tax is recognized in profit or loss except to the extent that it relates to a business combination, or items recognized directly in equity or in other comprehensive income.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

Deferred tax is recognized in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date.

A deferred tax asset is recognized for unused tax losses, tax credits and deductible temporary differences, to the extent that it is probable that future taxable profits will be available against which they can be utilized. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

4. Material accounting policies, continued

i) Financial instruments

Recognition
Financial assets and financial liabilities are recognized on the Company's statement of financial position when the Company becomes a party to the contractual provisions of the instrument.

Classification
Financial assets are classified as subsequently measured at amortized cost or fair value through profit or loss on the basis of both the Company's business model for managing the financial assets and the contractual cash flow characteristics of the financial asset. The classification of subsequently measured at amortized cost is used when the objective of the business model is to hold assets and collect contractual cash flows, and the contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Cash and accounts receivable are subsequently measured at amortized cost.

Financial liabilities are classified as subsequently measured at amortized cost, unless they meet the criteria for measurement at fair value or other prescribed measurement.

The accounts payable and accrued liabilities, loan and convertible debentures are subsequently measured at amortized cost.

Measurement
Financial assets and financial liabilities classified as subsequently measured at amortized cost are initially measured at fair value plus or minus transaction costs that are directly attributable to the acquisition of the financial asset or issue of the financial liability. Subsequently, the financial assets and liabilities are measured at amortized cost using the effective interest rate method.

Impairment
Financial assets classified as subsequently measured at amortized cost reflect the Company's assessment of expected credit losses. Expectations reflect historical credit losses, adjusted for forward looking factors. The expected credit loss provision is based on expectations for the next twelve months unless there has been a significant increase in the customer's credit risk, resulting in the provision being based on expectations for the remaining lifetime of the asset.

j) Loss per share

Basic loss per share is calculated by dividing net loss attributable to common shares of the Company by the weighted average number of common shares outstanding during the period. The Company uses the treasury stock method for calculating diluted loss per share. Under this method, the dilutive effect on earnings per share is calculated on the use of the proceeds that could be obtained upon exercise of in-the-money options, warrants and similar instruments. It assumes that the proceeds of such exercise would be used to purchase common shares at the average market price during the period. However, the calculation of diluted loss per share excludes the effects of various conversions and the exercise of options and warrants that would be anti-dilutive.

4. Material accounting policies, continued

k) Share based payments

When share options are granted to officers and directors, pursuant to specific share option agreements, they are accounted for at fair value using accepted valuation techniques and result in compensation expenses when the stock options are issued. The expenses are recognized in the consolidated statements of net and comprehensive loss over the vesting period of the share options granted, with a corresponding amount recorded in contributed surplus. On settlement of the share options, any amount previously recorded in contributed surplus and consideration paid is credited to share capital.

l) Warrants issued in private placements

The Company uses the residual value method with respect to the measurement of shares and warrants issued as private placement units. The residual value method first allocates value to the most easily measurable component based on fair value (typically common shares) and then the residual value, if any, to the less easily measurable component (typically warrants).

m) Compound financial instruments

Compound financial instruments issued by the Company comprise convertible debentures that can be converted to common shares of the Company at the option of the holder, when the number of common shares to be issued is fixed and does not vary with changes in fair value.

The liability component of compound financial instruments is initially recognized at the fair value of a similar liability that does not have an equity conversion option. The equity component is initially recognized at the difference between the fair value of the compound financial instrument as a whole and the fair value of the liability component. Any directly attributable transaction costs are allocated to the liability and equity components in proportion to their initial carrying amounts.

Subsequent to initial recognition, the liability component of a compound financial instrument is measured at amortized cost using the effective interest rate method. The equity component of a compound financial instrument is not remeasured.

Interest related to the financial liability is recognized in the consolidated statement of net and comprehensive loss. On conversion, the financial liability is reclassified to equity and no gain or loss is recognized.

5. Use of estimates and judgements

The preparation of the financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income, and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected.

Key areas with estimate uncertainties are as follows:

a. Fair value of loan and convertible debentures – Management is required to determine the market interest rate for debt of the Company.
b. Share based compensation – Management is required to determine the appropriate valuation model and determine the inputs for the model. The Company has made estimates on the volatility of its shares as well as the interest rate. The Company has used the Black Scholes model.
c. Leases - The Company estimates the incremental borrowing rate used to measure the lease liability for the lease contract.

Key areas with judgments in applying accounting policies are as follows:

a. Going concern – Management is required to make a judgment on whether the Company will be able to continue as a going concern. See note 2.
b. Indicators of impairment of IP – Management is required to assess, at each reporting date, whether there are any indicators that the asset may be impaired. Management is required to consider information from both external and internal sources.

6. Equipment

	Computer equipment
Cost	
As at December 31, 2023	$ 4,626
Additions	-
As at December 31, 2024	4,626
Additions	-
As at March 31, 2025	$ 4,626
Accumulated amortization	
As at December 31, 2023	$ 2,573
Amortization for the year	616
As at December 31, 2024	3,189
Amortization for the period	108
As at March 31, 2025	$ 3,297
Net Book Value	
As at December 31, 2024	$ 1,437
As at March 31, 2025	$ 1,329

7. BNSELLIT platform intellectual property

	Intellectual property
Cost	
As at December 31, 2023	$1,312,598
Additions	-
As at December 31, 2024	1,312,598
Additions	-
As at March 31, 2025	$1,312,598
Accumulated amortization	
As at December 31, 2023	$ 437,533
Amortization for the year	262,519
As at December 31, 2024	700,052
Amortization for the period	65,630
As at March 31, 2025	$ 765,682
Net Book Value	
As at December 31, 2024	$ 612,546
As at March 31, 2025	$ 546,916

8. Right of use asset and lease liability

On December 1, 2023, the Company entered into a lease for an office facility. The lease has a term of 36 months and expires November 30, 2026, with an interest rate of 10.2% per annum.

On August 1, 2024, the Company entered into a lease for an office facility in the United States. The lease has a term of 14 months and expires September 30, 2025, with an interest rate of 10.0% per annum.

Right of use assets		
As at December 31, 2023	$	274,528
Additions		65,028
As at December 31, 2024	$	339,556
As at March 31, 2025	$	339,556
Accumulated amortization		
As at December 31, 2023	$	7,626
Amortization for the period		114,733
As at December 31, 2024	$	122,359
Amortization for the period		36,812
As at March 31, 2025	$	159,171
Net Book Value		
As at December 31, 2024	$	217,197
As at March 31, 2025	$	180,385
Lease liability		
As at December 31, 2023	$	259,168
Additions	$	57,345
Lease interest		24,685
Lease payments		(127,494)
Foreign exchange gain		1,489
As at December 31, 2024	$	215,193
Lease interest		5,142
Lease payments		(39,498)
Foreign exchange		983
	$	181,820
Less: current portion		(122,200)
As at March 31, 2025	$	59,620

The Company is committed to future lease payments as follows:

2025 - $106,425

2026 - $96,901

9. Convertible debentures

a) $0.25 Debentures

On June 6, 2022 ($100,000), June 30, 2022 ($46,000), July 4, 2022 ($90,000), September 12, 2022 ($95,000), October 21, 2023 ($112,000), November 9, 2022 ($50,000), January 31, 2023 ($25,000), February 28, 2023 ($15,000) and March 2, 2023 ($25,000) the Company issued 10% convertible debentures in the principal amount of $558,000.

The convertible debentures mature eighteen months from the issue date and are convertible at any point prior to maturity, at the option of the debenture holders, into Class A common shares of the Company at a price of $0.25 per Class A common share. Interest on the principal amount outstanding is calculated and payable on the 30th of each month and was first payable on June 30, 2022.

If the volume weighted average price of the Class A common shares, on the Canadian Securities Exchange, for 10 consecutive trading days equals or exceed $0.60, the Company may force conversion of all of the principal amount of the convertible debentures at the conversion price, upon giving holder fifteen days advance written notice.

Upon initial recognition, the Company allocated the proceeds between the components based on the fair value of the debt and the residual to the equity component. The fair value of the liability component of $501,540 (December 31, 2022 - $442,523) was determined using a market rate of 17%. The value of the equity component amounted to $56,460 (December 31, 2022 - $50,477).

On April 21, 2023, the Company settled $388,000 of the convertible debentures for units of the Company at $0.06 per unit.

The Company amended the expiry date of the remaining $170,000 in convertible debentures to December 31, 2024.

As at March 31, 2025, the terms of the debentures have not been revised nor converted to equity and as a result, are in default. Interest on the debenture continues to be paid and until such time the terms are amended (note 17), the balance is repaid or converted, classification as current will continue. The outstanding balances associated with the convertible debentures are as follows:

Liability component of the convertible debenture	**March 31 2025**	**December 31 2024**
Opening balance	$ 170,000	$ 166,235
Additions	-	-
Repayment on settlement	-	-
Loss on settlement	-	-
Accretion	-	3,765
Interest	4,192	17,047
Interest paid	(4,192)	(17,047)
	$ 170,000	$ 170,000
Less: Current portion	$ 170,000	170,000
	$ -	$ -

9. Convertible debentures, continued

b) $0.30 Debentures

On February 8, 2024, the Company closed a secured convertible loan in the amount of $235,000 with a private lender, a company with common officers and directors of the Company. The convertible loan bears an interest rate of 12%, is convertible at a price of $0.30 per common share and has a maturity date of February 6, 2025. The Corporation has also issued 117,500 share purchase warrants, to the Lender, exercisable for two years at a price of $0.30 per share. The Convertible Loan is secured by a general security agreement between the parties. Proceeds of the Convertible Loan were used to repay the $210,000 secured bridge loan (note 10).

Upon initial recognition, the Company allocated the proceeds between the components based on the fair value of the debt and the residual to the equity component. The fair value of the liability component of $221,567 was determined using a market rate of 16%. The value of the equity component amounted to $13,433.

As at March 31, 2025, the terms of the debentures have not been revised nor converted to equity and as a result, are in default (note 17) and classified as a current liability. Interest on the debenture continues to accrue until such time the terms are amended. The outstanding balances associated with the convertible debentures are as follows:

Liability component of the convertible debenture		**March 31 2025**		**December 31 2024**
Opening balance	$	-	$	-
Additions		235,000		235,000
Fair value discount		(13,433)		(13,433)
Interest		32,284		25,349
Accretion		13,433		12,075
	$	267,284	$	258,991
Less: Current portion	$	267,284	$	258,991
	$	-	$	-

10. Loan

a) 2022 Loan

On December 14, 2022, the Company entered into a $210,000 loan facility with an arm's length individual investor. The loan bears an interest rate of 12%, a 2% structuring fee and was due on or before April 14, 2023. The loan was repaid on February 8, 2024.

As at March 31, 2025, the outstanding balances associated with the bridge loan were as follows:

Loan		**March 31 2025**		**December 31 2024**
Balance	$	-	$	-
Payments		-		(210,000)
Accretion		-		-
Interest and fees		-		2,626
Interest paid		-		(25,000)
	$	-	$	232,374

10. Loan, continued

b) 2024 Loan

On December 17, 2024, the Company closed a loan in the amount of $235,000 with numerous arms length lenders. The loan bears an interest rate of 12% and had a maturity date of December 17, 2025. The Company has the right to extend the maturity date for an additional six months. The Company also issued 156,661 share purchase warrants to the lenders with a conversion price of $0.30 expiring on June 17, 2026. Proceeds of the loan were used for working capital purposes.

Upon initial recognition, the Company allocated the proceeds between the components based on the fair value of the debt and the residual to the equity (warrants) component. The fair value of the liability component of $220,947 was determined using a market rate of 17%. The value of the equity component (warrants) amounted to $14,053.

As at March 31, 2025, the outstanding balances associated with the loan were as follows.

Loan	March 31 2025	December 31 2024
Balance	$ -	$ -
Additions	235,000	235,000
Fair value discount	(14,053)	(14,053)
Interest and fees	8,112	1,159
Accretion	4,004	539
	$ 233,063	$ 224,669

c) 2025 Loan

On January 30, 2025, and March 4, 2025, the Company closed loans in the amounts of $41,000 and $35,000 respectively with numerous arms length lenders. The loans bear an interest rate of 12%, and have a maturity date of January 30, 2026, and March 4, 2026. The Company has the right to extend the maturity dates for an additional six months. The Company also issued 50,665 share purchase warrants to the lenders with a conversion price of $0.30 expiring on June 17, 2026. Proceeds of the loan were used for working capital purposes.

Upon initial recognition, the Company allocated the proceeds between the components based on the fair value of the debt and the residual to the equity (warrants) component. The fair value of the liability component of $71,736 was determined using a market rate of 17%. The value of the equity component (warrants) amounted to $4,264.

As at March 31, 2025, the outstanding balances associated with the loan were as follows.

Loan	March 31 2025	December 31 2024
Balance	$ -	$ -
Additions	76,000	-
Fair value discount	(4,264)	-
Interest and fees	1,144	-
Accretion	577	-
	$ 73,457	$ -

11. Deferred revenue

Sales include monthly subscription sales covering periods beyond March 31, 2025.

Deferred revenue		**March 31 2025**		**December 31 2024**
Opening balance	$	177,101	$	46,180
Earned revenue	$	(167,206)	$	(46,180)
Additions from contracts with customers		189,576		177,101
	$	199,471	$	177,101
Less: Current portion	$	199,471	$	177,101
	$	-	$	-

12. Share capital

(a) Capital

Authorized with an unlimited number of the following shares:
Class A voting common shares
Class B non-voting common shares

Issued:

Class A common shares	**Number of Shares**		**Value**
Balance at December 31, 2023	61,429,934	$	3,965,246
Issued (ii-iii)	9,196,933		1,408,503
Balance at December 31, 2024	70,626,867	$	5,373,749
Issued (i)	150,000		15,000
Balance as at March 31, 2025	70,776,867	$	5,388,749

(i) On October 25, 2024, the Company received $15,000 for the exercise of 150,000 share purchase warrants. The Class A common shares were issued on March 31, 2025.

(ii) On January 16, 2024, March 12, 2024, April 12, 2024, June 26, 2024, August 14, 2024, and August 30, 2024, the Company issued 2,444,054 units at a deemed issue price of $0.30 per unit for gross proceeds of $733,216. Each unit consisted of one Class A common share and one half of one Class A common share purchase warrant, exercisable at $0.50 for 18 months. The Company allocated the full value of the units to the shares using the residual method and estimating the fair value of the Class A common share.

(iii) During the year ended December 31, 2024, the Company issued 6,752,879 shares from the exercise of $0.10 warrants for gross proceeds of $675,288.

12. Share capital, continued

(b) Shares to be issued

(i) On October 25, 2024, the Company received $15,000 for the exercise of 150,000 share purchase warrants. The Class A common shares were issued on March 31, 2025.

(c) Stock option plan

On June 10, 2022, the shareholders of the Company approved a stock option plan (the "Plan") under which the directors of the Company may grant options to qualified directors, officers and consultants of the Company. The exercise price of the options cannot be less than the closing price of the Company's shares on the trading day preceding the date of grant and the trading day. The maximum term of any option cannot exceed ten years. The maximum aggregate number of common shares under option at any time under the Plan shall not exceed 10% of the issued and outstanding Class A common shares on a non-diluted basis at any time.

A summary of the Company's stock option activity for the three months ended March 31, 2025, is as follows:

	Number Of Options	Weighted-Average Exercise Price
Outstanding, December 31, 2024, and March 31, 2025	3,410,000	0.375

On July 20, 2022, the Company granted 3,205,000 stock options to employees, directors and consultants at a price of $0.375 expiring five years from the grant date. On August 9, 2022, the Company granted 105,000 stock options to employees and consultants at a price of $0.375 expiring five years from the grant date. On December 20, 2022, the Company granted 300,000 stock options to an officer at a price of $0.375 expiring 4 years from the grant date. All options vest over two years with one-third vesting immediately, one-third vest one year from the grant date and one-third vest two years from the grant date. The fair value of warrants issued was determined using the Black-Scholes option pricing model. The underlying expected volatility was determined by reference to historical data of the Company’s shares over the expected life of the options. The assumptions were volatility of 227%, 228% and 227%, respectively, risk free interest rate of 3.17%, 2.97% and 3.17%, respectively, expected life of five years, five years and three years, respectively.

The weighted average remaining contractual life and weighted average exercise price of options outstanding and of options exercisable as at March 31, 2025, are as follows:

	Options Outstanding			**Options Exercisable**	
Exercise Price	Number Outstanding	Weighted-Average Exercise Price	Average Remaining Contractual Life (years)	Number Exercisable	Weighted-Average Exercise Price
$0.375	3,410,000	$0.375	2.17	3,410,000	$0.375

12. Share capital, continued

(d) Warrants

Warrants	Number of Warrants	Value
Balance as at December 31, 2023	7,308,178	$ -
Warrants exercised (ii)	(6,902,879)	-
Warrants expired (iii)	(231,966)	-
Warrants issued for cash (12(a)(i)) and (iv)	1,222,027	-
Warrants issued for debt (9(b)) and (v)	117,500	-
Warrants issued for debt (10(b)) and (vi)	156,661	14,053
Balance as at December 31, 2024	1,669,521	$ 14,053
Warrants issued for debt (10(c)) and (i)	50,665	4,264
Balance as at March 31, 2025	1,720,186	$ 18,317

(i) During the three months ended March 31, 2025, 50,665 warrants were issued exercisable at a price of $0.30. Of the warrants issued, 27,332 warrants expire on July 30, 2026, and 23,333 warrants expire on September 4, 2026.

(ii) During the year ended December 31, 2024, 6,902,879 warrants at a price of $0.10 were exercised. 150,000 of the warrants exercised during the year were issued subsequent to December 31, 2024 (note 12(b)(i)).

(iii) During the year ended December 31, 2024, 231,966 warrants at a price of $0.10 expired.

(iv) During the year ended December 31, 2024, 1,222,027 warrants were issued exercisable at a price of $0.50 expiring 18 months from the issue date (July 16, 2025 – 125,050, September 12, 2025 – 216,825, October 12, 2025 – 156,275, December 26, 2025 – 201,692, February 15, 2026 – 333,325 and February 28, 2026 – 188,860).

(v) On February 8, 2024, 117,500 warrants were issued exercisable at a price of $0.30 expiring on February 8, 2026.

(vi) On December 17, 2024, 156,661 warrants were issued exercisable at a price of $0.30 expiring on June 17, 2026.

13. Related party transactions

During the period, the Company paid wages and related benefits to individuals related to a director of the Company in the amount of $56,288 (three months ended March 31, 2024 - $28,500).

During the period, the Company incurred fees of $5,842 (three months ended March 31, 2024 - $4,853) from companies related to directors of the Company for legal services.

Included in prepaid expenses is $31,500 (December 31, 2024 - $31,500) for advances on fees for a member of key management. Included in accounts payable and accrued liabilities is $185,812 (December 31, 2024 - $72,821) due to directors and officers for consulting, marketing and legal services.

The Company considers key management to be the CEO and CFO. Key management compensation recognized in wages and related benefits and subcontractors as follows:

		March 31 2025		March 31 2024
Salaries, consulting and benefits	$	86,700	$	51,000
Share based compensation		-		51,634
	$	86,700	$	102,634

14. Operating Segments

The Company currently has one business segment, being connecting guests staying in hotels with in-room and on-location commerce driven by Artificial Intelligence. The Company has two reportable segments based on geographic location as the Company operates the business in the United States of America and Canada. The breakdown of the Company's net income by location and assets by location is as follows:

For the period ended March 31	**2025**			**2024**		
Revenue	Canada	USA	Total	Canada	USA	Total
Revenue	$ 33	$ 659,623	$ 659,656	$ 473	$ 227,542	$ 228,015
Cost of sales	(3)	(119,246)	(119,249)	(5)	(12,209)	(12,214)
	$ 30	$ 540,377	$ 540,407	$ 468	$ 215,333	$ 215,801
Expenses						
Salaries, wages and benefits	$ 480,475	$ 20,858.00	$ 501,333	$ 270,568	$ 17,069	$ 287,637
Share based compensation	-	-	-	137,342	-	137,342
Subcontractors	130,298	54,267	184,565	106,720	-	106,720
Depreciation	88,615	13,935	102,550	88,661	-	88,661
Professional fees	33,741	-	33,741	20,001	-	20,001
Office and administration	87,455	21,344	108,799	62,285	14,967	77,252
Interest and accretion	28,926	839	29,765	22,222	-	22,222
Travel	3,069	23,797	26,866	4,717	10,459	15,176
Total Expenses	852,579	135,040	987,619	712,516	42,495	755,011
Net loss and comprehensive loss	$ (852,549)	$ 405,337	$ (447,212)	$ (712,048)	$ 172,838	$ (539,210)

As at	**March 31, 2025**			**December 31, 2024**		
	Canada	USA	Total	Canada	USA	Total
Assets						
Current assets						
Cash	$ 8,893	$ 39,428	$ 48,321	$ 49,574	4,410	$ 53,984
Accounts receivable	-	45,856	45,856	-	40,134	40,134
Prepaid expenses	50,964	-	50,964	56,459	-	56,459
GST/HST receivable	136,673	-	136,673	108,259	-	108,259
	196,530	85,284	281,814	214,292	44,544	258,836
Deposits	3,580	-	3,580	3,580	-	3,580
Equipment	1,329	-	1,329	1,437	-	1,437
Right of use asset	152,516	27,869	180,385	175,393	41,804	217,197
Intellectual property	546,916	-	546,916	612,546	-	612,546
Total Assets	$ 900,871	$ 113,153	$ 1,014,024	$ 1,007,248	$ 9,290	$ 1,093,596

15. Capital management

The Company's objectives when managing capital is to safeguard its ability to continue as a going concern, provide adequate working capital and maintain cash on hand. The Company defines capital as the Company's shareholders' equity. At March 31, 2025, the Company had a deficit of $973,144 (December 2024 - $530,196). The Company manages its capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets.

16. Financial instruments and risk management

Fair value measurements

Financial instruments carried at fair value on the statement of financial position are assessed using the following hierarchy based on the amount of observable inputs used to value the instrument.

- Level 1 – Quoted prices are available in active markets for identical assets or liabilities as of the reporting date. Active markets are those in which transactions occur in sufficient frequency and volume to provide pricing information on an ongoing basis.
- Level 2 – Pricing inputs are other than quoted prices in active markets included in Level 1. Prices in Level 2 are either directly or indirectly observable as of the reporting date. Level 2 valuations are based on inputs, including quoted forward prices for commodities, time value and volatility factors, which can be substantially observed or corroborated in the marketplace.
- Level 3 – Valuations in this level are those with inputs for the asset or liability that are not based on observable market data. Assessment of the significance of a particular input to the fair value measurement requires judgment and may affect the placement within the fair value hierarchy level.

Due to the short-term nature of the cash, accounts receivable and accounts payable and accrued liabilities the carrying value approximates its fair value. The loan and convertible debenture have been recorded at fair value using market rates for debt with similar terms.

Liquidity risk

Liquidity risk is the potential for the Company to have difficulty in meeting its obligations associated with financial liabilities as they become due. The Company's financial liabilities consist of the accounts payable and accrued liabilities, loan and convertible debentures. The accounts payable and accrued liabilities, loan and the current portion of convertible debentures have contractual maturities of less than one year.

17. Subsequent events

On May 14, 2025, the Company closed the first tranche of a secured debenture financing, raising gross proceeds of $193,000. The debentures bear interest at 12% per annum and include a 12% loan advance fee, satisfied through the issuance of 231,600 Class A Common Shares at a price of $0.10 per share. The debentures are secured by a general security agreement over the Company's assets and rank pari passu with the Company's existing secured convertible loan. The term is for 12 months.

Also on May 14, 2025, the Company amended the terms of an existing secured convertible loan (note 9(b)) originally issued on February 6, 2024. The amended terms include an increase in principal from $235,000 to $270,674, an extension of the maturity date to May 14, 2026, and the issuance of 649,432 Class A Common Shares as amendment and security participation fees.

The Company has commenced discussion with convertible debenture holders (note 9(a)) to further amend the terms of the debentures.

18. Contingencies

The Company received a statement of claim from a former capital markets service provider (the "Claimant"), stating that the Company did not provide a notice of termination of its marketing agreement (the "Agreement"). In July 2022, the Company and the Claimant amended the Agreement whereby the Claimant covenanted that it shall continue to perform its services as set forth in the Agreement until the expiration of the initial period (being October 5, 2022). The Company believes the allegations made in the statement of claim are entirely without merit and the action will be vigorously defended by the Company.