Tenet Fintech Group Inc.

Consolidated Financial Statements
For the years ended
December 31, 2024, and 2023

Raymond Chabot Grant Thornton

Independent Auditor's Report

Raymond Chabot
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To the Shareholders of
Tenet Fintech Group Inc.

Opinion

We have audited the consolidated financial statements of Tenet Fintech Group Inc. (hereafter "the Company"), which comprise the consolidated statements of financial position as at December 31, 2024 and 2023, and the consolidated statements of comprehensive profit and loss, the consolidated statements of changes in equity and the consolidated statements of cash flows for the years then ended, and notes to consolidated financial statements, including material accounting policy information.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of the Company as at December 31, 2024 and 2023, and its financial performance and its cash flows for the years then ended in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board (hereafter "IFRS Accounting Standards").

Basis for opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the "Auditor's responsibilities for the audit of the 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 consolidated 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 2 to the consolidated financial statements, which indicates the existence of a material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Key audit matters

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

Except for the matter described in the "Material uncertainty related to going concern" section, we have determined that there are no other key audit matters to communicate in our report.

Information other than the consolidated financial statements and the auditor’s report thereon

Management is responsible for the other information. The other information comprises the information included in Management’s Discussion and Analysis, other than the consolidated financial statements and our auditor’s report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not and will 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 consolidated financial statements in accordance with IFRS Accounting Standards, 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 consolidated 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;

- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the group as a basis for forming an opinion on the group financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

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

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

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

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

Raymond Chabot Grant Thornton LLP[1]

Montréal
October 1, 2025

[1] CPA auditor, public accountancy permit nº A120795

TENET FINTECH GROUP INC.
Consolidated Statements of Comprehensive Profit and Loss

For the years ended December 31, 2024, and 2023
(In Canadian dollars, except weighted average number of outstanding shares)

	Note	December 31 2024	2023
Revenues		2,843,770	42,086,645
Expenses			
Cost of service		89,111	28,571,434
Software delivery services		17,022	2,848,619
Salaries and fringe benefits		6,006,625	11,669,708
Service fees		328,386	3,682,113
Board remuneration		150,000	335,790
Consulting fees		3,050,289	305,848
Outsourced services, software and maintenance		2,126,545	5,382,448
Professional fees		1,535,246	3,627,081
Marketing, public relations and press releases		466,690	530,812
Office supplies, software and hardware		563,081	948,196
Lease expenses		493,019	234,425
Insurance		823,904	1,258,488
Finance costs	27.4	1,940,595	1,922,142
Expected credit loss	8-9	32,394,805	6,828,249
Travel and entertainment		89.297	230.421
Stock exchange and transfer agent costs		172,104	259,188
Translation cost and others		60,520	(44,543)
Depreciation of property and equipment	11	134,922	168,025
Depreciation of right-of-use assets	11	355,991	616,533
Amortization of intangible assets	14	6,984,993	8,920,333
Amortization of financing issuance costs	17	125,567	93,043
Impairment of goodwill	14	–	26,609,797
Impairment of intangible assets	14	6,926,632	14,842,393
Impairment on investment in associate company	12	266,085	13,582
Change in fair value of contingent consideration payable	6.1	(1,271,905)	110,984
Change in fair value of debentures conversion options	17.9	(80,080)	175,008
Loss on investment in associate company	12	–	51,314
Loss on legal settlement		–	1,632,000
Forgiveness of CEBA loan	19	(20,000)	–
Loss on sublease	13	158,203	–
Gain on disposition of property and equipment	11	(33,622)	–
Loss on foreign exchange		106,507	36,081
		63,960,532	121,859,512
Loss before income taxes		(61,116,762)	(79,772,867)
Income taxes	25	(1,854,940)	(1,445,525)
Net loss		(59,261,822)	(78,327,342)
Net loss attributable to :			
Non-controlling interest	30	(1,307,694)	(1,495,367)
Owners of the parent		(57,954,128)	(76,831,975)
		(59,261,822)	(78,327,342)
Item that will be reclassified subsequently to profit or loss			
Currency translation adjustment		823,906	(2,631,618)
Total comprehensive loss		(58,437,916)	(80,958,960)
Total comprehensive loss attributable to:			
Non-controlling interest	30	(1,262,511)	(1,894,965)
Owners of the parent		(57,175,405)	(79,063,995)
		(58,437,916)	(80,958,960)
Weighted average number of outstanding shares		170,774,126	110,521,854
Basic and diluted loss per share		(0.339)	(0.695)

Going concern uncertainty (note 2)
Subsequent events (note 33)

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

TENET FINTECH GROUP INC.
Consolidated Statements of Changes in Equity
Years ended December 31, 2024, and 2023
(In Canadian dollars)

	Note	Capital stock: Number of common shares	Capital stock: Amount	Equity to issue	Contributed surplus	Equity component of convertible debentures	Accumulated other comprehensive income (loss)	Deficit	Total attributable to owners of parent	Non controlling interest (note 30)	Shareholders' equity
Balance as at January 1, 2024		123,761,745	217,926,082	721,289	26,432,640	1,112,072	(1,606,808)	(210,359,682)	34,225,593	13,656,428	47,882,021
Issuance of shares and warrants	23.2-23.4	78,635,000	4,630,777	–	2,532,723	–	–	–	7,163,500	–	7,163,500
Issuance costs - shares and warrants	23.2	–	(481,849)	–	–	–	–	–	(481,849)	–	(481,849)
Issuance of broker compensation warrants	23.2	–	–	–	184,649	–	–	–	184,649	–	184,649
Equity component of convertible debentures	17	–	–	–	1,396,505	327,577	–	–	1,724,082	–	1,724,082
Issuance costs - equity component of convertible debentures	17	–	–	–	(171,640)	(37,077)	–	–	(208,717)	–	(208,717)
Deferred tax - equity component of convertible debentures		–	–	–	105,895	63,327	–	–	169,222	–	169,222
Issuance of non-transferable broker warrants	17	–	–	–	135,944	–	–	–	135,944	–	135,944
Conversion of debentures	17-23.2	35,400,000	5,388,890	–	–	(566,548)	–	–	4,822,342	–	4,822,342
Share-based compensation	24	–	–	–	12,564	–	–	–	12,564	–	12,564
Subscription for shares by non-controlling interests	30	–	–	–	–	–	–	–	–	750,400	750,400
Payment of contingent consideration	6.1	269,814	539,628	(539,628)	–	–	–	–	–	–	–
Transactions with owners		238,066,559	228,003,528	181,661	30,629,280	899,351	(1,606,808)	(210,359,682)	47,747,330	14,406,828	62,154,158
Net loss		–	–	–	–	–	–	(57,954,128)	(57,954,128)	(1,307,694)	(59,261,822)
Other comprehensive income		–	–	–	–	–	778,723	–	778,723	45,183	823,906
Total comprehensive income (loss) for the period		–	–	–	–	–	778,723	(57,954,128)	(57,175,405)	(1,262,511)	(58,437,916)
Balance as at December 31, 2024		238,066,559	228,003,528	181,661	30,629,280	899,351	(828,085)	(268,313,810)	(9,428,075)	13,144,317	3,716,242

	Note	Capital stock: Number of common shares	Capital stock: Amount	Equity to issue	Contributed surplus	Equity component of convertible debentures	Accumulated other comprehensive income (loss)	Deficit	Total attributable to owners of parent	Non controlling interest (note 30)	Shareholders' equity
Balance as at January 1, 2023		99,544,183	211,232,131	–	23,356,969	221,465	625,212	(133,089,887)	102,345,890	15,261,978	117,607,868
Issuance of shares and warrants	23.3	6,434,704	353,243	–	446,757	–	–	–	800,000	–	800,000
Equity component of convertible debentures	17	–	–	–	3,306,575	1,323,166	–	–	4,629,741	–	4,629,741
Issuance costs - equity component of convertible debentures	17	–	–	–	(51,272)	(33,445)	–	–	(84,717)	–	(84,717)
Deferred tax - equity component of convertible debentures		–	–	–	(1,052,993)	67,403	–	–	(985,590)	–	(985,590)
Issuance of broker compensation warrants	17	–	–	–	82,629	–	–	–	82,629	–	82,629
Exercise of warrants and broker warrants	23.3	2,142,858	521,814	–	(146,814)	–	–	–	375,000	–	375,000
Conversion of debentures	17-23.2	12,640,000	4,631,074	–	–	–	–	–	4,631,074	–	4,631,074
Modification of conversion options of convertible debentures	17.9	–	437,820	–	–	(466,517)	–	(437,820)	(466,517)	–	(466,517)
Share-based compensation	24	–	–	–	490,789	–	–	–	490,789	–	490,789
Subscription for shares by non-controlling interests	30	–	–	–	–	–	–	–	–	289,415	289,415
Issuance of shares for loan repayment	23.3	3,000,000	750,000	–	–	–	–	–	750,000	–	750,000
Payment of contingent consideration	6.1	–	–	721,289	–	–	–	–	721,289	–	721,289
Transactions with owners		123,761,745	217,926,082	721,289	26,432,640	1,112,072	625,212	(133,527,707)	113,289,588	15,551,393	128,840,981
Net loss		–	–	–	–	–	–	(76,831,975)	(76,831,975)	(1,495,367)	(78,327,342)
Other comprehensive loss		–	–	–	–	–	(2,232,020)	–	(2,232,020)	(399,598)	(2,631,618)
Total comprehensive loss for the period		–	–	–	–	–	(2,232,020)	(76,831,975)	(79,063,995)	(1,894,965)	(80,958,960)
Balance as at December 31, 2023		123,761,745	217,926,082	721,289	26,432,640	1,112,072	(1,606,808)	(210,359,682)	34,225,593	13,656,428	47,882,021

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

TENET FINTECH GROUP INC.
Consolidated Statements of Cash Flows
For the years ended December 31, 2024, and 2023
(In Canadian dollars)

	Note	December 31 2024	2023
OPERATING ACTIVITIES			
Net loss		(59,261,822)	(78,327,342)
Non-cash items			
Expected credit loss	8-9	32,394,805	6,828,249
Depreciation of property and equipment	11	134,922	168,025
Depreciation of right-of-use assets	11	355,991	616,533
Amortization of intangible assets	14	6,984,993	8,920,333
Amortization of financing issuance costs	17	125,567	93,043
Impairment of goodwill	14	–	26,609,797
Impairment of intangible assets	14	6,926,632	14,842,393
Impairment on investment in associate company	12	266,085	13,582
Accretion on debentures and bonds	17	967,731	568,769
Accretion of lease interest	16	264,794	286,485
Interest income on deposit		(5,138)	(4,830)
Change in fair value of contingent consideration payable	6.1	(1,271,905)	110,984
Change in fair value of debentures conversion options	17.9	(80,080)	175,008
Share-based compensation	24	12,564	490,789
Deferred tax assets and liabilities		(1,461,889)	63,285
Loss on investment in associate company	12	–	51,314
Forgiveness of CEBA loan	19	(20,000)	–
Loss on sublease	13	158,203	–
Gain on disposition of property and equipment	11	(33,622)	–
Loans receivable maturing in more than 12 months	8	(18,713)	778,688
Deposits made for transactions on platforms, long term	9.2	(11,111,332)	(10,782,714)
Net changes in working capital items			
Restricted cash		19,493	189,634
Income tax payable		(299,986)	(1,927,956)
Accounts receivable	9.1	(1,564,511)	1,384,156
Deposits made for transactions on platforms, short term	9.2	10,669,761	16,170,116
Net investment in sublease	13	8,516	–
Prepayments to third party subcontractors	9.1	(220,394)	4,476,211
Other debtors	9.1	404,527	(299,176)
Loans receivable maturing in less than 12 months	8	(1,679,575)	(352,499)
Assets held for sale		83,747	96,243
Other prepaid expenses		680,070	1,558,859
Trade accounts payable and accruals	15	9,686,843	5,498,954
Interest payable on debentures	15	(185,256)	394,639
Advances from third-party customers	15	6,173	(130,550)
Contract liabilities with third-party customers	15	144,967	(2,469,453)
Cash flows from operating activities		(6,917,839)	(3,908,431)
INVESTING ACTIVITIES			
Investments	12	–	(279,520)
Property and equipment - Addition		–	(819,940)
Property and equipment - Disposal	11	35,088	–
Intangible assets - additions	14	(657,669)	(7,063,421)
Cash flows from investing activities		(622,581)	(8,162,881)
FINANCING ACTIVITIES			
Advances received from a company owned by a Director	15-28	235,890	1,667,742
Repayment of lease liabilities	16	(546,425)	(866,880)
Promissory note payable	20	1,838,500	1,410,000
Repayment of loan payable	21	(620,506)	(64,790)
Repayment of CEBA loan	19	(66,800)	–
Proceeds from credit facility	22	600,000	–
Proceeds from the issuance of shares and warrants	23	2,855,915	800,000
Proceeds from the issuance of convertible debentures and warrants	17	2,036,035	8,457,676
Proceeds from the exercise of warrants	23	–	375,000
Cash flows from financing activities		6,332,609	11,778,748
IMPACT OF FOREIGN EXCHANGE		906,338	(1,739,248)
Net decrease in cash		(301,473)	(2,031,812)
Cash, beginning of the year		1,191,558	3,223,370
Cash, end of the year		890,085	1,191,558

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

TENET FINTECH GROUP INC.
Consolidated Statements of Financial Position
As at December 31, 2024 and December 31, 2023
(In Canadian dollars)

	Note	As at December 31, 2024	As at December 31, 2023
ASSETS			
Current			
Cash		890,085	1,191,558
Restricted cash	7-18	3,840	23,333
Loans receivable	8	18,186,928	16,507,353
Assets held for sale		128,091	211,838
Debtors	9.1	5,428,616	14,067,180
Deposits made for transactions on platforms	9.2	–	10,669,761
Net investment in sublease	13	34,729	–
Prepaid expenses		789,116	1,053,170
Other current assets	10	7,733,174	7,733,174
		33,194,579	51,457,367
Loans receivable	8	58,958	220,523
Deposits made for transactions on platforms	9.2	–	10,782,714
Net investment in sublease	13	57,735	–
Deposit		86,442	81,304
Property and equipment	11	2,219,578	3,509,324
Investments	12	985,500	1,183,005
Intangible assets	14	1,992,479	14,688,483
		38,595,271	81,922,720
LIABILITIES			
Current			
Accounts payable, advances and accrued liabilities	15	21,924,936	15,114,779
Lease liabilities	16	203,426	309,000
Bonds	18	230,000	400,000
CEBA Loan	19	13,200	100,000
Promissory note payable	20	1,188,500	1,410,000
Loan payable	21	470,654	675,145
Debentures	17	664,737	563,388
Conversion option	17	–	46,240
Contingent consideration payable	6.1	–	757,486
Current tax liabilities	25	1,884,064	2,184,050
		26,579,517	21,560,088
Debentures	17	6,311,738	7,822,405
Conversion option	17	–	33,840
Lease liabilities	16	1,692,348	2,478,836
Credit facility	22	295,426	–
Foreign deferred tax liability	25	–	1,631,111
Contingent consideration payable	6.1	–	514,419
		34,879,029	34,040,699
SHAREHOLDERS' EQUITY			
Capital stock	23	228,003,528	217,926,082
Shares to be issued	6.1	181,661	721,289
Contributed surplus		30,629,280	26,432,640
Equity component of convertible debentures	17	899,351	1,112,072
Accumulated other comprehensive loss		(828,085)	(1,606,808)
Deficit		(268,313,810)	(210,359,682)
Shareholders' equity attributable to owners of the parent		(9,428,075)	34,225,593
Non-controlling interest	30	13,144,317	13,656,428
Total shareholders' equity		3,716,242	47,882,021
		38,595,271	81,922,720

Going concern uncertainty (note 2)
Subsequent events (note 33)

The accompanying notes are an integral part of these consolidated financial statements.
On behalf of the Board,

/S/ Johnson Joseph
Director

/S/ Yves C. Renaud
Director

1 - GOVERNING STATUTES, NATURE OF OPERATIONS AND GENERAL INFORMATION

Tenet Fintech Group Inc. (hereinafter "Tenet" or the "Company") was incorporated pursuant to the provisions of the Business Corporations Act (Alberta) on May 13, 2008, and continued under the Canada Business Corporations Act on April 4, 2011. Tenet Fintech Group Inc.'s head office is located at 82 Richmond St. E. Toronto ON M5C 1P1. Its shares are traded on the Canadian Stock Exchange (CSE) under the symbol "PKK". Its shares are quoted on the "OTCQB Venture Market in the U.S." under the symbol "PKKFF".

Tenet is the parent company of a group of innovative financial technology (Fintech) and artificial intelligence (AI) companies. Tenet's subsidiaries offer various analytics and AI-based products and services to businesses, capital markets professionals, government agencies and financial institutions either through or by leveraging data gathered by the Cubeler® Business Hub, a global ecosystem where analytics and AI are used to create opportunities and facilitate B2B transactions among its members.

2 - GOING CONCERN UNCERTAINTY

These consolidated financial statements have been prepared on the basis of accounting principles applicable to a going concern, which assume that the Company will continue in operation and be able to realize its assets and discharge its liabilities in the normal course of operations. 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. The use of these principles may not be appropriate.

The level of cash flows from operating activities currently being generated is not presently sufficient to meet the Company's working capital requirements and business growth initiatives. The Company's ability to continue as a going concern depends upon its ability to raise additional financing. Even if the Company has been successful in the past in doing so, including a series of private placements during 2024, there is no assurance that it will manage to obtain additional financing in the future. In addition, the repatriation of any profits of funds raised by the Company in China, which the Company might want to repatriate from China to Canada, is subject to the rules and regulations established by the Chinese government that restrict the flow of funds between China and foreign jurisdictions.

Consequently, the Company may therefore not be able to repatriate profits or transfer funds from its Chinese holding or operating subsidiaries to its head office in Canada, including part or all of the funds raised or to be collected in China through its convertible debenture private placement financings done during 2023. Also, the Company incurred a net loss of $59,261,822 for the year ended December 31, 2024 (December 31, 2023 - $78,327,342), it has an accumulated deficit of $268,313,810 as at December 31, 2024 (year ended December 31, 2023 - $210,359,682) and it has not yet generated positive cash flows from operations on a regular basis. Until that happens, the company will continue to assess its working capital needs and undertake whatever initiatives it deems necessary to ensure that it continues to be in a position to meet its financial obligations. These material uncertainties may cast significant doubt regarding the Company's ability to continue as a going concern. For the year ended December 31, 2024, the Company secured $6,332,609 from financing activities (year ended December 31, 2023 - $11,778,748). This amount is primarily attributable to private placement from equity and convertible debentures from investors and promissory notes payable. The Company expects to maintain a similar level of investor commitment over the next twelve months.

These consolidated financial statements do not include any adjustments or disclosures that may be necessary should the Company not be able to continue as a going concern. If this were the case, these adjustments could be material.

3 - CHANGES IN ACCOUNTING POLICIES

3.1 Standards, amendments and interpretations to existing standards that are not yet effective and have not been adopted early by the Company

At the date of authorization of these consolidated financial statements, new, but not yet effective, amendments to existing standards and interpretations have been published by the IASB. None of these standards or amendments to existing standards has been adopted early by the Company. Management anticipates that all relevant pronouncements will be adopted for the first period beginning on or after the effective date of the pronouncement. New standards, amendments and interpretations not adopted in the current year have not been disclosed as they are not expected to have a material impact on the Company's consolidated financial statements, except for IFRS18.

In April 2024, the IASB issued IFRS 18, which replaces IAS 1 Presentation of Financial Statements. Although IFRS 18 includes many of the requirements of IAS 1, it introduces new requirements to better structure financial statements and provides more detailed and useful information to investors, including:

- two new subtotals defined in the statement of profit or loss, namely (1) operating profit and (2) profit or loss before financing and income taxes;
- the classification of all income and expenses within the statement of profit or loss in one of five categories;
- a new requirement to disclose performance measures defined by management;
- an improvement in the principles related to the aggregation and disaggregation of information in the financial statements and accompanying notes.

The publication of IFRS 18 results also in consequential amendments to other IFRS standards, including IAS 7 Statement of Cash Flows. IFRS 18 is effective for annual periods beginning on or after 1 January 2027, with earlier application permitted. IFRS 18 will apply retrospectively with specific transitional provisions.
The Company is currently working to identify all impacts that the amendments will have on the primary financial statements and notes to the financial statements.

4 - SUMMARY OF MATERIAL ACCOUNTING POLICIES

4.1 Statement of compliance with IFRS

These consolidated financial statements have been prepared using accounting policies that are in accordance with International Financial Reporting Standards as issued by the International Accounting Standard Board (hereafter "IFRS Accounting Standards").

The material accounting policies applied in the preparation of these consolidated financial statements are set out below. These policies have been consistently applied to all the periods presented, except for the newly adopted standards.

These consolidated financial statements for the years ended December 31, 2024, and 2023 were approved and authorized for the issue by the Board of Directors on October 1, 2025.

4 - SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

4.2 Basis of measurement

These consolidated financial statements are prepared on an accrual basis using the historical cost method.

4.3 Basis of Consolidation

These consolidated financial statements include the accounts of Tenet and all of its subsidiaries. The Company attributes the total comprehensive profit or loss of the subsidiaries between the owners of the parent company and the non-controlling interests based on their respective ownership interests.

The following entities have been consolidated within these consolidated financial statements:

Entities	Registered	% of ownership and voting right	Principal activity	Functional Currency
Tenet Fintech Group Inc.	Canada		Holding and parent company	Canadian dollar
Cubeler Inc.	Canada	100%	Technology based product developer and procurement facilitator	Canadian dollar
Tenoris 3 Inc.	Canada	100%	Technology based product developer and procurement facilitator	Canadian dollar
Asia Synergy Limited ("ASL")	Hong Kong	100%	Holding	US dollar
Asia Synergy Holdings Ltd. ("ASH")	China	100%	Holding	Renminbi
Asia Synergy Technologies Ltd. ("AST")	China	100%	Technology based product procurement facilitator	Renminbi
Asia Synergy Supply Chain Ltd. ("ASSC")	China	51%	Technology based product procurement facilitator	Renminbi
Zhejiang Xinjiupin - Oil & Gas Management Co. ("AJP")	China	100%	Technology based product procurement facilitator	Renminbi
Asia Synergy Data Solutions Ltd. ("ASDS")	China	100%	Fintech	Renminbi
Asia Synergy Credit Solutions Ltd. ("ASCS")	China	100%	Credit outsourcing services	Renminbi
Asia Synergy Supply-chain Technologies Ltd. ("ASST")	China	100%	Supply chain services	Renminbi
Beijing Xinxiangtaike Technologies Service Co.,Ltd. ("ASSI")	China	100%	Fintech	Renminbi
Wuxi Aorong Ltd. ("AORONG")	China	100%	Holding	Renminbi
Asia Synergy Financial Capital Ltd. ("ASFC")	China	51%	Financial institution	Renminbi
Huike Internet Technology Co., Ltd. ("HUIKE")	China	100%	Technology based product facilitator	Renminbi
Wechain (Nanjing) Technology Service Co., Ltd. ("WECHAIN")	China	51%	Fintech	Renminbi
Kailifeng New Energy Technology Co., Ltd. ("KALIFENG")	China	42.5%	Technology based clean energy trading platform facilitator	Renminbi
Shanghai Xinhuizhi Supply Chain Management Ltd. ("ASAC")	China	51%	Technology based product procurement facilitator	Renminbi
Tianjin Wodatong Technology Co., Ltd. ("ASB")	China	100%	Fintech	Renminbi
Jiangsu Supairui IOT Technology Co., Ltd. ("ASTH")	China	80%	Technology based product procurement facilitator	Renminbi
Wuxi Suyetong Supply Chain Management Co., Ltd. ("SST")	China	80%	Technology based product procurement facilitator	Renminbi
Jiangsu Steel Chain Technology Co., Ltd. ("STEELCHAIN")	China	100%	Technology based steel trading platform facilitator	Renminbi

The Company's subsidiaries each have an annual reporting date of December 31 and are incorporated in either Canada, Hong Kong or China. All intercompany transactions and accounts were eliminated upon consolidation, including unrealized gains or losses on intercompany transactions. Where unrealized losses on intercompany asset sales are reversed upon consolidation, the underlying asset is also tested for impairment from the Company's perspective. Accounting policies of subsidiaries have been adjusted to ensure consistency with the policies adopted by the Company.

Profit or loss of subsidiaries acquired or disposed of during the year are recognized from the effective date of acquisition, or up to the effective date of disposal, as applicable.

On June 3, 2024, the Company subsidiary Kailifeng New Energy Technology Co., Ltd. ("KALIFENG") introduced a new shareholder. On July 5, 2024, the new shareholder injected $750,400 capital as the form of cash into KAILIFENG according to a third-party capital increase agreement. After the capital injection, the new third party shareholder became the new minority shareholder of KAILIFENG owing 16.67% of its shares. The registered capital of KAILIFENG increased from $3,768,000 to $4,518,400. The Company subsidiary Asia Synergy Technologies Ltd. ("AST") as a shareholder of KAILIFENG will see its share percentage drop from previously 51% to 42.5% following the capital injection.

The Company consolidates Kalifeng even if it holds less than 51% ownership. Control over the investee is still in place after the change in share percentage. The Company still has power over the investee, exposure or rights to variable returns from involvement with the investee, and the ability to use power to affect those returns.

4.4 Foreign currency translation

Functional and presentation currency

The consolidated financial statements are presented in Canadian dollars, which is also the functional currency of the parent company.

Foreign currency transactions and balances

Foreign currency transactions are translated into the functional currency of the respective entity, using the exchange rates prevailing at the date of the transactions (spot exchange rate). Currency translation adjustment reflects the currency fluctuation between the functional currency of the Company's subsidiaries in Chinese (Renminbi) and the Company's functional currency (Canadian dollar) during the year. This element represents a theoretical profit or loss that can be materialized only if the underlying assets or liabilities to which the adjustment is attributed are realized. Foreign exchange gains and losses resulting from the settlement of such transactions and from the remeasurement of monetary items denominated in a foreign currency at year-end exchange rates are recognized in profit or loss.

Non-monetary items are not retranslated at year-end and 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.

4 - SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

4.5 Foreign operations

In the consolidated financial statements, all assets, liabilities and transactions of the entities with a functional currency other than Canadian dollars are translated into Canadian dollars upon consolidation. The functional currency of the entities has remained unchanged during the reporting period.

On consolidation, assets and liabilities have been translated into Canadian dollars at the closing rate at the reporting date. Revenues and expenses have been translated into Canadian dollars at the average rate over the reporting period. Exchange differences are charged or credited to other comprehensive income and recognized in the currency translation reserve in equity. On disposal of a foreign operation, the related cumulative translation differences recognized in equity are reclassified to profit or loss and are recognized as part of the gain or loss on disposal.

4.6 Segment reporting

The Company presents and discloses segmental information based on information that is regularly reviewed by the chief operating decision maker who is responsible for allocating resources and assessing the performance of the operating segments. The chief operating decision maker has been identified as the senior management team, which makes strategic and operational decisions.

For management purposes, the Company uses the same measurement policies as those used in its financial statements.

In addition, corporate assets which are not directly attributable to the business activities of any operating segments are not allocated to a segment. This primarily applies to the Company's headquarters.

4.7 Revenue recognition

Revenue arises mainly from providing supply chain management services to customers, the rendering of financial services, and the delivery of IT related services. To determine whether to recognize revenue, the Company follows a five-step process:

- identifying the contract with a customer;
- identifying the performance obligations;
- determining the transaction price;
- allocating the transaction price to the performance obligations;
- recognizing revenue when performance of obligation is satisfied.

Revenue is recognized either at a point in time or over time when the Company satisfies performance obligations by transferring the promised goods or services to its customers.

Financial services

Financial services revenues include interest revenue earned from commercial loans to small and medium-sized businesses and entrepreneurs and fees earned for services rendered to financial institutions to manage loans made to their customers.

Interest revenue earned from commercial loans is recorded using the effective interest rate method.

Service fees

Service fee revenues include fees earned for services rendered to financial institutions to help them find loan candidates, determine what potential or existing customers to lend to, manage their credit risk exposure, and help facilitate their credit transactions through the Company's technology platforms.

Service fees earned for services rendered to financial institutions over time is calculated based on a percentage of the value of the transactions associated with the services or in some cases, represent the price to obtain risk analysis or similar types of reports, charged either per report or on a subscription basis.

Supply chain services

Supply chain services revenue relates to services provided to supply chain participants to allow them to acquire the materials they need on credit.

The services include a bundle of three services:
- assistance to get financing from financial institutions;
- assistance to find materials suppliers;
- assistance for the transportation and warehousing of the acquired materials.

Supply chain service revenue is earned when the Company satisfies performance obligation for all three elements by transferring the service to its customers. At this point, the customer is invoiced as follows:

Financing : A percentage of the value of the purchase order financed,
Material suppliers: A percentage of the value of the purchase order,
Transportation and warehousing: Percentage of the value of the purchase order established on a case-by-case basis according to the characteristics of the order, including location, quantity, storage time and other factors.

Information Technology (IT) applications and research & development (R&D) related services

The services are based on standard IT projects to be developed or R&D services to be rendered per the needs of each customer.

The services include:

- R&D work on specific IT solutions & services;
- Installation and set-up of specific IT solutions & services;
- Technical support to certain business processes;
- IT technical consulting & training.

The revenues for the delivery of IT applications and R&D related services are earned upon delivery or over time depending on when the Company satisfies the performance obligation as per the different business contracts.

4 - SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

4.8 Assets held for sale

Assets held for sale are classified as held for sale when their carrying amount will be recovered principally through a sale transaction rather than continuing use and a sale is highly probable. Assets designated as held for sale are accounted for at the lower of their carrying amount at designation and fair value less costs to sell.

4.9 Current and deferred income taxes

Tax expense recognized in profit or loss when applicable comprises the sum of deferred tax and current tax not recognized directly in equity.

Current income tax assets and/or liabilities comprise those obligations to, or claims from, fiscal authorities relating to the current or prior reporting periods that are unpaid at the reporting date. Current tax is payable on taxable profit, which differs from profit or loss in the consolidated financial statements. Calculation of current tax is based on tax rates and tax laws that have been enacted by the end of the reporting period.

Deferred income taxes are calculated using the liability method on temporary differences between the carrying amounts of assets and liabilities and their tax bases. However, deferred tax is not provided on the initial recognition of goodwill, or on the initial recognition of an asset or liability unless the related transaction is a business combination or affects tax or accounting profit. Deferred tax on temporary differences associated with investments in subsidiaries is not provided if reversal of these temporary differences can be controlled by the Company and it is probable that reversal will not occur in the foreseeable future.

Deferred tax assets and liabilities are calculated, without discounting, at tax rates that are expected to apply to their respective period of realization, provided those rates are enacted or substantively enacted by the end of the reporting period.

Deferred tax assets are recognized to the extent that it is probable that the underlying tax loss or deductible temporary difference will be able to be utilized against future taxable income. This is assessed based on the Company's forecast of future operating results, adjusted for significant non-taxable income and expenses and specific limits on the use of any unused tax loss or credit. Deferred tax liabilities are always provided for in full.

Deferred tax assets and liabilities are offset only when the Company has a right and intention to set off current tax assets and liabilities from the same taxation authority.

Changes in deferred tax assets or liabilities are recognized as a component of tax income or expense in profit or loss, except where they relate to items that are recognized directly in the equity, in which case the related deferred tax is also recognized in equity.

4.10 Basic and diluted loss per share

Basic loss per share is calculated using the net loss and the weighted average number of outstanding shares during the year. Diluted loss per share is calculated by adjusting the weighted average number of outstanding shares, for the effects of all dilutive potential common shares which include convertible debentures, options and warrants. Since the Company has incurred losses, the diluted loss per share is equal to the basic loss per share due to the antidilutive effect of convertible debentures, options and warrants.

4.11 Financial instruments

The Company classifies a financial asset or a financial liability in its statement of financial position when it becomes party to the contractual provisions of the instrument. At initial recognition, the Company measures a financial asset or a financial liability at its fair value plus or minus, transaction costs that are directly attributable to the acquisition of the financial asset or the financial liability where applicable.

Financial assets

The Company classify financial assets as subsequently measured at amortized cost, fair value through other comprehensive income or fair value through profit or loss, based on its business model for managing the financial asset and the financial asset contractual cash flow characteristics. The three categories are defined as follows:

(a) Amortized cost - A financial asset is measured at amortized cost if both of the following conditions are met:
- the net asset is held within a business model whose objective is to hold assets in order to collect contractual cash flows; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

The Company's financial assets comprised of cash and restricted cash, loans receivable, debtors (except sales tax receivable), deposit, deposits made for transactions on platforms and other current assets are measured at amortized cost. After initial recognition, these are measured at amortized cost using the effective interest method. Discounting is omitted where the effect of discounting is immaterial.

(b) Fair value through other comprehensive income - Financial assets are classified and measure at fair value through other comprehensive income if they are held in a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets.

(c) Fair value through profit or loss - Any financial assets that are not held in one of the two business models mentioned are measured at fair value through profit or loss.

Equity investments, other than subsidiaries controlled by the Company or associate companies, are recorded at fair value through profit or loss. The equity investments are measured at fair value, using either active market transactions to value its investment or other valuation methods whenever no active market exists. Variation in fair value is recorded in the consolidated statements of comprehensive profit and loss.

When, and only when, the Company changes its business model for managing financial assets it must reclassify all affected financial assets.

Impairment of financial assets

The Company assess the impairment of its loans receivables, debtors, deposits made for transactions on platforms, and deposit using the expected credit loss model. The Company considers a broader range of information when assessing credit risk and measuring expected credit loss including past events, current conditions, reasonable and supportable forecasts that affect the expected collectability of the future cash flows of the instrument.

At the end of each reporting period, the Company applies a three-stage forward looking impairment approach for its loans receivables to measure the expected credit loss (ECL).

4 - SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

Determining the stage

The ECL three-stage impairment approach is based on the change in the credit quality of financial assets and the credit quality have not deteriorated significantly since initial recognition. If the credit risk and the credit quality of non-impaired financial instruments has not deteriorated significantly since initial recognition, these financial instruments are classified in Stage 1, and an allowance for credit losses is measured and recorded at an amount equal to 12-month expected credit loss. When there is a significant increase in credit risk and the credit quality have deteriorated significantly since initial recognition, these non-impaired financial instruments are migrated to Stage 2, and an allowance for credit losses is measured and recorded at an amount equal to lifetime expected credit losses. When one or more events that have a detrimental impact on the estimated future cash flows of a financial asset has occurred, the financial asset is considered credit-impaired and is migrated to Stage 3, and an allowance for credit losses equal to lifetime expected losses continues to be recorded or the financial asset is written off.

The interest income is calculated on the gross carrying amount for financial assets in Stages 1 and 2 and on the net carrying amount for financial assets in stage 3.

Measurement of Expected Credit losses (ECL)

ECLs are measured as the probability-weighted present value of all expected cash shortfalls over the remaining expected life of the financial instruments, and reasonable and supportable information about past events, current conditions and forecasts of future events and economic conditions is considered. The estimation and application of forward-looking information requires significant judgment. The cash shortfall is the difference between all contractual cash flows owed to the Company and all the cash flows that the Company expects to receive.

The measurement of ECLs is primarily based on the product of the financial instruments probability of default, loss given default, and exposure at default. Forward-looking macroeconomic factors such as credit default indices, interest rates and gross domestic product are incorporated into the risk parameters. The estimate of expected credit losses reflects an unbiased and probability-weighted amount that is determined by evaluating a range of possible outcomes. Due to the short-term nature of the Company's commercial loans, the forward-looking macroeconomic factors are generally not important to the Company.

A financial asset is deemed credit-impaired when one or more events with a detrimental impact on its estimated future cash flows have occurred. Such events could include but are not limited to 1) significant financial difficulty of the counterparty; 2) a breach of contract, such as a default or past-due event; or 3) the likelihood that the counterparty will enter bankruptcy or other financial reorganization.

Debtors, deposits made for transactions on platforms and deposits are written off (i.e. derecognised) when there is no reasonable expectation of recovery. Failure to make payments within 180 days from the invoice date and failure to engage with the Company on alternative payment arrangements among other is considered indicators of no reasonable expectation of recovery.

The Company applies experienced credit judgment to adjust the modelled ECL results when it becomes evident that known or expected risk factors and information were not considered in the credit risk rating and modelling process.

Simplified approach has been used for the calculation of the ECL for debtors, deposits made for transactions on platforms, and deposit.

Financial liabilities

The Company's liabilities include accounts payable, advances and accrued liabilities, contingent consideration payable, debentures, promissory notes payable, loan payable, credit facility, bonds, CEBA loan and conversion options.

When the Company becomes a party to the contractual provisions of the financial instruments, these are initially measured at fair value adjusted for transaction costs unless the Company classified its financial liability at fair value through profit or loss.

Subsequently, financial liabilities are measured at amortized cost using the effective interest method except for conversion option and contingent consideration payable classified at fair value through profit or loss, which are carried subsequently at fair value with gains or losses recognized in profit or loss.

The liability and the conversion option or the equity components of convertible debentures are presented separately on the consolidated statements of financial position starting from initial recognition.

The liability component is recognized initially at the fair value, by discounting the stream of future payments of interest and principal at the prevailing market rate for a similar liability of comparable credit status and providing substantially the same cash flows that do not have an associated conversion option. Subsequent to initial recognition, the liability component is measured at amortized cost using the effective interest method; the liability component is increased by accretion of the discounted amounts to reach the nominal value of the debentures at maturity.

The carrying amount of the equity component is calculated by deducting the carrying amount of the financial liability from the amount of the debentures and is presented in shareholders' equity as equity component of convertible debentures. A deferred tax liability is recognized with respect to any temporary difference that arises from the initial recognition of the equity component separately from the liability component. The deferred tax is charged directly to the carrying amount of the equity component. Subsequent changes in the deferred tax liability are recognized through the consolidated statements of comprehensive profit and loss. The conversion option is initially valued at fair value and subsequently revaluated at fair market value with gains or losses recognized in the consolidated statement of comprehensive profit and loss.

4.12 Associate company

The Company applies the equity method in accounting investments in companies subject to significant influence ("associate company"). The share of the operating results of an associate company is recorded in the consolidated statements of comprehensive profit and loss. The cumulative Company's share of the associate company losses is limited to the recorded equity interest, except for obligation or payments assumed for another party. An impairment loss is recognized if any facts and circumstances indicate that the investment's carrying value exceeds its fair value.

4.13 Property and equipment

Property and equipment are initially recorded at acquisition cost, including any costs directly attributable to bringing the assets to the location and condition necessary for them to be capable of operating in the manner intended by the Company's management. Property and equipment are subsequently measured at cost less accumulated depreciation and impairment.

4 - SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

Depreciation is recognized on a straight-line basis using rates based on the estimated useful lives of the asset as follows:

	Useful life
IT and office equipment	2–5 years
Vehicles and other equipment	3–5 years
Right-of-use assets	0-10 years
Leasehold improvement	10 years

The assets' residual values and useful lives are reviewed and adjusted, if appropriate, at the end of each reporting period.

4.14 Intangible assets

Intangible assets acquired separately are initially recognized at acquisition cost and are subsequently measured at cost less accumulated depreciation and impairment losses. Intangible assets acquired through business combination are measured initially at their fair value as at the date of acquisition. After initial recognition, intangible assets are recorded at cost less accumulated amortization, if they are amortizable, and less accumulated impairment.

Amortization is recognized on a straight-line basis using rates based on the estimated useful lives of the asset as follows:

	Useful life
Fintech platforms (Gold River, Cubeler, and others)	3–8 years
Tradename	3–8 years
Loan servicing agreements	10 years

The assets' residual values and useful lives are reviewed and adjusted, if appropriate, at the end of each reporting period.

4.15 Business combinations

The Company applies the acquisition method in accounting for business combinations. The consideration transferred by the Company to obtain control of a subsidiary is calculated as the sum of the acquisition-date fair values of assets transferred, liabilities incurred and the equity interests issued by the Company, which includes the fair value of any asset or liability arising from a contingent consideration arrangement. The Company measures the non-controlling interest, if any, at the proportionate share in the acquiree's identifiable net assets. Acquisition costs are expensed as incurred.

Assets acquired and liabilities assumed are recorded at their acquisition-date fair values.

After initial recognition, goodwill is measured at cost less any accumulated impairment.

4.16 Impairment of goodwill and long-lived assets

For impairment assessment purposes, assets are grouped at the lowest levels for which there are largely independent cash inflows called cash-generating units (CGUs). As a result, some assets are tested individually for impairment and some are tested at the CGU level. Goodwill is allocated to those CGUs that are expected to benefit from synergies of a related business combination and represent the lowest level within the group at which management monitors goodwill.

CGUs to which goodwill has been allocated (determined by the Company's management as equivalent to operating segments) are tested for impairment at least annually. All other individual assets or CGUs are tested for impairment whenever events or changes in circumstances indicate that their carrying amount may not be recoverable. An impairment loss is recognized for the amount by which the asset's (or CGUs) carrying amount exceeds its recoverable amount which is the higher of fair value less costs of disposal and value-in-use. To determine the value-in-use management estimates expected future cashflows from each CGU and determines a suitable discount rate in order to calculate the present value of those cashflows. The data used for impairment testing is directly linked to the Company's latest approved budget, adjusted as necessary to exclude the effects of future reorganisations and asset enhancements. Discount factors are determined individually for each CGU and reflect current market assessments of the time value of money and asset specific risk factors.

Impairment losses for CGUs reduce first the carrying amount of any goodwill allocated to that CGU. Any remaining impairment loss is charged pro-rata to the other assets in the CGU.

With the exception of goodwill, all assets are subsequently reassessed for indications an impairment loss previously recognised may no longer exist. An impairment loss is reversed if the asset's or CGU's recoverable amount exceeds it's carrying amount.

4.17 Provisions

Provisions are recognized when present obligations as a result of a past event will probably lead to an outflow of economic resources from the Company and amounts can be estimated reliably. Timing or amount of the outflow may still be uncertain. A present obligation arises from the presence of a legal or constructive commitment that has resulted from past events.

Provisions are recognized at the best estimate of the expenditure required to settle the present obligation at the reporting date, including the risks and uncertainties associated with the present obligation. Provisions are discounted when the time value of money is significant.

4.18 Equity

Capital stock represents the amount received on the issue of shares less incremental costs, net of tax, directly attributable to the issue of the shares. If shares are issued after share options or warrants are exercised, it also includes compensation costs previously recognized in contributed surplus.

Unit Placements ("Units")
The Company allocates the equity financing proceeds between common shares and warrants according to the relative fair value of each instrument. The fair value of the common shares is determined according to the market price of the shares on the Canadian Securities Exchange on the issuance date, and the fair value of the warrants is determined using the Black & Scholes pricing model.

Contributed surplus within equity includes amounts in connection with share options and warrants issued. When share options and warrants are exercised, the related compensation cost is transferred in capital stock.

4 - SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

When conversion of debentures occurs, the related cost is transferred from the equity component of convertible debentures to capital stock. The related issuance costs reduce the equity.

Deficit includes all current and prior period losses and the value of the extended warrants.

Accumulated other comprehensive income includes all current and prior period currency translation adjustment gain and losses.

4.19 Share-based payments

The Company operates equity-settled share-based payment plans for its eligible directors, officers, employees and others providing similar services. None of the Company's plans features any options for a cash settlement.

All goods and services received in exchange for the grant of any share-based payments are measured at their fair values, unless that fair value cannot be estimated reliably. If the Company cannot estimate reliably the fair value of the goods and services received, the Company shall measure their value indirectly by reference to the fair value of the equity instruments granted. For the transactions with employees and others providing similar services, the Company measured the fair value of the services received by reference to the fair value of the equity instruments granted.

All equity-settled share-based payments (except warrants to brokers, agents and finders) are ultimately recognized as an expense in the profit or loss with a corresponding credit to contributed surplus, in equity. Equity-settled share-based payments to brokers, in respect of an equity financing, are recognized as issuance costs and are presented as a reduction to the equity instruments with a corresponding credit to contributed surplus, in equity.

If vesting periods or other vesting conditions apply, the expense is allocated over the vesting year, based on the best available estimate of the number of share options expected to vest. Non-market vesting conditions are included in assumptions about the number of options that are expected to become exercisable. Estimates are subsequently revised if there is an indication that adjustment prior to vesting is recognized in the current period. No adjustment is made to any expense recognized in prior period if share options ultimately exercised are different to that estimated on vesting.

4.20 Leased assets

The Company recognized a right-of-use asset and a lease liability with respect to a lease on the date the underlying asset is available for use by the Company (hereafter, the "commencement date").

The right-of-use asset is initially measured at cost, which includes the initial lease liabilities adjusted for lease payments on or before the commencement date, plus initial direct costs incurred and an estimate of all of the costs for dismantling and removing the underlying asset, less any lease incentives received as part of the contract.

The right-of-use asset is amortized over the shorter of the estimated useful life of the underlying asset or the lease term on a straight-line basis. Additionally, the cost of a right-of-use asset is reduced by any accumulated impairment losses and, as appropriate, adjusted for any remeasurement of the related lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date over the lease payments to be made over the lease term, calculated using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Company's incremental borrowing rate. Generally, the Company uses its incremental borrowing rate as its discounting rate. The lease payments included in the lease liability include the following, in particular:

- Fixed payments, including in-substance fixed payments, less any lease incentives receivable;
- Variable payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- Lease payments relating to extension options that the Company is reasonably certain it will exercise.

Accordingly, lease payments and the lease liability include payments relating to lease and non-lease components.

The Company has elected not to recognize separately non-lease components of leases for office space (buildings).

The interest expense relating to lease liabilities is recognized in profit or loss using the effective interest method. New right-of-use assets and liabilities are non-cash transactions and thus excluded from the consolidated statement of cashflows.

The lease liability is remeasured when there is a change in future lease payments resulting from a change in an index or when the Company changes its measurement with respect to the exercise of a purchase, extension or termination option. The lease liability adjustment is adjusted against the related right-of-use asset or recorded in profit or loss if the right-of-use asset is reduced to zero.

Lease payments relating to leases for which the underlying asset is of low value are recognized on a straight-line basis as an expense in profit or loss. Low-value assets include computer equipment and small office furniture.

4.21 Research & Developement costs

Internally incurred research and development costs are recognized to the profit and loss accounts as incurred, except for project development costs that meet the criteria below:

- The product or process is defined, and costs are seperatly identified and reliably measured;
- The technical feasibility of the product or project is demonstrated, and the Group's experience in this area is established;
- Adequate resources are available to complete the project successfully;
- A potential market for the products exists or their usefulness, in case of internal use, is demonstrated;
- The Company intends to produce or market, or use the new product or process, and can demonstrate its profitability or existence of a market.

When all the above criterias meet, the development costs are capitalized as intangible assets.

The method of amortization is generally determined by reference to the expected period in which future economic benefits will be earned. If the method cannot be determined reliably, linear amortization is adopted. The period of amortization depends on the type of activity.

5 - CRITICAL ACCOUNTING ESTIMATES, JUDGMENTS AND ASSUMPTIONS

5.1 Estimates

5.1.1 Share-based payments and warrants

The estimation of the fair value of options and warrants at the date of grant requires the selection of an appropriate valuation model and consideration as to the inputs necessary for the valuation model chosen. Details of the assumptions used by the Company are given in notes 23 and 24.

5.1.2 Impairment of goodwill and long-lived assets

Determining if there are any facts and circumstances as indicating impairment loss or reversal of impairment losses is a subjective process involving judgement and a number of estimates and assumptions in many cases.

In assessing impairment, management assesses the recoverable amount of each asset or CGU based on expected future cashflows and uses an interest rate to discount them. Estimation uncertainty relates to assumptions about future operating results and the determination of a suitable discount rate.

5.1.3 Leases

Recognizing leases requires judgment and the use of estimates and assumptions. Judgment is used to determine whether there is reasonable certainty that a lease extension or cancellation option will be exercised. Furthermore, management estimates are used to determine the lease terms and the appropriate interest rate to establish the lease liability.

5.1.4 Acquisition valuation method

The Company uses valuation techniques when determining the fair value of certain assets and liabilities acquired in a business combination. In particular, the fair value of each intangible assets is dependent on the outcome of many variables.

5.1.5 Contingent considerations

Contingent consideration payable arising from business combinations is recognized and measured at fair value. The fair value is estimated using a discounted cash flow method and reflects management's assumptions including the acquirees' future profitability. The assumptions used requires judgment from management and could have an impact on the initial estimate of the contingent consideration payable recognized and on any subsequent variation in fair value recorded in the consolidated statements of profit and loss.

5.1.6 Measurement of expected credit losses (ECL)

Determining if there are any significantly strong facts and circumstances indicating expected credit losses is a subjective process involving judgement relative to the overall context and probability of recoverability of the balances under review.

5.2 Judgments

5.2.1 Deferred tax assets

The Company must use certain assumptions and important accounting judgments to determine if deferred taxes can be recognized. Management has to evaluate whether it is more likely than not that they will be realized, taking into consideration all probable elements at their disposal to determine if all or part of deferred taxes will be recognized. To determine this probability, certain factors have to be taken into account, notably the Company's projection of future taxable income and determine in which fiscal period these profits should materialize.

5.2.2 Going concern

The assessment of the Company's ability to continue as a going concern and to have sufficient funds to pay its ongoing operating expenditures, meet its liabilities the ongoing year, involve significant judgment based on historical experience and other factors including expectation of future events that are believed to be reasonable under the circumstances. More information about the going concern is disclosed in note 2.

5.2.3 Classification of investments in equity

When the Company recognize an investment in equity, all the relevant facts and circumstances are considered to determine the level of participation and influence on the operation and the classification of the asset as either an associate company or an other equity investment. Such facts and circumstances would include, but not be limited to, the percentage of ownership, the percentage of the voting rights, and the relative influence of other owners or partners in the investment.

6 - BUSINESS COMBINATIONS

6.1 Subsequent Accounting

At each reporting date, the Company revises its estimations of the fair value of the contingent consideration payable under the Steelchain acquisition and records gains or losses through the change in fair value of contingent consideration payable reported in the consolidated profit and loss statement. The reevaluation process takes into account the reporting date management assumptions of Steelchain's expected financial performance compared to agreed up to date targets and discounts the results accordingly.

(In Canadian dollars)

6 - BUSINESS COMBINATIONS (CONTINUED)

As at December 31, 2024, in the absence of a substantiated budget and demonstrable economic viability, the Company derecognized the contingent consideration payable resulting in a gain of $1,271,905 (December 31, 2023 - a loss of $110,984) which was recorded in the consolidated statements of comprehensive profit and loss. The value of the contingent consideration payable was estimated at $Nil (December 31, 2023 - $1,271,905) for the Steelchain acquisition.

The movement during years ended December 31, 2024 and 2023, relating to the contingent consideration payable, were as follows:

	2024 December 31	2023 December 31
Balance at the beginning of the year	1,271,905	1,882,210
Payment by shares to be issued	–	(721,289)
Change in fair value of contingent consideration payable	(1,271,905)	110,984
Balance at the end of the year	–	1,271,905

On January 3, 2024, the company issued 269,814 common shares to the business managers of the Company's subsidiary Steelchain, in accordance with the amended assets purchase and performance agreement of the Steelchain acquisition effective from October 1, 2022. The payment in shares was for the performance based compensation up to December 31, 2023 totaling $539,628 which was settled in common shares at the minimum price of $2 per share.

7 - RESTRICTED CASH

As at December 31, 2024, some of the Company's subsidiaries had bank accounts in China that were classified as restricted cash ("Restricted Cash") due to legal proceedings and asset preservation measures initiated by the court in accordance with the Civil Procedure Law of the People's Republic of China. The nature of these legal proceedings was primarily related to labour disputes involving former employees of certain subsidiaries in China, as well as supplier disputes concerning unpaid balances for services provided in prior periods.

As at December 31, 2024, the Company had a Restricted Cash balance totaling $3,840 (December 31, 2023 - $23,333), which represents the collective amount of cash restricted in some of its subsidiaries' bank accounts in China. This amount is legally restricted and cannot be utilized by the Company or its subsidiaries for operational or other purposes until the legal proceedings are concluded or the court lifts the restricted order. The total restrictive quota was set to an amount of up to $736,958 . The Company was actively defending its position in the litigation and working towards resolving the matter to regain access to the Restricted Cash as soon as possible. It should be noted that the described restrictions only affect the Company's Chinese operating subsidiaries and do not affect any of the bank accounts of the Company's Chinese holdings such as ASL, ASH and Aorong.

The restriction on these funds is disclosed as restricted cash in the consolidated statements of financial position. The outcome of the litigation and the timeline for the release of the Restricted Cash is unpredictable.

8 - LOANS RECEIVABLE AND ALLOWANCE FOR CREDIT LOSSES

One of the Company's subsidiaries in China, Asia Synergy Financial Capital ("ASFC"), provides various financial services to small and medium-sized enterprises.

ASFC provides loans that are either guaranteed by a third party, collateral assets or a combination of both. The loans secured with collateral are either secured by second-hand vehicles or by the residential property of the borrower. Loans not guaranteed by collateral assets are guaranteed by a third party.

Loans guaranteed by second-hand vehicles
The second-hand vehicles are valued by the company's credit department before approving a loan. The loan value at inception typically represents between 40% to 80% of the collateral value. The second-hand vehicles' collateral values are evaluated at the beginning of the loan and periodically during the life of the loan, based on an industry-recognized used car guide validated by company personnel, their knowledge, experience and the inspection process before approval of the loan.

Loans guaranteed by second rank mortgage on residential property
Before approving a loan, the Company's credit department will assess the value of any other mortgages taken out on the residential property and put it as collateral by the prospective borrower. The loan value at inception typically represents between 25% and 50% of the collateral value exceeding the first-rank mortgage taken by the borrower. The value of the residential property is evaluated at the beginning of the loan and periodically during the life of the loan based on a residential broker site, which is validated by the Company's personnel, their knowledge, experience and inspection process before approval of the loan.

All the loans secured by collateral assets are registered on the appropriate government-regulated system.

Credit loans guaranteed by a third party
The Company makes loans to small and medium enterprises in the technology sector. Before approving a loan, the Company performs an initial credit evaluation of the borrower. The credit evaluation includes the review of the borrower company's credit profile, operating performance, financial statements, tax payments & receipt records, shareholders' structure and their individual credit rating. Based on this initial evaluation, the Company will then proceed to sign a loan agreement with the SME borrowers. To mitigate the default risk in the case of any overdue situation incurred regarding these credit loans, a letter of guarantee must also be signed before the loan is finally granted to SME borrowers. Accordingly, a third party must agree to provide a full guarantee to cover any overdue principal and interest on behalf of the borrowers. The company will also perform ongoing monitoring of SME borrowers in the tech industry through visits, phone calls and follow-up on business model developments.

For the majority of loans granted, principal and interest are payable by the borrower every month.

(In Canadian dollars)

8 - LOANS RECEIVABLE AND ALLOWANCE FOR CREDIT LOSSES (CONTINUED)

Loans receivable are summarized as follows:

	2024 December 31	2023 December 31
Principal balance loans receivable	18,990,938	17,286,207
Less expected credit loss (ECL)	(738,609)	(558,331)
Foreign exchange	(6,443)	–
Loans receivable net	18,245,886	16,727,876
Loans receivable maturing in less than 12 months	18,186,928	16,507,353
Loans receivable maturing in more than 12 months	58,958	220,523
	18,245,886	16,727,876

Impaired loans and allowances for credit loss

The Company performed a three-stage forward-looking impairment approach to its loan portfolio to measure the expected credit loss as described in detail in the summary of significant accounting policies.

Credit quality of loans

The following table presents the gross carrying amount of loans receivable as at December 31, 2024 and 2023, according to credit quality and ECL impairment stages.

ECL is calculated at the end of the year on loans that are not insured by a third party with an assumption of a credit loss allocation provision applied as follows:

	Credit Loss Allocation Applied		
	Autos	Residential Property	Credit and Supply Chain Finance Credit
Stage 1 : 1%	1.0%	1.0%	2.0%
Stage 2: 30%	6.8%	1.0%	2.0%
Stage 3: 100%	77.9%	1.0%	2.0%

December 31, 2024	%	Gross Carrying Amount	Allowance for Credit Loss	Net Carrying Amount
Stage 1: Not overdue <= 30 Days	94.3%	17,900,472	(3,577)	17,896,895
Stage 2: Overdue 30–90 days	0.0%	–	–	–
Stage 3: Overdue> 90 days	5.7%	1,090,466	(741,475)	348,991
	100.0%	18,990,938	(745,052)	18,245,886

December 31, 2023	%	Gross Carrying Amount	Allowance for Credit Loss	Net Carrying Amount
Stage 1: Not overdue <= 30 Days	94.0%	16,250,606	(3,235)	16,247,371
Stage 2: Overdue 30–90 days	0.0%	–	–	–
Stage 3: Overdue> 90 days	6.0%	1,035,601	(555,096)	480,505
	100.0%	17,286,207	(558,331)	16,727,876

The loss allowance for loans to customers as at December 31, 2024, broken down by product type, reconciles to the opening loss allowance for that provision as follows:

Product Type - Autos	Stage 1	Stage 2	Stage 3	Total ECL
Loss allowance as at January 1, 2024	–	–	553,828	553,828
Originations net of repayments and other derecognitions	–	–	(11,674)	(11,674)
Net remeasurement	–	–	191,740	191,740
Foreign exchange and other	–	–	6,181	6,181
Loss allowance as at December 31, 2024	–	–	740,075	740,075

Product Type - Residential property	Stage 1	Stage 2	Stage 3	Total ECL
Loss allowance as at January 1, 2024	15	–	1,268	1,283
Originations net of repayments and other derecognitions	(7)	–	(444)	(451)
Net remeasurement	–	–	497	497
Transfers				
- to lifetime ECL credit-impaired	(5)	–	5	–
Foreign exchange and other	1	–	74	75
Loss allowance as at December 31, 2024	4	–	1,400	1,404

Product Type - Credit & Supply Chain Finance Credit	Stage 1	Stage 2	Stage 3	Total ECL
Loss allowance as at January 1, 2024	3,220	–	–	3,220
Originations net of repayments and other derecognitions	166	–	–	166
Foreign exchange and other	187	–	–	187
Loss allowance as at December 31, 2024	3,573	–	–	3,573

(In Canadian dollars)

8 - LOANS RECEIVABLE AND ALLOWANCE FOR CREDIT LOSSES (CONTINUED)

The loss allowance for loans to customers as at December 31, 2023, broken down by product type, reconciles to the opening loss allowance for that provision as follows:

	Product Type - Autos			
	Stage 1	Stage 2	Stage 3	Total ECL
Loss allowance as at January 1, 2023	1	–	506,951	506,952
Originations net of repayments and other derecognitions	–	–	(67,977)	(67,977)
Net remeasurement	–	–	132,150	132,150
Foreign exchange and other	(1)	–	(17,296)	(17,297)
Loss allowance as at December 31, 2023	–	–	553,828	553,828

	Product Type - Residential property			
	Stage 1	Stage 2	Stage 3	Total ECL
Loss allowance as at January 1, 2023	24	598	6,887	7,509
Originations net of repayments and other derecognitions	(7)	(487)	(5,535)	(6,029)
Net remeasurement	–	–	187	187
Transfers				
- to lifetime ECL credit-impaired	–	(80)	80	–
Foreign exchange and other	(2)	(31)	(351)	(384)
Loss allowance as at December 31, 2023	15	–	1,268	1,283

	Product Type - Credit & Supply Chain Finance Credit			
	Stage 1	Stage 2	Stage 3	Total ECL
Loss allowance as at January 1, 2023	3,092	–	–	3,092
Originations net of repayments and other derecognitions	283	–	–	283
Foreign exchange and other	(155)	–	–	(155)
Loss allowance as at December 31, 2023	3,220	–	–	3,220

9 - DEBTORS AND DEPOSITS MADE FOR TRANSACTIONS ON PLATFORMS

9.1 Debtors

	2024 December 31	**2023** December 31
Sales tax receivable	1,010,176	1,138,050
Advances to companies	264,487	325,038
Accounts receivable (1)	387,530	9,143,500
Subscriptions receivable from non-controlling interests (note 30)	1,303,309	1,291,770
Promissory notes (2)	–	216,102
Subscriptions receivable of shares and warrants (note 23.2)	300,000	–
Subscriptions receivable of convertible debentures (note 17.5)	–	10,000
Prepayments to third party subcontractors (3)	2,163,114	1,942,720
	5,428,616	14,067,180

(1) The Company reassesses the recoverability of each debtor categorized by type of supply chain activity and by customer. The Company identified new indicators of specific deterioration in supply chain activities related to business transactions on the GoldRiver platform. During the year ended December 31, 2024, an expense of $10,320,481 relating to accounts receivable was recorded as expected credit loss in the consolidated statements of comprehensive profit and loss.

	2024 December 31	**2023** December 31
Accounts receivable before expected credit loss	14,789,788	12,653,299
Less expected credit loss (ECL)	(13,830,280)	(3,509,799)
Foreign exchange	(571,978)	–
Accounts receivable after expected credit loss	387,530	9,143,500

(2) On December 15, 2021 and June 3, 2022, loans were issued to two board members of the Company in the amounts of $72,793 and $130,462. The loans were respectively due on December 15, 2022 and December 31, 2022, and bear interest at the quarterly prescribed variable rate. As at December 31, 2024, the aggregate outstanding amount of $227,988 (including interest on the original aggregate amount of $203,255) owed to the Company by Mr. Joseph and Mr. Qiu had been fully repaid (December 31, 2023 - $216,102).

(3) Subsidiaries of the Company active in supply chain activity made prepayments to suppliers to support operational supply chain processes. These prepayments will be reverted to Company's subsidiaries when services or merchandise transactions are executed.

(In Canadian dollars)

9 - DEBTORS AND DEPOSITS MADE FOR TRANSACTIONS ON PLATFORMS (CONTINUED)

9.2 Deposits made for transactions on platforms

	2024 December 31	**2023** December 31
Deposits made for transactions on platforms with guarantee (1)	27,895,379	24,388,453
Deposits made for transactions on platforms	–	493,695
Deposits made for transactions on platforms before expected credit loss	27,895,379	24,882,148
Less expected credit loss (ECL)	(25,323,719)	(3,429,673)
Foreign exchange	(2,571,660)	–
Deposits made for transactions on platforms after expected credit loss	–	21,452,475
Deposits made for transactions on platforms, short-term	–	10,669,761
Deposits made for transactions on platforms, long-term	–	10,782,714
	–	21,452,475

(1) As per agreements signed with third parties, subsidiaries of the Company have provided deposits to facilitate capital support from a financial institution in mainland China.

The financial institution provides financing solutions to the Company's customers to fund transactions on the GoldRiver platform and operational expenses related to the expansion and set-up of their supply chain network.

All depending on the nature of the transaction, as collateral and in the event of default, the Company obtains a contractual right to claim 10% to 20% of the majority of the merchandise transacted on the platform or a guarantee on the pool of accounts receivable balances from downstream corporate operators and distributors that are related to business transactions on the GoldRiver platform.

The deposits made for transactions on platforms are provided as security and collateral to the financial institution that provides financing solutions to the Company's customers.

The Company classifies the deposits made for transactions on platforms as long term when it expects to recover the deposits twelve months after the reporting period.

Debtors and deposits made for transactions on platforms' amounts are presented on the consolidated statements of financial position net of the allowance for expected credit loss. When measuring the expected credit losses, other debtors, advances to companies, accounts receivable, subscriptions receivable of convertible debentures, subscriptions receivable from non-controlling interests, promissory notes, prepayment to third party subcontractors, and deposits made for transactions on platforms are assessed individually due to the low number of accounts. The expected loss rates are based on the payment profile of debtors taking into consideration third party guarantees on payment and any reasonable expectation of recovery.

Debtors and deposits made for transactions on platforms are written off (i.e. de-recognized) when there is no reasonable expectation of recovery. Failure to make payments within 180 days from the invoice date and failure to engage with the Issuer on alternative payment arrangements, amongst other things, are considered as potential indicators of no reasonable expectation of recovery. As at December 31, 2024, an expense of $21,894,046 (December 31, 2023 - an expense of $6,787,471) was recorded as expected credit loss in the consolidated statements of comprehensive profit and loss.

10 - OTHER CURRENT ASSETS

	2024 December 31	**2023** December 31
Other current assets (1)	7,733,174	7,733,174
	7,733,174	7,733,174

(1) Of the total amount closed through the combined private placements of August 1st, 2023, August 18th, 2023 and September 8th, 2023, as described in the note 17, the Company had funds from convertible debentures recorded in other current assets amounting to $7,733,174 as at December 31, 2024. The funds from convertible debentures were still in process of being transferred to the Company from a bank account in China owned by a Director and officer of the Company and were under the control of a Company's holding subsidiary as at December 31, 2024.

(In Canadian dollars)

11 - PROPERTY AND EQUIPMENT

	Right-of-Use Assets	IT & Office Equipment	Leasehold Improvement	Vehicles & Other Equipment	Total
Gross carrying amount					
Balance as at January 1, 2024	5,371,610	696,923	405,059	215,463	6,689,055
Disposals	(1,385,834)	(16,207)	–	(24,070)	(1,426,111)
Balance as at December 31, 2024	3,985,776	680,716	405,059	191,393	5,262,944
Accumulated amortization					
Balance as at January 1, 2024	2,703,747	256,500	28,705	190,779	3,179,731
Depreciation	355,991	96,025	38,273	624	490,913
Disposals	(556,102)	(8,072)	–	(9,986)	(574,160)
Exchange differences	(52,130)	(953)	–	(35)	(53,118)
Balance as at December 31, 2024	2,451,506	343,500	66,978	181,382	3,043,366
Net carrying amount as at December 31, 2024	1,534,270	337,216	338,081	10,011	2,219,578
Gross carrying amount					
Balance as at January 1, 2023	5,050,741	282,042	–	215,463	5,548,246
Adjustments	65,925	–	–	–	65,925
Additions	254,944	414,881	405,059	–	1,074,884
Balance as at December 31, 2023	5,371,610	696,923	405,059	215,463	6,689,055
Accumulated amortization					
Balance as at January 1, 2023	1,830,798	156,195	–	150,421	2,137,414
Depreciation	616,533	101,050	28,705	38,270	784,558
Exchange differences	256,416	(745)	–	2,088	257,759
Balance as at December 31, 2023	2,703,747	256,500	28,705	190,779	3,179,731
Net carrying amount as at December 31, 2023	2,667,863	440,423	376,354	24,684	3,509,324

During the year ended December 31, 2024, the Company disposed IT & Office Equipment and Vehicules & Other Equipment having a combined net book value of $22,220 for a total net proceeds of $35,088. Consequently, a gain on disposition of property and equipment of $12,868 was recorded in the consolidated statement of comprehensive profit and loss.

On March 1st, 2024, the Company subleased its prior office at 119 Spadina Avenue, Suite 705, Toronto, Ontario and derecognized the residual value of the right-of-use asset having a net book value of $259,183 and recorded a loss on sublease of $158,203 in the consolidated statement of comprehensive profit and loss for the year ending December 31, 2024. During the year ended December 31, 2024, the Company terminated three offices having a combined net book value of $570,549 for a total net proceeds of $591,303. Consequently, a gain on disposition of property and equipment of $20,754 was recorded in the consolidated statement of comprehensive profit and loss. The total of $850,486 represents non-cash transactions.

12 - INVESTMENTS

	2024 December 31	2023 December 31
Other equity investments (1,2)	985,500	1,183,005
	985,500	1,183,005

(1) The Company holds, through its ASDS subsidiary, a 25% equity interest in Jiangyin Xinshang Enterprise Management Partnership ("AXS"), a China-registered company that provides payment services. Due to the financial situation of AXS, the Company recorded an impairment of $266,085 as at December 31, 2024 which brought down the balance of this investment to $Nil. During the year ended December 31, 2023, AXS returned $212,980 to ASDS and proportional amounts were returned to the other investors in order to maintain the equity interest of each party unchanged. The Company committed to reinvest the same amount returned, totaling $212,980, by 2041. The fair market value of the equity investment is $251,505 as at December 31, 2023.

(2) The Company holds, through its ASFC subsidiary, a 5% equity interest in Wuxi Xincheng Venture Capital Partnership ("AVC"), a China-registered investment partnership. The fair market value of the equity investment is $985,500 as at December 31, 2024 (December 31, 2023 - $931,500).

The movement during the years ended December 31, 2024 and 2023, relating to the other equity investments, were as follows:

	2024 December 31	2023 December 31
Balance at the beginning of the year	1,183,005	981,500
Return of capital (AXS)	–	(212,980)
Capital injection (AVS)	–	492,500
Impairment (AXS)	(266,085)	–
Foreign exchange	68,580	(78,015)
Balance at the end of the year	985,500	1,183,005

(In Canadian dollars)

13 - NET INVESTMENT IN SUBLEASE

	2024 December 31
Balance at the beginning of the year	–
Additions	100,980
Rental payments received	(8,516)
Balance at the end of the year	92,464
Current Portion	34,729
Non-current Portion	57,735

As a sublessor, the Company classifies its subleases as either operating or finance leases. In order to do so, the Company assesses whether it transfers substantially all the risks and rewards of ownership. Those assets that transfer substantially all the risks and rewards are classified as finance leases and the opposite as operating leases.

Since March 1, 2024, the Company changed its head office location from 119 Spadina Avenue, Suite 705, Toronto, ON to 82 Richmond St. E.Toronto ON M5C 1P1. Consequently, the Company subleased its prior office space for the residual duration of the initial lease and entered into a new short-term lease. As part of the sublease, the Company recognized a finance lease receivable of $100,980, derecognized the residual value of the right-of-use asset (see note 11) having a net book value of $259,183 and recorded a loss on sublease of $158,203 in the consolidated statement of comprehensive profit an loss for the year ending December 31, 2024.

The Company's undiscounted lease payment to be received as at December 31, 2024 were as follows:

As at December 31, 2024	**Payments to be received by period**			
	1 year	2 - 5 years	Beyond 5 years	Total
Lease payments to be received	38,555	59,807	–	98,362

The total unearned finance income up to the end of the sublease term is $5,899 as at December 31, 2024.

The total other rental income collected from the subtenant relating to additionnal rent (operating expenses recovery) is recorded as revenues in the consolidated statement of comprehensive profit and loss for the year ending December 31, 2024.

(In Canadian dollars)

14 - INTANGIBLE ASSETS

The carrying value of the intangible assets as at December 31, 2024 and December 31, 2023, were as follows:

	Loan Servicing Agreement	GoldRiver Platform (1)	System Integration Platform *(Formerly called Cubeler Interface)*	Cubeler Platform	Other ERP Platforms	Heartbeat Platform	Tradenames	Total intangible assets
Gross carrying amount								
Balance as at January 1, 2024	1,430,000	19,114,001	2,597,846	24,924,238	6,477,629	10,501,156	5,287,000	70,331,870
Addition	–	394,200	110,376	–	399,406	(246,313)	–	657,669
Balance as at December 31, 2024	1,430,000	19,508,201	2,708,222	24,924,238	6,877,035	10,254,843	5,287,000	70,989,539
Accumulated amortization and impairment loss								
Balance as at January 1, 2024	715,000	9,823,803	1,692,598	24,924,238	3,744,424	9,459,156	5,284,168	55,643,387
Amortization	143,000	4,263,145	499,715	–	1,614,927	463,706	500	6,984,993
Impairment loss on intangible	–	5,712,051	570,241	–	251,953	392,387	–	6,926,632
Exchange differences	–	(290,798)	(54,332)	–	(152,416)	(60,406)	–	(557,952)
Balance as at December 31, 2024	858,000	19,508,201	2,708,222	24,924,238	5,458,888	10,254,843	5,284,668	68,997,060
Net carrying amount as at December 31, 2024	572,000	–	–	–	1,418,147	–	2,332	1,992,479
Gross carrying amount								
Balance as at January 1, 2023	1,430,000	13,820,146	2,296,622	24,924,238	5,622,941	9,887,502	5,287,000	63,268,449
Addition	–	5,293,855	301,224	–	854,688	613,654	–	7,063,421
Balance as at December 31, 2023	1,430,000	19,114,001	2,597,846	24,924,238	6,477,629	10,501,156	5,287,000	70,331,870
Accumulated amortization and impairment loss								
Balance as at January 1, 2023	572,000	4,688,094	1,187,351	14,731,337	1,082,879	5,822,024	3,173,494	31,257,179
Amortization	143,000	4,111,428	448,988	1,132,545	1,815,734	1,038,408	230,230	8,920,333
Impairment loss on intangible	–	716,314	–	9,060,356	687,138	2,498,141	1,880,444	14,842,393
Exchange differences	–	307,967	56,259	–	158,673	100,583	–	623,482
Balance as at December 31, 2023	715,000	9,823,803	1,692,598	24,924,238	3,744,424	9,459,156	5,284,168	55,643,387
Net carrying amount as at December 31, 2023	715,000	9,290,198	905,248	–	2,733,205	1,042,000	2,832	14,688,483

(1) GoldRiver Plateform includes the intangible assets of the Steelchain CGU.

(In Canadian dollars)

14 - INTANGIBLE ASSETS (CONTINUED)

14.1 Impairment testing - Goodwill and other intangible assets for the current year

Goodwill and intangible assets not yet available for use are tested each financial year for impairment and whenever events or changes in circumstances indicate that the carrying amount of individual intangible assets or CGUs may not be recoverable. Intangible assets with finite useful lives are tested for impairment whenever events or changes in circumstances indicate that the carrying amount of individual intangible assets may not be recoverable.

For the purpose of impairment testing, goodwill is allocated to the operating segments expected to benefit from the synergies of the business combinations in which the goodwill arises as set out below, and is compared to its recoverable amount.

For the purpose of impairment testing, at the time of the purchase price allocation, when goodwill arises it is allocated to the operating segments (Cash Generating Units ("CGUs")) expected to benefit from the synergies of the business combinations in which the goodwill arises. Impairment of goodwill is assessed by estimating the recoverable amount of the CGU to which goodwill has been allocated compared to the net carrying value of CGU assets. As of December 31, 2023, the Company has written off the entire goodwill balance resulting of the management revised downward forecasted growth and net generated cash flows.

Indicators of impairment - Heartbeat

As at December 31, 2024, management revised downward for a second year in a row its Heartbeat's business forecasted growth and net generated cash flows following the CGU latest operational performance. Management concluded that Heartbeat's economic performance during the last quarters met the criteria to assess the CGU and related intangible assets for impairment. As at December 31, 2024, events or changes in circumstances indicate that the carrying amount of individual intangible assets may not be recoverable.

Impairment review - Heartbeat

As at December 31, 2024, the goodwill, recoverable amounts and related carrying values of the Heartbeat CGU were assessed to be as follows:

	Intangible assets included in CGU	Recoverable amount	Carrying value	Impairment
Heartbeat CGU	392,387	–	392,387	(392,387)

Following recent events that took place in the fourth quarter of 2024, the Company revised downward its Heartbeat business forecast growth and net generated cash flows following the drop in transaction volume on the platform during the last 12 months. The Company decided to be prudent in estimating the timing of future potential revenues.

Management decided to estimate the recoverable amount to $Nil as of December 31, 2024 to be prudent and due to the poor economic performance during the last 12 months related to the Heartbeat's CGU.

Considering the financial performance, Tenet assessed the recoverable amount of the Technology and Tradename and concluded in an impairment of $392,387 was recognized for the period ended December 31, 2024.

Indicators of impairment - GoldRiver

As at December 31, 2024, management revised Goldriver's business forecasted growth and net generated cash flows following the CGU latest operating performance. Additionally, the Company engaged an external valuator to assess the technical valuation of Goldriver's technology and estimate the approximate market price for potential buyers of similar technology. Due to the uncertainty of potential buyers at the time of the financial statement and the unpredictability of restoring transaction volumes and revenues to historical levels, the Company concluded that it met the criteria to assess the CGU and related intangible assets for impairment. As at December 31, 2024, events or changes in circumstances indicate that the carrying amount of individual intangible assets may not be recoverable.

Impairment review - GoldRiver

As at December 31, 2024, the goodwill, recoverable amounts and related carrying values of the GoldRiver CGU were assessed to be as follows:

	Intangible assets included in CGU	Recoverable amount	Carrying value	Impairment
GoldRiver CGU	5,447,850	–	5,447,850	(5,447,850)

Management determined that an impairment test could not be reliably performed due to the absence of forecasted budgets and key valuation assumptions. Given the lack of sufficient evidence to support future economic benefits, a full write-off was proposed. As a result, an impairment loss of $5,447,850 was recognized in the Audited Consolidated Financial Statements for the year ended December 31, 2024.

Indicators of impairment - Steelchain

As at December 31, 2024, management revised Steelchain's business forecasted growth and net generated cash flows following the CGU latest operating performance. Due to the uncertainty of potential buyers at the time of the financial statement and the unpredictability of restoring transaction volumes and revenues to historical levels, the Company concluded that it met the criteria to assess the CGU and related intangible assets for impairment. As at December 31, 2024, events or changes in circumstances indicate that the carrying amount of individual intangible assets may not be recoverable.

(In Canadian dollars)

14 - INTANGIBLE ASSETS (CONTINUED)

Impairment review - Steelchain

As at December 31, 2024, the goodwill, recoverable amounts and related carrying values of the Steelchain CGU were assessed to be as follows:

	Intangible assets included in CGU	Recoverable amount	Carrying value	Impairment
Steelchain CGU	1,086,395	–	1,086,395	(1,086,395)

Management determined that an impairment test could not be reliably performed due to the absence of forecasted budgets and key valuation assumptions. Given the lack of sufficient evidence to support future economic benefits, a full write-off was proposed. As a result, an impairment loss of $1,086,395 was recognized in the Audited Consolidated Financial Statements for the year ended December 31, 2024.

14.2 Impairment testing - Goodwill and other intangible assets for the prior year

Indicators of impairment - Heartbeat

As at December 31, 2023, management revised downward its Heartbeat's business forecasted growth and net generated cash flows following the CGU latest operational performance. Management concluded that Heartbeat's economic performance during the last quarters met the criteria to assess the CGU and related intangible assets for impairment.

Impairment review - Heartbeat

As at December 31, 2023, the goodwill, recoverable amounts and related carrying values of the Heartbeat CGU were assessed to be as follows:

	Intangible assets included in CGU	Goodwill included in CGU	Recoverable amount	Carrying value	Impairment
Heartbeat CGU	3,540,141	17,238,835	1,056,917	20,793,893	(19,736,976)

The recoverable amount of the Heartbeat's CGU was determined based on fair value less cost to sell, using the discounted cash flow method of a five-year financial budget approved by management. The Heartbeat's CGU fair value less cost to sell model, considers a post-tax discount rate of 22% that reflects current market conditions and the specific risks to the CGUs.

The key assumptions used by management in setting the financial budgets for the initial five-year period are as follows: forecast sales growth rates are based on actual or expected contractual agreements, adjusted for market share gain due to new industry regulations in China, forecast operating profits based on historical experience, adjusted for expected increased operational efficiency and market level margins.

Cash flows, beyond that five-year period, consider a steady 3% per annum growth rate, based on the long-term average growth rate for the relevant markets as estimated by management.

Management is not aware of any reasonable change in key assumptions that would significantly vary the recoverable amount for the valuation.

Indicators of impairment - Cubeler

As at December 31, 2023, management revised Cubeler's business forecasted growth and net generated cash flows following the CGU latest operating performance. Management concluded that Cubeler's latest platform delivery delays and higher investment requirements met the criteria to assess the CGU and related intangible assets for impairment.

(In Canadian dollars)

14 - INTANGIBLE ASSETS (CONTINUED)

Impairment review - Cubeler

As at December 31, 2023, the goodwill, recoverable amounts and related carrying values of the Cubeler CGU were assessed to be as follows:

	Intangible assets included in CGU	Goodwill included in CGU	Recoverable amount	Carrying value	Impairment
Cubeler CGU	10,940,800	8,329,255	399,730	19,669,785	(19,270,055)

The recoverable amount of the Cubeler's CGU was determined based on fair value less cost to sell, using the discounted cash flow method of a five-year financial budget approved by management. The Cubeler's CGU fair value less cost to sell model, considers a post-tax discount rate of 47.0% that reflects current market conditions and the specific risks to the CGU.

The key assumptions used by management in setting the financial budgets for the initial five-year period are as follows: forecast sales growth rates are based on the review of available market data, forecasted operating expenses and investment based on historical experience, and market-level margins. Following some recent events that took place in the second quarter of 2023 at the Directors level of the Company, management decided to be prudent in estimating the timing of future potential revenues and assed them temporarily as $Nil until further progress can be done on the deployment of new revenue generating products in Canada.

Management is not aware of any reasonable change in key assumptions that would significantly vary the recoverable amount for the valuation.

Impairment review - Steelchain

As at December31, 2023, the goodwill, recoverable amounts and related carrying values of the Steelchain CGU were assessed to be as follows:

	Intangible assets included in CGU	Goodwill included in CGU	Recoverable amount	Carrying value	Impairment
Steelchain CGU	1,760,869	1,041,707	4,460,000	6,905,159	(2,445,159)

The recoverable amount of the Steelchain's CGU was determined based on fair value less cost to sell, using the discounted cash flow method of a five-year financial budget approved by management. The Steelchain's CGU fair value less cost to sell model, considers a post-tax discount rate of 22% that reflects current market conditions and the specific risks to the CGU.

The key assumptions used by management in setting the financial budgets for the initial five-year period are as follows: forecast sales growth rates are based on the review of available market data, forecasted operating expenses and investment based on experience, and market-level margins.

Cash flows, beyond that five-year period, consider a steady 3% per annum growth rate, based on the long-term average growth rate for the relevant markets as estimated by management.

The Steelchain CGU's recoverable amount estimate is sensitive to the discount rate due to uncertainties in the forecast. A 2% discount rate increase would result to an additonal impairment loss of $285,000 for recognized intangibles in the Steelchain CGU.

Management is not aware of any other reasonable change in key assumptions that would significantly vary the recoverable amount for the valuation.

15 - ACCOUNTS PAYABLE, ADVANCES AND ACCRUED LIABILITIES

	2024 December 31	**2023** December 31
Trade accounts payable and accruals	16,867,812	10,061,460
Advances received from a company owned by a Director, no interest (1)	720,983	917,742
Advances from third-party customers, no interest	45,707	39,534
Contract liabilities with third-party customers, no interest (2,3)	2,164,371	2,019,404
Interest payable on debentures (note 17)	209,383	394,639
Provision for legal settlement (4)	1,726,680	1,632,000
Advances from third-party (5)	190,000	50,000
	21,924,936	15,114,779

(1) On April 16, 2024, Mr. Qiu took part in a private placement conducted by the Company and subscribed to 475 units of convertible debentures for a nominal amount of $475,000. The Company used the proceeds of that subscription to repay an amount that had been advanced by a company controlled by Mr. Qiu. As at December 31, 2024, the aggregate outstanding principal amount owed to the company owned by Mr. Qiu by ASH regarding this loan was $720,983 (December 31, 2023 - $917,742) and bears no interest given the fact that only licensed lenders are allowed to charge interest on loans granted to corporate borrowers as per the laws of mainland China.

(2) Advance from downstream corporate clients for supply chain bundle service fee.

(3) The table below summarizes the significant changes in contract liabilities with third-party customers.

	2024 December 31	**2023** December 31
Balance at the beginning of the year	2,019,404	4,488,857
Increase in contract liabilities during the year	131,419	31,095,212
Revenue recognized for balances included in Contract liabilities Balance at the beginning of the year	(87,175)	(2,386,304)
Revenue recognized for balances included in Contract liabilities Balance in previous years	(15,083)	(12,632)
Revenue recognized for Contract liabilities originated during the year	(1,422)	(30,937,481)
Exchange differences	117,228	(228,248)
Balance at the end of the year	2,164,371	2,019,404

(In Canadian dollars)

15 - ACCOUNTS PAYABLE, ADVANCES AND ACCRUED LIABILITIES (CONTINUED)

(4) On April 8th, 2024, an agreement was signed to settle a class action lawsuit that was brought against Tenet and two of its executives on November 19, 2021 in the United States District Court for the Eastern District of New York. Despite the fact that the settlement does not include any admission of liability or wrongdoing on the part of the Company or any defendant, the parties have agreed to a settlement of approximately $1,632,000 ($1,200,000 USD) payable in five installments between April 30, 2024, and December 31, 2024. Consequently, a loss on legal settlement totalling $1,632,000 was initially recorded in the consolidated statements of comprehensive profit and loss for the year ended Dcember 31, 2023 and a provision for legal settlement for the same amount was booked, in accounts payable, advances and accrued liabilities within the consolidated statements of financial position as at December 31, 2023. The balance recorded in accounts payable, advances and accrued liabilities is revalued into Canadians dollars at the foreign exchange rate as at the end of each reporting period with the resulting difference recorded as a foreign exchange expense within the consolidated statement of comprehensive profit and loss. During the year ended December 31, 2024, the Company recorded a foreign exchange loss of $94,680 related to this revaluation. As a result, the balance recorded in accounts payable, advances and accrued liabilities as at December 31, 2024 is $1,726,680.

(5) During the years ended December 31, 2024 and 2023, the Company received a series of short-terms advances from third party investors and through an insider totaling approximately $2,064,938. Out of the total amount received and during the same period, $750,000 was repaid in cash by the Company. Out of the total funds raised between April 16, 2024 up to December 31, 2024 from convertible debenture units and shares and warrants units issued, $1,124,938 worth of units had been repaid from the proceeds of the various private placements closed by the Company between January 1, 2024 and March 30, 2025. As at December 31, 2024, the balance of the short-term advances from third party investors is $190,000 (December 31, 2023 - $50,000).

16 - LEASE LIABILITIES

	2024 December 31	**2023** December 31
Balance at the beginning of the year	2,787,836	3,116,191
Adjustment (1)	(591,303)	65,925
Additions	–	254,944
Accretion interest	264,794	286,485
Lease payments	(546,425)	(866,880)
Effect of exchange rate change on obligation	(19,128)	(68,829)
Balance at the end of the year	1,895,774	2,787,836
Current Portion	203,426	309,000
Non-current Portion	1,692,348	2,478,836

(1) In the year of 2024, the Company terminated three offices having a combined net book value of $570,549. Consequently, the lease liabilities related to the three leases were reduced by $591,303 (December 31, 2023 - $65,925) in the consolidated statements of financial position.

The Company's obligations regarding lease payments as at December 31, 2024, and December 31, 2023, were as follows:

As at December 31, 2024	**Payments due by period**			
	1 year	2 - 5 years	Beyond 5 years	Total
Lease payments	579,484	1,682,142	1,392,635	3,654,261

As at December 31, 2023	**Payments due by period**			
	1 year	2 - 5 years	Beyond 5 years	Total
Lease payments	730,978	2,295,301	2,046,277	5,072,556

(In Canadian dollars)

17 - DEBENTURES

The carrying value of the debentures as at December 31, 2024 and 2023, was as follows:

	2024 December 31	2023 December 31
Debenture issuance of December 23, 2022 (note 17.1)	450,000	563,388
Debenture issuance of January 31, 2023 (note 17.2)	214,737	363,344
Debenture issuance of August 1, 2023 (note 17.3)	2,001,270	1,757,317
Debenture issuance of August 18, 2023 (note 17.4)	2,039,815	5,221,201
Debenture issuance of September 8, 2023 (note 17.5)	544,405	480,543
Debenture issuance of Februaty 2, 2024 (note 17.6)	863,944	–
Debenture issuance of Februaty 27, 2024 (note 17.7)	326,979	–
Debenture issuance of April 16, 2024 (note 17.8)	535,325	–
Debentures	6,976,475	8,385,793
Debentures, short-term	664,737	563,388
Debentures, long-term	6,311,738	7,822,405
	6,976,475	8,385,793

As at December 31, 2024, $209,383 of interest payable on debentures is recorded in accounts payable, advances and accrued liabilities (December 31, 2023 - $394,639).

Total issuance costs recorded in the consolidated statements of changes in equity related to convertible debentures issued in 2024 and 2023 were respectively $208,717 and $84,717.

The carrying value of the conversion option as at December 31, 2024 and 2023, were as follows:

	2024 December 31	2023 December 31
Debenture conversion component issuance of December 23, 2022 (note 17.1)	–	46,240
Debenture conversion component issuance of January 31, 2023 (note 17.2)	–	33,840
Conversion option (note 17.9)	–	80,080
Conversion option, short-term	–	46,240
Conversion option, long-term	–	33,840
	–	80,080

(In Canadian dollars)

17 - DEBENTURES (CONTINUED)

17.1 Debenture issuance of December 23, 2022

On December 23, 2022, the Company issued 308 units of convertible debentures for gross contractual proceeds of $3,080,000 (net proceeds of $2,864,400 after related expenses). Each unit sold comprised of $10,000 face value debentures, maturing on December 23, 2024, bearing interest at a nominal rate of 10% payable monthly, plus 10,000 purchase warrants, for a total of 3,080,000 purchase warrants, exercisable into Company common shares at $2.00 per share for a period of 24 months from the date of issuance.

The debentures, at issuance, allowed their subscribers to convert them into common shares of the Company at any time prior to maturity, subject to certain terms and conditions, at $1.00 per common share.

The units contain a "forced warrant conversion" feature under which the debenture will automatically be surrendered and converted into common shares of the Company should the shares of the Company trade at $1.50 or more for three consecutive trading days.

Tenet also granted 179,900 finder's compensation warrants to eligible persons who helped place the debenture units entitling them to purchase a number of Tenet common shares equal to 7% of the value of debentures they help place, at a price of $2.00 per common share for a 24-month period following the closing date.

The Company used the residual value method to allocate the principal amount of the debentures between the liability, the conversion component of the debentures and the warrants. Under this method, an amount of $319,209 and $465,825 related to the conversion feature and the warrants issued were recorded in consolidated statements of changes in equity as at the date of issuance. The fair value of the liability component of $2,093,772 was computed as the present value of future principal and interests, discounted at a rate of 29%, net of the prorated share of transaction costs.

On April 19, 2023, the Company amended the conversion terms of the convertible debentures to allow the holders thereof to convert the face value of the Debentures into Debentures Shares at the price to be determined under the next transaction or series of directly related transactions in the course of which the Corporation issues and sells common shares or units for aggregate net proceeds of not less than $5,000,000, the whole in accordance with the terms and conditions set forth in an amending agreement with each of the Holders. As such, subsequenty to the debenture issuance of August 18, 2023 (refer to note 17.4), the debentures are convertible at a price of 0.25$ per common share.

On April 24, 2023, $2,000,000 of convertible debentures were converted into common shares of the Company. At the date of conversion, these debentures had an amortized cost totalling $1,443,894. The Company issued 2,816,901 common shares to the debenture holder and recorded $1,443,894 in share capital.

Subsequently during the year of 2023, an additional 5,183,099 common shares were issued to the same debenture holder, for a total of 8,000,000 common shares, to bring down the overall conversion price average of the $2,000,000 convertible debentures to 0.25$ per share.

On October 24, 2023, $400,000 of convertible debentures were converted into common shares of the Company. At the date of conversion, these debentures had an amortized cost totalling $316,463. The Company issued 1,600,000 common shares to the debenture holder and recorded $316,463 in share capital.

On December 23, 2024, convertible debentures with nominal value of $680,000 were expired. $230,000 of that amount was repaid from the proceeds of the private placement closed on November 29, 2024, resulting in a remaining balance of $450,000 as at December 31, 2024. The Company is in the process of negotiating an extension with the holders. Interest expense has been accrued as per the initial terms of the convertible debentures, up to the year ended December 31, 2024.

The movement during the years ended December 31, 2024 and 2023, relating to those debentures, was as follows:

	2024 December 31	**2023** December 31
Balance at the beginning of the year	563,388	2,109,903
Maturity repayment	(230,000)	–
Conversion of debentures	–	(1,760,357)
Interest and accretion of debentures	94,939	165,114
Amortization of financing issuance costs	21,673	48,728
Balance at the end of the year	450,000	563,388

As at December 31, 2024, $21,834 of interest payable on debenture is recorded in accounts payable, advances and accrued liabilities (December 31, 2023 - $5,667).

The fair value of the 179,900 finder's warrants was calculated at $54,417 and recorded as issuance of broker compensation warrants in the consolidated statements of changes in equity as at the date of issuance. The fair value was calculated using the Black & Scholes option pricing model with the following assumptions:

Share price at the date of grant	$0.77
Expected life	2 years
Risk-free interest rate	3.93%
Expected volatility	114%
Dividend	0%
Exercise price at the date of grant	$2.00

The volatility was determined by using the Company's own historical volatility over a period corresponding to expected life of the share options.

(In Canadian dollars)

17 - DEBENTURES (CONTINUED)

17.2 Debenture issuance of January 31, 2023

On January 31, 2023, the Company issued 351 units of convertible debentures for gross contractual proceeds of $3,510,000 (net proceeds of $3,280,350 after related expenses). Each unit sold comprised of $10,000 face value debentures, maturing on January 31, 2025, bearing interest at a nominal rate of 10% payable monthly, plus 10,000 purchase warrants, for a total of 3,510,000 purchase warrants, exercisable into Company common shares at $2.00 per share for a period of 24 months from the date of issuance.

The debentures, at issuance, allowed their subscribers to convert them into common shares of the Company at any time prior to maturity, subject to certain terms and conditions, at $1.00 per common share.

The units contain a "forced warrant conversion" feature under which the debenture will automatically be surrendered and converted into common shares of the Company should the shares of the Company trade at $1.50 or more for three consecutive trading days.

Tenet also granted 221,250 finder's compensation warrants to eligible persons who helped place the debenture units entitling them to purchase a number of Tenet common shares equal to approximately 7% of the value of debentures they help place, at a price of $2.00 per common share for a 24-month period following the closing date.

The Company used the residual value method to allocate the principal amount of the debentures between the liability, the equity component of the debentures and the warrants. Under this method, an amount of $353,172 and $504,901 related to the conversion feature and the warrants issued were recorded in consolidated statements of changes in equity as at the date of issuance. The fair value of the liability component of $2,419,765 was computed as the present value of future principal and interest, discounted at a rate of 29%, net of the prorated share of transaction costs.

On April 19, 2023, the Company amended the conversion terms of the convertible debentures to allow the holders thereof to convert the face value of the Debentures into Debentures Shares at the price to be determined under the next transaction or series of directly related transactions in the course of which the Corporation issues and sells common shares or units for aggregate net proceeds of not less than $5,000,000, the whole in accordance with the terms and conditions set forth in an amending agreement with each of the Holders. As such, subsequenty to the debenture issuance of August 18, 2023 (refer to note 17.4), the debentures are convertible at a price of 0.25$ per common share.

On May 9, 2023, $3,040,000 of convertible debentures were converted into common shares of the Company. At the date of conversion, these debentures has an amortized cost totalling $2,162,311. The Company issued 3,040,000 common shares to the debenture holders and recorded $2,162,311 in share capital.

On December 19, 2024, convertible debentures having a nominal value of $250,000 were converted into common shares of the Company. At the date of conversion, these debentures had an amortized cost totalling $238,104. The Company issued 3,366,667 common shares to the debenture holders and recorded $238,104 in share capital.

The movement during the years ended December 31, 2024 and 2023, relating to those debentures, was as follows:

	2024 December 31	**2023** December 31
Balance at the beginning of the year	363,344	–
Addition	–	3,510,000
Issuance costs allocated to the debenture component	–	(232,162)
Equity component of convertible debentures	–	(353,172)
Contributed surplus for the warrants	–	(504,901)
Balance at inception or beginning of the year	363,344	2,419,765
Conversion of debentures	(238,104)	(2,162,311)
Interest and accretion of debentures	74,642	74,885
Amortization of financing issuance costs	14,855	31,005
Balance at the end of the year	214,737	363,344

As at December 31, 2024, $18,043 of interest payable on debenture is recorded in accounts payable, advances and accrued liabilities (December 31, 2023 - $3,917).

The fair value of the 221,250 finder's warrants was calculated at $77,632 and recorded as issuance of broker compensation warrants in the consolidated statements of changes in equity as at the date of issuance. The fair value was calculated using the Black & Scholes option pricing model with the following assumptions:

Share price at the date of grant	$0.89
Expected life	2 years
Risk-free interest rate	3.76%
Expected volatility	109%
Dividend	0%
Exercise price at the date of grant	$2.00

The volatility was determined by using the Company's own historical volatility over a period corresponding to expected life of the share options.

(In Canadian dollars)

17 - DEBENTURES (CONTINUED)

17.3 Debenture issuance of August 1, 2023

On August 1, 2023, the Company issued 2,598 units of convertible debentures (including 2,000 units to Insiders) for gross contractual proceeds of $2,598,000 (net proceeds of $2,575,500 after related expenses). Each unit sold comprised of $1,000 face value debentures, maturing on August 1, 2026, bearing interest at a nominal rate of 10% payable monthly, plus 4,000 purchase warrants, for a total of 10,392,000 purchase warrants, exercisable into Company common shares at $0.50 per share for a period of 24 months from the date of issuance.

The debentures, at issuance, allowed their subscribers to convert them into common shares of the Company at any time prior to maturity, subject to certain terms and conditions, at $0.25 per common share.

The units contain a “forced warrant conversion” feature under which the debenture will automatically be surrendered and converted into common shares of the Company should the shares of the Company trade at $5.00 or more for three consecutive trading days.

Tenet also granted 40,000 finder’s compensation warrants to eligible persons who helped place the debenture units entitling them to purchase a number of Tenet common shares equal to approximately 5% of the value of debentures they help place, at a price of $0.50 per common share for a 24-month period following the closing date.

The Company used the residual value method to allocate the principal amount of the debentures between the liability, the equity component of the debentures and the warrants. Under this method, an amount of $238,838 and $668,090 related to the conversion feature and the warrants issued were recorded in consolidated statements of changes in equity as at the date of issuance. The fair value of the liability component of $1,673,174 was computed as the present value of future principal and interest, discounted at a rate of 30%, net of the prorated share of transaction costs.

The movement during the years ended December 31, 2024 and 2023, relating to those debentures, was as follows:

	2024 December 31	**2023** December 31
Balance at the beginning of the year	1,757,317	–
Addition	–	2,598,000
Issuance costs allocated to the debenture component	–	(17,898)
Equity component of convertible debentures	–	(238,838)
Contributed surplus for the warrants	–	(668,090)
Balance at inception or beginning of the year	1,757,317	1,673,174
Interest and accretion of debentures	237,987	81,657
Amortization of financing issuance costs	5,966	2,486
Balance at the end of the year	2,001,270	1,757,317

As at December 31, 2024, $24,250 of interest payable on debenture is recorded in accounts payable, advances and accrued liabilities (December 31, 2023 - $89,569).

As at December 31, 2024, the balance of convertible debentures funds raised from this issuance recorded in the other current assets was $1,800,000 (December 31, 2023 - $1,800,000).

The fair value of the 40,000 finder's warrants was calculated at $4,997 and recorded as issuance of broker compensation warrants in the consolidated statements of changes in equity as at the date of issuance. The fair value was calculated using the Black & Scholes option pricing model with the following assumptions:

Share price at the date of grant	$0.24
Expected life	2 years
Risk-free interest rate	4.72%
Expected volatility	133%
Dividend	0%
Exercise price at the date of grant	$0.50

The volatility was determined by using the Company's own historical volatility over a period corresponding to expected life of the share options.

(In Canadian dollars)

17 - DEBENTURES (CONTINUED)

17.4 Debenture issuance of August 18, 2023

On August 18, 2023, the Company issued 7,625 units of convertible debentures for gross contractual proceeds of $7,625,000 (net proceeds of $7,625,000 after related expenses). Each unit sold comprised of $1,000 face value debentures, maturing on August 18, 2026, bearing interest at a nominal rate of 10% payable monthly, for a total of 30,500,000 purchase warrants, exercisable into Company common shares at $0.50 per share for a period of 24 months from the date of issuance.

The debentures, at issuance, allowed their subscribers to convert them into common shares of the Company at any time prior to maturity, subject to certain terms and conditions, at $0.25 per common share.

The units contain a "forced warrant conversion" feature under which the debenture will automatically be surrendered and converted into common shares of the Company should the shares of the Company trade at $5.00 or more for three consecutive trading days.

The Company used the residual value method to allocate the principal amount of the debentures between the liability, the equity component of the debentures and the warrants. Under this method, an amount of $666,241 and $1,952,366 related to the conversion feature and the warrants issued were recorded in consolidated statements of changes in equity as at the date of issuance. The fair value of the liability component of $5,006,393 was computed as the present value of future principal and interest, discounted at a rate of 30%.

During the beginning of the month of January 2024, convertible debentures having a nominal value of $5,000,000 were converted into common shares of the Company. At the date of conversion, these debentures had an amortized cost totalling $3,423,738. The Company issued 20,000,000 common shares to the debenture holders and recorded $3,860,618 in share capital which included the reclassification of the equity component of convertible debentures initally recorded at inception totalling $436,880.

On March 31, 2024, the holders waived their right to receive the interest amounting $192,876 due to them by the Company up until the conversion dates that occurred between January 5 and 8, 2024. In addition, on December 31, 2024, the other holders waived the right to receive the interest amounting $315,323 due to them by the Company up until that day. In total, $508,199 of interests were relinquished and were recorded as a credit in finance costs (note 27.4) with an equivalent amount that was reversed by the Company from accounts payable, advances and accrued liabilities (refer to note 15) as at December 31, 2024.

The movement during the years ended December 31, 2024 and 2023, relating to those debentures, was as follows:

	2024 December 31	**2023** December 31
Balance at the beginning of the year	5,221,201	–
Addition	–	7,625,000
Equity component of convertible debentures	–	(666,241)
Contributed surplus for the warrants	–	(1,952,366)
Balance at inception or beginning of the year	5,221,201	5,006,393
Conversion of debentures	(3,423,738)	–
Interest and accretion of debentures	242,352	214,808
Balance at the end of the year	2,039,815	5,221,201

As at December 31, 2024, $16,250 of interest payable on debenture is recorded in accounts payable, advances and accrued liabilities (December 31, 2023 - $273,514).

As at December 31, 2024, the balance of convertible debentures funds raised from this issuance recorded in the other current assets was $5,233,174 (December 31, 2023 - $5,233,174).

(In Canadian dollars)

17 - DEBENTURES (CONTINUED)

17.5 Debenture issuance of September 8, 2023

On September 8, 2023, the Company issued 710 units of convertible debentures to Insiders for gross contractual proceeds of $710,000 (net proceeds of $710,000 after related expenses). Each unit sold comprised of $1,000 face value debentures, maturing on September8, 2026, bearing interest at a nominal rate of 10% payable monthly, for a total of 2,840,000 purchase warrants, exercisable into Company common shares at $0.50 per share for a period of 24 months from the date of issuance.

The debentures, at issuance, allowed their subscribers to convert them into common shares of the Company at any time prior to maturity, subject to certain terms and conditions, at $0.25 per common share.

The units contain a "forced warrant conversion" feature under which the debenture will automatically be surrendered and converted into common shares of the Company should the shares of the Company trade at $5.00 or more for three consecutive trading days.

The Company used the residual value method to allocate the principal amount of the debentures between the liability, the equity component of the debentures and the warrants. Under this method, an amount of $64,915 and $181,218 related to the conversion feature and the warrants issued were recorded in consolidated statements of changes in equity as at the date of issuance. The fair value of the liability component of $463,867 was computed as the present value of future principal and interest, discounted at a rate of 30%.

The movement during the years ended December 31, 2024 and 2023, relating to those debentures, was as follows:

	2024 December 31	**2023** December 31
Balance at the beginning of the year	480,543	–
Addition	–	710,000
Equity component of convertible debentures	–	(64,915)
Contributed surplus for the warrants	–	(181,218)
Balance at inception or beginning of the year	480,543	463,867
Interest and accretion of debentures	63,862	16,675
Balance at the end of the year	544,405	480,543

As at December 31, 2024, $500 of interest payable on debenture is recorded in accounts payable, advances and accrued liabilities (December 31, 2023 - $21,972).

As at December 31, 2024, the balance of subscriptions receivable of convertible debentures from this issuance recorded in the debtors was $Nil (December 31, 2023 - $10,000).

As at December 31, 2024,the balance of convertible debentures funds raised from this issuance recorded in the other current assets was $700,000 (December 31, 2023 - $700,000).

(In Canadian dollars)

17 - DEBENTURES (CONTINUED)

17.6 Debenture issuance of February 2, 2024

On February 2, 2024, the Company issued 1,610 units of convertible debentures for gross contractual proceeds of $1,610,000 (net proceeds of $1,373,335 after related expenses). Each unit sold comprised of $1,000 face value debentures, maturing on February 2, 2027, bearing interest at a nominal rate of 10% payable monthly, plus 6,666 purchase warrants, for a total of 10,732,260 purchase warrants, exercisable into Company common shares at $0.25 per share for a period of 24 months from the date of issuance.

Out of the total funds raised from the convertible debenture units issued on February 2nd, 2024, $150,000 worth of units were used to repay the secured corporate bonds (note 18). In addition, $1,110,000 worth of units were used to repay some of the promissory notes holders (note 20).

The debentures, at issuance, allowed their subscribers to convert them into common shares of the Company at any time prior to maturity, subject to certain terms and conditions, at $0.15 per common share.

The units contain a “forced warrant conversion” feature under which the debenture will automatically be surrendered and converted into common shares of the Company should the shares of the Company trade at $2.50 or more for three consecutive trading days.

Tenet also granted 112.7 non-transferable broker warrants (the "CD Broker Warrants"), being such number of CD Broker Warrants as is equal to 7.0% of the number of CD Units sold pursuant to the offerings (1,610 units). Each CD Broker Warrant is exercisable to purchase one CD Unit at an exercise price of $1,000 for a period of two years from the date of its issuance.

The Company used the residual value method to allocate the principal amount of the debentures between the liability, the equity component of the debentures and the warrants. Under this method, an amount of $102,505 and $497,123 related to the conversion feature and the warrants issued were recorded in consolidated statements of changes in equity as at the date of issuance. The fair value of the liability component of $823,488 was computed as the present value of future principal and interest, discounted at a rate of 32%, net of the prorated share of transaction costs.

On October 24, 2024, convertible debentures having a nominal value of $125,000 were converted into common shares of the Company. At the date of conversion, these debentures had an amortized cost totalling $73,843. The Company issued 833,333 common shares to the debenture holders and recorded $81,802 in share capital which included the reclassification of the equity component of convertible debentures initially recorded at inception totalling $7,959.

On November 4, 2024, convertible debentures having a nominal value of $100,000 were converted into common shares of the Company. At the date of conversion, these debentures had an amortized cost totalling $60,158. The Company issued 666,667 common shares to the debenture holders and recorded $66,525 in share capital which included the reclassification of the equity component of convertible debentures initally recorded at inception totalling $6,367.

The movement during the years ended December 31, 2024 and 2023, relating to those debentures, was as follows:

	2024 December 31
Balance at the beginning of the year	–
Addition	1,610,000
Issuance costs allocated to the debenture component	(186,884)
Conversion component of convertible debenture	(102,505)
Contributed surplus for the warrants	(497,123)
Balance at inception or beginning of the year	823,488
Conversion of debentures	(134,001)
Interest and accretion of debentures	119,388
Amortization of financing issuance costs	55,070
Balance at the end of the year	863,944

As at December 31, 2024, $80,787 of interest payable on debenture is recorded in accounts payable, advances and accrued liabilities.

The fair value of the 112.7 non-transferable broker unit warrants was calculated at $61,129 and was recorded as issuance costs prorated between the equity and liability components of the convertible debentures. The equivalent opposite amount was recorded in contributed surplus within the consolidated statements of changes in equity. The fair value was calculated using the Black & Scholes option pricing model with the following assumptions:

Share price at the date of grant	$0.125
Expected life	2 years
Risk-free interest rate	4.06%
Expected volatility	132.67%
Dividend	0%
Exercise price at the date of grant (1)	$0.15 and $0.25

(1) Although the exerice price of the non-transferable broker unit warrants are at a nominal value of $1,000, the fair market value of the broker unit warrants was determined based on the underlying embedded conversion options and warrants of the convertible debentures units having a conversion/exercise price of $0.15 and $0.25 respectively. The fair market value of the liability component of the broker unit warrants was deemed as $Nil because the 10% nominal interest rate of the debentures (exlusively without the conversion options and warrants) is below fair market value.

The volatility was determined by using the Company's own historical volatility over a period corresponding to expected life of the conversion options and warrants.

(In Canadian dollars)

17 - DEBENTURES (CONTINUED)

17.7 Debenture issuance between February 21 and 26, 2024

Between February 21 and 26, 2024, the Company issued a combined 1,000 units of convertible debentures for gross contractual proceeds of $1,000,000 (net proceeds of $930,000 after related expenses). Each unit sold comprised of $1,000 face value debentures, maturing between February 21 and 26, 2027, bearing interest at a nominal rate of 10% payable monthly, plus 6,666 purchase warrants, for a total of 6,666,000 purchase warrants, exercisable into Company common shares at $0.25 per share for a period of 24 months from the date of issuance.

Out of the total funds raised from the convertible debenture units issued, $345,000 worth of units were used to repay for consulting services rendered by an investor to the Company between October 1, 2023 and January 31, 2024.

The debentures, at issuance, allowed their subscribers to convert them into common shares of the Company at any time prior to maturity, subject to certain terms and conditions, at $0.15 per common share.

The units contain a "forced warrant conversion" feature under which the debenture will automatically be surrendered and converted into common shares of the Company should the shares of the Company trade at $2.50 or more for three consecutive trading days.

Tenet also granted 70 non-transferable broker warrants (the "CD Broker Warrants"), being such number of CD Broker Warrants as is equal to 7.0% of the number of CD Units sold pursuant to the offerings (1,000 units). Each CD Broker Warrant is exercisable to purchase one CD Unit at an exercise price of $1,000 for a period of two years from the date of its issuance.

The Company used the residual value method to allocate the principal amount of the debentures between the liability, the equity component of the debentures and the warrants. Under this method, an amount of $63,329 and $301,143 related to the conversion feature and the warrants issued were recorded in consolidated statements of changes in equity. The fair value of the liability component of $568,768 was computed as the present value of future principal and interest, discounted at a rate of 32%, net of the prorated share of transaction costs.

On June 27, 2024, convertible debentures having a nominal value of $505,000 were converted into common shares of the Company. At the date of conversion, these debentures had an amortized cost totalling $300,408. The Company issued 3,366,667 common shares to the debenture holders and recorded $332,389 in share capital which included the reclassification of the equity component of convertible debentures initally recorded at inception totalling $31,981.

On December 31, 2024, the holders waived their right to receive the interest due to them by the Company up until the conversion dates that occurred on June 27, 2024. In total, $17,774 of interests were relinquished and were recorded as a credit in finance costs (note 27.4) with an equivalent amount that was reversed by the Company from accounts payable, advances and accrued liabilities (refer to note 15) as at December 31, 2024.

The movement during the years ended December 31, 2024 and 2023, relating to those debentures, was as follows:

	2024 December 31
Balance at the beginning of the year	–
Addition	1,000,000
Issuance costs allocated to the debenture component	(66,760)
Conversion component of convertible debenture	(63,329)
Contributed surplus for the warrants	(301,143)
Balance at inception or beginning of the year	568,768
Conversion of debentures	(300,408)
Interest and accretion of debentures	46,438
Amortization of financing issuance costs	12,181
Balance at the end of the year	326,979

As at December 31, 2024, $24,750 of interest payable on debenture is recorded in accounts payable, advances and accrued liabilities.

The fair value of the 70 non-transferable broker unit warrants was calculated at $35,047 and was recorded as issuance costs prorated between the equity and liability components of the convertible debentures. The equivalent opposite amount was recorded in contributed surplus within the consolidated statements of changes in equity. The fair value was calculated using the Black & Scholes option pricing model with the following assumptions:

Share price at the date of grant (February 21 and 26, 2024)	$0.13 & $0.12
Expected life	2 years
Risk-free interest rate	4.23%
Expected volatility	129.45%
Dividend	0%
Exercise price at the date of grant (1)	$0.15 and $0.25

(1) Although the exerice price of the non-transferable broker unit warrants are at a nominal value of $1,000, the fair market value of the broker unit warrants was determined based on the underlying embedded conversion options and warrants of the convertible debentures units having a conversion/exercise price of $0.15 and $0.25 respectively. The fair market value of the liability component of the broker unit warrants was deemed as $Nil because the 10% nominal interest rate of the debentures (exlusively without the conversion options and warrants) is below fair market value.

The volatility was determined by using the Company's own historical volatility over a period corresponding to expected life of the conversion options and warrants.

(In Canadian dollars)

17 - DEBENTURES (CONTINUED)

17.8 Debenture issuance of April 16, 2024

On April 16, 2024, the Company issued 2,015 units of convertible debentures for gross contractual proceeds of $2,015,000 (net proceeds of $1,897,700 after related expenses). Each unit sold comprised of $1,000 face value debentures, maturing on April 16, 2027, bearing interest at a nominal rate of 10% payable monthly, plus 6,666 purchase warrants, for a total of 12,165,640 purchase warrants, exercisable into Company common shares at $0.25 per share for a period of 24 months from the date of issuance. The financing includes 475 convertible debenture units sold to an Officer and Director of the Company with the same terms as the other subscribers except that each CD Unit sold to the officer of Tenet comes with only 4,000 Common Share purchase warrants (the "Insider Warrants") exercisable to acquire one Common Share at an exercise price of $0.50 instead of $0.25. In addition, the conversion price of the convertible debentures is at $0.25 instead of $0.15.

Out of the total funds raised from the convertible debenture units issued on April 16, 2024, $20,000 worth of units were used to repay a bond holder balance (refer to note 18), and $75,000 worth of units were used to repay for consulting services rendered by an investor to the Company. In addition, $475,000 worth of units were used to repay advances previously received from a company owned by an Officer and Director of the Company (refer to note 15).

The debentures, at issuance, allowed their subscribers to convert them into common shares of the Company at any time prior to maturity, subject to certain terms and conditions, at $0.15 per common share.

The units contain a "forced warrant conversion" feature under which the debenture will automatically be surrendered and converted into common shares of the Company should the shares of the Company trade at $2.50 or more for three consecutive trading days.

Tenet also granted 117.3 non-transferable broker warrants (the "CD Broker Warrants"), being such number of CD Broker Warrants as is equal to 7.0% of the number of CD Units sold pursuant to the offerings (at the exception for the CD units sold to insiders which were subject to a reduced commission of 2%). Each CD Broker Warrant is exercisable to purchase one CD Unit at an exercise price of $1,000 for a period of two years from the date of its issuance.

The Company used the residual value method to allocate the principal amount of the debentures between the liability, the equity component of the debentures and the warrants. Under this method, an amount of $161,743 and $598,239 related to the conversion feature and the warrants issued were recorded in consolidated statements of changes in equity as at the date of issuance. The fair value of the liability component of $1,255,018 was computed as the present value of future principal and interest, discounted at a rate of 32%, net of the prorated share of transaction costs.

On August 19, 2024, convertible debentures having a nominal value of $425,000 were converted into common shares of the Company. At the date of conversion, these debentures had an amortized cost totalling $251,193. The Company issued 2,833,333 common shares to the debenture holders and recorded $280,594 in share capital which included the reclassification of the equity component of convertible debentures initally recorded at inception totalling $29,401.

On October 15, 2024, convertible debentures having a nominal value of $780,000 were converted into common shares of the Company. At the date of conversion, these debentures had an amortized cost totalling $474,897. The Company issued 5,200,000 common shares to the debenture holders and recorded $528,858 in share capital which included the reclassification of the equity component of convertible debentures initally recorded at inception totalling $53,961.

On December 31, 2024, the holders waived their right to receive the interest due to them by the Company up until the conversion dates that occurred on August 19, 2024 and October 15, 2024. In total, $53,392 of interests were relinquished and were recorded as a credit in finance costs (note 27.4) with an equivalent amount that was reversed by the Company from accounts payable, advances and accrued liabilities (refer to note 15) as at December 31, 2024.

The movement during years ended December 31, 2024 and 2023, relating to those debentures, was as follows:

	2024 December 31
Balance at the beginning of the year	–
Addition	2,015,000
Issuance costs allocated to the debenture component	(97,549)
Conversion component of convertible debenture	(161,743)
Contributed surplus for the warrants	(598,239)
Balance at inception or beginning of the year	1,157,469
Conversion of debentures	(726,090)
Interest and accretion of debentures	88,123
Amortization of financing issuance costs	15,823
Balance at the end of the year	535,325

As at December 31, 2024, $22,969 of interest payable on debenture is recorded in accounts payable, advances and accrued liabilities.

The fair value of the 117.3 non-transferable broker unit warrants was calculated at $39,768 and was recorded as issuance costs prorated between the equity and liability components of the convertible debentures. The equivalent opposite amount was recorded in contributed surplus within the consolidated statements of changes in equity. The fair value was calculated using the Black & Scholes option pricing model with the following assumptions:

Share price at the date of grant	$0.09
Expected life	2 years
Risk-free interest rate	4.21%
Expected volatility	129.74%
Dividend	0%
Exercise price at the date of grant (1)	$0.15 and $0.25

(1) Although the exerice price of the non-transferable broker unit warrants are at a nominal value of $1,000, the fair market value of the broker unit warrants was determined based on the underlying embedded conversion options and warrants of the convertible debentures units having a conversion/exercise price of $0.15 and $0.25 respectively. The fair market value of the liability component of the broker unit warrants was deemed as $Nil because the 10% nominal interest rate of the debentures (exlusively without the conversion options and warrants) is below fair market value.

The volatility was determined by using the Company's own historical volatility over a period corresponding to expected life of the conversion options and warrants.

(In Canadian dollars)

17 - DEBENTURES (CONTINUED)

17.9 Conversion option

	2024 December 31	2023 December 31
Balance at the beginning of the year	80,080	–
Addition (1)	–	1,530,744
Change in fair value	(80,080)	(742,258)
Conversion of debentures	–	(708,406)
Balance at the end of the year	–	80,080
Conversion option, short-term	–	46,240
Conversion option, long-term	–	33,840
	–	80,080

(1) Following the amendment of the conversion terms of the convertible debentures as mentioned in note 17.1 and 17.2, the Company reclassified the conversion option (net of related issuances costs) of the debentures from equity to a liability in the consolidated statements of financial position for the year ended December 31, 2023. The fair value of the conversion options on April 19, 2023, being the date that the amendment took effect, was $1,530,744. The fair value of the conversion options on December 31, 2024, was $Nil (December 31, 2023 - $80,080).

The initial fair value of the conversion options at inception was calculated using the Black & Scholes pricing model with the following assumptions:

Amendement date	**April 19, 2023**
Number of options subject to the amendement	3,550,000
Share price at the date of the amendement	0.59
Risk-free interest rate	3.88%
Volatility (1)	111% - 115%
Dividend	0%
Exercise price at the date of amendement	$0.25
Vesting period	Not applicable
Expected life	614 to 653 days
Fair value of the amended coversion options	**1,530,744**

(1) The volatility was determined by using the Company's own historical volatility over a period corresponding to expected life of the conversion options.

18 - BONDS

On May 29, 2020, the Company issued 400 units of secured corporate bonds at $1,000 per unit. Each unit sold was comprised of a $1,000 face value bond, redeemable on June 10, 2023, bearing interest at a nominal rate of 10% payable monthly, plus 20 purchase warrants exercisable into Company common share at $2.00 per share for a period of 36 months from the date of issuance.

The Bonds are redeemable after 36 months from the date of issuance (the "Initial Maturity Date"). Each holder has a right (the "Initial Extension Right") at the end of the Initial Maturity Date to extend the Bond for another 12 months (the "Initial Extension Period") by giving written notice to that effect to the Company no later than sixty (60) days prior to the Initial Maturity Date. Any holder that has elected to exercise its Initial Extension Right will also have a further right at the end of the Initial Extension Period to extend its Bond for another 12 months (the "Second Extension Period") under the same notice conditions as stated in the Initial Extension.

If a holder elects to extend its Bonds, the Company may redeem such holder's Bonds at any time on payment of a 5% premium to redeem the Bonds ("Penalty").

Bonds are secured by a pledge on the aggregate assets of the Company, maturing on May 29, 2023. The Company used the residual value method to allocate the principal amount of the bond between the liability and the contributed surplus. Under this method, an amount of $64,896 (net of transaction costs) related to the warrants issued was applied to the contributed surplus as at the date of issuance. The fair value of the liability component was $227,569 computed as the present value of future principal and interest payments discounted at a rate of 22%.

As the bonds have expired, the Company is in the process of negotiating an extension with the bondholders. Interest expense has been accrued as per the initial terms of the bonds, up to the year ended December 31, 2024.

The Company has set aside an amount equal to two years of interest, which will be used to pay interest payable on the Bonds. Any interest accrued on such sum will be in favor of the Company. The amount set aside as at December 31, 2023, is $23,333 and is presented under restricted cash in the consolidated statements of financial position. For the period ended December 31, 2024, the Company's holder contractually waived their rights, requiring the Company to present an amount equal to two years of accrued interest. As of December 31, 2024, the Company presents the restricted cash amount from December 31, 2023, totaling $23,333, under cash in the consolidated statements of financial position.

The movement during the year ended December 31, 2024 and 2023, relating to these bonds, were as follows:

	2024 December 31	2023 December 31
Balance at the beginning of the year	400,000	373,547
Accretion on bonds	–	15,629
Amortization of initial costs	–	10,824
Payment (note 17.6 and 17.8)	(170,000)	–
Balance at the end of the year	230,000	400,000

19 - CEBA LOAN (Canada Emergency Business Account)

On April 20, 2020, the Company applied for and received $40,000 under the Canada Emergency Business Account (CEBA). Further, on September 1, 2021, through its acquisition of Cubeler, the Company acquired an additional CEBA loan totaling $60,000. Under this program providing interest-free loans, repaying the balance of the loan on or before January 18, 2024, will result in loan forgiveness of approximately 30% ($30,000), which was the intention of the Company. Subsequent to year-end 2021, the Government of Canada announced that the deadline to repay loans under the Canada Emergency Business Account program would be extended by one year (that is from December 31, 2022 to December 31, 2023). As at January 1, 2024, the loan balance bear interest at 5% and will be repayable on maturity on December 31, 2025. On January 17, 2024, the company repaid $66,800 of it's CEBA loan which resulted in a loan forgiveness of $20,000. The balance outstanding of the CEBA loan as at December 31, 2024 was $13,200.

20 - PROMISSORY NOTES PAYABLE

During the fourth quarter of 2023, the Company entered into loan agreements totalling $1,410,000 at an interest rate of 10% and maturing between March 31, 2024 and June 30, 2024. During the year ended December 31, 2024, the Company entered into loan agreements totalling $1,993,500 at an interest rate of 10% and maturing between June 29, 2024 and January 31, 2025. The Company was in the process of negotiating an extension with some of the holders. During the year ended December 31, 2024, total amount of $2,060,000 was repaid from the proceeds of the various private placements and $155,000 was repaid in cash consideration. These repayments were applied against the previously outstanding balance of promissory notes, resulting in a remaining outstanding balance of $1,188,500.

21 - LOAN PAYABLE

During the fourth quarter of 2023, the Company entered into a loan agreement totalling $739,935 with an insurance provider (Directors and Officers insurance) at an effective annual interest rate of 8.97% payable in eleven instalments and maturing in October 24, 2024. This loan was a non-cash transaction, directly with the insurance provider. The balance outstanding of the loan as at December 31, 2024 was $54,638.

During the fourth quarter of 2024, the Company entered into another loan agreement totalling $416,016 with an insurance provider (Directors and Officers insurance) at an effective annual interest rate of 8.10% payable in ten instalments and maturing in October 1, 2025. This loan was a non-cash transaction, directly with the insurance provider. The balance outstanding of the loan as at December 31, 2024 was $416,016.

22 - CREDIT FACILITY

On July 22, 2024, the Company announced that it has secured a credit facility of up to $5,000,000, allowing the Company drawdown up to $5,000,000 over a twelve-month period by sending drawdown notices to a lender. No drawdown notice can exceed $500,000 and there must be at least five business days between each drawdown notice. The Company will pay interest at an annual rate of 10% on any amount drawn from the Credit Facility and will have up to twenty-four months from the date of the drawdown notice to repay the amount advanced by a lender. The Credit Facility is guaranteed by assets pledged by a collection of the Company shareholders in a separate collateral agreement between a lender and the shareholders. As at December 31, 2024, the Company has received drawdown for a total of $600,000.

During year ended December 31, 2024, the amount totalling $304,574 was repaid in exchange of shares and warrants issuance part of a private placement from the previously outstanding balance of the credit facility outstanding leaving an outstanding balance of $295,426.

23 - SHAREHOLDERS' EQUITY

23.1 Authorized share capital

The share capital of the Company consists of an unlimited authorized number of common shares without par value.

23.2 Description of the shareholders' equity operations during the current year

a) On January 3, 2024, the Company issued 269,814 common shares to the business managers of the Company's subsidiary Steelchain, in accordance with the amended assets purchase and performance agreement of the Steelchain acquisition effective from October 1, 2022. The payment in shares was for the performance based compensation up to December 31, 2023 totalling $539,628 which was settled in common shares at the minimum price of $2 per share.

b) During the year ended December 31, 2024 and as mentioned in note 17.2, 17.4, 17.6, 17.7 and 17.8, convertible debentures having a nominal value of $7,185,000 and an amortized costs of $4,822,342 were converted into 35,400,000 common shares. The Company recorded a total of $5,388,890 in share capital which represents the amortized cost of the debentures and the fair value of the related conversion option initially recorded at inception totalling $566,548.

c) On September 4, 2024, the Company announced to issue 39,075,000 units of shares and warrants for gross contractual proceeds of $3,907,500 (net proceeds of $3,668,500 after related expenses). Each unit sold comprised of one common share and one common share purchase warrant exercisable into Company common shares at $0.20 per share for a period of 36 months from the date of issuance. Consequently, $1,639,782 and $2,267,718 were credited to contributed surplus and capital stock respectively. The fair value of the 2,054,000 finder's warrants was calculated at $156,031 and recorded as issuance of broker compensation warrants in the consolidated statements of changes in equity as at the date of issuance. Out of the total funds raised from the shares and warrants units issued on September 4, 2024, $710,000 worth of units were used to repay a promissory note payable (refer to note 20). In addition, $60,000 worth of units were used to repay short-term advances previously received from third party investor (refer to note 15).

d) On November 15, 2024, the Company announced to issue 8,650,000 units of shares and warrants for gross contractual proceeds of $865,000 (net proceeds of $830,000 after related expenses). Each unit sold comprised of one common share and one common share purchase warrant exercisable into Company common shares at $0.20 per share for a period of 36 months from the date of issuance. Consequently, $359,380 and $505,620 were credited to contributed surplus and capital stock respectively. The fair value of the 280,000 finder's warrants was calculated at $19,906 and recorded as issuance of broker compensation warrants in the consolidated statements of changes in equity as at the date of issuance. Out of the total funds raised from the shares and warrants units issued on November 15, 2024, $140,000 worth of units were used to repay a promissory note payable (refer to note 20).

23 - SHAREHOLDERS' EQUITY (CONTINUED)

e) On November 29, 2024, the Company announced to issue 11,010,000 units of shares and warrants for gross contractual proceeds of $1,101,000 (net proceeds of $1,085,000 after related expenses). Each unit sold comprised of one common share and one common share purchase warrant exercisable into Company common shares at $0.20 per share for a period of 36 months from the date of issuance. Consequently, $456,018 and $644,982 were credited to contributed surplus and capital stock respectively. The fair value of the 60,000 finder's warrants was calculated at $4,243 and recorded as issuance of broker compensation warrants in the consolidated statements of changes in equity as at the date of issuance. Out of the total funds raised from the shares and warrants units issued on November 29, 2024, $230,000 worth of units were used to repay a convertible debenture which were expired on December 23, 2024 (refer to note 17.1). As at December 31, 2024, the balance of subscriptions receivable of shares and warrants from this issuance recorded in the debtors was $300,000 (December 31, 2023 - $Nil). The Company received the remaining proceeds after the year ended December 31, 2024 (refer to note 33.3).

f) On December 12, 2024, the Company announced to issue 1,900,000 units of shares and warrants for gross contractual proceeds of $190,000 (net proceeds of $182,800 after related expenses). Each unit sold comprised of one common share and one common share purchase warrant exercisable into Company common shares at $0.20 per share for a period of 36 months from the date of issuance. Consequently, $77,543 and $112,457 were credited to contributed surplus and capital stock respectively. The fair value of the 72,000 finder's warrants was calculated at $4,469 and recorded as issuance of broker compensation warrants in the consolidated statements of changes in equity as at the date of issuance. Out of the total funds raised from the shares and warrants units issued on December 12, 2024, $100,000 worth of units were used to repay a promissory note payable (refer to note 20).

g) Between July 22, 2024, and August 12, 2024, the Company issued a total of 18M shares as payment to consultants and services providers for a total of $1.1M worth of debt.

23.3 Description of the shareholders' equity operations during the prior year

a) On June 1, 2023, the Company announced that it intended to complete a non-brokered private placement financing of units of the Company for proceeds of up to $3,000,000, conducted in tranches of a minimum of $300,000 per tranche over a period of six months. Each Unit to be sold is comprised of one common share of the Company and one common share purchase warrant to purchase one Common Share at a price per share that will be determined at each tranche offering, any time prior to two years following the closing of the each tranche offering, subject to certain terms and conditions.

On June 7, 2023 the Company issued the first tranche of 2,142,858 common shares at $0.14 and common share purchase warrant at $0.175 per share with a total cash consideration of $300,000. Consequently $146,814 was credited to contributed surplus and $153,186 was credited to capital stock in the consolidated statement of changes in equity.

On June 22, 2023 the Company issued the second tranche of 4,291,846 common shares at $0.1165 and common share purchase warrant at $0.155 per share with a total cash consideration of $500,000. Consequently $299,943 was credited to contributed surplus and $200,057 was credited to capital stock in the consolidated statement of changes in equity.

On June 29, 2023, the Company announced that it did not intend to proceed with closing additional rounds of the $3,000,000 financing.

b) During the year ended December 31, 2023, the Company issued 2,142,858 common shares at an average exercise price of $0.175 per share for total proceeds of $375,000 upon the exercise of common share purchase warrants. An amount of $146,814 related to exercised warrants were transferred from contributed surplus to share capital in the consolidated statements of changes in equity.

c) During the year ended December 31, 2023 and as mentioned in note 17.1, 17.2 and 17.6, $5,440,000 convertible debentures were converted into 12,640,000 common shares. The Company recorded a total of $4,631,074 in share capital which represents the amortized cost of the debentures and fair value of the related conversion option as at the dates of conversions.

d) During the course of 2023, a Company owned by a Director of the Company, made a series of short-term loans totalling $1,667,742 to Asia Synergy Holding Inc. ("ASH"), a wholly owned subsidiary of the Company. The same Company, owned by a Director, subsequently entered into a loan transfer agreement with an unrelated third party whereby a portion of the loan amounting to $750,000 was transferred to this third party. On September 21, 2023, the Company settled the $750,000 amount owed to the third party by issuing 3,000,000 common shares of the Company at an agreed price of $0.25 per share.

(In Canadian dollars)

23 - SHAREHOLDERS' EQUITY (CONTINUED)

23.4 Warrants

The outstanding warrants movement as at December 31, 2024 and December 31, 2023 and the respective changes during the year, are summarized as follows:

	December 31, 2024		December 31, 2023	
	Number of warrants	Weighted average exercise price	Number of warrants	Weighted average exercise price
Outstanding, beginning of year	55,054,996	0.66	17,748,213	3.22
Granted	92,664,900	0.22	53,937,954	0.56
Expired	(3,259,900)	2.00	(14,488,313)	3.50
Exercised	–	–	(2,142,858)	0.18
Outstanding and exercisable, end of year	144,459,996	0.35	55,054,996	0.66

As at December 31, 2024, and December 31, 2023, the number of outstanding warrants which could be exercised for an equivalent number of common shares.

	December 31, 2024		December 31, 2023	
	Number	Exercise price	Number	Exercise price
Expiration date				
December, 2024	–	–	3,080,000	2.00
December, 2024	–	–	179,900	2.00
January, 2025	3,510,000	2.00	3,510,000	2.00
January, 2025	221,250	2.00	221,250	2.00
June, 2025	4,291,846	0.16	4,291,846	0.16
August, 2025	10,392,000	0.50	10,392,000	0.50
August, 2025	40,000	0.50	40,000	0.50
August, 2025	30,500,000	0.50	30,500,000	0.50
September, 2025	2,840,000	0.50	2,840,000	0.50
February, 2026	10,732,260	0.25	–	–
February, 2026	4,966,170	0.25	–	–
February, 2026	1,699,830	0.25	–	–
April, 2026	10,265,640	0.25	–	–
April, 2026	1,900,000	0.50	–	–
September, 2027	38,075,000	0.20	–	–
September, 2027	2,054,000	0.20	–	–
October, 2027	1,000,000	0.20		
November, 2027	8,650,000	0.20	–	–
November, 2027	280,000	0.20	–	–
November, 2027	11,010,000	0.20	–	–
November, 2027	60,000	0.20	–	–
December, 2027	1,900,000	0.20	–	–
December, 2027	72,000	0.20	–	–
	144,459,996		55,054,996	

(In Canadian dollars)

24 - SHARE-BASED PAYMENTS

The Company has adopted an incentive stock option plan which provides that the Board of Directors of the Company may, from time to time, at its discretion and in accordance with the Exchange regulations, grant to directors, officers, employees and others providing similar services to the Company, non-transferable options to purchase common shares, provided that the number of common shares reserved for issuance will not exceed 10% of the issued and outstanding common shares exercisable for a period of up to 5 years from the date of grant. The options reserved for issuance to any individual director, officer, or employee will not exceed 5% of the issued and outstanding common shares, and the number of common shares reserved for issuance to others providing services will not exceed 2% of the issued and outstanding common shares. Options may be exercised as of the grant date for a period determined by the Board but shall not be greater than five years from the grant date and 90 days following cessation of the option holder position with the Company. Provided that the cessation of office, directorships or employment or other similar service arrangement was by reason of death (in the case of an individual), the option may be exercised within a maximum period of one year after such death, subject to the expiry date of such option.

The outstanding options movement as at December 31, 2024 and 2023, are summarized as follows:

	December 31, 2024		December 31, 2023	
	Number of options	Weighted average exercise price	Number of options	Weighted average exercise price
Outstanding at the beginning of year	3,379,098	2.04	3,871,025	2.02
Granted	–	–	27,163	0.95
Expired	(595,000)	1.01	(293,750)	1.00
Forfeited	(77,658)	2.27	(225,340)	2.65
Outstanding at the end of year	2,706,440	2.26	3,379,098	2.04
Exercisable at the end of year	2,697,849	2.26	3,318,669	2.04

The table below summarizes the information related to outstanding share options as at December 31, 2024.

Maturity date	Range of exercise price	Number of options	Weighted average remaining contractual life (years)
June 11, 2025	1.00	745,500	5 months
October 28, 2025	1.50	1,075,000	9 months
November 6, 2025	2.70	50,000	10 months
March 22, 2026	5.50	55,000	1 years and 2 months
July 7, 2026	4.10	700,000	1 years and 6 months
October 28, 2026	11.50	25,000	1 years and 9 months
January 1, 2027	7.50	9,312	2 years and 0 months
February 1, 2027	5.60	4,256	2 years and 1 months
April 1, 2027	4.16	8,865	2 years and 3 months
July 1, 2027	1.65	1,971	2 years and 6 months
December 1, 2027	0.85-1.32	10,055	2 years and 11 months
February 1, 2028	0.95	21,481	3 years and 1 months
		2,706,440	

(In Canadian dollars)

24 - SHARE-BASED PAYMENTS (CONTINUED)

The table below summarizes the information related to outstanding share options as at December 31, 2023.

Maturity date	Range of exercise price	Number of options	Weighted average remaining contractual life (years)
February 2, 2024	1.00	37,500	1 months
May 1, 2024	1.00	50,000	4 months
May 27, 2024	1.00	447,500	4 months
September 5, 2024	1.00	10,000	8 months
November 1, 2024	1.10	50,000	9 months
December 11, 2024	1.00	5,000	10 months
June 11, 2025	1.00	745,500	1 years and 5 months
October 28, 2025	1.50	1,075,000	1 years and 9 months
November 6, 2025	2.70	50,000	1 years and 10 months
March 22, 2026	5.50	55,000	2 years and 2 months
July 7, 2026	4.10	700,000	2 years and 6 months
October 28, 2026	11.50	25,000	2 years and 9 months
January 1, 2027	7.50	18,774	3 years and 0 months
February 1, 2027	5.60	6,093	3 years and 1 months
April 1, 2027	4.16	9,736	3 years and 3 months
May 1, 2027	5.13	2,707	3 years and 4 months
July 1, 2027	1.65	1,971	3 years and 6 months
August 1, 2027	1.41	26,831	3 years and 7 months
October 1, 2027	1.24	4,189	3 years and 9 months
November 1, 2027	1.02	3,023	3 years and 10 months
December 1, 2027	0.85-3.59	28,110	3 years and 11 months
February 1, 2028	0.95	27,164	4 years and 1 months
		3,379,098	

During the year ended December 31, 2024, the Company recorded an $12,564 related to share-based payments (year ended December 31, 2023 - $490,789) to the consolidated statements of comprehensive profit and loss and contributed surplus.

24.1 Share-based payments granted to directors and employees during current year

There were no share-based payments granted to directors and employees during the year ended December 31, 2024

24.2 Share-based payments granted to directors and employees during previous year

The fair value of the options granted were calculated using the Black & Scholes option pricing model. The following assumptions were used in the valuation of each issuance:

Grant date	**February 1, 2023**
Number of options granted	27,163
Share price at the date of grant	0.90
Risk-free interest rate	2.93%
Volatility (1)	113%
Dividend	0%
Exercise price at the date of grant	$0.95
Vesting period	2 years
Expected life	5 years
Fair value of the options granted	**19,600**

(1) The volatility was determined by using the Company's own historical volatility over a period corresponding to expected life of the share options.

25 - INCOME TAXES

Significant tax expense (income) components

The significant tax expense (income) components are detailed as follows:

	2024 December 31	**2023** December 31
Current tax expense		
Current taxes	9,141	122,301
Change in estimate related to prior period	(402,192)	(1,631,111)
Total current tax expense	(393,051)	(1,508,810)
Deferred tax expense (income)		
Origination and reversal of temporary differences	(14,932,885)	(13,499,753)
Change in estimate related to prior period	(1,344,777)	1,631,111
Change in unrecognized temporary differences	14,815,773	11,931,927
Total deferred tax income	(1,461,889)	63,285
Total tax expense (income)	(1,854,940)	(1,445,525)

(In Canadian dollars)

25 - INCOME TAXES (CONTINUED)

Relationship between expected tax expense and tax expense (income)

The relationship between the expected tax expense calculated on the basis of the combined federal and provincial tax rate in Canada and the tax expense presented on the consolidated statements of comprehensive income is as follows:

	2024 December 31	**2023** December 31
Loss before income taxes	(61,116,762)	(79,772,867)
Expected tax expense (income) calculated on the basis of the combined federal and provincial tax rate in Canada of 26.5% (26.5% in 2023)	(16,195,942)	(21,139,810)
Adjustments for the following		
Share-based payments	2,833	105,925
Difference in foreign tax rate	731,951	296,985
Other non-deductible expenses	148,286	62,615
Impairment of goodwill	–	7,051,596
Change in unrecognized temporary differences	14,815,773	11,931,927
Change in estimate related to prior periods	(1,344,777)	245,510
Other	(13,064)	(273)
Tax expense (income)	(1,854,940)	(1,445,525)

Unrecognized temporary differences

The Company has the following temporary differences and tax losses for which no deferred tax was recognized:

			December 31, 2024
	Federal	Provincial	Foreign
Unrecognized deductible temporary differences			
Intangible assets	2,477,171	2,477,171	–
Financing and share issue costs	2,385,897	2,385,897	–
Scientific research and development expenses	1,747,356	–	–
Non-capital losses	70,154,279	70,106,063	20,676,223
Accounts payable, accruals and other	–	–	52,444,200
	76,764,703	74,969,131	73,120,423

			December 31, 2023
	Federal	Provincial	Foreign
Unrecognized deductible temporary differences			
Intangible assets	2,491,216	2,491,216	–
Financing and share issue costs	2,767,537	2,767,537	–
Scientific research and development expenses	1,747,356	–	–
Non-capital losses	54,340,853	54,292,667	17,881,179
Accounts payable, accruals and other	–	–	9,328,938
	61,346,962	59,551,420	27,210,117

Movement of the foreign deferred tax assets (liabilities) in 2024

	2024 January 1	Non-cash transaction	Business acquisition	Results	**2024** December 31
Loans receivable	63,368	–	–	–	63,368
Accounts receivable	(1,631,111)	–	–	751,917	(879,194)
Intangible assets	(155,772)	–	–	–	(155,772)
Non-capital losses	–	–	–	879,194	879,194
Accounts payable, advances and accrued liabilities	55,993	–	–	–	55,993
Right-of-use asset	(251,063)	–	–	158,757	(92,306)
Lease liability	287,474	–	–	(158,757)	128,717
	(1,631,111)	–	–	1,631,111	–

Movement of the foreign deferred tax assets (liabilities) in 2023

	2023 January 1	Non-cash transaction	Business acquisition	Results	**2023** December 31
Loans receivable	611,208	–	–	(547,840)	63,368
Accounts receivable	–	–	–	(1,631,111)	(1,631,111)
Intangible assets	(775,091)	–	–	619,320	(155,771)
Non-capital losses	431,242	–	–	(431,242)	–
Accounts payable, advances and accrued liabilities	55,993	–	–	–	55,993
Right-of-use asset	(339,435)	(63,736)	–	152,108	(251,063)
Lease liability	326,180	63,736	–	(102,443)	287,473
	310,097	–	–	(1,941,208)	(1,631,111)

(In Canadian dollars)

25 - INCOME TAXES (CONTINUED)

Movement of the canadian deferred tax liabilities in 2024

	2024 January 1	Non-cash transaction	Charged to equity	Results	**2024** December 31
Property and equipment	(394,375)	–	–	135,405	(258,970)
Intangible assets	8,746	–	–	49,721	58,467
Lease liabilities	698,961	–	–	(117,953)	581,008
Non-capital losses	505,334	93,066	–	(598,400)	–
Loans payable	(856,953)	(93,066)	169,222	257,055	(523,742)
Accounts payable, advances and accrued liabilities	38,287	–	–	104,950	143,237
	–	–	169,222	(169,222)	–

Movement of the canadian deferred tax liabilities in 2023

	2023 January 1	Non-cash transaction	Charged to equity	Results	**2023** December 31
Property and equipment	(533,261)	40,830	–	98,056	(394,375)
Intangible assets	(3,289,735)	–	–	3,298,481	8,746
Lease liabilities	538,340	(40,830)	–	201,451	698,961
Non-capital losses	2,387,832	18,238	–	(1,900,736)	505,334
Loans payable	(142,471)	(18,238)	(838,628)	142,384	(856,953)
Accounts payable, advances and accrued liabilities	–	–	–	38,287	38,287
	(1,039,295)	–	(838,628)	1,877,923	–

As at December 31, 2024, the Company has non-capital losses that are available to reduce income taxes in future years and for which no deferred tax asset has been recognized in the consolidated statements of financial position. These losses expire in the following years:

	Federal	Provincial	Foreign
2026	4,028	4,028	2,027,020
2027	141,229	141,229	2,376,699
2028	322,989	322,989	8,783,218
2029	–	–	7,489,287
2030	253,979	253,979	–
2031	1,081,723	1,051,288	–
2032	1,730,827	1,715,690	–
2033	506,261	495,001	–
2034	961,557	963,040	–
2035	1,339,690	3,334,281	–
2036	1,581,746	1,575,100	–
2037	2,153,868	2,157,330	–
2038	1,151,230	1,152,584	–
2039	1,704,998	1,708,917	–
2040	5,728,275	5,732,384	–
2041	6,549,631	6,549,181	–
2042	15,417,343	13,424,167	–
2043	14,515,123	14,515,094	–
2044	15,009,782	15,009,782	–
	70,154,279	70,106,064	20,676,224

26 - CAPITAL MANAGEMENT POLICIES AND PROCEDURES

The Company's capital management objectives are as follows:

- To ensure the Company's ability to continue its development;
- To provide an adequate return to shareholders.

The Company monitors capital based on the carrying amount of equity which represents $3,716,242 as at December 31, 2024 (December 31, 2023 - $47,882,021).

The Company manages its capital structure and makes adjustments to it to ensure it has sufficient liquidity and raises capital through stock markets to continue its development.

The Company is not subject to any externally imposed capital requirements.

(In Canadian dollars)

27 - FINANCIAL INSTRUMENTS

27.1 Classification of financial instruments

As at December 31, 2024, the carrying amount of financial assets and financial liabilities were as follows:

			December 31, 2024
	Assets and liabilities carried at fair value	Assets and liabilities carried at amortized cost	Total carrying value
Financial assets			
Cash	–	890,085	890,085
Restricted Cash	–	3,840	3,840
Debtors	–	4,418,440	4,418,440
Loans receivable	–	18,245,886	18,245,886
Deposit	–	86,442	86,442
Other equity investments	985,500	–	985,500
Other current assets	–	7,733,174	7,733,174
	985,500	31,377,867	32,363,367
Financial liabilities			
Accounts payable, advances and accrued liabilities	–	20,014,827	20,014,827
Bonds	–	230,000	230,000
CEBA Loan	–	13,200	13,200
Debentures	–	6,976,475	6,976,475
Promissory note payable	–	1,188,500	1,188,500
Loan payable	–	470,654	470,654
Credit facility	–	295,426	295,426
	–	29,189,082	29,189,082

As at December 31, 2023, the carrying amount of financial assets and financial liabilities were as follows:

			December 31, 2023
	Assets and liabilities carried at fair value	Assets and liabilities carried at amortized cost	Total carrying value
Financial assets			
Cash	–	1,191,558	1,191,558
Restricted Cash	–	23,333	23,333
Debtors	–	12,929,130	12,929,130
Deposits made for transactions on platforms	–	21,452,475	21,452,475
Loans receivable	–	16,727,876	16,727,876
Deposit	–	81,304	81,304
Other equity investments	1,183,005	–	1,183,005
Other current assets	–	7,733,174	7,733,174
	1,183,005	60,138,850	61,321,855
Financial liabilities			
Accounts payable, advances and accrued liabilities	–	13,842,992	13,842,992
Bonds	–	400,000	400,000
CEBA Loan	–	100,000	100,000
Debentures	–	8,385,793	8,385,793
Conversion option	80,080	–	80,080
Contingent consideration payable	1,271,905	–	1,271,905
Promissory note payable	–	1,410,000	1,410,000
Loan payable	–	675,145	675,145
	1,351,985	24,813,930	26,165,915

(In Canadian dollars)

27 - FINANCIAL INSTRUMENTS (CONTINUED)

27.2 Financial risk management objectives and policies

The Company is exposed to various risks in relation to financial instruments. The main risks the Company is exposed to are credit risk, market risk and liquidity risk.

The Company does not actively engage in the trading of financial instruments for speculative purposes.

No changes were made in the objectives, policies and processes related to financial instrument risk management during the reporting years.

The most significant financial risks to which the Company is exposed are described below.

27.3 Financial risks

27.3.1 Credit & Liquidity risk

Credit risk is the risk that one party to a financial instrument will cause a loss for the other party by failling to pay for its obligation. Credit risk for the Company is mostly on Loans receivable, Debtors and Deposits made for transactions on plateform (refer to note 8 & 9.2). The credit risk is not significant for other financial instruments.

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset.

Liquidity risk management serves to maintain a sufficient amount of cash and to ensure that the Company has financing sources for a sufficient amount. The Company's objective is to maintain a cash position sufficient to cover the next twelve-month obligations (note 2).

The Company's non-derivative financial liabilities have contractual maturities (including interest payments where applicable) as summarized below:

			December 31, 2024
	Current		Long-term
	Within 6 months	6 to 12 months	More than 12 months
Accounts payable, advances and accrued liabilities	20,014,827	–	–
Bonds	230,000	–	–
CEBA loan	13,200	–	–
Debentures	670,000	5,933,000	2,690,000
Promissory note payable	1,188,500	–	–
Loan payable	169,772	300,882	–
Credit facility	–	–	295,426
	22,286,299	6,233,882	2,985,426

			December 31, 2023
	Current		Long-term
	Within 6 months	6 to 12 months	More than 12 months
Accounts payable, advances and accrued liabilities	13,842,992	–	–
Bonds	423,333	–	–
Contingent consideration payable	421,000	421,000	663,000
CEBA loan	100,000	–	–
Debentures	–	680,000	11,403,000
Promissory note payable	1,410,000	–	–
Loan payable	399,039	276,106	–
	16,596,364	1,377,106	12,066,000

27.4 Finance costs

The breakdown of finance costs during the years ended December 31, 2024 and 2023 is as follows:

	2024 December 31	**2023** December 31
Interest on lease liabilities (note 16)	264,794	286,485
Interest on debentures and bonds	1,051,897	727,044
Interest on advances	17,657	–
Interest on credit facility	25,040	–
Interest on finance lease	(3,613)	–
Accretion on debentures and bonds	967,731	568,769
Interest on debentures relinquished (1)	(579,364)	–
Interest, loan payable	28,067	5,531
Interest, promissory note payable	94,221	23,444
Total interest expense	1,866,430	1,611,273
Interest income	(20,837)	(27,483)
Miscellaneous	95,002	338,352
Total Finance costs	1,940,595	1,922,142

(In Canadian dollars)

27 - FINANCIAL INSTRUMENTS (CONTINUED)

(1) During the year ended December 31, 2024, the holders of convertible debentures waived their right to receive the interest due to them by the Company up until the conversion dates or December 31, 2024. In total, $807,352 of interest was relinquished including $227,988 from Mr. Joseph and Mr. Qiu which both agreed to have the Company use the amount of interest payable on their convertible debentures applied against their respective outstanding loans and the remaining balance totalling $579,364 was derecognised from the liability and recorded to the consolidated statements of comprehensive profit and losses at December 31, 2024.

27.5 Fair value

The following methods and assumptions were used to determine the estimated fair value for each class of financial instruments:

- The fair value of cash, restricted cash, short and long term loans receivable, debtors (except sales tax receivable), short and long term deposits made for transactions on platforms, deposits, other current assets, accounts payable, advances and accrued liabilities approximate their carrying amount, given the short-term maturity;
- The fair value of the debentures and the bonds is estimated using a discounted cash flow approach and approximate their carrying amount. CEBA loan, promissory note payable, credit facility and loan payable are recognized at its cost which approximate its fair value;
- The fair value of contingent consideration payable related to the acquisition of Steelchain (note 6.1) is estimated using a discounted cash flow method and reflects management's estimate that the contract's target level will be achieved;
- The fair value of equity investments is based on the underlying fair market value estimate of the assets & liabilities as at the date of reporting.
- The fair value of conversion options is determined using the Black & Scholes and Binomial pricing models.

The Company categorized its financial instruments based on the following three levels of inputs used for fair value measurements:

Level 1: Quoted prices (unadjusted) in active markets for identical assets and liabilities;

Level 2: Inputs other than quoted prices included in Level 1 that are observable for the assets and liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices);

Level 3: Inputs for the asset or liability that are not based on observable market data (unobservable inputs).

Equity investments, bonds, debentures, conversion option and contingent consideration payable are level 3 under the fair value hierarchy.

28 - RELATED PARTY TRANSACTIONS

The Company’s related party transactions do not include, unless otherwise stated, special terms and conditions. No guarantees were given or received. Outstanding balances are usually settled in cash.

Transactions with key management personnel, officers and directors

The Company's key management personnel are, the CEO, the CFO, the COO, the CEO of the China operations and the members of the Board. Their remuneration includes the following expenses:

	2024 December 31	**2023** December 31
Salaries and fringe benefits	1,473,581	1,495,819
Share-based payments	–	269,116
	1,473,581	1,764,935

These transactions occurred in the normal course of operations and have been measured at fair value.

As at December 31, 2024, and 2023 the consolidated statements of financial position includes the following amounts with related parties:

	2024 December 31	**2023** December 31
Promissory notes, with interest (1)	–	216,102
Advances paid to a Director, no interest (2)	1,809	10,000
Other current assets, no interest (3)	2,500,000	2,500,000
Debtors, subscriptions receivable of convertible debentures, no interest (note 9.1 and 17.5)	–	10,000
Tatal amounts owed to the Company by related parties	2,501,809	2,736,102
Advances received from a company owned by a Director, no interest (4)	720,983	917,742
Debentures , with interest (3)	2,407,008	1,777,410
Debentures, interest payable (5)	181,463	106,041
Total amount owed to related parties by the Company	3,309,454	2,801,193

28 - RELATED PARTY TRANSACTIONS (CONTINUED)

(1) On December 15, 2021 and June 3, 2022, loans were issued to two board members of the Company in the amounts of $72,793 and $130,462. The loans were respectively due on December 15, 2022 and December 31, 2022, and bear interest at the quarterly prescribed variable rate. The CEO and the CEO China are both holders of convertible debentures of the Company through their participation in a private placement financing closed by the Company on August 1, 2023. As such, they are entitled to interest payments from the Company at an annual rate of 10% on their respective $1M face value convertible debentures. They both agreed to have the Company use the amount of interest payable on their convertible debentures applied against their respective outstanding loans. As at December 31, 2024, the aggregate outstanding principal amount due for said loans is $Nil (December 31, 2023 - $216,102).

(2) On August 18, 2023, a temporary advance with no interest was issued to the CEO in the amount of $10,000 for business travel purposes. During the year ended December 31, 2024, the Company received expense reports from the CEO amounting to $8,191.

(3) On August 1, 2023, the Company sold 2,598 units of convertible debentures (including 2,000 units to related parties at the time of the closing date) for gross proceeds of$2,598,000 (including $2,000,000 to related parties) as described in note 17.4. On September 8, 2023, the Company sold another 710 units of convertible debentures to related parties for gross proceeds of $710,000 as described in note 17.5. As at December 31, 2024, out of the total $2,710,000 of convertible debentures sold to related parties, $210,000 were collected by the Company in Canada and $2,500,000 are recorded in other current assets (note 10). On April 16, 2024, the Company sold 2,015 units of convertible debentures (including 475 units to related parties at the time of the closing date) for gross proceeds of $2,015,000 (including $475,000 to related parties) as described in note 17.8. The $475,000 worth of units were used to repay advances previously received from a company owned by a Officer and Director of the Company in order to partially repay the balance owed to him by the Company (refer to note 15). The amortized cost of the debentures due to related parties totalling $2,407,008 are recorded in Debentures (note 17). During the year ended December 31, 2024, the company paid immaterial amounts of interest to one of the holders.

(4) During the course of 2023 and the year ended December 31, 2024, a Company owned by a Director of the Company, made a series of short-term loans to Asia Synergy Holding Inc. ("ASH"), a wholly owned subsidiary of the Company. The balance of the net advances received from a Company owned by a Director at no interest as at December 31, 2024 is $720,983 (December 31, 2023 - $917,742) and bears no interest given the fact that only licensed lenders are allowed to charge interest on loans granted to corporative borrowers as per the laws in mainland China. The advances received from a company owned by a Director is recorded in accounts payable, advances and accrued liabilities (note 15).

(5) As at December 31, 2024, $181,463 of debentures, interest payable due to related parties are recorded in accounts payable, advances and accrued liabilities (note 15).

29 - SEGMENT REPORTING

The Company has determined that it has two operating segments, which are defined below. For presentation purposes, other activities are grouped in the Other category. Each operating segment is distinguished by the type of products and services it offers and is managed separately as each requires different business processes, marketing approaches and resources. All inter-segment transfers are carried out at arm's length prices based on prices charged to unrelated customers in stand-alone sales of identical goods and services.

The operating segments are detailed as follows:

Fintech Platform

The Fintech Platform segment comprises the procurement and distribution of products within supply chain or facilitating transactions in the commercial lending industry through technology platforms and the Canadian operating entities.

Financial Services

The Financial Services segment encompasses providing commercial loans to entrepreneurs and SMEs and the activity of providing turn-key credit outsourcing services to banks and other lending institutions.

The Fintech Platform segment operates in North America and China, and the Financial Services segment operates in China.

Other

The "Other" category includes the activity and unallocated portion of the Canadian parent company's services and all non-operating holdings registered in Hong Kong and China.

(In Canadian dollars)

29 - SEGMENT REPORTING (CONTINUED)

The segment information years ended December 31, 2024, and 2023, are as follows:

					December 31, 2024
	Fintech Platform	Financial Services	Other	Elimination	Total
Revenues (1)					
Financial service revenue from external customers	–	787,199	–	–	787,199
Fees and sales from external customers	989,693	380,618	–	–	1,370,311
Supply chain services	643,389	–	–	–	643,389
Other rental income from a sublease	–	–	42,871	–	42,871
Inter-segment	646,302	–	–	(646,302)	–
Total revenues	2,279,384	1,167,817	42,871	(646,302)	2,843,770
Expenses					
Depreciation and amortization	7,191,638	75,832	334,003	–	7,601,473
Finance costs	80,810	28,027	1,831,758	–	1,940,595
Expected credit loss	31,723,573	671,232	–	–	32,394,805
Change in fair value of contingent consideration	(699,514)	–	(572,391)	–	(1,271,905)
Change in fair value of debentures conversion options	–	–	(80,080)	–	(80,080)
Impairment charge	7,192,717	–	–	–	7,192,717
Cost of service, supply chain	89,111	–	–	–	89,111
Forgiveness of CEBA loan	(20,000)	–	–	–	(20,000)
Loss on sublease	158,203	–	–	–	158,203
Gain on disposition of property and equipment	(33,622)	–	–	–	(33,622)
All other expenses	5,793,372	824,251	10,017,914	(646,302)	15,989,235
Total expenses	51,476,288	1,599,342	11,531,204	(646,302)	63,960,532
Profit (loss) before tax	(49,196,904)	(431,525)	(11,488,333)	–	(61,116,762)
Income tax (recovery)	(213,982)	(383,914)	(1,257,044)	–	(1,854,940)
Net profit (loss)	(48,982,922)	(47,611)	(10,231,289)	–	(59,261,822)
Non-controlling interest	(1,618,042)	310,348	–	–	(1,307,694)
Net profit (loss) attributable to:					
Owners of the parent	(47,364,880)	(357,959)	(10,231,289)	–	(57,954,128)
Segmented assets	10,954,406	19,459,453	8,181,412	–	38,595,271

(1) Revenues from external customers have been identified on the basis of the customer's geographical location, which is China except for the other rental income from a sublease which is in Canada.

					December 31, 2023
	Fintech Platform	Financial Services	Other	Elimination	Total
Revenues (1)					
Financial service revenue from external customers	–	1,256,017	–	–	1,256,017
Fees and sales from external customers	9,842,577	694,798	–	–	10,537,375
Supply chain services	30,293,253	–	–	–	30,293,253
Inter-segment	4,824,948	18,968	2,332,081	(7,175,997)	–
Total revenues	44,960,778	1,969,783	2,332,081	(7,175,997)	42,086,645
Expenses					
Depreciation and amortization	9,391,516	116,234	290,184	–	9,797,934
Finance costs	149,330	24,337	1,748,475	–	1,922,142
Change in fair value of contingent consideration	110,984	–	–	–	110,984
Change in fair value of debentures conversion rights	–	–	175,008	–	175,008
Impairment charge	41,452,190	–	–	–	41,452,190
Cost of service, supply chain	28,571,434	–	–	–	28,571,434
Loss on legal settlement		–	1,632,000	–	1,632,000
All other expenses	30,663,399	1,295,515	13,414,903	(7,175,997)	38,197,820
Total expenses	110,338,853	1,436,086	17,260,570	(7,175,997)	121,859,512
Profit (loss) before tax	(65,378,075)	533,697	(14,928,489)	–	(79,772,867)
Income tax (recovery)	(793,731)	(24,206)	(627,588)	–	(1,445,525)
Net profit (loss)	(64,584,344)	557,903	(14,300,901)	–	(78,327,342)
Non-controlling interest	(1,855,515)	360,148	–	–	(1,495,367)
Net profit (loss) attributable to:					
owners of the parent	(62,728,829)	197,755	(14,300,901)	–	(76,831,975)
Segmented assets	42,561,907	18,987,981	20,372,832	–	81,922,720

(1) Revenues from external customers have been identified on the basis of the customer's geographical location, which is China.

(In Canadian dollars)

29 - SEGMENT REPORTING (CONTINUED)

The Company's non-current assets are located in the following geographic regions:

	2024 December 31 Non-current Assets	2023 December 31 Non-current Assets
China	3,413,212	29,830,856
Canada	1,987,480	634,497
	5,400,692	30,465,353

30 - NON-CONTROLLING INTERESTS

The Company controls the following subsidiaries that have significant non-controlling interests.

Entities	2024 December 31 % ownership and voting rights held by NCIs	2023 December 31 % ownership and voting rights held by NCIs
Asia Synergy Supply Chain Ltd. ("ASSC")	49%	49%
Asia Synergy Financial Capital Ltd. ("ASFC")	49%	49%
Wechain (Nanjing) Technology Service Co., Ltd. ("WECHAIN")	49%	49%
Beijing Kailifeng New Energy Technology Co., Ltd. ("KALIFENG")	57.5%	49%
Shanghai Xinhuizhi Supply Chain Management Co., Ltd. ("ASAC")	49%	49%
Jiangsu Supairui IOT Technology Co., Ltd. ("ASTH")	20%	20%
Wuxi Suyetong Supply Chain Management Co., Ltd. ("SST")	20%	20%

	Total comprehensive profit and loss allocated to NCI		Accumulated NCI	
Entities	2024 December 31	2023 December 31	2024 December 31	2023 December 31
Asia Synergy Supply Chain Ltd. ("ASSC")	(1,118,056)	(926,066)	192,090	1,310,148
Asia Synergy Financial Capital Ltd. ("ASFC")	431,777	24,973	12,221,223	11,789,447
Wechain (Nanjing) Technology Service Co., Ltd. ("WECHAIN")	(306,889)	(308,915)	(148,374)	158,515
Kailifeng New Energy Technology Co., Ltd. ("KALIFENG")	(227,044)	(599,789)	987,237	464,854
Shanghai Xinhuizhi Supply Chain Management Ltd. ("ASAC")	2,168	(2,212)	(1,487)	(4,630)
Jiangsu Supairui IOT Technology Co., Ltd. ("ASTH") (1)	(44,467)	(82,956)	(106,372)	(61,906)
	(1,262,511)	(1,894,965)	13,144,317	13,656,428

(1) Wuxi Suyetong Supply Chain Management Co., Ltd. ("SST") is included with ASTH since the latest holds 100% of the shares of SST.

No dividends were paid to NCIs during the years ended December 31, 2024, and 2023.

(In Canadian dollars)

30 - NON-CONTROLLING INTERESTS (CONTINUED)

Summarized financial information for subsidiaries with NCIs, before intragroup eliminations are as follows:

	ASSC		ASFC		Wechain		Kailifeng		ASAC		ASTH (1)		Total	
	2024 December 31	**2023 December 31**	**2024 December 31**	**2023 December 31**	**2024 December 31**	**2023 December 31**	**2024 December 31**	**2023 December 31**	**2024 December 31**	**2023 December 31**	**2024 December 31**	**2023 December 31**	**2024 December 31**	**2023 December 31**
Current assets	2,313,508	4,401,151	25,987,043	23,819,886	494,954	325,323	2,032,719	1,353,306	6,815	1,833	11,711	69,597	30,846,750	29,971,096
Non-current assets	54	1,211	218,311	729,657	108,812	380,658	491,584	692,767	298	–	2,577	158,184	821,636	1,962,477
	2,313,562	4,402,362	26,205,354	24,549,543	603,766	705,981	2,524,303	2,046,073	7,113	1,833	14,288	227,781	31,668,386	31,933,573
Current liabilities	300,939	1,627,332	48,659	490,066	283,071	29,346	218,675	156,416	1	–	115,113	102,201	966,458	2,405,361
Non-current liabilities	67,111	74,899	295,206	317,988	600,205	363,789	1,049,763	977,942	4,928	9,315	465,722	509,096	2,482,935	2,253,029
	368,050	1,702,231	343,865	808,054	883,276	393,135	1,268,438	1,134,358	4,929	9,315	580,835	611,297	3,449,393	4,658,390
Equity attributable to owners of the parent	199,930	1,363,623	12,720,048	12,270,649	(154,430)	164,985	729,696	483,828	(1,547)	(4,819)	(425,487)	(247,624)	13,068,210	14,030,642
Non-controlling interests	192,090	1,310,148	12,221,223	11,789,447	(148,374)	158,515	987,237	464,854	(1,487)	(4,630)	(106,372)	(61,906)	13,144,317	13,656,428

	ASSC		ASFC		Wechain		Kailifeng		ASAC		ASTH (1)		Total	
	2024 December 31	**2023 December 31**	**2024 December 31**	**2023 December 31**	**2024 December 31**	**2023 December 31**	**2024 December 31**	**2023 December 31**	**2024 December 31**	**2023 December 31**	**2024 December 31**	**2023 December 31**	**2024 December 31**	**2023 December 31**
Revenue	986	3,210	787,200	1,274,985	40,091	487,003	125,383	–	–	–	–	337,665	953,659	2,102,863
Profit for the year attributable to the owners of the parent	(1,147,461)	(866,345)	323,014	374,848	(290,015)	(323,328)	(216,856)	(649,730)	(31)	(2,437)	(137,377)	(343,612)	(1,468,726)	(1,810,604)
Profit for the year attributable to NCIs	(1,102,463)	(832,372)	310,348	360,148	(278,642)	(310,648)	(202,564)	(624,250)	(29)	(2,342)	(34,344)	(85,903)	(1,307,694)	(1,495,367)
Profit (loss) for the year	(2,249,924)	(1,698,717)	633,362	734,996	(568,657)	(633,976)	(419,420)	(1,273,980)	(60)	(4,779)	(171,721)	(429,515)	(2,776,420)	(3,305,971)
Other comprehensive income ("OCI") for the year														
OCI attributable to the owners of the parent	(16,230)	(97,518)	126,386	(348,856)	(29,401)	1,804	(25,479)	25,459	2,287	135	(40,489)	11,788	17,074	(407,188)
OCI attributable to NCIs	(15,594)	(93,694)	121,429	(335,175)	(28,248)	1,733	(24,480)	24,461	2,198	130	(10,122)	2,947	45,183	(399,598)
OCI for the year	(31,824)	(191,212)	247,815	(684,031)	(57,649)	3,537	(49,959)	49,920	4,485	265	(50,611)	14,735	62,257	(806,786)
Total comprehensive income for the year attributable to the owners of the parent	(1,163,691)	(963,863)	449,400	25,992	(319,416)	(321,524)	(242,335)	(624,271)	2,257	(2,302)	(177,866)	(331,824)	(1,451,651)	(2,217,792)
Total comprehensive income for the year attributable to NCIs	(1,118,056)	(926,066)	431,777	24,973	(306,889)	(308,915)	(227,044)	(599,789)	2,168	(2,212)	(44,467)	(82,956)	(1,262,511)	(1,894,965)
Total comprehensive profit and loss for the year	**(2,281,747)**	**(1,889,929)**	**881,177**	**50,965**	**(626,305)**	**(630,439)**	**(469,379)**	**(1,224,060)**	**4,425**	**(4,514)**	**(222,333)**	**(414,780)**	**(2,714,162)**	**(4,112,757)**
Net cash used in operating activities	(88,838)	216,524	(1,444,001)	1,452,392	30,995	(75,513)	(171,183)	(613,396)	(9,585)	(371)	(60,337)	(72,450)	(1,742,949)	907,186
Net cash used in investing activities	35	(22)	(58,624)	(561,236)	(7,548)	(52,599)	(47,468)	42,904	(1,872)	–	55,447	10	(60,030)	(570,943)
Net cash from financing activities	–	–	(53,203)	64,719	(19,015)	92,106	764,180	591,580	9,879	–	22,666	–	724,507	748,405
Foreign exchange differences	76,711	(41,861)	1,486,638	–	(23,699)	–	(610)	–	(152)	–	(31,299)	–	1,507,589	(41,861)
	(12,092)	**174,641**	**(69,190)**	**955,875**	**(19,267)**	**(36,006)**	**544,919**	**21,088**	**(1,730)**	**(371)**	**(13,523)**	**(72,440)**	**429,117**	**1,042,787**

(1) Wuxi Suyetong Supply Chain Management Co., Ltd. ("SST") is included with ASTH since the latest holds 100% of the shares of SST.

30 - NON-CONTROLLING INTERESTS (CONTINUED)

On June 3, 2024, the Company subsidiary Kailifeng New Energy Technology Co., Ltd. ("KALIFENG") introduced a new shareholder. On July 5, 2024, the new shareholder injected $750,400 capital as the form of cash into KAILIFENG according to a third-party capital increase agreement. After the capital injection, the new third party shareholder became the new minority shareholder of KAILIFENG owing 16.67% of its shares. The registered capital of KAILIFENG increased from $3,768,000 to $4,518,400. The Company subsidiary Asia Synergy Technologies Ltd. ("AST") as a shareholder of KAILIFENG will see its share percentage drop from previously 51% to 42.5% following the capital injection. During the year ended December 31, 2024 the Company's non-controlling interests increased by 16.67% in KALIFENG.

During the year ended December 31, 2024, the Company's subsidiary, AST along with the non-controlling interests of KALIFENG, subscribed for additional share capital in the ratio of their relevant ownership percentages. The total value of capital agreed to be injected by NCIs totalled $Nil in KALIFENG(December 31, 2023 - $289,415). As at December 31, 2024 the amount of the NCI's portion of the capital injection agreed for these NCI's that was outstanding was $1,303,309(December 31, 2023 - $1,291,770).

31 - CONTINGENCIES

Through the normal course of operations, the Company may be exposed to a number of lawsuits, claims and contingencies. Provisions are recognized as liabilities in instances when there are present obligations and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligations and where such liabilities can be reliably estimated. No provision has been recognized in these consolidated financial statements. Although it is possible that liabilities may be incurred in instances where no provision has been made, the Company has no reason to believe that the ultimate resolution of such matters will have a material impact on its financial position.

32 - ECONOMIC DEPENDANCE

The Company generates approximately 60% of its revenues from four customers and partners with one financial institution for capital support when leveraging the deposits made for transactions on platforms (refer to note 9.2). Should these customers or financial institutions substantially change their dealings with the Company, management is of the opinion that revenues would be significantly impacted and continued viable operations would be doubtful.

33 - SUBSEQUENT EVENTS

33.1 Shares issuance

Between January 2, 2025, and March 13, 2025, the Company issued a total of 2,090,968 shares as payment to consultants and services providers for a total of $149,300 worth of debt.

33.2 Private placement

On March 14, 2025, the Company closed a non-brokered private placement financing by selling 72,983,340 units to accredited investors, with each unit priced at $0.05 for gross proceeds of $3,649,167. Each unit sold comprised of one common share and one common share purchase warrant exercisable into Company common shares at $0.15 per share for a period of 24 months from the date of issuance.

33.3 Shares and warrants issuance of November 29, 2024

On February 15, 2025, the Company received proceeds from the subscriptions receivable of shares and warrants of $300,000 (refer to note 9.1).

33.4 Cubeler US

On April 1, 2025, the Company has incorporated a new wholly-owned subsidiary to conduct business in the U.S. ahead of the Company's planned expansion of the Business Hub to that market in the second quarter of 2025. The new entity, incorporated in the state of Delaware, will be conducting business under the name Cubeler Inc. (U.S.) and will have legal and operational rights related to the Business Hub in the United States.

33.5 Legal Matters

As of October 1, 2025, the Company had pending legal claims filed by certain suppliers regarding outstanding amounts owed to them by the Company for services provided in prior periods. These claims primarily concern disputed payment amounts and contractual obligations. The Company has actively engaged in discussions and negotiations with the suppliers to resolve these matters amicably. As a result, the Company successfully negotiated agreements to settle most of the claims through repayment installment plans designed to address the disputed outstanding amounts equitably for all parties involved. As at December 31, 2024, the Company has fully recognized all balances associated with these claims, as they pertain to transactions that occurred in prior fiscal years, under accounts payable, advances and accrued liabilities in the consolidated statements of financial position.

33.6 WECHAIN controllship

On April 3, 2025, the Company signed an agreement regarding the share transfer of its subsidiary Wechain (Nanjing) Technology Service Co., Ltd. ("WECHAIN"). The Company agreed to transfer 12.59% (equivalent to $239,714) WECHAIN's shares to its non-controlling shareholder Nanjing Zhongke Ruanzhi Information Technology Co., Ltd. at $Nil consideration. The subsidiary completed all the filings and registrations of the transfer on April 14, 2025. After the transfer, the Company lost its controllership to WECHAIN, representing 38.41% of its shares.