

SCALING CAPITAL 1 CORP.
Suite 800, 333 7th Avenue S.W.
Calgary, Alberta
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FILING STATEMENT

Dated as at November 29, 2024

Neither the TSX Venture Exchange Inc. (the "TSXV") nor any securities regulatory authority has in any way passed upon the merits of the Qualifying Transaction described in this filing statement.

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GLOSSARY OF TERMS

The following is a glossary of certain defined terms used throughout this Filing Statement. This is not an exhaustive list of defined terms used in this Filing Statement and additional terms are defined throughout. Terms and abbreviations used in the financial statements and MD&A of each of Scaling and Matador and the pro forma consolidated financial statements of the Resulting Issuer attached as schedules to this Filing Statement are defined separately in such schedules, and the terms and abbreviations defined below are not used, except where otherwise indicated. Words importing the singular, where the context requires, include the plural and vice versa, and words importing any gender include all genders.

"**1933 Act**" means the *United States Securities Act of 1933*, as amended, and the rules and regulations promulgated from time to time thereunder;

"**3(a)(10) Securities**" means the New Scaling Shares issuable to Matador Shareholders pursuant to the Arrangement.

"**ABCA**" means the *Business Corporations Act* (Alberta);

"**Affiliate**" a company is an "**Affiliate**" of another company if (a) one of them is the subsidiary of the other, or (b) each of them is controlled by the same Person. A company is "controlled" by a Person if (a) Voting Shares of the company are held, other than by way of security only, by or for the benefit of that Person, and (b) the Voting Shares, if voted, entitle the Person to elect a majority of the directors of the company. A Person beneficially owns securities that are beneficially owned by (a) a company controlled by that Person, or (b) an Affiliate of that Person or an Affiliate of any company controlled by that Person;

"**AML**" means anti-money laundering;

"**Arm's Length Transaction**" means a transaction which is not a Related Party Transaction;

"**Arrangement**" means the arrangement under section 182 of the OBCA on the terms and conditions set forth in the Plan of Arrangement as modified or amended in accordance with the terms thereof, of the Transaction Agreement or the Interim Order, once issued, in each case in a form acceptable to Matador and Scaling, each acting reasonably, or made at the direction of the Court in the Final Order;

"**Arrangement Resolution**" means the special resolution of the Matador Shareholders approving the Plan of Arrangement;

"**Associate**" when used to indicate a relationship with a Person, means (a) an issuer of which the Person beneficially owns or controls, directly or indirectly, voting securities entitling him to more than 10% of the voting rights attached to outstanding securities of the issuer, (b) any partner of the Person, (c) any trust or estate in which the Person has a substantial beneficial interest or in respect of which a Person serves as trustee or in a similar capacity, (d) in the case of a Person, who is an individual: (i) that Person's spouse or child, or (ii) any relative of the Person or of his spouse who has the same residence as that Person; but (e) where the TSXV determines that two Persons shall, or shall not, be deemed to be associates with respect to a Member firm, Member corporation or

holding company of a Member corporation, then such determination shall be determinative of their relationships in the application of Rule D.1.00 of the TSXV Rule Book and Policies with respect to that Member firm, Member corporation or holding company;

"**Audit Committee**" means the audit committee of the Resulting Issuer Board;

"**Business Day**" means any day other than a Saturday, Sunday or statutory holiday in Calgary, Alberta or Toronto, Ontario;

"**CEO**" or "**Chief Executive Officer**" means chief executive officer;

"**Certificate of Arrangement**" means the certificate of arrangement giving effect to the Arrangement, issued pursuant to section 183(2) of the OBCA;

"**CFO**" or "**Chief Financial Officer**" means chief financial officer;

"**Closing**" means the completion of the Arrangement in accordance with the terms of the Transaction Agreement;

"**COO**" means chief operating officer;

"**company**" unless specifically indicated otherwise, means a corporation, incorporated association or organization, body corporate, partnership, trust, association or other entity other than an individual;

"**Compensation Committee**" means the compensation committee of the Resulting Issuer Board;

"**Completion of the Qualifying Transaction**" means the date of the Final Exchange Bulletin issued by the TSXV;

"**Concurrent Financing**" means the non-brokered private placement ranging from a minimum of 9,150,000 Matador Shares to a maximum of 9,400,000 Matador Shares at a price of \$0.50 per Matador Share to raise minimum aggregate gross proceeds of \$4,575,000 and maximum aggregate gross proceeds of \$4,700,000, subject to increase at the discretion of Matador and Scaling;

"**Consideration Shares**" means the New Scaling Shares to be issued to the Matador Shareholders in connection with the Arrangement on the basis of one (1) New Scaling Share for each one (1) Matador Share previously held;

"**Continuance**" means the continuance of Scaling from the Province of Alberta to the Province of Ontario to be governed by the OBCA, to be completed following Closing;

"**Contractual Resale Restrictions**" shall have the meaning ascribed thereto under the heading "*Information Concerning Matador – General Development of the Business – Three Year History*";

"**Control Person**" means any Person that holds or is one of a combination of Persons that holds a sufficient number of any of the securities of an issuer so as to affect materially the control of that issuer, or that holds more than 20% of the outstanding voting securities of an issuer except where

there is evidence showing that the holder of those securities does not materially affect the control of the issuer;

"**Court**" means the Ontario Superior Court of Justice (Commercial List);

"**CPC**" means a capital pool company, as such term is defined in the Manual;

"**CPC Escrow Agreement**" means the TSX Form 2F – CPC Escrow Agreement dated November 14, 2022, between Scaling, Odyssey Trust Company, as escrow agent, and certain shareholders of Scaling in connection with the listing of the Scaling Shares on the TSXV;

"**Director**" means the director appointed under the OBCA;

"**Dissent Rights**" means the rights of dissent made available to Registered Matador Shareholders as described in the Plan of Arrangement;

"**Dissenting Shareholder**" means a Registered Matador Shareholder who has duly and validly exercised the Dissent Rights in respect of the Arrangement Resolution in strict compliance with the Dissent Rights and who has not withdrawn or been deemed to have withdrawn such exercise of Dissent Rights, but only in respect of Matador Shares in respect of which Dissent Rights are validly exercised by such holder;

"**Effective Date**" means the date upon which the Arrangement becomes effective as established by the date shown on the Certificate of Arrangement;

"**Effective Time**" means 12:01am (Toronto time) on the Effective Date, or such other time on the Effective Date as may be mutually agreed between the parties;

"**Escrow Agent**" means Odyssey Trust Company, as escrow agent in respect of the Resulting Issuer Escrow Shares;

"**ESG**" means environmental, social and governance;

"**ETF/ETC**" means exchange traded fund/exchange traded commodity;

"**Filing Statement**" means this filing statement dated November 29, 2024, together with all schedules to, and the documents incorporated by reference in, this Filing Statement;

"**Final Exchange Bulletin**" means the bulletin issued by the TSXV following the closing of the Transaction and the submission of all required documentation and that evidences the final TSXV acceptance of the Transaction.

"**Final Order**" means the final order made after application to the Court, and after being informed of the intention to rely upon the exemption from registration pursuant to the Section 3(a)(10) Exemption in connection with the issuance of 3(a)(10) Securities in the United States, to approve the Arrangement, as such order may be amended by the Court at any time prior to the Effective Date (with the consent of both Scaling and Matador, each acting reasonably) or, if appealed, then

unless such appeal is withdrawn or denied, as affirmed or as amended (with the consent of both Scaling and Matador, each acting reasonably) on appeal;

"**Governance Committee**" means the governance committee of the Resulting Issuer Board;

"**IFRS**" means International Financial Reporting Standards as issued by the International Accounting Standards Board;

"**Insider**" if used in relation to an issuer, means: (a) a director or senior officer of the issuer; (b) a director or senior officer of the company that is an insider or subsidiary of the issuer; (c) a person that beneficially owns or controls, directly or indirectly, voting shares carrying more than 10% of the voting rights attached to all outstanding voting shares of the issuer; or (d) the issuer itself if it holds any of its own securities;

"**Interim Order**" means the interim order made after application to the Court, and after being informed of the intention to rely upon the exemption from registration pursuant to Section 3(a)(10) Exemption in connection with the issuance of 3(a)(10) Securities in the United States, as such order may be amended, supplemented or varied by the Court (with the consent of both Scaling and Matador, each acting reasonably);

"**Kitco**" means Kitco Metals Inc.;

"**Kitco Agreement**" means the agreement dated August 31, 2022 between Matador and Kitco as further described under the heading "*Information Concerning Matador – General Development of the Business*";

"**KYC**" means know your client;

"**LOI**" means the letter of intent between Matador and Scaling in respect of the Transaction dated August 8, 2024;

"**Manual**" means the TSXV Corporate Finance Manual, as amended from time to time;

"**Matador**" means Matador Gold Technologies Inc., a corporation existing under the laws of the Province of Ontario;

"**Matador Board**" means the board of directors of Matador;

"**Matador Financial Statements**" means, collectively (i) the audited annual financial statements of Matador for the period from incorporation on November 29, 2021 to October 31, 2022; (ii) the audited annual financial statements of Matador for the fiscal year ended October 31, 2023; and (iii) the unaudited interim financial statements of Matador for the nine month period ended July 31, 2024, which are attached as Schedule "B" to this Filing Statement;

"**Matador Meeting**" means the special meeting of Matador Shareholders to approve, amongst other matters, the Arrangement;

"**Matador Options**" means stock options to acquire Matador Shares;

"**Matador PSUs**" means performance share units of Matador;

"**Matador RSU/PSU Plan**" means the existing restricted share unit and performance share unit plan of Matador;

"**Matador RSUs**" means restricted share units of Matador;

"**Matador Shareholders**" means holders of Matador Shares;

"**Matador Shares**" means common shares in the capital of Matador as presently constituted;

"**Matador Stock Option Plan**" means the existing stock option plan of Matador;

"**MD&A**" means management's discussion and analysis;

"**Member**" has the meaning ascribed to that term in TSXV Rule A.1.00;

"**Name Change**" means the change of name of Scaling from "Scaling Capital 1 Corp." to "Matador Technologies Inc." or such other name as may be agreed upon by Scaling and Matador, to be completed pursuant to the Arrangement;

"**Named Executive Officers**" means each of the following individuals:

- (a) each individual who, in respect of Matador or the Resulting Issuer, during any part of the most recently completed financial year, served as CEO, including an individual performing functions similar to a CEO;
- (b) each individual who, in respect of Matador or the Resulting Issuer, during any part of the most recently completed financial year, served as CFO, including an individual performing functions similar to a CFO;
- (c) in respect of Matador or the Resulting Issuer, the most highly compensated executive officer other than the individuals identified in paragraphs (a) and (b) at the end of the most recently completed financial year whose total compensation was more than \$150,000, as determined in accordance with subsection 1.3(5), for that financial year;
- (d) each individual who would be a named executive officer under paragraph (c) but for the fact that the individual was not an executive officer of Matador or the Resulting Issuer, and was not acting in a similar capacity, at the end of that financial year;

"**New Scaling Shares**" means the common shares of Scaling as constituted immediately following the Scaling Consolidation;

"**Non-Arm's Length Party**" means: (a) in relation to a company, (i) a Promoter, officer, director, other Insider or Control Person of that company and any Associates or Affiliates of any such Persons; or (ii) another entity or an Affiliate of that entity, if that entity or its Affiliate have the

same Promoter, officer, director, Insider or Control Person as the company; and (b) in relation to an individual, any Associate of the individual or any company of which the individual is a Promoter, officer, Insider or Control Person;

"Non-Arm's Length Qualifying Transaction" means a proposed Qualifying Transaction where the same party or parties or their respective Associates or Affiliates are Control Persons in both the CPC and in relation to the significant assets which are to be the subject of the proposed Qualifying Transaction;

"OBCA" means the *Business Corporations Act* (Ontario);

"Option-Based Award" means an award under an equity incentive plan of options, including, for greater certainty, share options, share appreciation rights and similar instruments that have option-like features;

"Outside Date" means December 12, 2024, or such other date as may be mutually agreed between the parties;

"Performance Share Units" or **"PSU"** means performance share units;

"Person" means a company or individual;

"Plan of Arrangement" means the plan of arrangement in substantially the form and content of Schedule "A" to the Transaction Agreement and any amendment, modification, supplement or variation thereto made in accordance with such plan of arrangement or the terms of the Transaction Agreement, or on the direction of the Court in the Final Order;

"Principal" shall have the meaning ascribed thereto in TSXV Policy 1.1;

"Pro Forma Financial Statements" means the unaudited pro forma financial statements for the Resulting Issuer as at July 31, 2024, prepared to give effect to the Transaction as if it had taken place as of such date, which are attached as Schedule "C" to this Filing Statement;

"Promoter" has the meaning ascribed thereto in the *Securities Act* (Ontario);

"Qualifying Transaction" means a "qualifying transaction" of a capital pool company, as such term is defined in the Manual, and, specifically in the case of Scaling, means the Transaction, as more particularly described herein;

"Registered Matador Shareholder" means a registered holder of Matador Shares as recorded in the securities register of Matador;

"Related Party Transaction" has the meaning ascribed to that phrase in Multilateral Instrument 61-101 of the Canadian Securities Administrators and includes a related party transaction that is determined by the TSXV to be a Related Party Transaction. The TSXV may deem a transaction to be a Related Party Transaction where the transaction involves Non-Arm's Length Parties, or other circumstances exist which may compromise the independence of the issuer with respect to the transaction;

"**Restricted Share Units**" or "**RSU**" means restricted share units;

"**Resulting Issuer**" means Scaling following the Closing;

"**Resulting Issuer Board**" means the board of directors of the Resulting Issuer;

"**Resulting Issuer Escrow Agreement**" means the escrow agreement to be entered into among the Escrow Agent, the Resulting Issuer and certain shareholders of the Resulting Issuer effective as of the Closing;

"**Resulting Issuer Escrow Shares**" means the Resulting Issuer Shares to be held in escrow by the Escrow Agent pursuant to the Resulting Issuer Escrow Agreement;

"**Resulting Issuer Option Plan**" means the stock option plan, to be adopted by the Resulting Issuer effective as of the Closing, which will provide that the Resulting Issuer Board may, from time to time, in its discretion, grant non-transferable Resulting Issuer Options to eligible Persons as provided in the plan;

"**Resulting Issuer Options**" means stock options to acquire Resulting Issuer Shares;

"**Resulting Issuer Plans**" means the Resulting Issuer Option Plan and Resulting Issuer RSU/PSU Plan, collectively;

"**Resulting Issuer PSUs**" means performance share units of the Resulting Issuer;

"**Resulting Issuer RSUs**" means restricted share units of the Resulting Issuer;

"**Resulting Issuer RSU/PSU Plan**" means the restricted share unit and performance share unit plan, to be adopted by the Resulting Issuer effective as of the Closing, which will provide that the Resulting Issuer Board may, from time to time, in its discretion, grant non-transferable Resulting Issuer RSUs and/or Resulting Issuer PSUs to eligible Persons as provided in the plan;

"**Resulting Issuer Shares**" means the New Scaling Shares following the Closing;

"**Scaling**" means Scaling Capital 1 Corp., a company incorporated under the laws of the Province of Alberta;

"**Scaling Agent's Warrants**" means an aggregate of 450,000 warrants, each exercisable to acquire one (1) Scaling Share at an exercise price of \$0.10 until February 10, 2028 issued in connection with the initial public offering of Scaling;

"**Scaling Board**" means the board of directors of Scaling, as constituted from time to time;

"**Scaling Circular**" means the management information circular of Scaling dated October 16, 2024, prepared in connection with the Scaling Meeting, a copy of which is available under Scaling's SEDAR+ profile at www.sedarplus.ca;

"Scaling Consolidation" means the consolidation of the Scaling Shares to be completed immediately prior to the Arrangement, on the basis of one (1) New Scaling Share for every 2.2727 Scaling Shares;

"Scaling Financial Statements" means (i) the audited annual financial statements of Scaling for the financial years ended December 31, 2022 and 2023; and (ii) the (amended) unaudited interim financial statements of Scaling for the three and six months ended June 30, 2024, each of which are attached at Schedule "D" hereto;

"Scaling MD&A" means (i) Scaling's MD&A for the financial year ended December 31, 2023 and, (ii) Scaling's (amended) MD&A for the three and six months ended June 30, 2024, each of which are available under Scaling's profile on SEDAR+ at www.sedarplus.ca and incorporated by reference herein;

"Scaling Meeting" means the annual and special meeting of the Scaling Shareholders, held on November 15, 2024, to consider and approve, among other things, the Resulting Issuer Plans, the Name Change, the Continuance and the Scaling Consolidation;

"Scaling Options" means stock options to acquire Scaling Shares;

"Scaling Shareholders" means the holders of Scaling Shares;

"Scaling Shares" means common shares in the capital of Scaling, as constituted prior to giving effect to the Scaling Consolidation;

"Scaling Stock Option Plan" means the existing rolling 10% stock option plan of Scaling;

"Section 3(a)(10) Exemption" means the exemption from the registration requirements of the 1933 Act provided by Section 3(a)(10) thereof, with respect to the 3(a)(10) Securities to be issued to Matador Shareholders pursuant to the Arrangement;

"Securities Laws" means securities legislation, securities regulations and securities rules, and the policies, notices, instruments and blanket orders of applicable securities regulators, including the TSXV, in force from time to time, and as may be amended from time to time, that are applicable to an issuer;

"SEDAR+" means the System for Electronic Document Analysis and Retrieval;

"Share-Based Award" means an award under an equity incentive plan of equity-based instruments that do not have option like features, including, for greater certainty, shares, deferred share units, restricted shares, restricted share units, phantom shares, phantom share units and share equivalent units;

"Transaction" means, collectively, the Arrangement, the Concurrent Financing, the Name Change and the Scaling Consolidation, all as contemplated by the Transaction Agreement and as further described in "Information Concerning Scaling – Description of the Transaction" and "Information Concerning Scaling – Concurrent Financing";

"Transaction Agreement" means the merger agreement dated October 16, 2024 among Scaling and Matador in respect of the Transaction;

"TSXV" means the TSX Venture Exchange Inc.;

"Voluntary Resale Restrictions" shall have the meaning ascribed thereto under the heading *"Information Concerning Matador – General Development of the Business – Three Year History"*; and

"Voting Share" means a security of an issuer that: (a) is not a debt security; (b) carries a voting right either under all circumstances or under some circumstances that have occurred and are continuing.

CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING STATEMENTS

Certain statements and information contained in this Filing Statement constitute forward-looking statements or forward-looking information (collectively **"forward-looking statements"**) within the meaning of applicable Securities Laws. Forward-looking statements are often, but not always, identified by the use of words or phrases such as "may", "is expected to", "anticipates", "believes", "estimates", "intends", "plans", and similar words suggesting future outcomes, or language suggesting an outlook, including that certain actions, events or results "may", "could", "would", "might" or "will" occur or be achieved, and variations of any such words or phrases. In particular, this Filing Statement contains forward-looking statements with respect to:

- the expected use of proceeds from the Concurrent Financing;
- the expected receipt of all required approvals in connection with the Transaction;
- expectations as to future operations of the Resulting Issuer;
- expectations as to the application of the Resulting Issuer's platform and its services;
- the Resulting Issuer's expected operating costs, general and administrative expenses, costs of services and other costs and expenses;
- the Resulting Issuer's ability to meet current and future obligations and to generate revenue on a going-forward basis;
- the Resulting Issuer's ability to obtain services in a timely manner or at all;
- the Resulting Issuer's ability to obtain financing on acceptable terms or at all;
- the proposed executive officers and directors of the Resulting Issuer;
- the potential expansion of the Resulting Issuer's business to other jurisdictions or to involve other types of gold, other metals and/or other business models;

- expectations regarding future competitive conditions;
- the Continuance being effected on a post-Closing basis;
- the anticipated costs to complete the Transaction;
- the expected dividend policies of the Resulting Issuer; and
- the impact of future regulatory action.

Forward-looking statements in this Filing Statement are based on the current beliefs of management of Scaling and Matador, as well as assumptions made by, and information currently available to, Scaling and Matador, as applicable, regarding, among other things, the expected:

- completion of the Transaction and related matters on terms presently proposed;
- listing of the Resulting Issuer Shares on the TSXV;
- success of the operations of the Resulting Issuer in accordance with management's current expectations;
- legislative and regulatory environments of the jurisdictions where the Resulting Issuer will carry on business or have operations;
- impact of competition and the competitive response to the Resulting Issuer's business strategy;
- timing and amount of the Resulting Issuer's capital and other expenditures;
- future market for mobile applications and market for gold in general;
- conditions in financial markets and the economy generally; and
- ability of the Resulting Issuer to obtain additional financing, if and as needed, on satisfactory terms or at all.

The actual results, performance or achievements of the Resulting Issuer could differ materially from those anticipated in the forward-looking statements contained in this Filing Statement as a result of the risk factors set forth below and under the heading "*Risk Factors*", and other risk factors, which include that:

- the Transaction may not be completed in all material respects in accordance with the Transaction Agreement or at all;
- the Resulting Issuer may not realize the anticipated benefits of the Transaction;
- applicable TSXV approval for completion of the Transaction may not be obtained;

- the Resulting Issuer will be exposed to the risk of loss, theft or destruction of gold assets, and if its gold assets are lost, stolen or destroyed, rendering a third party liable, the responsible party may not have the financial resources to satisfy the Resulting Issuer's claim;
- the Resulting Issuer's anticipated revenue is volatile and could materially decline;
- the Resulting Issuer's use of proprietary and non-proprietary software, data and intellectual property may be subject to substantial risk;
- the price and trading volume of any cryptocurrencies and/or digital assets held by the Resulting Issuer will be subject to significant uncertainty and volatility;
- the Resulting Issuer may be unable to attract new consumers and as a result its business, results of operations, financial condition, and future prospects would be materially and adversely affected;
- Matador has a history of operating losses and may not achieve or sustain profitability in the future;
- real or perceived software errors, failures, bugs, defects, or outages could adversely affect the Resulting Issuer's business, results of operations, financial condition, and future prospects;
- the Resulting Issuer's gold asset inventory may be severely reduced in value as a result of a decline in the price of gold;
- Matador takes precautions to prevent consumer identity fraud, however it is possible that identity fraud may still occur or has occurred, which may adversely affect the performance of the Resulting Issuer's platform on a going-forward basis;
- the Resulting Issuer's ability to protect its confidential, proprietary, or sensitive information, including the confidential information of consumers on its platform, may be adversely affected by cyber-attacks, employee or other internal misconduct, computer viruses, physical or electronic break-ins, or similar disruptions;
- misconduct and errors by employees, vendors, and service providers could harm the Resulting Issuer's business and reputation;
- litigation, regulatory actions, and compliance issues could subject the Resulting Issuer to fines, penalties, judgments, remediation costs, and requirements resulting in increased expenses;
- changes in market interest rates could have an adverse effect on the Resulting Issuer's business;

- the requirements of being a public company may strain the Resulting Issuer's resources, divert management's attention and affect its ability to attract and retain executive management and qualified board members;
- there has been no prior public market for the Matador Shares, and an active trading market may not develop;
- any inaccuracy or material omission in the information about, or relating to, Matador, Scaling or the Resulting Issuer in this Filing Statement could result in unanticipated liabilities or increased expenses for the Resulting Issuer, or otherwise adversely affect the operational plans of the Resulting Issuer and its results of operations and financial condition; and
- the Resulting Issuer has a limited history of operations and is in the early stage of development.

Readers are cautioned that these factors and risks are difficult to predict and that the assumptions used in the preparation of forward-looking statements, although considered reasonably accurate at the time of preparation, may prove to be incorrect. Accordingly, readers are cautioned that the Resulting Issuer's actual results achieved could vary from the information provided in this Filing Statement, and the variations may be material. Readers are also cautioned that the foregoing list of factors is not exhaustive. Consequently, there is no representation by Scaling or Matador that actual results achieved will be the same, in whole or in part, as those set out in the forward-looking statements. Furthermore, the forward-looking statements contained in this Filing Statement are made as of the date of this Filing Statement, and neither Scaling nor Matador undertakes any obligation, except as required by applicable Securities Laws, to update publicly or to revise any of the included forward-looking statements, whether as a result of new information, future events or otherwise. The forward-looking statements contained in this Filing Statement are expressly qualified by this cautionary statement.

INFORMATION CONTAINED IN THIS FILING STATEMENT

Date of Information

Except as otherwise indicated in this Filing Statement, all information disclosed in this Filing Statement is as of November 29, 2024 and the phrase "as of the date hereof" and equivalent phrases refer to such date.

Matador Information

The information in this Filing Statement relating to Matador has been furnished by Matador. In preparing this Filing Statement, Scaling has relied upon Matador to ensure that this Filing Statement contains full, true and plain disclosure of all material facts relating to Matador. Although Scaling has no knowledge that would indicate that any statements contained in this Filing Statement concerning Matador are untrue or incomplete, neither Scaling nor any of its directors or officers assumes any responsibility for the accuracy or completeness of such information or for

any failure by Matador to ensure disclosure of events or facts that may have occurred which may affect the significance or accuracy of any such information.

Scaling Information

The information in this Filing Statement relating to Scaling has been furnished by Scaling. In preparing this Filing Statement, Matador has relied upon Scaling to ensure that this Filing Statement contains full, true and plain disclosure of all material facts relating to Scaling. Although Matador has no knowledge that would indicate that any statements contained in this Filing Statement concerning Scaling are untrue or incomplete, neither Matador nor its directors or officers assumes any responsibility for the accuracy or completeness of such information or for any failure by Scaling to ensure disclosure of events or facts that may have occurred which may affect the significance or accuracy of any such information.

Currency

In this Filing Statement, references to "\$" or "dollars" are to the lawful currency of Canada, unless otherwise stated.

Share Numbers

Certain numbers included in this Filing Statement, including the number of Scaling Shares to be outstanding following completion of the Scaling Consolidation, and the number of Consideration Shares to be issued in connection with the Arrangement, are subject to nominal changes due to rounding.

SUMMARY OF FILING STATEMENT

The following is a summary of information relating to Scaling, Matador and the Resulting Issuer (assuming completion of the Transaction) and should be read together with the more detailed information, financial data and financial statements contained elsewhere in this Filing Statement.

This summary is provided for convenience only and is qualified in its entirety by the more detailed information appearing or referred to elsewhere in this Filing Statement, including its schedules. Terms with initial capital letters in this summary are defined in "*Glossary of Terms*" unless otherwise indicated.

Scaling Capital 1 Corp.

Scaling was incorporated under the ABCA on November 1, 2021. Scaling is a capital pool company listed on the TSXV and its principal business is to identify and evaluate opportunities for the acquisition of an interest in a new business with a view of completing a Qualifying Transaction, subject to receipt of all necessary approvals. The Scaling Shares were listed on the TSXV under the symbol "SKAL.P" on February 10, 2023.

The registered and records office of Scaling is located at Suite 800, 333 7th Avenue S.W., Calgary, Alberta, T2P 2Z1.

Matador Gold Technologies Inc.

Matador was incorporated under the OBCA on November 29, 2021. Matador is building a product launchpad focused on new initiatives including disrupting and modernizing the gold buying, storage, and selling experience in Canada and beyond. Matador's proprietary mobile application is expected to allow users to buy and sell real gold instantly from their smartphones, with the added security and flexibility of an encrypted mobile application. Combining the best of modern technology, Matador intends to inject modernization to improve the gold dealing experience and bring it into the 21st century.

The registered and records office of Matador is located at 1 University Avenue, Suite 300, Toronto, Ontario, Canada M5J 2P1.

The Transaction

Effective October 16, 2024, Scaling and Matador entered into the Transaction Agreement pursuant to which, at the Effective Time, among other things, and the Arrangement will become effective and each Matador Share will be exchanged for one (1) Consideration Share.

In connection with the completion of the Transaction, assuming the issuance of 9,400,000 Matador Shares pursuant to the maximum Concurrent Financing, it is expected that an aggregate of 80,566,141 Consideration Shares will be issued to the Matador Shareholders (including subscribers in the maximum Concurrent Financing) at a deemed price of \$0.50 per Consideration Share. The Transaction will constitute a "reverse takeover" (as defined in National Instrument 51-102 – *Continuous Disclosure Obligations*) of Scaling by Matador and the Qualifying Transaction of Scaling pursuant to TSXV policies due to the fact that, following the Closing, the Matador Shareholders (including subscribers in the maximum Concurrent Financing) will own approximately 90.7% of the outstanding Resulting Issuer Shares (on a non-diluted basis assuming completion of the maximum Concurrent Financing). The Transaction will only be completed if the minimum Concurrent Financing is completed.

Completion of the Transaction is subject to the satisfaction of certain closing conditions as set out in the Transaction Agreement, including the receipt of all necessary regulatory, Court and shareholder approvals, where required (including the requisite approval of the TSXV), and the completion of the Name Change and Scaling Consolidation. The Continuance will be effected on a post-Closing basis.

Following the Closing, it is expected that the Resulting Issuer Shares will be listed on the TSXV as a Tier 2 technology issuer, and the business of the Resulting Issuer will be that of Matador. See "*Information Concerning Scaling – Description of the Transaction*".

Court Approval of the Arrangement

The Arrangement requires approval by the Court in order to become effective. The Court approved the Arrangement on November 28, 2024, at the hearing for the Final Order, whereby, the Court considered, among other things, the fairness and reasonableness of the terms and conditions of the Arrangement to Matador Shareholders and the rights and interests of every Person affected. See

"Information Concerning Scaling – Description of the Transaction – Certain Legal and Regulatory Matters – Court Approval of the Arrangement".

Scaling Consolidation and Continuance

As a condition to the completion of the Arrangement, Scaling intends to complete the Scaling Consolidation, prior to the Closing, pursuant to which all of the outstanding Scaling Shares will be consolidated on the basis of one New Scaling Share for every 2.2727 Scaling Shares outstanding. In connection with the Transaction, the Resulting Issuer intends to complete the Continuance following the Closing, pursuant to which it shall continue from the Province of Alberta to the Province of Ontario to be governed by the OBCA.

Name Change and Trading Symbol

In connection with the Closing, Scaling will give effect to the Name Change pursuant to which it will change its name to "Matador Technologies Inc." or such other name as may be determined by Matador and acceptable to each government authority having jurisdiction, and the Resulting Issuer Shares are expected to trade on the TSXV under the trading symbol "TSXV:MATA".

Change of Auditor

Due to the fact that the Transaction will result in the reverse takeover of Scaling by Matador, the Transaction will result in a change of Scaling's auditor from Crowe MacKay LLP, the current auditor of Scaling, to Kingston Ross Pasnak LLP, the current auditor of Matador.

Concurrent Financing

In connection with the Transaction, Matador and Scaling have agreed, on commercially reasonable efforts, to complete the Concurrent Financing as further described below.

Matador and Scaling intend to complete the Concurrent Financing pursuant to which Matador will issue a minimum of 9,150,000 Matador Shares to a maximum of 9,400,000 Matador Shares at a price of \$0.50 per Matador Share for aggregate minimum gross proceeds of \$4,575,000 and aggregate maximum gross proceeds of \$4,700,000 (subject to increase at the discretion of Matador and Scaling). Upon completion of the Closing, each Matador Share issued pursuant to the Concurrent Financing shall be exchanged for one (1) Consideration Share.

See *"Information Concerning Scaling – Concurrent Financing"*.

Directors and Officers of the Resulting Issuer

It is expected that, in connection with the Closing, all of the officers and directors of Scaling will resign and be replaced by nominees of Matador, such that, following the Closing, the directors and officers of the Resulting Issuer will be as follows:

Name	Position
Deven Soni	CEO, Chairman, and Director
Sunny Ray	President
Geoff St. Clair	Interim Chief Financial Officer
Donato Sferra	Director
Richard Murphy	Director
Tyler Evans	Director
Andrew Newbury	Corporate Secretary
Mark Moss	Chief Visionary Officer

A new Chief Financial Officer will be appointed and an additional independent director will also join the Resulting Issuer Board prior to the commencement of trading of the Resulting Issuer Shares on the TSXV.

Arm's Length Transaction

The Transaction is not a Non-Arm's Length Qualifying Transaction. Accordingly, Scaling will not require shareholder approval for completion of the Transaction in accordance with the policies of the TSXV.

Interests of Insiders, Promoters and Control Persons

The following is a summary of the interests of any Insider, Promoter or Control Person of Scaling and their respective Associates and Affiliates (before and after giving effect to the Transaction), including any consideration that such individual may receive if the Transaction proceeds.

Insider, Promoter or Control Person (including Associates and Affiliates)	Position with Scaling	Number of Scaling Shares prior to the Transaction (pre-Consolidation basis)	Percentage (%) of Scaling Shares prior to the Transaction ⁽¹⁾	Number of Resulting Issuer Shares upon Closing (post-Consolidation) ⁽²⁾	Percentage (%) of Resulting Issuer Shares upon Closing ⁽³⁾
Alex Tapscott	President and Chief Executive Officer	1,590,000 ⁽⁴⁾	9.35%	1,073,613	1.21%
Shirin Kabani	Chief Financial Officer	500,000	2.94%	313,504	0.35%
Kirstin McTaggart	Corporate Secretary and Director	500,000	2.94%	313,504	0.35%
James Fox	Director	5,000,000 ⁽⁵⁾	29.41%	2,293,528	2.58%

Insider, Promoter or Control Person (including Associates and Affiliates)	Position with Scaling	Number of Scaling Shares prior to the Transaction (pre-Consolidation basis)	Percentage (%) of Scaling Shares prior to the Transaction⁽¹⁾	Number of Resulting Issuer Shares upon Closing (post-Consolidation)⁽²⁾	Percentage (%) of Resulting Issuer Shares upon Closing⁽³⁾
John Wilson	Director	2,000,000	11.76%	973,512	1.10%

Notes:

- (1) Presented on a non-diluted basis, based upon 17,000,000 Scaling Shares (pre-Consolidation) issued and outstanding as of the date of this Filing Statement.
- (2) Presented on a post-Consolidation basis. Assumes the full exercise, prior to the Closing, of the 850,000 Scaling Options held by Alex Tapscott, 212,500 Scaling Options held by Shirin Kabani, 212,500 Scaling Options held by Kirstin McTaggart, 212,500 Scaling Options held by James Fox, 212,500 Scaling Options held by John Wilson, and the issuance of the Scaling Shares pursuant to such exercises.
- (3) Presented on a non-diluted basis, based upon 88,794,238 Resulting Issuer Shares issued and outstanding, assuming completion of the maximum Concurrent Financing and completion of the Transaction as otherwise set forth herein.
- (4) 1,500,000 of these Scaling Shares are held by Northwest Passage Ventures Inc., a private company wholly-owned and controlled by Mr. Tapscott.
- (5) These Scaling Shares are held by Aiden Holdings Ltd., a private company wholly-owned and controlled by Mr. Fox and his spouse.

The following is a summary of the interests of any Insider, Promoter or Control Person of Matador and their respective Associates and Affiliates (before and after giving effect to the Transaction), including any consideration that such individual may receive if the Transaction proceeds.

Insider, Promoter or Control Person (including Associates and Affiliates)	Proposed Position with Resulting Issuer	Number of Matador Shares prior to the Qualifying Transaction	Percentage (%) of Matador Shares prior to the Qualifying Transaction⁽¹⁾	Number of Resulting Issuer Shares upon Closing	Percentage (%) of Resulting Issuer Shares upon Closing⁽²⁾
Donato Sferra, Director of Matador	Director	16,110,000 ⁽³⁾	22.6%	16,110,000	18.1%
Geoff St. Clair, Chief Financial Officer of Matador	Interim Chief Financial Officer ⁽⁶⁾	990,000	1.4%	990,000	1.1%
Deven Soni, Director, Chief Executive Officer and Chairman of Matador	Director, Chief Executive Officer, and Chairman	2,180,100 ⁽⁴⁾	3.1%	2,180,100	2.5%

Insider, Promoter or Control Person (including Associates and Affiliates)	Proposed Position with Resulting Issuer	Number of Matador Shares prior to the Qualifying Transaction	Percentage (%) of Matador Shares prior to the Qualifying Transaction⁽¹⁾	Number of Resulting Issuer Shares upon Closing	Percentage (%) of Resulting Issuer Shares upon Closing⁽²⁾
Richard Murphy, Director of Matador	Director	1,000,000	1.4%	1,000,000	1.1%
Tyler Evans	Director	7,000,000 ⁽⁵⁾	9.8%	7,000,000	7.9%

Notes:

- (1) Presented on a non-diluted basis, based upon 71,166,141 Matador Shares issued and outstanding as of the date of this Filing Statement.
- (2) Presented on a non-diluted basis, based upon 88,794,238 Resulting Issuer Shares issued and outstanding, assuming completion of the maximum Concurrent Financing and completion of the Transaction as otherwise set forth herein.
- (3) Of this total, (i) an aggregate of 11,110,000 Matador Shares are owned, controlled or directed by Mr. Sferra, comprised of 3,000,000 Matador Shares held by ACV Capital Corp., 5,000,000 Matador Shares held by Sferra Family Trust and 3,110,000 Matador Shares held by Mr. Sferra directly; and (ii) an aggregate of 5,000,000 Matador Shares are owned, controlled and directed by the spouse of Mr. Sferra.
- (4) An aggregate of 1,000,000 Matador Shares are held by AASD Investments LLC, and 1,180,100 Matador Shares are held by Mr. Soni directly.
- (5) An aggregate of 6,000,000 Matador Shares are held by 210 Capital, LP, and 1,000,000 Matador Shares held by UTXO Management LLC. In addition, up to an additional 5,000,000 Resulting Issuer Shares will be issuable to UTXO Management LLC following the completion of the Transaction in consideration of board consulting services, pursuant to an amended and restated board consultant agreement between Matador and UTXO Management LLC, dated April 24, 2024 (the "**UTXO Agreement**").
- (6) A new Chief Financial Officer of the Resulting Issuer will be appointed prior to the commencement of trading of the Resulting Issuer Shares on the TSXV.

Estimated Funds Available

The following table sets out information regarding the Resulting Issuer's expected sources of funds upon the completion of the Transaction. The amounts shown in the table are estimates only and are based upon the information available to Scaling and Matador as of the date of this Filing Statement:

Source of Funds	Amount (minimum Concurrent Financing)	Amount (maximum Concurrent Financing)
Estimated Scaling working capital as at October 31, 2024 (unaudited)	\$722,385	\$722,385
Estimated Matador working capital as at October 31, 2024 (unaudited)	\$4,097,054	\$4,097,054
Net proceeds of the Concurrent Financing	\$4,575,000 ⁽¹⁾	\$4,700,000 ⁽¹⁾
Total	\$9,394,439⁽²⁾	\$9,519,439⁽²⁾

Notes:

- (1) See "Information Concerning Scaling – Concurrent Financing".
- (2) Not reflective of any revenues that may be earned by the Resulting Issuer following the Closing.
- (3) Assuming no increase to the maximum Concurrent Financing of 9,400,000 Matador Shares as currently proposed. See "Information Concerning Scaling – Concurrent Financing".

See "Information Concerning the Resulting Issuer – Available Funds and Principal Purposes".

Principal Purposes

The following table sets out information regarding the Resulting Issuer's proposed use of funds for the 18 months following the Closing, based on the estimated available funds set forth above. The amounts shown are estimates only. The intended uses of funds may vary based upon a number of factors, and variances may be material.

Use of Funds	Amount (minimum Concurrent Financing) ⁽⁵⁾	Amount (maximum Concurrent Financing) ⁽⁵⁾
Estimated Transaction costs	\$325,000 ⁽¹⁾	\$325,000 ⁽¹⁾
Establishing market presence	\$1,243,750	\$1,243,750
Gold & Bitcoin to be held on balance sheet	\$3,300,000	\$4,500,000
Establishing milestones ⁽⁴⁾	\$1,570,000	\$1,570,000
General and administrative expenses for the next 18 months	\$1,544,002 ⁽²⁾⁽³⁾	\$1,544,002 ⁽²⁾⁽³⁾
Unallocated funds	\$1,411,687	\$336,687
Total	\$9,394,439	\$9,519,439

Notes:

- (1) Includes legal fees, auditor review fees, TSXV filing fees, transfer agent fees and other expenses incurred or expected to be incurred in connection with the Transaction.
- (2) The estimate of general and administrative expenses for the 18 months following the Closing includes: insurance (\$214,500); legal and compliance fees (\$97,500); consulting fees payable to Non-Arm's Length Parties (\$948,502) and others (\$254,250); and stock exchange, transfer agent and other miscellaneous fees of (\$29,250).
- (3) See "Information Concerning Matador – Non-Arm's Length Transactions".
- (4) See "Information Concerning the Resulting Issuer – Business Objectives and Milestones".
- (5) See "Information Concerning Scaling – Concurrent Financing".

There may be circumstances where, for sound business reasons, a reallocation of funds may be necessary. For additional information regarding the funds available to the Resulting Issuer and the proposed uses of those funds, see "Information Concerning the Resulting Issuer – Available Funds and Principal Purposes".

Selected Pro-Forma Consolidated Financial Information

The following table summarizes selected pro-forma consolidated financial information for the Resulting Issuer as at July 31, 2024. The information should be read in conjunction with the Pro Forma Financial Statements, which are attached as Schedule "C":

	Resulting Issuer Pro Forma as at July 31, 2024 (unaudited) (\$)
Current assets	8,779,357
Total assets	11,081,294
Current liabilities	443,421
Total liabilities	443,421
Shareholders' equity (deficit)	10,637,873

See "*Information Concerning the Resulting Issuer – Pro Forma Consolidated Capitalization*".

Stock Exchange Listings

The Matador Shares are not listed on any Canadian or foreign stock exchange or traded on any Canadian or foreign market. The Scaling Shares are currently listed on the TSXV under the symbol "SKAL.P". The Scaling Shares were halted from trading on the TSXV on August 13, 2024, in connection with the announcement of the Transaction. The closing price of the Scaling Shares on the TSX Venture on August 12, 2024, being the last trading date prior to the imposition of the halt, was \$0.05. See "*Information Concerning Scaling – Stock Exchange Price*".

The TSXV has conditionally accepted the Transaction subject to Scaling fulfilling all of the requirements of the TSXV.

Interests of Experts

To the knowledge of Scaling and Matador, no Person whose profession or business gives authority to a statement made by the Person and who is named as having prepared or certified a part of this Filing Statement, or prepared or certified a report or valuation described or included in this Filing Statement, has a direct or indirect material interest in the property of Scaling or Matador, or in any Associate or Affiliate of Scaling or Matador. See "*General Matters – Experts*".

Conflicts of Interest

Directors or officers of the Resulting Issuer may, from time to time, serve as directors or officers of, or participate in ventures with, other companies involved in the operation of the technology that facilitates the trading of physical assets, other businesses similar to that undertaken by the Resulting Issuer, or other gold asset businesses. Accordingly, conflicts of interest may arise which could influence these individuals in evaluating possible business opportunities or generally when

acting on behalf of the Resulting Issuer, notwithstanding that they will be bound by the provisions of the OBCA to act at all times in good faith in the best interest of the Resulting Issuer, and to disclose such conflicts to the Resulting Issuer if and when they arise. Conflicts, if any, will be subject to the procedures and remedies prescribed by the OBCA, the TSXV and applicable Securities Laws. As of the date of this Filing Statement, to the best of its knowledge, neither Scaling nor Matador is aware of the existence of any conflicts of interest between it and any of its respective directors or officers. See "*Information Concerning the Resulting Issuer – Conflicts of Interest*".

Risk Factors

The current business of Matador will be the business of the Resulting Issuer following completion of the Transaction. Accordingly, risk factors relating to Matador's current business will be risk factors relating to the Resulting Issuer's business. Due to the nature of Matador's business, the legal and economic climate in which it operates, and its present stage of development and proposed operations, the Resulting Issuer will be subject to significant risks. The following is a summary of certain risk factors relating to the Transaction and to the business of the Resulting Issuer and is qualified in its entirety by reference to, and must be read in conjunction with, the detailed information appearing elsewhere in this Filing Statement, including under the section headed "Risk Factors". The Resulting Issuer's future development and actual operating results may be very different from those expected as at the date of this Filing Statement. Readers should carefully consider all such risks, which include but are not limited to the following:

- necessary approvals to complete the Transaction may not be obtained;
- the Transaction Agreement may be terminated;
- the requirements of being a public company may strain the Resulting Issuer's resources, divert management's attention and affect its ability to attract and retain management and qualified board members;
- the Resulting Issuer's use of proprietary and non-proprietary software, data and intellectual property may be subject to substantial risk;
- a decline in the demand of commodities such as gold and silver could materially and adversely affect the performance of the Resulting Issuer;
- the value of commodities and digital assets may be subject to momentum pricing risk;
- the Resulting Issuer will have to adapt to respond to evolving security risks;
- the Resulting Issuer may be unable to obtain adequate insurance to insure its operations;
- the business of the Resulting Issuer will be exposed to cybersecurity risks;
- the Resulting Issuer may be subject to litigation;

- Matador has a limited operating history and a history of net losses;
- the Resulting Issuer may require additional funds to finance its operations;
- the business of the Resulting Issuer will be subject to competition from other gold asset-focused technology companies;
- the Resulting Issuer's physical gold and digital asset holdings are subject to risks associated with potential damage and loss;
- the Resulting Issuer's compliance and risk management programs may not be effective;
- unexpected market disruptions may cause major losses for the Resulting Issuer;
- the Resulting Issuer will be reliant, in part, on attracting and retaining skilled management and directors;
- the market price for the Resulting Issuer Shares may be volatile;
- the Resulting Issuer will be reliant on its supply and storage agreements;
- the Resulting Issuer does not anticipate paying dividends in the near future;
- there can be no assurance that an active market for the Resulting Issuer Shares will be developed or maintained; and
- the Resulting Issuer's ability to remain liquid may depend on its ability to obtain additional financing.

INFORMATION CONCERNING SCALING

Corporate Structure

Name and Incorporation

Scaling Capital 1 Corp. was incorporated under the ABCA on November 1, 2021, and its head and registered office is located at Suite 800, 333 7th Avenue S.W., Calgary, Alberta, T2P 2Z1. On April 22, 2022, the articles of Scaling were amended and restated to remove the private company restrictions set forth therein.

The Scaling Shares are currently listed on the TSXV under the symbol "SKAL.P".

Intercorporate Relationships

Scaling does not have any subsidiaries.

General Development of the Business

History

Scaling is a Capital Pool Company as defined in the policy 2.4 of the policies of the TSXV. The principal business of Scaling is the identification and evaluation of assets or businesses with a view to completing a Qualifying Transaction, as defined under the policies of the TSXV. Scaling has not commenced commercial operations and has no assets other than cash.

Scaling was incorporated under the ABCA on November 1, 2021. Prior to completing its initial public offering and listing on the TSXV on February 10, 2023, Scaling issued an aggregate of 12,500,000 Scaling Shares at a price of \$0.05 per Scaling Share for gross proceeds of \$625,000.

On February 10, 2023, Scaling completed its initial public offering of 4,500,000 Scaling Shares at a price of \$0.10 per Scaling Share for gross proceeds of \$450,000. The Scaling Shares are listed on the TSXV under the symbol "SKAL.P".

On August 8, 2024, Scaling and Matador entered into the LOI setting out the initial terms and conditions of the Transaction.

Trading in the Scaling Shares has been halted by the TSXV since August 13, 2024, pending completion of the Transaction.

On October 16, 2024, Scaling and Matador entered into the Transaction Agreement.

Scaling held the Scaling Meeting on November 15, 2024, where shareholders of Scaling approved, among other things, the Name Change, the Continuance, the Scaling Consolidation, the election of all directors proposed for nomination at the Scaling Meeting, the appointment of the auditor as proposed, as well as the termination of the Scaling Stock Option Plan and the adoption of the Resulting Issuer Plans, all effective upon Closing and as further described in the Scaling Circular, a copy of which is available on Scaling's SEDAR+ profile at www.sedarplus.ca.

For further information, see "*Information Concerning Scaling – The Description of the Transaction*".

The Transaction

For detailed information with respect to the Transaction, see "*Information Concerning Scaling – Description of the Transaction*".

Concurrent Financing

For detailed information with respect to the Concurrent Financing, see "*Information Concerning Scaling – Description of the Transaction - Concurrent Financing*".

Selected Financial Information and Management's Discussion and Analysis

Selected Financial Information

The following table sets forth selected annual financial information of Scaling for its two most recently completed financial years and six month interim period ended June 30, 2024. Such information is derived from, and should be read in conjunction with, the Scaling Financial Statements, which are attached hereto as Schedule "D".

	As at and for the Fiscal Year Ended		As at and for the Six Month Period Ended June 30, 2024 (unaudited) (\$)
	December 31, 2022 (audited) (\$)	December 31, 2023 (audited) (\$)	
Total expenses	26,735	195,127	35,752
Total assets	668,500	845,405	818,453
Total liabilities	85,847	21,333	17,000

Management's Discussion and Analysis

Scaling's MD&A for the fiscal year ended December 31, 2023, and Scaling's (amended) MD&A for the three and six months ended June 30, 2024, are incorporated in this Filing Statement by reference, and should be read in conjunction with the Scaling Financial Statements.

Description of Securities

The authorized capital of Scaling consists of an unlimited number of Scaling Shares and an unlimited number of preferred shares, issuable in series. As at the date of this Filing Statement, 17,000,000 Scaling Shares are issued and outstanding and no preferred shares are issued and outstanding.

Common Shares

Holders of Scaling Shares are entitled to one vote for each Scaling Share held at all meetings of Scaling Shareholders, to receive dividends if, as and when declared by the Scaling Board, and, upon liquidation, to share equally in such assets of Scaling as are distributable to the holders of the Scaling Shares. The Scaling Shares carry no pre-emptive rights, conversion or exchange rights, redemption, retraction, purchase for cancellation or surrender provisions, sinking or purchase fund provisions, provisions permitting or restricting the issuance of additional securities, or provisions requiring a shareholder to contribute additional capital.

Stock Option Plan

Stock Option Plan

The Scaling Stock Option Plan was adopted on by the Scaling Board on April 14, 2022.

The Scaling Stock Option Plan provides that the Scaling Board may from time to time, in its discretion, grant to directors, officers, employees and consultants of Scaling, or any subsidiary of Scaling, the option to purchase Scaling Shares. The purpose of the Scaling Stock Option Plan is to develop the interests of directors, officers, employees and consultants of Scaling and its affiliates in the growth and development of Scaling and its affiliates by providing them with the opportunity through share options to acquire an increased proprietary interest in Scaling. The Scaling Stock Option Plan is currently administered by the Scaling Board. As of the date of this Filing Statement, there are an aggregate of 1,700,000 Scaling Options outstanding under the Scaling Stock Option Plan.

The number of Scaling Shares issuable upon the exercise of Scaling Options granted under the Scaling Stock Option Plan at any time may not exceed 10% of the total number of issued and outstanding Scaling Shares (on a non-diluted basis) and the aggregate number of Scaling Shares issuable to any one individual may not exceed 5% of the total number of issued and outstanding Scaling Shares. Under TSXV policies, Scaling is prohibited from granting Scaling Options to any person providing promotional or market-making services or, while Scaling remains a CPC, investor relations activities, all in accordance with the policies of the TSXV. The period during which a Scaling Option granted under the Scaling Stock Option Plan is exercisable may not exceed ten years from the date such option is granted. All Scaling Options are non-assignable and non-transferrable. The price which the Scaling Shares may be acquired upon exercise of a Scaling Option may not be less than the price permitted under the rules of any stock exchange on which the Scaling Shares are listed and the vesting provisions are determined by the Scaling Board at the time of grant.

If prior to the exercise of a Scaling Option, the holder ceases to be a director, officer, employee or consultant of Scaling for any reason other than death, the option may be exercised within the later of (i) 12 months after the completion of the Qualifying Transaction, and (ii) 90 days after such cessation (or 30 days in the case of a holder engaged in investor relations activities, or prior to the expiry of the Scaling Options, whichever is earlier, but only to the extent that the holder was entitled to exercise the Scaling Options at the date of such cessation. In the case of death of an optionee, the Scaling Options may be exercised within the earlier of up to 12 months after such death or the expiry of the Scaling Options, but only to the extent that the holder was entitled to exercise the Scaling Options at the date of death.

It is a condition of the Closing that all Scaling Options be exercised prior to the Effective Time.

At the Scaling Meeting, Scaling obtained the approval of the Scaling Shareholders for the termination of the Scaling Stock Option Plan and the adoption of the Resulting Issuer Plans, effective upon Closing. Accordingly, at the Closing, the Scaling Stock Option Plan will be terminated and the Resulting Issuer Plans will be adopted. For additional details, see "Information Concerning the Resulting Issuer – *Equity Incentive Plans*".

Prior Sales

Scaling has not issued or sold any securities during the 12 months preceding the date of this Filing Statement.

Stock Exchange Price

The Scaling Shares are currently listed on the TSXV under the symbol "SKAL.P". The following table sets forth trading prices and volumes of the Scaling Shares on the TSXV for the periods noted, as reported by the TSXV:

Period	High (\$)	Low (\$)	Volume
November 1 to November 29, 2024	N/A	N/A	Nil
October 2024 ⁽¹⁾	N/A	N/A	Nil
September 2024 ⁽¹⁾	N/A	N/A	Nil
August 2024 ⁽¹⁾	N/A	N/A	Nil
July 2024	\$0.10	\$0.05	4,500
June 2024	\$0.06	\$0.06	50,000
May 2024	\$0.05	\$0.05	90,000
April 2024	N/A	N/A	N/A
March 2024	\$0.08	\$0.075	40,000
February 2024	\$0.10	\$0.10	40,000
January 2024	\$0.10	\$0.10	20,000
December 2023	N/A	N/A	N/A
November 2023	N/A	N/A	N/A

Notes:

(1) Trading in the Scaling Shares was halted on August 13, 2024, pending completion of the Transaction.

Non-Arm's Length Transactions

Non-Arm's Length Transaction

Scaling has not acquired any assets or services or provided any assets or services in any transaction, or in any proposed transaction, from (i) any director or officer of Scaling; (ii) any securityholder described in this Filing Statement as a principal securityholder of Scaling, either before or after giving effect to the Transaction, or (iii) any Associate or Affiliate of the foregoing.

Non-Arm's Length Qualifying Transaction

It is the collective view of Scaling and Matador that the proposed Transaction does not constitute a Non-Arm's Length Qualifying Transaction under the policies of the TSXV.

Description of the Transaction

Matador and Scaling are party to the Transaction Agreement pursuant to which, subject to certain terms and conditions, Scaling will acquire all of the issued and outstanding Matador Shares pursuant to the Arrangement in exchange for the Consideration Shares to be issued to existing Matador Shareholders. Matador is a corporation existing under the OBCA. It is expected that the Resulting Issuer Shares will be listed on the TSXV as a Tier 2 technology issuer, and the business of the Resulting Issuer will be that of Matador.

Scaling Consolidation, Continuance and Resulting Issuer Equity Incentive Plans

As a condition to the completion of the Arrangement, Scaling intends to complete the Scaling Consolidation, pursuant to which all of the outstanding Scaling Shares will be consolidated on the basis of one New Scaling Share for every 2.2727 Scaling Shares outstanding. In connection with the Transaction, the Resulting Issuer intends to complete the Continuance following the Closing, pursuant to which it shall continue from the Province of Alberta to the Province of Ontario to be governed by the OBCA. In addition, Scaling was required to obtain all requisite shareholder approvals for the adoption of the Resulting Issuer Plans, which was approved at the Scaling Meeting.

Name Change and Trading Symbol

In connection with the Closing, Scaling will effect the Name Change pursuant to which it will change its name to "Matador Technologies Inc." or such other name as may be determined by Matador, and acceptable to each government authority having jurisdiction, and the Resulting Issuer Shares are expected to trade on the TSXV under the trading symbol "TSXV: MATA".

Summary of the Transaction Agreement

Pursuant to the Transaction Agreement, Scaling intends to complete the Scaling Consolidation as a condition to the completion of the Transaction. Following the Scaling Consolidation, the Arrangement will be implemented by way of a Court-approved plan of arrangement under the OBCA pursuant to the terms of the Transaction Agreement and the Interim Order. Pursuant to the Plan of Arrangement, commencing at the Effective Time, each of the events set out below will occur and be deemed to occur in the following sequence, in each case without any further authorization, act or formality of or by Scaling, Matador, the Matador Shareholders, or any other Person:

- (a) each of the Matador Stock Option Plan and the Matador RSU/PSU Plan shall be cancelled and shall have no further force or effect;
- (b) all Matador RSUs shall be cancelled and each holder of Matador RSUs will receive, as consideration for their Matador RSUs, one Resulting Issuer RSU governed by the Resulting Issuer RSU/PSU Plan which shall result in the issuance of one Resulting Issuer Share upon vesting for each Matador RSU held on substantially the same terms as the Matador RSU being replaced;

- (c) all Matador PSUs shall be cancelled and each holder of Matador PSUs will receive, as consideration for their Matador PSUs, one Resulting Issuer PSU governed by the Resulting Issuer RSU/PSU Plan which shall result in the issuance of one Resulting Issuer Share upon vesting for each Matador PSU held on substantially the same terms as the Matador PSU being replaced;
- (d) all Matador Options shall be cancelled and each holder of Matador Options will receive, as consideration for their Matador Options, one Resulting Issuer Option governed by the Resulting Issuer Option Plan exercisable to acquire one Resulting Issuer Share for each Matador Option held on substantially the same terms as the Matador Options being replaced;
- (e) each Matador Share held by a Dissenting Shareholder entitled to be paid fair value for its Matador Shares will be deemed to be transferred by the holder thereof, without any further act or formality on its part, to Scaling and thereupon each Dissenting Shareholder will have only the rights set out in Section 3.1 of the Plan of Arrangement and each Dissenting Shareholder will cease to be the holder of such Matador Shares;
- (f) each outstanding Matador Share (other than those Matador Shares acquired from Dissenting Shareholders) held by a Matador Shareholder, other than Scaling, shall, without any further act or formality on its part, be transferred and assigned to Scaling, in exchange for the Consideration Shares;
- (g) with respect to each Matador Share transferred and assigned to Scaling in accordance with item (vi) above, the holder of such Matador Share immediately prior to such transfer and assignment:
 - (i) shall cease to be the holder thereof, the name of such holder shall be removed from the register maintained by or on behalf of Matador in respect of the Matador Share, and the name of Scaling shall be added to the register maintained by or on behalf of Matador in respect of the Matador Share as the holder of such Matador Share;
 - (ii) shall be deemed to have executed and delivered all consents, releases, assignments and waivers, statutory or otherwise, required to transfer and assign such Matador Share to Scaling; and
 - (iii) shall be added to the registers maintained by or on behalf of Scaling in respect of the Consideration Shares as the holder of the Consideration Shares issued to such holder as consideration therefor; and
- (h) For purposes of the OBCA, the amount added to the stated capital in respect of the Consideration Shares issued to the holders of the Matador Shares shall be equal to the fair market value of the Matador Shares in consideration for which such Consideration Shares were issued.

The Transaction is not a Non-Arm's Length Qualifying Transaction within the meaning of the policies of the TSXV. Accordingly, Scaling will not require shareholder approval for completion of the Transaction in accordance with the policies of the TSXV.

As a condition to the Transaction, the current officers and directors of Scaling will resign and the proposed officers and directors of the Resulting Issuer listed under "*Information Concerning the Resulting Issuer – Directors, Officers and Promoters*" will be appointed to fill the vacancies.

Following the Closing, the Continuance will be effected, whereby the Resulting Issuer will continue its business under the laws of Ontario.

Legal Proceedings

There are no legal proceedings that Scaling is, or has been, a party to, or of which any of its property is, or has been, the subject matter. To the knowledge of the management of Scaling, there are no such legal proceedings contemplated.

No penalties or sanctions have been imposed against Scaling by a court relating to provincial and territorial securities legislation or by a securities regulatory authority since its incorporation, nor has Scaling been subject to any other penalties or sanctions imposed by a court or regulatory body or entered into any settlement agreement before a court relating to provincial and territorial securities legislation or with a securities regulatory authority.

Auditor, Transfer Agents and Registrars Auditor

Auditor

The auditor of Scaling is Crowe MacKay LLP, located at 1700 Elveden House, 717 7 Avenue S.W., Calgary, Alberta, T2P 0Z3.

Transfer Agent and Registrar

The transfer agent and registrar of Scaling is Odyssey Trust Company, located at 1230-300 5th Avenue S.W., Calgary, Alberta, T2P 3C4.

Material Contracts

Scaling is party to the following material contracts, excluding contracts entered into in the ordinary course of business, which are in effect as of the date hereof:

- (a) the Transaction Agreement (see "*Information Concerning Scaling – Description of the Transaction*");
- (b) the agency agreement dated November 14, 2022, between Scaling and Canaccord Genuity Corp. in connection with the initial public offering of Scaling; and
- (c) the CPC Escrow Agreement.

CERTAIN LEGAL AND REGULATORY MATTERS

Implementation of the Arrangement and Timing

The Arrangement will be implemented by way of a Court-approved plan of arrangement under the OBCA pursuant to the terms of the Transaction Agreement. The following procedural steps must be taken in order for the Arrangement to become effective: (a) the requisite approval of Matador Shareholders of the Arrangement must be obtained in accordance with the OBCA and the Interim Order; (b) the Court must grant the Final Order approving the Arrangement; (c) the articles of arrangement in the form prescribed by the OBCA must be filed with the Director under the OBCA; and (d) all conditions precedent to the Arrangement, as set forth in the Transaction Agreement, must be satisfied or waived by the appropriate party.

It is currently anticipated that the Arrangement will be completed on or about December 12, 2024; however, completion of the Arrangement is dependent on many factors and it is not possible at this time to determine precisely when or if the Arrangement will become effective. As provided under the Transaction Agreement, the Arrangement cannot be completed later than the Outside Date without triggering termination rights under the Transaction Agreement, unless such Outside Date is extended to a later date as permitted under the Transaction Agreement or with the consent of both parties.

Matador Shareholder Approval

To be effective, the Arrangement Resolution must be approved, with or without variation, by the affirmative vote of at least 66 $\frac{2}{3}$ % of the votes cast on the Arrangement Resolution by holders of Matador Shares, present or represented by proxy at the Matador Meeting, each being entitled to one vote per Matador Share held. The Arrangement Resolution was passed unanimously by holders of Matador Shares at the Matador Meeting held on November 22, 2024. The Arrangement Resolution authorizes the Matador Board to, without notice to or approval of the Matador Shareholders: (i) amend the Transaction Agreement or the Plan of Arrangement, to the extent permitted by the Transaction Agreement or the Plan of Arrangement, or (ii) subject to the terms of the Transaction Agreement, not to proceed with the Arrangement.

Court Approval of the Arrangement

The Arrangement requires approval by the Court under Section 182 of the OBCA. On November 5, 2024, Matador obtained the Interim Order providing for the calling and holding of the Matador Meeting and other procedural matters, having informed the Court of the intention to rely upon the exemption from registration pursuant to the Section 3(a)(10) Exemption in connection with the issuance of 3(a)(10) Securities in the United States, containing declarations and directions in respect of the notice to be given in respect of, and the conduct of, the Matador Meeting and the Arrangement.

The Court approved the Arrangement on November 28, 2024, at the hearing for the Final Order, whereby, the Court considered, among other things, the fairness and reasonableness of the terms and conditions of the Arrangement to Matador Shareholders and the rights and interests of every Person affected.

Voting Support Agreements

As a condition to the closing of the Transaction, each of the holders of Resulting Issuer Shares who will be subject to escrow pursuant to the regulations of the TSXV upon closing will be required to execute voting support agreements, in form and substance acceptable to Matador acting reasonably, pursuant to which they shall agree to vote their Resulting Issuer Shares, which are subject to escrow pursuant to the regulations of the TSXV, in favour of all matters recommended by management of the Resulting Issuer for approval at a meeting of the holders of Resulting Issuer Shares, until the earlier of (i) the release of such Resulting Issuer Shares from escrow; and (ii) the date which is two years following the closing of the Transaction.

Capitalization

In connection with the completion of the Transaction, and assuming the maximum Concurrent Financing is completed, it is expected that an aggregate of 80,566,141 Consideration Shares will be issued to the Matador Shareholders (including subscribers in the maximum Concurrent Financing) at a deemed price of \$0.50 per Consideration Share. The Transaction will constitute a "reverse takeover" (as defined in National Instrument 51-102 – *Continuous Disclosure Obligations*) of Scaling by Matador due to the fact that, following the Closing, such Matador Shareholders will own approximately 90.7% of the outstanding Resulting Issuer Shares (on a non-diluted basis).

In addition, pursuant to the terms of the Transaction Agreement (i) prior to Closing, each Scaling Option shall be exercised in accordance with the terms thereof (subject only to confirmation that the underlying Scaling Shares or New Scaling Shares, as applicable, shall not be subject to escrow pursuant to the regulations of the TSXV); and (ii) upon Closing, (A) each Scaling Agent's Warrant shall become exercisable to acquire 0.44 Resulting Issuer Shares in lieu of one Scaling Share at a proportionately adjusted exercise price; (B) each Matador Option shall be exchanged for one Resulting Issuer Option which shall be exercisable to acquire one Resulting Issuer Share in lieu of one Matador Share, and otherwise on the same terms and conditions, governed by the Resulting Issuer Option Plan; (C) each Matador RSU shall be exchanged for one Resulting Issuer RSU which shall result in the issuance of one Resulting Issuer Share in lieu of one Matador Share, and otherwise on the same terms and conditions governed by the Resulting Issuer RSU/PSU Plan; and (D) each Matador PSU shall be exchanged for one Resulting Issuer PSU which shall result in the issuance of one Resulting Issuer Share in lieu of one Matador Share, and otherwise on the same terms and conditions governed by the Resulting Issuer RSU/PSU Plan.

Upon Closing, and assuming the Concurrent Financing is fully subscribed, it is anticipated that there will be an aggregate of 88,794,238 Resulting Issuer Shares issued and outstanding, of which 71,166,141 Resulting Issuer Shares will be held by former Matador Shareholders (exclusive of subscribers in the Concurrent Financing), 8,228,097 Resulting Issuer Shares will be held by existing Scaling Shareholders (after giving effect to the Scaling Consolidation and exercise of the Scaling Options), and 9,400,000 Resulting Issuer Shares will be held by purchasers in the maximum Concurrent Financing. In addition, it is anticipated that upon Closing, there will be an aggregate of 15,079,436 convertible securities of the Resulting Issuer issued and outstanding (comprised of 11,615,434 Resulting Issuer Options, 266,000 Resulting Issuer RSUs, 3,000,000

Resulting Issuer PSUs and 198,002 Scaling Agent's Warrants (as adjusted pursuant to the Scaling Consolidation)).

Concurrent Financing

As a condition to the Transaction, Matador intends to complete the Concurrent Financing ranging from a minimum of 9,150,000 Matador Shares to a maximum of 9,400,000 at a price of \$0.50 per Matador Share to raise aggregate minimum gross proceeds of \$4,575,000 and maximum aggregate gross proceeds of \$4,700,000. The maximum size of the Concurrent Financing may be increased at the discretion of Matador and Scaling. No principals of Matador or Scaling are currently expected to participate in the Concurrent Financing, however, one or more such principals may opt to participate in amounts to be determined if necessary in order for the Concurrent Financing to meet applicable TSXV listing criteria. The Concurrent Financing will be non-brokered. Upon Closing, each Matador Share issued pursuant to the Concurrent Financing will be exchanged for one (1) Consideration Share. The Transaction Agreement provides for the potential issuance of broker warrants in connection with the Concurrent Financing. However, the figures presented herein assume that no broker warrants will be issued in the Concurrent Financing.

The net proceeds of the Concurrent Financing are expected to be deployed into product development and building out additional functionalities on the Matador platform, purchasing gold and Bitcoin for Matador to hold on its balance sheet, and also used for working capital and general corporate purposes, as further described under the heading "*Information Concerning the Resulting Issuer – Available Funds and Principal Purposes*".

The Transaction will only be completed if the minimum Concurrent Financing is completed.

INFORMATION CONCERNING MATADOR

Corporate Structure

Name and Incorporation

Matador Gold Technologies Inc. was incorporated under the OBCA on November 29, 2021, and its registered and head office is located at 1 University Avenue, Suite 300, Toronto, Ontario, M5J 2P1.

Intercorporate Relationships

Matador has no subsidiaries.

General Development of the Business

Summary

Matador is building a product launchpad that is democratizing the gold buying experience by bringing it into the 21st century. Combining the best of modern technology and time-proven assets, Matador's proprietary app intends to allow users to buy, sell, and store gold 24/7, with the added security and flexibility of an encrypted mobile application. Matador expects that the platform will

have the ability to pay for gold seamlessly using installment (buy now, pay later) plans, transparent pricing with minimal fees and an innovative loyalty program where users can earn rewards for using Matador's platform. Matador also plans to offer a loyalty program whereby users can earn real gold rewards and other benefits from using the platform, as further described below.

Matador's platform is regulatory aware and programmed with legal compliance in mind. It is expected that Matador accounts will be free and convenient to open by customers in eligible markets subject to compliance with applicable regulatory requirements, such as applicable AML and KYC requirements. Matador anticipates that unauthorized users will be blocked through strong KYC/AML integration and manual supervision.

Matador plans to expand its model by including different gold types (such as ESG and gold mined in specific markets) and rebating a portion of transaction fees to originators of the gold sold on the platform. Matador may also expand to other jurisdictions on a going forward basis subject to compliance with applicable local regulations. On a going forward basis, Matador is also considering expanding its operations to pair each gram of gold on its platform with a unique AI generated art-based non-fungible token ("NFT"). Each NFT would be based on a specific limited-edition theme and only 1,000 gram-based NFTs would be created around each theme. Matador is still developing this model and has not definitively determined to pursue this offering on its platform, but currently anticipates that if adopted, users will be able to have their custom physical gold product laser-etched with their NFT and shipped to them under this novel NFT program. Matador also continues to use its launchpad to explore innovative ways to integrate blockchain and digital art to incentivize younger buyers to become interested in the gold market – including the use of Bitcoin Ordinals and digital art. As Ordinal NFTs can only be created with Bitcoin, Matador may opt to purchase and hold Bitcoin on its balance sheet in connection with the foregoing as it further explores this potential business opportunity. However, Matador has not committed to any definitive plans with respect to NFTs or Bitcoin Ordinals to date. Any NFT plans contemplated herein will be subject to compliance with applicable laws.

All physical gold on the Matador platform (other than gold in transit to customers) will be held at secure vaults. In this regard, Matador is currently party to the Kitco Agreement pursuant to which its physical gold can be held at the Royal Canadian Mint in Ottawa which is owned and operated by the Canadian federal government. Kitco is arm's length to Matador.

The Matador platform is Matador's sole product and is targeted for a public launch in 2024.

Three Year History

Matador was incorporated on November 29, 2021 and has been engaged in the development of its proprietary application for the purchase and sale of gold since its inception. Matador's proprietary app will allow users to buy, sell, and store gold 24/7, with the added security and flexibility of an encrypted mobile application and the ability to pay using installment plans, all as further described below.

On November 29 and December 1, 2021, Matador issued an aggregate of 2,150,000 Matador Shares to Deven Soni and Nigel Holmes in consideration of consulting services, 1,000,000 of

which are subject to the following resale restrictions (collectively, the "**Contractual Resale Restrictions**"):

- 750,000 Matador Shares held by Deven Soni are subject to contractual restriction to be released (i) as to 250,000 Matador Shares upon completion of an equity financing by Matador to raise minimum aggregate gross proceeds of \$10,000,000; (ii) as to 250,000 Matador Shares upon Matador becoming a reporting issuer in any jurisdiction of Canada and the Matador Shares commencing trading on a recognized stock exchange; and (iii) as to 250,000 Matador Shares upon Matador holding \$100,000,000 in tokenized gold (which is physical gold bullion that has its ownership rights stored as digital tokens on a blockchain); and
- 250,000 Matador Shares held by Nigel Holmes are subject to contractual restriction to be released (i) as to 25,000 Matador Shares upon the establishment of each qualified partnership by Matador, to a maximum of 150,000 Matador Shares; and (ii) as to 100,000 Matador Shares upon Matador having \$100,000,000 in assets under management or tokenized gold.

From January to March, 2022, Matador completed multiple tranches of a non-brokered private placement pursuant to which it issued an aggregate of 7,694,000 Matador Shares at a price of \$0.25 per Matador Share for gross proceeds of \$1,923,500 (the "**\$0.25 Private Placements**").

From March to May, 2022, Matador completed multiple tranches of a non-brokered private placement pursuant to which it issued an aggregate of 6,407,000 Matador Shares at a price of \$0.50 per Matador Share for gross proceeds of \$3,203,500 (the "**\$0.50 Private Placements**").

On April 23, 2024, Matador completed a non-brokered private placement pursuant to which it issued an aggregate of 6,000,000 Matador Shares at a deemed price of \$0.458 per Matador Share in consideration of cryptocurrency assets valued at approximately \$2,748,000.

From July to August, 2024, Matador completed multiple tranches of a non-brokered private placement pursuant to which it issued an aggregate of 3,592,041 Matador Shares at a price of \$0.50 per Matador Share for gross proceeds of \$1,796,021.

An aggregate of 14,101,000 Matador Shares which were issued pursuant to the \$0.25 Private Placements and \$0.50 Private Placements are subject to the following voluntary resale restrictions (the "**Voluntary Resale Restrictions**"):

Proportion Subject to Resale Restrictions	Expiration of Resale Restrictions
20% of the Matador Shares	The date on which the Resulting Issuer Shares are listed for trading.
20% of the Matador Shares	3 months from the date the Resulting Issuer Shares are listed for trading.
20% of the Matador Shares	6 months from the date the Resulting Issuer Shares are listed for trading.
20% of the Matador Shares	9 months from the date the Resulting Issuer Shares are listed for trading.

Proportion Subject to Resale Restrictions	Expiration of Resale Restrictions
20% of the Matador Shares	12 months from the date the Resulting Issuer Shares are listed for trading.

On February 24, 2023, Matador entered into an engagement letter with Gravititas Securities Inc. with respect to a proposed private placement which was not completed. On March 10, 2023, Matador entered into a letter of intent with Gravititas III Capital Corp. setting out the initial terms and conditions of a proposed reverse-takeover which was not completed. The agreement was subsequently terminated on July 31, 2023.

Business Strategy

Matador believes there is significant market potential across geographic, demographic, and income categories for a consumer-focused mobile application to buy, sell and store gold, by using its custom-built technology platform to enable users to buy gold in quantities as little as one (1) gram directly from their mobile device.

Matador also believes in utilizing blockchain and exploring Bitcoin Ordinals technology to further improve the mobile application and overall process for buying, selling and storing gold, and may incorporate digital asset holdings into its asset portfolio on a going-forward basis. Matador has no definitive plans to adopt Bitcoin Ordinal technology into its platform at the present time.

The market for buying gold and other precious metals is large and has been growing, primarily driven by concerns over inflation and the global banking sector. Matador believes that gold as a globally recognized, globally liquid asset with low storage costs, is well positioned to become an increasingly popular store of value for retail consumers. Matador aims to streamline and grow the market for retail gold buyers and eliminate short-comings that have traditionally made it impractical for consumers to buy and hold gold on a regular basis through a unique combination of technological innovation, modern user-interface design, and convenience. Management believes that the Matador brand and platform have the potential to attract a wide variety of customers, and to become seamlessly integrated into its users' regular spending patterns.

Matador is designated as a "dealer in precious metals and stones" (DPMS) under the principal Canadian anti-money laundering legislation (*Proceeds of Crime (Money Laundering) and Terrorist Financing Act*). Matador is not a bank or trust company, it is not an investment dealer, and it does not fractionally reserve assets or engage in any hedging activities such as options, derivatives, or other contracts for managing changes in future prices. Matador will provide customers with simplicity in acquiring, storing, and selling gold. Because the gold market is global in nature, Matador expects to benefit from the growth in mobile penetration across various geographies, the scalability of Internet based services, and the reach of Internet based marketing and traffic acquisition. Matador's ability to expand internationally will depend in part on its ability to satisfy applicable legal and regulatory requirements in countries where it proposes to offer its services.

Matador's revenue model is based upon users completing buy/sell transactions on its platform through which Matador will earn a small transaction fee on every trade, as well as the provision of installment program offerings whereby Matador will earn an installment fee when users choose to pay for their purchase in monthly installments. Users will not be able to buy and sell between each other but will be able to sell gold back to Matador at a price determined by Matador.

Matador Platform Features and Functionality

The Matador mobile application is currently Matador's sole product. It will enable users to buy, sell and store gold directly from their mobile phone. It will operate on mobile devices and tablets that use Apple's iOS operating system and Google's Android operating system.

The application will enable users to link a payment method (initially, pre-authorized debit as it offers the lowest cost of payment for the benefit of consumers), following which users may buy (or sell back to Matador at a price determined by Matador) gold in quantities as little as one (1) gram, with the purchased gold being stored at Matador-authorized vaults. In this regard, Matador's gold holdings are currently stored at the Royal Canadian Mint in Ottawa, Canada. Matador may also explore the possibility of securing additional qualified custodians on the West Coast and East Coast of Canada, contingent upon the level of product demand from its customers. See "*General Development of the Business – Summary*".

Other features include:

- *Installment Payments.* Matador will allow users to buy gold while paying for a portion of their purchase in monthly installments. This is expected to facilitate the purchase of gold by users based upon pre-determined monthly payments. When a user enters into an installment agreement, Matador will acquire 100% of the purchased gold upfront (currently pursuant to the Kitco Agreement) and title to such gold will transfer to the purchaser upon completion of their initial payment. It will charge the user for a percentage of the purchase price up front and split the remaining balance through an agreed upon monthly payment schedule, subject to an additional installment fee to be charged by Matador. Matador currently funds all of its operations using its own balance sheet. At a later date, it may choose to enter into a credit facility or lending arrangement whereby it borrows funds from an external source, secured by gold.
- *Loyalty Program.* Matador will offer loyalty points (called MATA points) to users for taking various actions on the platform. These actions include buying gold, entering into an installment agreement, or sharing information about Matador on social media. Matador intends for users to allow users to redeem these points for benefits on the platform (including reduced fees, improved purchase terms, and credits for physical gold on Matador's platform).
- *Physical Gold Shipping.* Matador will allow customers to use their account to purchase and ship physical gold to their home address. Physical gold will be currently shipped and delivered pursuant to the Kitco Agreement, and Matador continues to evaluate additional options.

- *Alternate Gold Types.* Matador will sell to users allocated gold that is stored at the Royal Mint in Canada. Over time, it plans to enable users to purchase other types of gold on the platform including gold that is mined in specific jurisdictions (such as Canada or the United States) as well as gold that is classified as ESG. Matador intends to offer customers access to these offerings in order to provide more choice for customer purchases, and to provide gold manufacturers/miners with data relating to the demand and pricing of such gold types.
- *Additional Metals.* Matador plans to offer users the ability to purchase other commodities on the platform including silver, copper and platinum on a go-forward basis. Matador believes that by increasing the variety of commodities offered on the platform, users will be able to consolidate their acquisitions through a single platform and discover new goods to acquire.

Matador builds on significant elements of existing infrastructure. This includes the existing infrastructure of mobile devices, financial infrastructure of online payment providers, as well as gold purchasing and vaulting infrastructure. Matador will deliver a product that it believes is suited for new and existing gold buyers that are underserved by the broader industry today. The Matador platform will be comprised of the following services (including both current and anticipated future services):

- *Vault Account and Gold Storage.* Matador users will create their accounts and purchase physical gold through Matador's mobile application. Customers' gold will be held at the Royal Canadian Mint in Ottawa pursuant to the Kitco Agreement. This technology integration is important in establishing Matador as a trusted platform for the purchase and storage of gold.
- *Account Funding Methods.* Through the Matador online platform, users will be able to purchase (or sell to Matador at a price determined by Matador) gold through a variety of payment methods. The initial launch product of the Matador platform is intended to only offer pre-authorized debit as the primary means of payment, but it may accept other means of payment on a going forward basis, with an eye to reducing transaction costs. Bank transfer also assists Matador in complying with its AML obligations as Matador is able to restrict access to the system by those who are outside of the Canadian banking system.
- *AML Monitoring System.* Matador's platform was designed with anti-money laundering compliance in mind from the commencement of operations. It offers a secure backend environment for inspection of transactions and identification of any problematic transactions that might indicate suspicious activities involving users. This is a legal advantage for the company, and also a practical advantage, in that there exists substantial overlap between Canadian anti-money laundering rules and anti-fraud/anti-abuse rules for transactional businesses like Matador.
- *Physical Gold Shipping.* Users will be able to request physical gold to be shipped to their requested address in the form of various gold bars and coins.

- Review Platform Transactions. Matador users will be able to log in to review their platform transaction history in a fast and convenient online environment, accessible through mobile applications on Android and iOS.
- User Support. The Matador platform will provide all-encompassing User Support Solutions related to accounts, application navigation and technical questions. Customer support will be primarily handled via ticket/email.

Flow of Funds to a Matador Account

It will not be possible for users to transfer their own physical gold into the Matador ecosystem. Instead, all transactions will initiate with users linking their personal bank account and purchasing gold from the Matador app using Canadian Dollars. Matador may add additional currency options in the future.

Users will be able to make any deposits and electronic withdrawals from a Matador account as follows:

- (a) Matador will initially hold a quantity of gold which it acquires pursuant to the Kitco Agreement.
- (b) A user will access the Matador app and request to purchase gold at a set price using Matador's proprietary price feed.
- (c) Matador will withdraw funds from a user's bank account and transfer gold to the user's specific customer account.
- (d) The Matador app will reflect that the user's Matador account contains the purchased gold in their "vault", inside the mobile application.
- (e) In the event that Matador's gold quantity held falls below pre-approved levels (which always exceed the amount of customer gold held), it will acquire additional gold pursuant to the Kitco Agreement at current market prices, so that it may continue selling gold from its inventory to customers.

In the event a user sells gold on the Matador platform back to Matador at a price established by Matador, the reverse will occur as follows:

- (a) Gold will be transferred from the customer account.
- (b) Funds will be transferred by Matador to the user's cash balance within the app.
- (c) If a user requests a cash withdrawal, Matador will transfer funds to the user's bank account and reduce their cash account balance on the app.
- (d) If Matador's gold balance at Kitco rises above target levels, it will sell gold pursuant to the Kitco Agreement at current market prices, the proceeds of which will be deposited into Matador's bank account.

Revenue Model

Matador proposes to generate revenue through transaction and installment fees charged to customers who buy gold on the Matador platform.

Buy/Sell Fees. Matador will charge a percentage-based transaction fee to users based on the price that a user buys or sells gold. These fees will be displayed to the user in the form of a disparity between Matador's gold buy and sell price and itemized at the point of sale. Matador has the ability to adjust these fees dynamically in order to optimize its revenue generation capabilities.

Installment Fees. Matador will charge users a fee when users enter into an installment payment plan in connection with their purchase of gold on the platform. The installment fee will be charged as a percentage of the gold being purchased on installment and based on the length of the target installment plan. The installment fee will be charged to the user incrementally, with the entire fee divided into the number of agreed upon installment payments (taking into account an initial payment amount). Users will have the ability to terminate an installment plan (and then pay the entire amount of the plan upfront). Matador will have the ability to monitor installment plans and limit the amounts available for purchase by users.

Other Fees. Matador will charge users fees when they request to ship gold to their address and has the ability to charge other fees such as storage/vaulting fees. While Matador does not currently anticipate charging storage fees (as such fees are waived pursuant to the Kitco Agreement for the first 12 months of operations), it may do so in the future.

Alternate Business Models. Matador is also exploring new business models that may generate alternate revenue sources for the company.

Technology and Development

Matador has assembled a team of skilled engineers with broad technical expertise to develop and maintain the Matador platform, its key technology. The Matador platform is a proprietary app-based software application, which also functions as an on-line compliance and risk management tool. Matador's systems involve a backend application that is only accessed by management and the company's compliance team. This backend application controls and monitors the application that is provided to Matador's customers. The backend application is also responsible for managing Matador's gold inventory. Both the backend application and mobile applications are being actively developed by the Matador team.

Product Development Strategy

Matador has invested substantial time, effort and financial resources in the development of its technology infrastructure including transaction processing, reporting systems, and software (e.g. user interfaces, backend systems, mobile applications, etc.). Matador believes that this investment has resulted in a competitive advantage. Matador is committed to further enhancing its technology and believes that it will be an important component of its continued success in retaining and attracting new customers.

Matador's software systems are updated regularly and system development and enhancement is a core activity at Matador. Significant investments in product and feature development, data and security management technologies, and scalable infrastructure are made as follows:

- *Product and Feature Development.* Ongoing innovation is the product development philosophy of Matador. Matador intends to develop products for the benefit of its users. The objective is to enable customers to securely hold and manage their assets with features and functionality that maximize the user experience.
- *Integration of Bitcoin Ordinals and Blockchain Technology.* As part of its commitment to innovation, Matador is integrating blockchain technology and exploring opportunities relating to the incorporation of Bitcoin Ordinals into its product offerings. Blockchain integration allows Matador to provide users with an enhanced digital asset experience, including immutable record-keeping, greater security, and unique digital asset management capabilities. By leveraging Bitcoin Ordinals, users could securely inscribe and transfer digital artifacts directly onto the Bitcoin blockchain, providing a layer of authenticity and provenance that enhances the value proposition for digital asset holders. However, Matador continues to explore these opportunities and has no definitive plans with respect to Bitcoin Ordinals at the present time.
- *Data Management Technologies.* Matador's backend systems manage several kinds of data and enable reporting on key metrics and events of interest to management. Matador's backend systems will also manage a proprietary gold price feed that will be the source of the price for Matador's purchases and sales of gold.
- *Blockchain Data Integration.* Matador is committed to incorporating blockchain-based data management technologies, which enhance transparency and security. By utilizing blockchain, Matador ensures that transaction data is immutable, easily auditable, and decentralized, thus protecting against tampering and unauthorized access. This aligns with Matador's goal to deliver cutting-edge solutions that meet the evolving needs of its customers and support robust and reliable data analytics.
- *Security Management Technologies.* Matador places a high priority on security management technologies to protect user data and maintain the integrity of its platforms. The incorporation of blockchain further strengthens Matador's security measures by utilizing cryptographic techniques inherent in blockchain systems to ensure that all data remains confidential and resistant to unauthorized alterations.
- *Scalable Infrastructure.* Matador is dedicated to maintaining a scalable infrastructure that can support its growth trajectory and the increasing demands of its customer base. This includes leveraging blockchain's decentralized nature to create systems that are inherently scalable and resilient, allowing Matador to seamlessly manage growth while maintaining service excellence.

Matador Mobile Application

Matador's product will be mobile only and expected to launch publicly in 2024. Matador expects to continue with its "mobile-first" strategy for the foreseeable future.

Sales, Marketing and Growth

Target Markets

Matador's customer acquisition strategy includes various offline and online channels, both traditional and non-traditional in nature. The target markets have been broken down into five target market segments: (i) traditional bullion buyers; (ii) buyers with previous exposure to digital currencies and assets, (iii) gold stock or ETF/ETC buyers; (iv) consumers interested in NFTs; and (v) consumers who haven't previously purchased any gold or gold-related products but are looking to buy gold.

Matador intends for its initial service area to only include Canada (excluding Quebec), with intentions to take on a more global position on a going-forward basis. As the gold market is inherently global in nature, Matador expects to benefit from the scalability of Internet based marketing and traffic acquisition. Matador believes that its ability to expand internationally will depend in part on its ability to satisfy applicable legal and regulatory requirements in countries where it proposes to offer its services.

Market Trends

Current and emerging market trends affecting Matador include (i) market demand for gold and digital assets; (ii) gold and digital asset price trends in various national currencies; (iii) the challenged global economic climate; and (iv) the sustained popularity of online payment solutions and installment payments. Matador is expected to benefit greatly from these current trends. Additionally, Matador is also anticipating a considerable shift in public sentiment and usership of online and mobile commerce.

Marketing Plans and Strategies

Matador employs both online and offline marketing efforts with the overarching goal to raise awareness around its technology and subsidiary digital payment features. It is anticipated that holistic marketing campaigns will emphasize the security, convenience, and liquidity of gold purchased through Matador to attract users who would not ordinarily participate in the gold market due to various physical or economic barriers, and the functionality and liquidity of Matador gold is touted to attract existing gold market participants. Marketing programs are designed and executed by marketing professionals employed by Matador, as well as contracted outside consultants, as required. Matador also seeks to expand through strategic partnerships on both a national and global scale.

- *Online Marketing and Growth Strategy:* Matador intends to invest heavily in brand awareness and online marketing efforts by capitalizing on each digital touch point that potential users engage with on a daily basis. As such, Matador will continue to market its

brand through paid search advertising, display advertising, social media, and referral and affiliate programs. Initially, Matador's focus shall be on low-cost social media marketing (on outlets such as podcasts and blogging guest posts), as well as mobile display advertising.

- *Traditional Outbound Marketing:* Matador uses traditional print, direct mail, guerilla marketing, and event marketing, both paid and in combination with various sponsorship opportunities.

Marketing, Customer Acquisition, and Customer Waitlist

Matador plans to focus its marketing strategy on creating awareness of its product through a combination of low-cost viral methods and strategic event participation, including a strong emphasis on attending conferences. The approach involves leveraging podcasts, product giveaways, event participation, and conferences to engage potential users.

Digital advertising will play a significant role in Matador's marketing efforts, targeting existing gold and digital asset buyers through mobile advertising on platforms such as Kitco. As these initial advertising channels reach saturation, Matador will shift its focus to a data-driven, quantitative user acquisition strategy. This strategy will leverage paid customer acquisition from affiliate marketing partners, as well as trusted platforms like YouTube, Google Search, and Facebook, ensuring a focus on short payback periods and positive customer lifetime value and acquisition cost metrics.

In addition to digital marketing, Matador is committed to building awareness and engagement through conference attendance and participation. It is expected that conferences will serve as an essential component of Matador's marketing strategy, providing opportunities to enhance brand visibility, establish the company as a market leader, and connect with key stakeholders. Matador plans to attend industry-specific conferences such as Consensus, Money20/20, FinTech Canada, and the Blockchain Futurist Conference. Matador believes that these events will enable Matador to showcase its innovations to a targeted audience of industry professionals, potential investors, and partners.

It is anticipated that participation in conferences will involve securing exhibition spaces and sponsorship opportunities to increase visibility and demonstrate Matador's product capabilities. By positioning Matador executives as thought leaders through speaking slots at conferences and participation in panel discussions, the company aims to share insights on market trends, product innovations, and its strategic vision. Matador also intends to leverage these conferences as networking platforms, establishing valuable connections with key industry players, potential customers, and collaborators. Matador plans to utilize meetings and networking sessions to forge strong relationships that can drive future growth and partnerships.

Moreover, Matador plans to conduct live demonstrations and workshops during these conferences, thereby directly engaging attendees with its product offerings. During these anticipated sessions, Matador plans to showcase real-world applications of Matador's solutions, highlighting the competitive advantages and unique value propositions of its products. By focusing on a comprehensive conference strategy, Matador aims to build significant brand awareness and

establish a strong presence within the industry, ultimately supporting its overall marketing objectives and growth plans.

Strategic Partnerships

Matador intends to continue to pursue strategic partnerships with established finance and investment industry companies in order to facilitate and enhance the functionality of its anticipated gold-based product offerings. In turn, Matador expects to benefit from increased exposure and rapid, low-cost user acquisition opportunities.

Matador is presently working with Kitco, one of the world's foremost gold media outlets and dealers, pursuant to the Kitco Agreement. The current relationship with Kitco encompasses Matador buying and selling gold using Kitco's trade desk as well as Matador marketing its business to Kitco's user base. However, there can be no assurance that Matador and Kitco will continue their strategic relationship.

Matador also recently announced a strategic partnership with UTXO Management, LLC, a Bitcoin venture capital firm, to focus on accelerating innovation within the Bitcoin and Ordinals ecosystems. The partnership is expected to assist Matador in sourcing innovative acquisition opportunities and potentially developing and incubating cutting-edge projects and initiatives across the Bitcoin and Ordinals space. However, Matador has no definitive plans with respect to Bitcoin Ordinals at the present time.

See "*Risk Factors – Supply Agreements*".

Acquisitive Growth

Matador may consider growth by acquisition of businesses that are complementary to Matador's existing business and are accretive to shareholder value, on a going-forward basis. Matador will also consider acquisitions in industries such as those involving digital assets and blockchain.

Projected Costs

During the next twelve (12) months, Matador expects to incur the following marketing expenditures:

Marketing Program	Estimated Expenditure (\$)
Brand development	\$8,500
Content development	\$12,500
Conference and event marketing	\$36,500
Investor relations	\$105,000
Total	\$162,500

Security and Transparency

Matador invests in technology, processes, and people as part of its commitment to safeguarding users' information. Matador aims to use a variety of techniques to protect the data that it is entrusted with to protect against attacks or unauthorized access. Matador aims to employ proprietary technologies to protect users and measures to protect all information stored in its online databases.

The following is a summary of the measures taken by Matador for transparency, accountability and security in its operations:

- *Physical Presence and Location.* Matador's headquarters and operations are based in Toronto, Canada at 1 University Avenue, Suite 300, Toronto, Ontario, M5J 2P1.
- *Audited Annual Financial Statements.* Matador audited annual financial statements are prepared in accordance with IFRS and are audited by Kingston Ross Pasnak LLP, Chartered Professional Accountants, Licensed Public Accountants, Toronto, Ontario, who are independent of Matador in accordance with the Rules of Professional Conduct of the Institute of Chartered Professional Accountants of Ontario.
- *Corporate Governance.* Matador maintains policies and practices to facilitate corporate and regulatory compliance, including the following corporate policies: (i) Anti-Money Laundering Policy; (ii) Privacy Policy and (iii) Software Patch Management Policy. Standing committees of the Matador Board monitor implementation of, and compliance with these policies, and regularly review their effectiveness.
- *Gold Title.* Pursuant to Matador's customer agreements, every gram of gold purchased through the Matador platform is owned by the user once the purchase transactions have settled. Customer gold will be stored under the principles of bailment. A "bailment" occurs when a person (the "bailor") delivers personal property into the possession of another person (the "bailee") for safekeeping but retains legal title to the property. The bailee (the person who has possession of the goods) holds possession of the property on the understanding that the property will be returned to the bailor (customer) once the bailment relationship is terminated according to the bailor's (customer) instructions.
- *Insurance Coverage on Gold.* Matador's gold holdings are currently stored at the Royal Canadian Mint which is insured. The Royal Canadian Mint is audited by the Auditor General of Canada.
- *KYC/AML Protocols.* Matador maintains KYC protocols and AML policies and procedures similar to those maintained by large Canadian financial institutions. Every account holder of a certain size will be required to upload government-issued identification through a personal verification process that includes a background check against their assembled government databases for sanctions, terrorism, and other potential risks. Ongoing compliance and suspicious activity or "SAR" reports are filed with relevant regulatory

agencies if they are identified. These KYC protocols and AML policies are not implemented to deny service, but to strengthen the integrity of Matador for all stakeholders.

Specialized Skill and Knowledge

Most aspects of Matador's business require specialized skill and knowledge. Such skills and knowledge include software engineering, marketing, finance, accounting, and regulatory compliance. Matador meets its needs for such specialized skills and knowledge through the expertise of its directors, officers, and employees. To the extent that additional specialized skills and knowledge are required, Matador retains outside consultants.

Competitive Conditions

Matador faces competition globally from traditional and online metals dealers as well as cryptocurrencies backed by gold, which may offer a variety of internet-based products and services. Principal competitors include ONEGOLD, Inc., an online and mobile precious metals dealer, as well as Paxos Gold, a gold-backed stablecoin. Matador may become subject to additional competition as it introduces new products or expands its asset holdings to include cryptocurrency and/or digital assets, as Matador's existing services evolve, or as other companies introduce products and services similar to those provided by Matador.

Matador believes that it will enjoy competitive advantages that enable it to compete effectively, including:

- *Uniqueness of service.* Matador is not aware of any competing service that offers all of the features that will be offered by its application such as its unique buy now, pay later features. If Matador is able to effectively carry out its marketing plan, it anticipates enjoying an "early mover" advantage.
- *Physical and digital security.* Through its indirect relationship with the Royal Canadian Mint as custodian for gold, which is insured by third party insurance providers, and Matador's audit procedures, Matador will offer security and accountability for protection of its customers' physical gold and provide users with high levels of privacy and digital security.
- *Proven market for gold and gold products.* Gold has been used throughout history as a store of monetary value, and as such enjoys investment demand for its monetary utility. Gold's unique qualities also make it considerably useful in a large number of industrial applications, and as such it also has a gold utility-driven demand profile.
- *Superior user experience.* Matador's service platform is designed to integrate seamlessly into users' everyday mobile device usage with a modern, intuitive user interface.
- *Strong management and employee team.* Matador has built a management team with extensive experience in capital markets, trading, the mining and metals industry, and financial and non-financial compliance, and employs a team of experts in advanced

computer programming, digital security, UX/UI design, and financial exchange architecture to develop, maintain and grow the Matador platform.

- *Advisors and industry partners.* Matador has built relationships with reputable industry partners in legal, compliance, payments, auditing, storage, banking, and online authentication.

Operations

Personnel

Matador's service providers are engaged in sales, management, computer programming and administration. Geographically, five of Matador's service providers are located in Canada, and one is located in the United States. Management of Matador believes its relationship with its service providers is excellent.

Economic Dependence

Matador is not substantially dependent on any individual contract and has viable alternatives for each of its primary vendors and suppliers.

Intellectual Property

Matador believes its brand name and its proprietary mobile application has intangible value, however it does not have any registered intellectual property. In accordance with industry practice, Matador plans to protect its proprietary products, technology and competitive advantage through a combination of contractual provisions and trade secrets, copyright and trademark laws in Canada and the United States and other jurisdictions in which it conducts its business, as applicable. Matador will also utilize confidentiality agreements, assignment agreements and license agreements with employees and third parties, which limit access to and use of its intellectual property, where appropriate.

Business Model

Matador has entered into the Kitco Agreement and makes use of cloud services offerings (primarily by Amazon Web Services) and, as a result, Matador's business model does not require material investments in capital expenditures and it does not have any associated hardware depreciation. Matador's objective is to fully cover operating expenses through the profits from its dealer operations.

Government Regulation and Compliance

Matador's services are subject to a variety of laws and regulations enacted by the Canadian federal government, each of the provincial governments in which Matador operates, and other localities and jurisdictions. These may include international, federal and provincial AML laws and regulations; financial services regulations; securities, derivatives, investments, or commodities brokering laws; currency control regulations; anti-bribery laws; regulations of the Canadian

Department of Foreign Affairs, Development, and Trade; escheatment laws; tax laws; intellectual property laws; consumer disclosure and consumer protection laws; and rules, laws and regulations including those governing credit and debit cards (depending upon the means of payment utilized), electronic payments and competition. Additionally, Matador is subject to laws and regulations affecting companies that conduct business through the Internet, many of which are still evolving and being tested in the courts, and could be interpreted in ways that could harm Matador's business. These include laws regarding user privacy, data protection, content, distribution, electronic contracts, and other online communications. In particular, Matador is subject to federal, provincial, and foreign laws regarding privacy, data protection and information security laws. Foreign laws and regulations may be more restrictive than those in Canada.

Canadian federal and provincial and foreign laws and regulations are constantly evolving and can be subject to significant change. In addition, the application and interpretation of these laws and regulations are often uncertain, particularly in the new and rapidly-evolving industry in which Matador operates. Failure to comply with any of these requirements could result in the limitation, suspension or termination of Matador's services, the seizure of Matador's assets and the imposition of civil and criminal penalties, including fines and restrictions on Matador's ability to offer services. See "*Risk Factors*" for additional discussion regarding potential impacts of failure to comply.

Matador continually enhances its compliance programs, including its AML program, which comprises policies, procedures, systems and internal controls to monitor and to address various legal and regulatory requirements. In addition, Matador intends to adapt its business practices and strategies to help it comply with current and evolving legal standards and industry practices. These programs include dedicated compliance personnel, training and monitoring programs, suspicious activity reporting, regulatory outreach and education, and support and guidance to Matador's partners and customers concerning regulatory compliance. Matador's payment services network operates through third-party payment settlement partners, and, therefore, there are limitations on Matador's legal and practical ability to manage those payment settlement partners' compliance programs.

Because Matador is not a bank, investment dealer or trust company, Matador is subject to less-stringent regulations than those that apply to financial institutions. Matador does not maintain and is not eligible for insurance through government-sponsored programs or deposit insurance, and relies on private insurance coverage through Kitco on gold held in vaults, which may not necessarily provide as extensive coverage in the event of loss. Although gold bullion is held on behalf of customers on a segregated basis, there can be no assurance that third parties will not claim interests in any assets of Matador, including any digital assets held from time to time, in a legal proceeding or claim against Matador.

Management's Discussion and Analysis

Please see the MD&A of Matador attached to this Filing Statement at Schedule "A", which should be read in conjunction with the Matador Financial Statements attached to this Filing Statement at Schedule "B".

See also the disclosure under the headings "*Cautionary Statement Regarding Forward-Looking Statements*" and "*Risk Factors*" elsewhere in this Filing Statement

Description of Securities

Common Shares

The authorized capital of Matador consists of an unlimited number of Matador Shares, of which there are currently 71,166,141 Matador Shares issued and outstanding.

The Matador Shares do not have any pre-emptive rights; any conversions or exchange rights; any redemption, retraction, purchase for cancellation or surrender provisions; any sinking or purchase fund provisions; any provisions permitting or restricting the issuance of additional securities and any other material restrictions; or any provisions requiring a holder to contribute additional capital. Matador Shares are entitled to receive notice of any meetings of shareholders of Matador, and to attend and to cast one vote per Matador Share at all such meetings. Holders of Matador Shares do not have cumulative voting rights with respect to the election of directors and, accordingly, holders of a majority of the Matador Shares entitled to vote in any election of directors may elect all directors standing for election. Holders of Matador Shares are entitled to receive on a pro rata basis such dividends on the Matador Shares, if any, as and when declared by the Matador Board at its discretion from funds legally available therefor, and upon the liquidation, dissolution or winding up of Matador are entitled to receive on a pro rata basis the net assets of Matador after payment of debts and other liabilities, in each case subject to the rights, privileges, restrictions and conditions attaching to any other series or class of shares ranking senior in priority to or on a pro rata basis with the holders of Matador Shares with respect to dividends or liquidation.

Stock Options

On November 30, 2021, Matador adopted the Matador Stock Option Plan.

The Matador Stock Option Plan provides that the Matador Board may from time to time, in its discretion, grant to directors, officers, employees and consultants to Matador, non-transferable options to purchase Matador Shares, provided that the number of Matador Shares reserved for issuance under the Matador Stock Option Plan together with all other equity compensation plans of Matador, will not exceed 20% of the Matador Shares issued and outstanding as of the date of grant of any options. Such options will be exercisable for a period of up to ten years from the date of grant subject to the terms of the Matador Stock Option Plan.

The material terms of the Matador Stock Option Plan are as follows:

- (a) the total number of Matador Options that may be reserved for issuance and granted to any single person under the Matador Stock Option Plan and all other securities compensation arrangements of Matador, in the aggregate, at any time and within any 12-month period, cannot exceed 5% of the issued and outstanding Matador Shares on a fully diluted basis;

- (b) the total number of Matador Options that may be reserved for issuance and granted to "related persons" as a group under the Matador Stock Option Plan and all other securities compensation arrangements of Matador, in the aggregate, at any time and within any 12-month period, cannot exceed at any time 10% of the issued and outstanding Matador Shares on a fully diluted basis;
- (c) the total number of Matador Options that may be granted to consultants under the Matador Stock Option Plan within any one-year period, in the aggregate, cannot exceed 2% of the issued and outstanding Matador Shares;
- (d) the total number of Matador Options that may be granted to persons performing "investor relations activities" under the Matador Stock Option Plan within any one-year period, in the aggregate, cannot exceed 1% of the issued and outstanding Matador Shares;
- (e) the exercise price of a Matador Option shall be set by the Matador Board at the time such Matador Option is allocated under the Matador Stock Option Plan based on the fair market value of the Matador Shares on the date of grant, subject to any minimum pricing requirements on any stock exchange upon which the Matador Shares may be listed;
- (f) an option granted under the Matador Stock Option Plan can be exercisable up to a maximum of ten years from the respective option's effective date;
- (g) if any Matador Option expires or otherwise terminates for any reason without having been exercised in full, the number of Matador Shares in respect of which the option expired or terminated shall again be available for the purposes of the Matador Stock Option Plan; and
- (h) in the event of the death of the holder of a Matador Option or such holder ceases to be a service provider of Matador, all unvested Matador Options shall immediately terminate, and all vested Matador Options shall expire (i) one year from the date of death or disability; (ii) 90 days following the effective termination date in the event of termination without cause, failure of a director to be elected or failure of a service contract to be renewed; or (iii) otherwise upon the effective date of termination.

As of the date of this Filing Statement, there are an aggregate of 11,615,434 Matador Options outstanding. Upon the Effective Time, each Matador Option shall be exchanged for a Resulting Issuer Option which shall be exercisable to acquire one Resulting Issuer Share in lieu of one Matador Share and shall otherwise continue to exist on the same terms under the Resulting Issuer Option Plan. See also "*Information Concerning the Resulting Issuer - Escrowed Securities*".

RSUs and PSUs

The Matador RSU/PSU Plan provides that the Matador Board may from time to time, in its discretion, grant to directors, employees and consultants to Matador, non-transferable Matador RSUs or Matador PSUs to acquire Matador Shares, provided that the number of Matador Shares

reserved for issuance under the Matador RSU/PSU Plan and all other equity compensation plans of Matador will not exceed 20% of the Matador Shares issued and outstanding on a non-diluted basis as of the date of grant of any Matador RSUs or Matador PSUs.

The material terms of the Matador RSU/PSU Plan are as follows:

- (a) the total number of Matador RSUs or Matador PSUs that may be reserved for issuance and granted to any single person under the Matador RSU/PSU Plan and all other securities compensation arrangements of Matador, in the aggregate, cannot exceed at any time or during any 12-month period, 5% of the issued and outstanding Matador Shares on a fully diluted basis (subject to certain exceptions);
- (b) the total number of Matador RSUs or Matador PSUs that may be reserved for issuance to "related persons" as a group under the Matador RSU/PSU Plan and all other securities compensation arrangements of Matador, in the aggregate, cannot exceed at any time or within any 12-month period, 10% of the issued and outstanding Matador Shares on a fully diluted basis (subject to certain exceptions);
- (c) in the event of the termination of the holder of a Matador RSU or Matador PSU as a service provider of Matador other than due to death, disability or resignation for good reason in accordance with the terms of the Matador RSU/PSU Plan, all unvested Matador RSUs or Matador PSUs shall immediately terminate; and
- (d) subject to the terms of the Matador RSU/PSU Plan, all Matador RSUs and Matador PSUs shall vest immediately upon death, resignation for good reason or termination other than for just cause within 12 months of a change of control of Matador, or within 90 days of the date of disability, as applicable.

As of the date of this Filing Statement, there are an aggregate of 266,000 Matador RSUs and 3,000,000 Matador PSUs outstanding. Upon the Effective Time, each Matador RSU and Matador PSU shall be exchanged for an equivalent security of the Resulting Issuer which shall be exercisable to acquire one Resulting Issuer Share in lieu of one Matador Share and shall otherwise continue to exist on the same terms under the Resulting Issuer RSU/PSU Plan. See also "*Information Concerning the Resulting Issuer - Escrowed Securities*".

Consolidated Capitalization

The following table summarizes the share capital of Matador as at July 31, 2024 and as at the date of this Filing Statement:

Description	Amount Outstanding at July 31, 2024	Amount Outstanding at November 29, 2024
Matador Shares	69,674,137	71,166,141
Matador Options	5,915,434	11,615,434
Matador RSUs	416,000	266,000
Matador PSUs	3,000,000	3,000,000

Prior Sales

During the 12 months preceding the date of this Filing Statement, Matador issued the following securities:

Date	Number and Type of Security	Purchase Price
December 12, 2023	33,000 Matador Shares	N/A ⁽²⁾
February 1, 2024	90,000 Matador Shares	N/A ⁽²⁾
April 23, 2024	6,000,000 Matador Shares	\$0.458 per Matador Share ⁽¹⁾
July 1, 2024	600,000 Matador Options ⁽⁴⁾	N/A
July 23, 2024	3,250,037 Matador Shares	\$0.50 per Matador Share
August 1, 2024	5,700,000 Matador Options ⁽⁵⁾	N/A
	100,000 Matador Shares	N/A ⁽²⁾
August 16, 2024	342,004 Matador Shares	\$0.50 per Matador Share
	500,000 Matador Shares	N/A ⁽³⁾
October 2, 2024	50,000 Matador Shares	N/A ⁽²⁾
October 23, 2024	500,000 Matador Shares	N/A ⁽³⁾

Notes:

- (1) Deemed price per Matador Share as these Matador Shares were issued in consideration of cryptocurrency assets valued in the aggregate at approximately \$2,748,000.
- (2) Issued upon the vesting of Matador RSUs.
- (3) Issued in consideration of advisory services.
- (4) Issued to Non-Arm's Length Parties of Matador effective as of the date of issuance.
- (5) An aggregate of 2,400,000 of such Matador Options were issued to Non-Arm's Length Parties effective as of such date.

Executive Compensation

The following table provides a summary of compensation for services rendered in all capacities to Matador for the fiscal years ended October 31, 2024 and 2023 in respect of the individuals who served as Named Executive Officers of Matador during such periods; and (ii) the independent directors of Matador for the fiscal years ended October 31, 2024 and 2023. Matador had no other executive officers whose total compensation during the fiscal years ended October 31, 2024 or 2023 exceeded \$150,000.

Table of compensation excluding compensation securities

Name and Position	Fiscal Year Ended October 31,	Salary, consulting fee, retainer or commission (\$)	Bonus (\$)	Committee or meeting fees (\$)	Value of perquisites (\$)	Value of all other compensation (\$)	Total compensation (\$)
Deven Soni,	2024	179,543	Nil	Nil	Nil	Nil	179,543
CEO, Chairman, and Director	2023	235,001	Nil	Nil	Nil	Nil	235,001
Donato Sferra	2024	169,500 ⁽¹⁾	Nil	Nil	Nil	Nil	169,500
Director	2023	187,015 ⁽¹⁾	Nil	Nil	Nil	Nil	187,015
Richard Murphy	2024	Nil	Nil	Nil	Nil	Nil	Nil
Director	2023	Nil	Nil	Nil	Nil	Nil	Nil
Geoff St. Clair	2024	40,680	Nil	Nil	Nil	Nil	40,680
Chief Financial Officer ⁽²⁾	2023	Nil	Nil	Nil	Nil	Nil	Nil

Notes:

- (1) Paid to Hillcrest Merchant Partners Inc. for financial advisory services. Mr. Sferra is a director and 10%+ shareholder of Matador, and a principal of Hillcrest Merchant Partners Inc.
- (2) Mr. St. Clair was appointed as Chief Financial Officer on July 1, 2024.

Stock Options and Other Compensation Securities

The following table sets forth information with respect to all compensation securities granted or issued to the Matador's Named Executive Officers and directors by Matador in the most recently completed financial year for services provided or to be provided, directly or indirectly, to Matador.

Compensation Securities							
Name and Position	Type of compensation security	Number of compensation securities, number of underlying securities, and percentage of class	Date of issue or grant	Issue, conversion or exercise price (\$)	Closing price of security or underlying security on date of grant (\$)	Closing price of security or underlying security at year end (\$)	Expiry Date
Deven Soni, CEO, Chairman, and Director	Matador Options	600,000	August 1, 2024	\$0.50	N/A	N/A	August 1, 2034
Donato Sferra Director	Matador Options	600,000	August 1, 2024	\$0.50	N/A	N/A	August 1, 2034
Richard Murphy Director	Matador Options	600,000	August 1, 2024	\$0.50	N/A	N/A	August 1, 2034
Geoff St. Clair Chief Financial Officer	Matador Options	600,000	July 1, 2024	\$0.50	N/A	N/A	July 1, 2034
Sunny Ray President	Matador Options	600,000	August 1, 2024	\$0.50	N/A	N/A	August 1, 2034
Mark Moss Chief Visionary Officer	Matador Options	3,300,000	August 1, 2024	\$0.50	N/A	N/A	August 1, 2034

Notes:

- (1) As of October 31, 2024, (i) Deven Soni held an aggregate of 2,800,000 Matador Options (with 1,350,000 expiring on January 11, 2026, 450,000 expiring on January 6, 2025, 400,000 expiring on January 1, 2027, and 600,000 expiring on August 1, 2034), and 3,000,000 Matador PSUs (expiring on July 31, 2033), each entitling him to acquire one Matador Share in accordance with the terms and conditions thereof (2,200,000 Matador Options and 3,000,000 Matador PSUs as of October 31, 2023); (ii) Donato Sferra held an aggregate of 1,550,000 Matador Options (with 450,000 expiring on January 6, 2025, 500,000 expiring on January 1, 2027, and 600,000 expiring on August 1, 2034) each entitling him to acquire one Matador Share in accordance with the terms and conditions thereof (950,000 Matador Options as of October 31, 2023); and (iii) Richard Murphy held an aggregate of 1,050,000 Matador Options (with 450,000 expiring on January 1, 2025, and 600,000 on August 1, 2024), each entitling him to acquire one Matador Share in accordance with the terms and conditions thereof (450,000 Matador Options as of October 31, 2023).

The following table sets forth information with respect to all compensation securities exercised by the Matador's Named Executive Officers and directors by Matador in the most recently completed financial year.

Exercise of Compensation Securities							
Name and Position	Type of compensation security	Number of compensation securities, number of underlying securities	Exercise price per security (\$)	Issue, conversion or exercise price (\$)	Closing price per security on date of exercise (\$)	Difference between exercise price and closing price on date of exercise (\$)	Total value on exercise date (\$)
Deven Soni, CEO, Chairman, and Director	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Donato Sferra Director	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Richard Murphy Director	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Geoff St. Clair Chief Financial Officer	N/A	N/A	N/A	N/A	N/A	N/A	N/A

Director Compensation

Non-executive directors of Matador do not currently receive a fee but are entitled to receive Matador Options, Matador PSUs and Matador RSUs at the discretion of the Matador Board. As of the date of this Filing Statement, Matador had outstanding 11,615,434 Matador Options, 266,000 Matador RSUs and 3,000,000 Matador PSUs outstanding, of which 10,102,000 Matador Options and 3,000,000 Matador PSUs have been granted to directors.

Directors of Matador are also reimbursed for travel and other out of pocket expenses incurred in attending directors' and shareholders' meetings and are entitled to receive compensation to the extent that they provide other services to Matador at rates that would be charged by such directors for such services to arm's length parties. During the year ending October 31, 2024, no such compensation was paid to any director other than fees of \$169,500 which were paid on behalf of financial advisory services to a company controlled by Mr. Sferra.

Compensation Discussion & Analysis

Matador's approach to executive compensation has been to provide suitable compensation for executives that is internally equitable, externally competitive and reflects individual achievements. Matador attempts to maintain compensation arrangements that will attract and retain highly qualified individuals.

Matador's compensation arrangements for its Named Executive Officers may, in addition to salary, include compensation in the form of bonuses and, over a longer term, benefits arising from the grant of Matador Options, Matador RSUs and/or Matador PSUs. Given the stage of development of Matador, compensation of Matador's Named Executive Officers to date has primarily emphasized salary, Matador Options, Matador RSUs and Matador PSUs to attract and retain Named Executive Officers and, to a certain extent, to conserve cash. This policy may be re-evaluated from time to time depending upon the future development of Matador and other factors which may be considered relevant by the Matador Board.

During fiscal 2024, (i) the current Chief Executive Officer of Matador was paid cash compensation of \$179,543; (ii) the current Chief Financial Officer of Matador was paid cash compensation of \$40,680 and (iii) a director indirectly received fees of \$169,500 for financial advisory services. Matador's objective in determining the compensation of its Named Executive Officers is to reward performance, while seeking to maintain sufficient cash to satisfy ongoing commitments. The Matador Board establishes and reviews Matador's overall compensation philosophy and its general compensation policies with respect to its Named Executive Officers, and approves the salary, bonus, securities compensation and other benefits for such officers. In determining compensation matters, the Matador Board may consider a number of factors, including Matador's performance, the value of similar incentive awards to officers performing similar functions at comparable companies, the awards given in past years and other factors it considers relevant. With respect to any bonuses or securities compensation which may be awarded to executive officers in the future, Matador has not established any objective criteria and will instead rely upon discussions at the Matador Board level with respect to the above-noted considerations and any other matters which the Matador Board may consider relevant on a going-forward basis, including the cash position of Matador.

Existing Matador Options, Matador RSUs and Matador PSUs held by Matador's Named Executive Officers at the time of subsequent grants are taken into consideration in determining the quantum and terms of any such subsequent grants. Such securities have been granted to directors, management, employees and certain service providers, as long-term incentives to align the individual's interests with those of Matador. The size of the awards is in proportion to the deemed ability of the individual to have an impact on Matador's success.

Management Contracts

Management functions of Matador are substantially performed by directors or senior officers of Matador and have not been performed, to any substantial degree, by any other Person with whom Matador has contracted. Details of the contracts between Matador and each of its executive officers, all of which are expected to continue to remain in place following the Closing, are set out below:

Deven Soni (CEO, Chairman, and Director)

Mr. Soni provides his services to Matador pursuant to a consulting agreement dated January 11, 2022 between Mr. Soni and Matador. Pursuant to the terms of the agreement Mr. Soni is entitled to receive a monthly fee of US\$10,000 (the "**Base Fee**"), which increases to US\$20,000 per month upon completing an offering of Matador's equity securities for gross proceeds of not less than

\$10,000,000, with a \$2,000 benefit stipend. Additionally, Mr. Soni is entitled to receive an annual bonus, with a target of 50% of the Base Fee, based on the achievement of performance metrics to be mutually established by the Matador Board and Mr. Soni at the beginning of each year. Mr. Soni has also received 1,500,000 Matador Shares, 750,000 of which are subject to the Contractual Resale Restrictions. Mr. Soni has also received 1,350,000 Matador Options, which vest quarterly in arrears over the course of three years. Mr. Soni has also received 1,450,000 Matador Options as Director compensation, which vest semi-annually in arrears over the course of three years, and 3,000,000 Matador PSUs. The agreement may be terminated without cause by Matador providing written notice to Mr. Soni, upon 30 days written notice, and by Mr. Soni on providing 30 days written notice.

The agreement includes a non-competition clause, whereby, during the term of the agreement and for a period of 12 months from the date of its termination, Mr. Soni is prohibited from: serving as an executive, officer, director, employee or in any advisory capacity with any competitor, in whole or in part, of Matador with respect to activities that are competitive to the business of Matador. Further, the agreement includes a non-solicitation provision, whereby, during the term of the agreement and for a period of 12 months from the date of its termination, Mr. Soni is prohibited from soliciting any employees of Matador.

There is a change of control provision in the agreement whereby, in the event of a change of control, as that term is defined in the consulting agreement, Mr. Soni will receive 24 months of monthly compensation ranging from \$240,000 to \$480,000, the number of which is dependent on whether Matador has completed an offering of its equity securities for gross proceeds of no less than \$10,000,000 immediately after a change of control event. Mr. Soni has agreed to waive any payments or entitlements that would have otherwise resulted from any change of control in respect of the Transaction.

Geoff St. Clair (Chief Financial Officer)

Mr. St. Clair provides his services to Matador pursuant to a consulting agreement dated July 1, 2024 between Mr. St. Clair and Matador. Pursuant to the terms of the agreement, Mr. St. Clair is entitled to receive a monthly fee of Cdn\$9,000. Mr. St. Clair has also received 600,000 Matador Options, which vest semi-annually in arrears over the course of three years. The agreement may be terminated without cause by either Matador or Mr. St. Clair, upon the provision of 30 days written notice.

There is a change of control provision in the agreement whereby, in the event of a change of control, as that term is defined in the consulting agreement, Mr. St. Clair will receive 24 months of monthly compensation ranging from \$240,000 to \$480,000, the number of which is dependent on whether Matador has completed an offering of its equity securities for gross proceeds of no less than \$10,000,000 immediately after a change of control event. Mr. St. Clair has agreed to waive any payments or entitlements that would have otherwise resulted from any change of control in respect of the Transaction.

Sunny Ray (President)

Mr. Ray provides his services to Matador pursuant to a consulting agreement dated August 1, 2024, between Mr. Ray and Matador. Pursuant to the terms of the agreement, Mr. Ray is entitled to receive a monthly fee of Cdn\$10,000. Mr. Ray has also received 600,000 Matador Options, which vest, semi-annually in arrears over the course of three years. The agreement may be terminated without cause by either Matador or Mr. Ray upon the provision of 30 days written notice, and by Mr. Ray on providing 30 days written notice.

Non-Arm's Length Transactions

Matador has not acquired any assets or any services from a director or officer, principal securityholder or an Associate or an Affiliate of any such Person since incorporation other than (i) "Information Concerning Matador – Executive Compensation" and (ii) as set forth below.

During the period from November 1, 2021, to November 29, 2024, Matador paid \$540,140 in consulting fees to TDK Cashflow Ltd. and \$522,625 in consulting fees to Hillcrest Merchant Partners Inc. for:

- (a) business operations support;
- (b) human resource services;
- (c) bookkeeping services;
- (d) corporate secretarial services; and
- (e) financial advisory services.

Donato Sferra is a principal of Hillcrest Merchant Partners Inc. and Geoff St. Clair is a vice president of Hillcrest Merchant Partners Inc. Mr. Sferra is a director of Matador and Mr. St. Clair is the Chief Financial Officer of Matador. TDK Cashflow Ltd. has, from time to time, been a significant shareholder of Matador. The above-noted services were incurred in the normal course of operations and are expected to continue to be provided to the Resulting Issuer following completion of the Transaction. Although the consulting agreements between (i) Matador and Hillcrest Merchant Partners Inc. dated November 1, 2021 (the "**Hillcrest Agreement**"); and (ii) Matador and TDK Cashflow Ltd. dated November 1, 2021 (the "**TDK Agreement**") provide for change of control payments that would be triggered upon completion of the Transaction, Hillcrest Merchant Partners Inc. and TDK Cashflow Ltd. have each waived such payments.

In addition, during the period from November 1, 2021, to November 29, 2024, Matador issued an aggregate of 1,000,000 Matador Shares to UTXO Management LLC pursuant to the UTXO Agreement for board consulting services. Up to an additional 5,000,000 Matador Shares are issuable to UTXO Management LLC in consideration of board consulting services, pursuant to the UTXO Agreement. Tyler Evans is a principal of UTXO and will be appointed as a director of the Resulting Issuer.

The following amounts reflect the compensation (excluding compensation securities) which is anticipated to be paid to the Resulting Issuer's Named Executive Officers following Closing in respect of the periods noted below:

Name and Title	Anticipated Compensation Payable for 12 Months Following Closing	Anticipated Compensation Payable for 18 Months Following Closing
Deven Soni Chief Executive Officer	\$187,680	\$281,520
Geoff St. Clair Interim Chief Financial Officer	\$122,040	\$183,060

The following amounts reflect the consulting fees which are anticipated to be paid to Non-Arm's Length Parties of the Resulting Issuer following Closing in respect of the periods noted below:

Name of Consultant	Anticipated Fees Payable for 12 Months Following Closing	Anticipated Fees Payable for 18 Months Following Closing
Sunny Ray President	\$135,600	\$203,400
Hillcrest Merchant Partners Inc.	\$187,015	\$280,522

In addition to the above, the Resulting Issuer anticipates paying consulting fees of \$169,500 to TDK Cashflow Ltd. for the 12 months following Closing (or \$254,250 for the 18 months following Closing). TDK Cashflow Ltd. will not be a Non-Arm's Length Party of the Resulting Issuer.

Legal Proceedings

There are no legal proceedings that Matador is, or has been, a party to, or of which any of its property is, or has been, the subject matter. To the knowledge of the management of Matador, there are no such legal proceedings contemplated.

No penalties or sanctions have been imposed against Matador by a court relating to provincial and territorial securities legislation or by a securities regulatory authority since its incorporation, nor has Matador been subject to any other penalties or sanctions imposed by a court or regulatory body or entered into any settlement agreement before a court relating to provincial and territorial securities legislation or with a securities regulatory authority.

Material Contracts

Matador has not entered into any material contracts outside of the ordinary course of business prior to the date hereof, other than:

- (a) the Transaction Agreement (see "*Information Concerning Scaling – Description of the Transaction*");
- (b) the Hillcrest Agreement (see "*Information Concerning Matador - Non-Arm's Length Transactions*");
- (c) the TDK Agreement (see "*Information Concerning Matador - Non-Arm's Length Transactions*"); and
- (d) the UTXO Agreement (see "*Information Concerning Matador - Non-Arm's Length Transactions*").

INFORMATION CONCERNING THE RESULTING ISSUER

The following information is presented on a post-Transaction basis and is reflective of the projected pro forma business, financial and share capital position of the Resulting Issuer assuming completion of the Transaction. It should be read in conjunction with the information concerning the Transaction appearing elsewhere in this Filing Statement. As the Resulting Issuer will be the same corporate entity as Scaling, this section only includes information respecting the Resulting Issuer after the Transaction that is materially different from information provided elsewhere in the Filing Statement regarding Scaling and Matador pre-Closing. See "Information Concerning Scaling" and "Information Concerning Matador" for additional information regarding Scaling and Matador, respectively.

Corporate Structure

Name and Incorporation

Scaling will effect the Name Change to "Matador Technologies Inc." or such other name as may be agreed upon by Scaling and Matador, prior to Closing. Following the Closing, the Resulting Issuer will complete the Continuance and continue its business under the laws of Ontario. The Resulting Issuer Shares are expected to be listed on Tier 2 of the TSXV as a technology issuer under the trading symbol "TSXV: MATA".

Intercorporate Relationships

Following the Closing, Matador shall continue as a wholly-owned subsidiary of the Resulting Issuer under the OBCA. The Resulting Issuer will not have any other subsidiaries.

Business Objectives and Milestones

The business objectives of the Resulting Issuer will be the business objectives of Matador. See "*Information Concerning Matador – General Development of the Business*".

The following table sets out the Resulting Issuer's targeted business milestones, as well as the expected timeframe for, and cost of, achieving same:

Milestone	Estimated Completion Date	Estimated Cost
Launch gold platform	Q4 2024	\$300,000
Sell first kilogram of gold	Q4 2024	\$120,000
Launch Bitcoin Ordinals-based art product, if applicable	Q1 2025	\$150,000
Establish market presence for gold products	Q2 2025	\$1,000,000

While the Resulting Issuer intends to pursue these milestones, there may be circumstances where, for valid business reasons, a re-allocation of efforts may be necessary or advisable.

Description of the Securities

The authorized capital of the Resulting Issuer will consist of an unlimited number of Resulting Issuer Shares and an unlimited number of preferred shares without par value. The rights and restrictions attached to such Resulting Issuer Shares and preferred shares of the Resulting Issuer will be the same as those of the Scaling Shares and preferred shares of Scaling, as described in "*Information Concerning Scaling – Description of Securities*". See also "*Information Concerning Scaling – Description of the Transaction – Capitalization*".

In addition, (i) prior to Closing, each Scaling Option shall be exercised to acquire one Scaling Share; and (ii) upon Closing, each Matador Share shall be exchanged for one Resulting Issuer Share.

Also upon Closing, (i) each Scaling Agent's Warrant shall become exercisable to acquire 0.44 Resulting Issuer Shares in lieu of one Scaling Share at an exercise price of \$0.22727 until February 10, 2028; and (ii) the Resulting Issuer shall have an aggregate of (A) 11,615,434 Resulting Issuer Options outstanding, each of which shall be exercisable to acquire one Resulting Issuer Share in accordance with the respective terms and conditions thereof, pursuant to the Resulting Issuer Option Plan; and (B) 266,000 Resulting Issuer RSUs and 3,000,000 Resulting Issuer PSUs outstanding, each of which shall result in the issuance of one Resulting Issuer Share in accordance with the terms and conditions thereof, pursuant to the Resulting Issuer RSU/PSU Plan.

Pro Forma Consolidated Capitalization

The following table sets out the undiluted pro forma share capitalization of the Resulting Issuer, on a consolidated basis, following the Closing. The information should be read in conjunction with (i) the Matador Financial Statements attached as Schedule "B" to this Filing Statement; (ii) the Scaling Financial Statements attached as Schedule "D" to this Filing Statement; and (iii) the Pro Forma Financial Statements attached as Schedule "C" to this Filing Statement, which provide additional information.

Designation of Security	Amount authorized or to be authorized	Amount outstanding after giving effect to the Transaction (assuming completion of the minimum Concurrent Financing) ⁽²⁾⁽³⁾⁽⁵⁾⁽⁶⁾	Amount outstanding after giving effect to the Transaction (assuming completion of the maximum Concurrent Financing) ⁽²⁾⁽³⁾⁽⁵⁾⁽⁶⁾
Resulting Issuer Shares	Unlimited	88,544,238 ⁽¹⁾	88,794,238 ⁽¹⁾
Scaling Agent's Warrants	198,002	198,002	198,002
Resulting Issuer Options	⁽⁴⁾	11,615,434	11,615,434
Resulting Issuer RSUs	⁽⁴⁾	266,000	266,000
Resulting Issuer PSUs	⁽⁴⁾	3,000,000	3,000,000
Accumulated Deficit	N/A	(\$12,933,670)	(\$12,306,312)

Notes:

- (1) Presented an undiluted basis, and inclusive of Matador Shares issued pursuant to the maximum Concurrent Financing, on a 1:1 basis.
- (2) See also "*Escrowed Securities*".
- (3) On a post Scaling Consolidation basis, and assuming exercise of all Scaling Options.
- (4) Each of the Resulting Issuer Plans provides that the aggregate number of Resulting Issuer Shares that may be reserved for issuance pursuant to Resulting Issuer Options, Resulting Issuer RSUs, and Resulting Issuer PSUs, shall not exceed 17,678,847 Resulting Issuer Shares in the aggregate on a non-diluted basis, being approximately 20% of the aggregate number of Resulting Issuer Shares expected to be issued and outstanding upon completion of the Transaction (or such lesser number as would be equal to 20% of the aggregate number of Resulting Issuer Shares issued and outstanding upon completion of the Transaction).
- (5) See "*Information Concerning Scaling – Concurrent Financing*".
- (6) The Transaction will only be completed if the minimum Concurrent Financing is completed.

Fully Diluted Share Capital

The following table summarizes the fully diluted share capital of the Resulting Issuer following the Closing:

	Assuming completion of Minimum Concurrent Financing ⁽⁴⁾			Assuming completion of Maximum Concurrent Financing ⁽⁴⁾		
	Number of Securities	Percentage of Resulting Issuer Shares following completion of Transaction		Number of Securities	Percentage of Resulting Issuer Shares following completion of Transaction	
		(Undiluted)	(Fully-Diluted) ⁽¹⁾⁽²⁾		(Undiluted)	(Fully-Diluted) ⁽¹⁾⁽²⁾
Resulting Issuer Shares	88,544,238 ⁽³⁾	100%	85.4%	88,794,238 ⁽³⁾	100%	85.5%
Scaling Agent's Warrants	198,002	N/A	0.2%	198,002	N/A	0.2%
Resulting Issuer Options	11,615,434	N/A	11.2%	11,615,434	N/A	11.2%
Resulting Issuer RSUs	266,000	N/A	0.2%	266,000	N/A	0.3%

	Assuming completion of Minimum Concurrent Financing ⁽⁴⁾			Assuming completion of Maximum Concurrent Financing ⁽⁴⁾		
	Number of Securities	Percentage of Resulting Issuer Shares following completion of Transaction		Number of Securities	Percentage of Resulting Issuer Shares following completion of Transaction	
		(Undiluted)	(Fully-Diluted) ⁽¹⁾⁽²⁾		(Undiluted)	(Fully-Diluted) ⁽¹⁾⁽²⁾
Resulting Issuer PSUs	3,000,000	N/A	2.9%	3,000,000	N/A	2.9%
Fully Diluted Total Resulting Issuer Shares	103,623,674	N/A	100%	103,873,674	N/A	100%

Notes:

- (1) See also "Escrowed Securities".
- (2) On a post Scaling Consolidation basis, and assuming exercise of all Scaling Options.
- (3) Inclusive of the Consideration Shares issued in exchange for Matador Shares issued pursuant to the Concurrent Financing, on a 1:1 basis.
- (4) The Transaction will only be completed if the minimum Concurrent Financing is completed.

Available Funds and Principal Purposes

The following table sets out information regarding the Resulting Issuer's expected sources of funds upon the completion of the Transaction. The amounts shown in the table are estimates only and are based upon the information available to Scaling and Matador as of the date of this Filing Statement:

Source of Funds	Amount (minimum Concurrent Financing)	Amount (maximum Concurrent Financing)
Estimated Scaling working capital as at October 31, 2024 (unaudited)	\$722,385	\$722,385
Estimated Matador working capital as at October 31, 2024 (unaudited)	\$4,097,054	\$4,097,054
Net proceeds of the Concurrent Financing	\$4,575,000 ⁽¹⁾	\$4,700,000 ⁽¹⁾
Total	\$9,394,439 ⁽²⁾	\$9,519,439 ⁽²⁾

Notes:

- (1) See "Information Concerning Scaling – Concurrent Financing".
- (2) Not reflective of any revenues that may be earned by the Resulting Issuer following the Closing.
- (3) The Transaction will only be completed if the minimum Concurrent Financing is completed.

Principal Purposes

The following table sets out information regarding the Resulting Issuer's proposed use of funds for the 18 months following the Closing, based on the estimated available funds set forth above. The amounts shown are estimates only. The intended uses of funds may vary based upon a number of factors, and variances may be material.

Use of Funds	Amount (minimum Concurrent Financing)⁽⁵⁾	Amount (maximum Concurrent Financing)⁽⁵⁾
Estimated Transaction costs	\$325,000 ⁽¹⁾	\$325,000 ⁽¹⁾
Establishing market presence	\$1,243,750	\$1,243,750
Gold & Bitcoin to be held on balance sheet	\$3,300,000	\$4,500,000
Establishing milestones ⁽⁴⁾	\$1,570,000	\$1,570,000
General and administrative expenses for the next 18 months	\$1,544,002 ⁽²⁾⁽³⁾	\$1,544,002 ⁽²⁾⁽³⁾
Unallocated funds	\$1,411,687	\$336,687
Total	\$9,394,439	\$9,519,439

Notes:

- (1) Includes legal fees, auditor review fees, TSXV filing fees, transfer agent fees and other expenses incurred or expected to be incurred in connection with the Transaction.
- (2) The estimate of general and administrative expenses for the 18 months following the Closing includes: insurance (\$214,500); legal and compliance fees (\$97,500); consulting fees payable to Non-Arm's Length Parties (\$948,502) and others (\$254,250); and stock exchange, transfer agent and other miscellaneous fees of (\$29,250).
- (3) See "Information Concerning Matador – Non-Arm's Length Transactions".
- (4) See "Information Concerning the Resulting Issuer – Business Objectives and Milestones".
- (5) See "Information Concerning Scaling – Concurrent Financing".

There may be circumstances where, for sound business reasons, a reallocation of funds may be necessary.

Dividends

The Resulting Issuer does not currently intend to declare any dividends payable to the holders of the Resulting Issuer Shares. The Resulting Issuer has no restrictions on paying dividends, however if the Resulting Issuer generates earnings in the foreseeable future, it expects that they will be retained to finance growth. The directors of the Resulting Issuer will determine if and when dividends should be declared and paid in the future based upon the Resulting Issuer's financial position at the relevant time. All of the Resulting Issuer Shares will be entitled to an equal share in any dividends declared and paid.

Principal Securityholders

Assuming completion of the maximum Concurrent Financing, no securityholder is anticipated to own of record or beneficially, directly or indirectly, or exercise control or direction over, more

than 10% of the Resulting Issuer Shares after giving effect to the Transaction other than as set forth below.

Name of Shareholder and Municipality	Number of Resulting Issuer Shares Owned Assuming Completion of Transaction	Owned of Record or Beneficially	Percentage
Donato Sferra Toronto, Ontario	16,110,000 ⁽¹⁾	(1)	18.1% ⁽²⁾

Notes:

- (1) Of this total, (i) an aggregate of 11,110,000 Resulting Issuer Shares will be owned, controlled or directed by Mr. Sferra, comprised of 3,000,000 Resulting Issuer Shares to be held by ACV Capital Corp., 5,000,000 Resulting Issuer Shares to be held by Sferra Family Trust and 3,110,000 Resulting Issuer Shares held to be by Mr. Sferra directly; and (ii) an aggregate of 5,000,000 Resulting Issuer Shares will be owned, controlled and directed by the spouse of Mr. Sferra.
- (2) Calculated assuming an aggregate of 88,794,238 Resulting Issuer Shares outstanding, assuming completion of the maximum Concurrent Financing and based upon the completion of the Transaction as otherwise set forth herein.
- (3) 17% on a fully diluted basis, assuming (i) the exercise of 1,550,000 Resulting Issuer Options to be held by Mr. Sferra; and (ii) an aggregate of 88,794,238 Resulting Issuer Shares and 15,079,436 convertible securities of the Resulting Issuer outstanding, upon closing of the Transaction.

Directors, Officers and Promoters

In connection with the Closing, all of the directors and officers of Scaling are expected to resign and be replaced by nominees of Matador, as further set out in the table below. None of the current directors or officers of Matador are directors or officers of Scaling.

The table below sets out the name, municipality and province of residence, position with the Resulting Issuer, current principal occupation, and the number and percentage of Resulting Issuer Shares which will be beneficially owned, directly or indirectly, or over which control or direction is proposed to be exercised, by each of the Resulting Issuer's proposed directors and officers following the completion of the Transaction. Additional biographical information about each of these individuals is set out below under the heading "*Management*":

Name and Municipality and Province of Residence and Position to be held at Closing ⁽⁶⁾	Principal Occupation During Last Five Years	Resulting Issuer Shares Owned, Controlled or Directed upon Closing		
		Number ⁽¹⁾	Percentage in event of minimum Concurrent Offering ⁽³⁾	Percentage in event of maximum Concurrent Offering ⁽⁴⁾⁽⁵⁾
Deven Soni, Las Vegas, Nevada Director, CEO and Chairman	Director at Kingmakers Inc. (2018 to 2020) Chief Operating Officer at Tokens.com Inc. (2021 to present) Executive Chairman at Snowball Industries Inc. (202 to present)	2,180,100	2.5%	2.5%
Sunny Ray, Toronto, Ontario President	Founder and President of Unocoin (2013 to present)	Nil	N/A	N/A

Geoff St. Clair, Toronto, Ontario Interim Chief Financial Officer ⁽⁶⁾	Vice-President of Hillcrest Merchant Partners Inc., a merchant bank (2022 to present) M&A analyst at Aurora Cannabis, a Canadian public cannabis company (September 2018 – February 2020) Portfolio manager at Jarislowsky Fraser, a Canadian asset manager (October 2017 – September 2018)	990,000	1.1%	1.1%
Donato Sferra, Toronto, Ontario Director	Co-founder, Hillcrest Merchant Partners Inc., a merchant bank (2017 to present)	16,110,000 ⁽²⁾	18.2%	18.1%
Richard Murphy, Sudbury, Ontario, Director	Chief Executive Officer of Evolution Nickel Corp., a mineral exploration company (2024 to present) Chief Executive Officer of Manitou Gold Inc., a mineral exploration company (2009 to 2023)	1,000,000	1.1%	1.1%
Tyler Evans, Nashville, Tennessee Director	Co-founder of BTC Inc. (2014 to present) and Managing Partner of UTXO Management, LLC (2019 to present)	7,000,000 ⁽¹⁾	7.9%	7.9%
Andrew Newbury, Toronto, Ontario Corporate Secretary	Senior Account Executive, DSA Corporate Services Inc. (2017 to present)	Nil	N/A	N/A
Mark Moss, San Clemente, California Chief Visionary Officer	Founder of Moss Global LLC, Moss Media Group LLC (2019 to present)	Nil	N/A	N/A

Notes:

- (1) The 7,000,000 Resulting Issuer shares controlled directly or indirectly by Mr. Evans are comprised of 6,000,000 Resulting Issuer Shares held indirectly through 210 Capital, LP, and 1,000,000 Resulting Issuer Shares held indirectly through UTXO Management LLC.
- (2) Of this total, (i) an aggregate of 11,110,000 Resulting Issuer Shares will be owned, controlled or directed by Mr. Sferra, comprised of 3,000,000 Resulting Issuer Shares to be held by ACV Capital Corp., 5,000,000 Resulting Issuer Shares to be held by Sferra Family Trust and 3,110,000 Resulting Issuer Shares to be held by Mr. Sferra directly; and (ii) an aggregate of 5,000,000 Resulting Issuer Shares will be owned, controlled and directed by the spouse of Mr. Sferra.
- (3) Calculated on the basis of 88,544,238 Resulting Issuer Shares outstanding, assuming completion of the minimum Concurrent Financing and the completion of the Transaction as otherwise set forth herein.
- (4) Calculated on the basis of 88,794,238 Resulting Issuer Shares outstanding, assuming completion of the maximum Concurrent Financing and the completion of the Transaction as otherwise set forth herein.
- (5) The Transaction will only be completed if the minimum Concurrent Financing is completed.
- (6) The Resulting Issuer shall appoint a new Chief Financial Officer and an additional independent director, prior to the Resulting Issuer Shares being listed on the TSXV.

Following the Closing, the proposed directors and officers of the Resulting Issuer are expected to beneficially own, directly or indirectly, or exercise control or direction over, an aggregate of 27,280,100 Resulting Issuer Shares (on an undiluted basis), representing 30.7% of the issued and outstanding Resulting Issuer Shares (calculated assuming completion of the maximum Concurrent Financing to raise aggregate gross proceeds of \$4,700,000 and the inclusion of 5,000,000 Resulting Issuer Shares owned, controlled and directed by the spouse of Mr. Sferra). See "*Information Concerning the Resulting Issuer - Escrowed Securities*".

Each director's term of office will expire at the next annual meeting of the shareholders of the Resulting Issuer, unless they are re-elected at such meeting.

Management and Director Biographies

At the time of Closing, all of the executive officers of the Resulting Issuer will have entered into a non-competition agreement and non-disclosure agreement with Matador or the Resulting Issuer.

The following is a brief description of the proposed key members of management of the Resulting Issuer:

Deven Soni - Proposed Director, Chairman and CEO

Mr. Soni, age 44, is an experienced operations executive and investor. He spent several years as a technology-focused investor at Goldman Sachs and Highland Capital Partners, Mr. Soni has extensive experience in the technology sector and co-founded Wired Investors, a tech-focused buyout firm, and was the founding Chief Operating Officer of Tokens.com, a publicly traded blockchain company. Mr. Soni will be a contractor of the Resulting Issuer and expects to devote a majority of his time to performing the work required in connection with acting as a director and officer of the Resulting Issuer.

Geoff St. Clair – Proposed Interim CFO

Mr. St. Clair, age 30, is vice president at Hillcrest Merchant Partners Inc., where he supports the firm on all financing and M&A transactions. With a strong background in M&A, reverse-take-over transactions, initial public offerings, and treasury management, Mr. St. Clair has developed extensive operational and transaction experience in both traditional finance and the emerging, high-growth markets. Mr. St. Clair has spent his career in emerging industries, driving growth through business development projects and overseeing financial operations including strategic financial planning, budgeting, forecasting, and risk management. Mr. St. Clair will be a contractor of the Resulting Issuer and expects to devote a majority of his time to performing the work required in connection with acting as an officer of the Resulting Issuer. Mr. St. Clair has a CFA, and a Bachelor of Commerce from Dalhousie University, majoring in finance and minoring in entrepreneurship.

Sunny Ray – Proposed President

Mr. Ray, age 44, is a pioneering entrepreneur in the Bitcoin industry with over a decade of experience. He co-founded Unocoin, India's first Bitcoin exchange, which launched in 2013 and

is backed by prominent investors including Tim Draper. Under his leadership, Unocoin now serves over 2.5 million users. Mr. Ray also served as Head of Global Business Development at Kraken, one of the largest Bitcoin exchanges globally, and was Director of Business Development at Buttercoin, a Silicon Valley-based Bitcoin exchange backed by Google Ventures and Y Combinator. Mr. Ray expects to devote a majority of his time to performing the work required in connection with acting as an officer of the Resulting Issuer.

Donato Sferra - Proposed Director

Mr. Sferra, age 48, serves as co-founder of Hillcrest Merchant Partners Inc., and has significant experience in M&A, hostile defense and fairness opinions. He has an extensive background in the financial services industry spanning approximately 20 years, including five years at Dundee Capital Markets, first as Director of Institutional Sales, then as Co-Head of Investment Banking. Mr. Sferra was an advisor in the merger of the four public companies in what was the restart of Osisko Mining. An early mover into the Cannabis industry, Mr. Sferra took Bedrocan Canada Inc. public (the second LP to go public in Canada) and advised on the first two major transactions in the Cannabis space, most recently advising Canopy Growth Corp. on its \$430,000,000 acquisition of Mettrum Ltd. and prior to that, advising Bedrocan Canada Inc. in connection with its sale to Tweed Inc. resulting in the creation of Canopy Growth Corporation and "the house of brands" strategy. Mr. Sferra expects to devote 10% of his time to performing the work required in connection with acting as a director of the Resulting Issuer.

Richard Murphy – Proposed Director

Mr. Murphy, age 51, currently serves as President and CEO of Evolution Nickel Corp., a private mineral exploration company. He was formerly President, CEO and Director of Manitou Gold Inc., a TSXV-listed gold explorer. Mr. Murphy has over 25 years of experience as a Senior Geologist, President and CEO of a number of TSX and TSXV listed companies. He has successfully completed multiple initial public offerings, financings, acquisitions and divestitures with these companies. Mr. Murphy expects to devote 10% of his time to performing the work required in connection with acting as a director of the Resulting Issuer.

Tyler Evans – Proposed Director

Mr. Evans has been building in the Bitcoin ecosystem since 2014 as the co-founder BTC Inc., the largest Bitcoin media group that publishes Bitcoin Magazine and hosts the Bitcoin Conference series in Hong Kong, Nashville, Amsterdam and Abu Dhabi. Mr. Evans is also the co-founder and Managing Partner of UTXO Management, an alternative asset manager focused on high-conviction public and private market investments in the Bitcoin ecosystem. Mr. Evans also serves as a board member at Metaplanet Inc., a publicly listed Japanese company with a strategic focus on Bitcoin as a balance sheet asset. His leadership continues to drive innovation and capital within the Bitcoin space. Mr. Evans expects to devote 10% of his time to performing the work required in connection with acting as a director of the Resulting Issuer.

Andrew Newbury – Proposed Corporate Secretary

Mr. Newbury has over 15 years of corporate secretarial, administrative, financial, and operational experience. He has served as Corporate Affairs Manager for junior mineral exploration companies, Logistics Manager for a mineral exploration consulting firm, and as a Sales Administrator and Controller at a yacht dealership. Mr. Newbury joined DSA Corporate Services in 2017, and as a Senior Account Executive he provides Corporate Secretarial consulting services for 25 small to mid cap issuers on the Toronto Stock Exchange, TSXV, and Canadian Securities Exchange in a variety of industries. Mr. Newbury has a Bachelor of Commerce degree from Dalhousie University. Mr. Newbury expects to devote less than 5% of his time to performing the work required in connection with acting as a corporate secretary of the Resulting Issuer.

Mark Moss – Chief Visionary Officer

Mark Moss has over 20 years of experience in digital finance, media, and marketing. A prominent advocate for Bitcoin and decentralized finance, he has built a global following through his popular YouTube channel and iHeartRadio show. Mark is also a partner at the Bitcoin Opportunity Fund, where he identifies and nurtures investments in decentralized finance. His leadership at Matador focuses on Bitcoin and gold-related sectors, positioning the company as a forward-thinking player in digital assets and financial technologies.

Corporate Cease Trade Orders or Bankruptcies

No proposed director, officer or promoter of the Resulting Issuer, or a securityholder anticipated to hold a sufficient number of securities of the Resulting Issuer to materially affect control of the Resulting Issuer, is, as at the date of this Filing Statement, or has been, within 10 years before the date of this Filing Statement, a director, officer or promoter of any company that, while that person was acting in that capacity:

- (a) was the subject of a cease trade or similar order or an order that denied the relevant company access to any exemption under securities legislation, for a period of more than 30 consecutive days;
- (b) was subject to an event that resulted, after the director or executive officer ceased to be a director or executive officer, in the company being the subject of a cease trade or similar order or an order that denied the relevant company access to any exemption under securities legislation, for a period of more than 30 consecutive days; or
- (c) or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets; or
- (d) has, within the 10 years before the date of the Filing Statement, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangement or compromise with

creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of the director, officer or shareholder.

Penalties or Sanctions

No proposed director, officer or promoter of the Resulting Issuer, or a securityholder anticipated to hold a sufficient number of securities of the Resulting Issuer to materially affect control of the Resulting Issuer, has been subject to:

- (a) any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority; or
- (b) any other penalties or sanctions imposed by a court or regulatory body, including a self-regulatory body, that would be likely to be considered important to a reasonable securityholder making a decision about the Transaction.

Personal Bankruptcies

No proposed director, officer or promoter of the Resulting Issuer, or a securityholder anticipated to hold a sufficient number of securities of the Resulting Issuer to materially affect control of the Resulting Issuer, or a personal holding company of any such persons, has, within 10 years before the date of this Filing Statement, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of such director, officer, promoter or securityholder.

Interests of Management and Others in Material Transactions

Other than as set forth below, there are no direct or indirect material interests held by any of the following persons or companies in any transaction within the three years before the date of this Filing Statement that has materially affected or is reasonably expected to materially affect Matador or the Resulting Issuer:

- (a) a director or executive officer of Matador;
- (b) a person or company that beneficially owns, or controls or directs, directly or indirectly, more than 10 percent of any class or series of Matador's voting securities; and
- (c) an associate or affiliate of any of the persons or companies referred to in paragraphs (a) or (b).

During the period from November 1, 2021, to July 31, 2024, Matador paid \$526,156 in consulting fees to Hillcrest Merchant Partners Inc. for financial advisory services pursuant to the Hillcrest Agreement. Donato Sferra is a principal of Hillcrest Merchant Partners Inc., as well as a director of Matador. Geoff St. Clair is a vice president of Hillcrest Merchant Partners Inc. as well as the

Chief Financial Officer of Matador. The above-noted services were incurred in the normal course of operations.

Conflicts of Interest

Certain of the proposed directors and officers of the Resulting Issuer are officers and directors of, or associated with, other public and private companies. Such associations may give rise to conflicts of interest with the Resulting Issuer from time to time. The OBCA requires, among other things, that the directors and officers of the Resulting Issuer act honestly and in good faith with a view to the best interest of the Resulting Issuer, and that they disclose any personal interest they may have in any material contract or transaction which is proposed to be entered into with the Resulting Issuer. Conflicts, if any arise, will be subject to the procedures and remedies under the OBCA and any other applicable laws.

Other Reporting Issuer Experience

The following table sets out the proposed directors, officers and promoters of the Resulting Issuer that are, or have been within the last 5 years, directors, officers or promoters of other reporting issuers:

Name	Name and Jurisdiction of Reporting Issuer	Trading Market	Position	From (MM/YY)	To
Richard Murphy	Manitou Gold Inc.	TSXV	President and CEO	April, 2015	May, 2023
Deven Soni	Tokens.com Corp	NEO	COO	December, 2020	April, 2023
Tyler Evans	Metaplanet Inc.	TYO	Director	May 20, 2024	Present
Sunny Ray	New Wave Holding Corp	CSE	Director and CEO	October 24, 2023 (Director) and March 5, 2024 (CEO)	Present

Audit Committee

The following disclosure is based on the present expectations of the Resulting Issuer with respect to the formal establishment of the Audit Committee of the Resulting Issuer Board and the ratification and adoption of its proposed charter will occur following completion of the Transaction. The text of the Audit Committee charter of the Resulting Issuer is appended as Schedule "E".

Composition of the Resulting Issuer Audit Committee

Upon completion of the Transaction, the Audit Committee will be comprised of Richard Murphy, Donato Sferra, and an additional independent director who will be appointed prior to the Resulting Issuer Shares being listed on the TSXV. Mr. Murphy and the additional director will be

independent (as defined in National Instrument 52-110), whereas Mr. Sferra will not be considered independent as a result of advisory fees indirectly received by Mr. Sferra from Matador. The Resulting Issuer will rely on the exemption set forth in section 6.1 of NI 52-110 from the requirement that all members of the Audit Committee be independent. In accordance with section 6.1.1 of NI 52-110, a majority of the proposed members of the Audit Committee are not executive officers, employees or control persons of the Resulting Issuer or of an affiliate of the Resulting Issuer. All proposed members of the Audit Committee will be financially literate (as defined under National Instrument 52-110).

For the relevant education and experience of each of the members of the Audit Committee, please refer to the biographies "*Information Concerning the Resulting Issuer – Management and Director Biographies*".

Pre-Approval Policies and Procedures

The Audit Committee will adopt requirements regarding pre-approval of non-audit services as part of its Audit Committee charter. The Audit Committee may delegate such pre-approval as the Audit Committee may determine and as permitted by applicable Securities Laws.

External Audit Service Fees

The Audit Committee will be responsible for reviewing and approving the compensation of the Resulting Issuer's external auditor of all audit and non-audit services to be provided by the Resulting Issuer's external auditor.

The aggregate fees billed by Scaling's external auditor in the last two fiscal years, by category, are as follows:

Nature of Services	Year ended December 31, 2023	Year ended December 31, 2022
Audit Fees ⁽¹⁾	\$19,136	\$15,750
Audit-Related Fees ⁽²⁾	\$0	\$11,025
Tax Fees ⁽³⁾	\$0	\$0
All Other Fees ⁽⁴⁾	\$0	\$0

Notes:

- (1) "Audit Fees" include the aggregate professional fees billed by the external auditors for the audit of the annual financial statements and other annual regulatory audits and filings.
- (2) "Audit-Related Fees" include the aggregate fees billed by the external auditors for assurance and related services that are reasonably related to the performance of the audit or review of Scaling's financial statements and are not disclosed in the "Audit Fees" column. Audit-related fees were for services related to performance of limited procedures performed by Scaling's auditors related to the review of interim financial statements.
- (3) "Tax Fees" include the aggregate fees billed for professional services rendered by the external auditors for tax compliance, tax advice and tax planning.
- (4) "All Other Fees" include the aggregate fees billed for products and services provided by the external auditors other than those listed in the other three columns.

Exemption

The Resulting Issuer will rely on the exemption set forth in section 6.1 of National Instrument 52-110 – *Audit Committees*.

Executive Compensation

It is expected that compensation of directors and Named Executive Officers of the Resulting Issuer will be as set forth below and, on a going forward basis, may include three major elements: (a) base salary; (b) an annual discretionary cash bonus; and (c) long-term equity incentives.

The following table discloses the anticipated compensation (excluding compensation securities) for the Resulting Issuer's Named Executive Officers for the 12-month period after Closing:

Table of compensation excluding compensation securities						
Name and Position	Salary, consulting fee, retainer or commission (\$)	Bonus (\$)	Committee or meeting fees (\$)	Value of perquisites (\$)	Value of all other compensation (\$)	Total compensation (\$) ⁽²⁾
Deven Soni, CEO, Chairman, and Director	187,680	Nil	Nil	Nil	Nil	187,680
Donato Sferra Director	187,015 ⁽¹⁾	Nil	Nil	Nil	Nil	187,015
Richard Murphy Director	Nil	Nil	Nil	Nil	Nil	Nil
Geoff St. Clair Interim Chief Financial Officer	122,040	Nil	Nil	Nil	Nil	122,040

Notes:

- (1) Represents consulting fees payable to Hillcrest Merchant Partners Inc. for financial advisory services. Mr. Sferra is a principal of Hillcrest Merchant Partners Inc.
- (2) While the foregoing represents the current anticipated compensation to directors and officers of the Resulting Issuer, the Resulting Issuer Board may modify or reallocate such resources for sound business reasons in its discretion.

Indebtedness of Directors and Officers

No director or officer of Matador, nor any proposed director or officer of the Resulting Issuer, is or has been indebted to Matador or Scaling at any time.

Investor Relations Arrangements

No written or oral agreement has been reached with any Person to provide promotional or investor relations activities for the Resulting Issuer.

Security Based Compensation

Security Based Compensation Plans

The Resulting Issuer Option Plan was approved by the board of directors of Scaling on October 16, 2024, conditional and subject to the Transaction being completed. A summary of the material terms of the Resulting Issuer Option Plan are as follows:

- (a) The number of Resulting Issuer Shares that may be reserved for issuance under the Resulting Issuer Option Plan and under any other security-based compensation arrangements will not exceed, in the aggregate, 17,678,847 Resulting Issuer Shares on each grant date.
- (b) The maximum aggregate number of Resulting Issuer Shares that are issuable pursuant to the Resulting Issuer Option Plan and all security based compensation granted or issued to insiders (as a group) must not exceed 10% of the issued and outstanding Resulting Issuer Shares at any point in time (unless the Resulting Issuer has obtained the requisite disinterested shareholder approval pursuant to the policies of the TSXV).
- (c) The maximum aggregate number of Resulting Issuer Shares that are issuable pursuant to the Resulting Issuer Option Plan and all security based compensation granted or issued in any 12 month period to insiders (as a group) must not exceed 10% of the issued and outstanding Resulting Issuer Shares, calculated as at the date any security based compensation is granted or issued to any insider (unless the Resulting Issuer has obtained the requisite disinterested shareholder approval pursuant to policies of the TSXV).
- (d) The maximum aggregate number of Resulting Issuer Shares that are issuable pursuant to the Resulting Issuer Option Plan and all security based compensation granted or issued in any 12 month period to any one person (and where permitted under the policies of the TSXV, any companies that are wholly owned by that person) must not exceed 5% of the issued and outstanding Resulting Issuer Shares, calculated as at the date any security based compensation is granted or issued to the person (unless the Resulting Issuer has obtained the requisite disinterested shareholder approval pursuant to the policies of the TSXV).
- (e) A Resulting Issuer Option may only be granted to an "eligible consultant" under the Resulting Issuer Option Plan if the number of Resulting Issuer Shares reserved for issuance under that Resulting Issuer Option, when combined with the number of Resulting Issuer Shares reserved for issuance under all Resulting Issuer Options granted within the one-year period before the grant date by the Resulting Issuer to

"eligible consultants", does not exceed, in aggregate, 2% of the outstanding Resulting Issuer Shares on the grant date.

- (f) A Resulting Issuer Option may only be granted to eligible employees, executives or eligible consultants not engaged in "investor relations activities" under the Resulting Issuer Option Plan if the number of Resulting Issuer Shares reserved for issuance under that Resulting Issuer Option, when combined with the number of Resulting Issuer Shares reserved for issuance under all Resulting Issuer Options granted within the one-year period before the grant date by the Resulting Issuer to "investor relations participants", does not exceed, in aggregate, 1% of the outstanding Resulting Issuer Shares on the grant date.
- (g) "Investor relations service providers" may not receive any security based compensation other than Resulting Issuer Options.
- (h) The Resulting Issuer Board will set the option exercise price (the "**Option Exercise Price**") in respect of each Resulting Issuer Share issuable under a Resulting Issuer Option. The Option Exercise Price will not be less than the fair market value of a Resulting Issuer Share on the grant date and, if the Resulting Issuer Shares are listed on the TSXV, will be subject to the minimum Option Exercise Price permitted by the TSXV provided that for U.S. participants, regardless of the minimum exercise price permitted by the TSXV, the Option Exercise Price will not be less than the fair market value of a Resulting Issuer Share on the grant date.
- (i) The Resulting Issuer Board will, on the grant date, set the option expiry date (the "**Option Expiry Date**") of each Resulting Issuer Option. The Option Expiry Date set under the Resulting Issuer Option Plan will be no later than ten years after the grant date (subject to extension in the event of a blackout period on the Option Expiry Date in accordance with the terms of the Resulting Issuer Option Plan).
- (j) A Resulting Issuer Option will vest and become exercisable subject to the vesting schedule and other terms set out in the relevant option agreement.
- (k) The Resulting Issuer Board may, at any time, accelerate the date on which any Resulting Issuer Option will vest and become exercisable.
- (l) In the event of the death or disability of the holder of a Resulting Issuer Option or such holder ceases to be a service provider of the Resulting Issuer, all unvested Resulting Issuer Options shall immediately terminate, and all vested Resulting Issuer Options shall expire (i) one year from the date of death or disability; (ii) 90 days following the effective termination date in the event of termination without cause, failure of a director to be elected or failure of a service contract to be renewed; or (iii) otherwise upon the effective date of termination.

The Resulting Issuer RSU/PSU Plan was approved by the board of directors of Scaling on October 16, 2024, conditional and subject to the Transaction being completed. A summary of the material terms of the Resulting Issuer RSU/PSU Plan are as follows:

- (a) The Resulting Issuer RSU/PSU Plan provides for the payment of bonuses to be satisfied by the issuance of Resulting Issuer Shares, for the purpose of advancing the interests the Resulting Issuer and its affiliates through the motivation, attraction and retention of eligible participants.
- (b) Under no circumstances may the number of Resulting Issuer Shares issuable pursuant Resulting Issuer RSUs or Resulting Issuer PSUs together with Resulting Issuer Shares issuable under all security based compensation arrangements of the Resulting Issuer exceed 17,678,847 Resulting Issuer Shares.
- (c) The total number of Resulting Issuer Shares issuable as compensation to an "investor relations service provider" cannot exceed 1% of the outstanding number of Resulting Issuer Shares in any 12-month period.
- (d) Notwithstanding anything in the Resulting Issuer RSU/PSU Plan, while the Resulting Issuer is subject to the regulations of the TSXV, the following restrictions shall apply:
 - (i) the maximum aggregate number of Resulting Issuer Shares that are issuable pursuant to the Resulting Issuer RSU/PSU Plan and pursuant to all other security based compensation of the Resulting Issuer to insiders (as a group) must not exceed 10% of the aggregate number of issued and outstanding Resulting Issuer Shares at any point in time (unless the Resulting Issuer has obtained the requisite disinterested shareholder approval pursuant to the policies of the TSXV);
 - (ii) the maximum aggregate number of Resulting Issuer Shares granted or issued pursuant to the Resulting Issuer RSU/PSU Plan and pursuant to all other security based compensation of the Resulting Issuer in any 12 month period to insiders (as a group) must not exceed 10% of the aggregate number of issued and outstanding Resulting Issuer Shares, calculated as at the date any security based compensation is granted or issued to any insider (unless the Resulting Issuer has obtained the requisite disinterested shareholder approval pursuant to the policies of the TSXV);
 - (iii) the maximum aggregate number of Resulting Issuer Shares issuable pursuant to the Resulting Issuer RSU/PSU Plan and all other security based compensation of the Resulting Issuer, granted or issued in any 12 month period to any one eligible consultant must not exceed 2% of the issued and outstanding Resulting Issuer Shares, calculated as at the date any security based compensation is granted or issued to the eligible consultant;
 - (iv) the maximum aggregate number of Resulting Issuer Shares issuable pursuant to the Resulting Issuer RSU/PSU Plan and all other security based compensation arrangements of the Resulting Issuer to any one person in any 12 month period must not exceed 5% of the aggregate number of issued and outstanding Resulting Issuer Shares, calculated as at the date any Resulting

Issuer RSU or Resulting Issuer PSU is granted to the person, unless the Resulting Issuer has obtained disinterested shareholder approval pursuant to the policies of the TSXV; and

- (v) the Resulting Issuer will not grant any Resulting issuer RSUs or Resulting Issuer PSUs to any "investor relations service provider".
- (e) A Resulting Issuer RSU or Resulting Issuer PSU granted to a participant for services rendered will entitle the participant, subject to the participant's satisfaction of any conditions (performance or otherwise), restrictions or limitations imposed under the Resulting Issuer RSU/PSU Plan or grant letter, to receive one previously unissued Resulting Issuer Share for each Resulting Issuer RSU or Resulting Issuer PSU, on the date when the award is fully vested.
- (f) Except as provided for in the grant letter or as determined by the Resulting Issuer in its discretion, upon the termination of the employment or services of the participant, for any reason other than death, disability or "resignation for good reason", then, all unvested Resulting Issuer RSUs and Resulting Issuer PSUs will be forfeited by the participant, and be of no further force and effect, as of the date of termination.
- (g) Except as provided for in the grant letter or as determined by the Resulting Issuer in its discretion, provided that the participant has been continuously employed by the Resulting Issuer or an affiliate since the grant date, the participant's unvested Resulting Issuer RSUs or Resulting Issuer PSUs shall vest in full upon the date of the participant's "resignation for good reason".
- (h) Provided that the participant has been continuously employed by the Resulting Issuer or an affiliate since the grant date, the participant's unvested Resulting Issuer RSUs or Resulting Issuer PSUs will vest on the date of the participant's death.
- (i) Provided that the participant has been continuously employed by the Resulting Issuer or an affiliate since the grant date, the participant's unvested Resulting Issuer RSUs or Resulting Issuer PSUs shall vest in full within 90 days following the date on which the participant is determined to be totally disabled in accordance with his or her employment agreement.
- (j) If, within 12 months of a "change of control, the Resulting Issuer terminates the employment of the participant for any reason other than just cause, then all Resulting Issuer RSUs and Resulting Issuer PSUs outstanding shall immediately vest on the date of such termination notwithstanding any stated vesting period.

Options to Purchase Securities

The following table represents the aggregate number of Resulting Issuer Options that will be outstanding after giving effect to the Transaction, as if it had occurred on the date of this Filing Statement. The Resulting Issuer Options are subject to the Resulting Issuer Option Plan. See

"Information Concerning the Resulting Issuer – Security Based Compensation" for a summary of the Resulting Issuer Option Plan.

Category of optionee	Aggregate Number of Persons	Number of Resulting Issuer Options	Exercise price per Resulting Issuer Option	Date of grant
All officers and directors of the Resulting Issuer	6	10,102,000	(1)(2)	(3)
All other employees of the Resulting Issuer	Nil	Nil	Nil	Nil
All consultants of the Resulting Issuer	7	1,513,434	\$0.25	(4)

Notes:

(1) An aggregate of 3,802,000 Resulting Issuer Options have an exercise price of \$0.25.

(2) An aggregate of 6,300,000 Resulting Issuer Options have an exercise price of \$0.50.

(3) An aggregate of 2,452,000 Resulting Issuer Options were granted on November 30, 2021 with 1,350,000 expiring on June 1, 2025, and 1,102,000 expiring on January 1, 2027; an aggregate of 1,350,000 Resulting Issuer Options were granted on January 11, 2022 expiring on January 11, 2026; an aggregate of 600,000 Resulting Issuer Options were granted on July 1, 2024 expiring on July 1, 2034; and an aggregate of 5,700,000 Resulting Issuer Options were granted on August 1, 2024 expiring on August 1, 2034.

(4) An aggregate of 30,000 Resulting Issuer Options were granted on January 19, 2022 expiring on July 19, 2032; an aggregate of 160,000 Resulting Issuer Options were granted on February 1, 2022 expiring on February 1, 2032; an aggregate of 1,273,434 Resulting Issuer Options were granted on November 30, 2021 expiring on January 1, 2027; and an aggregate of 50,000 Resulting Issuer Options were granted on October 1, 2022 expiring on October 1, 2032

Other Security Based Compensation

The following table represents the aggregate number of Resulting Issuer RSUs that will be outstanding after giving effect to the Transaction, as if it had occurred on the date of this Filing Statement. The Resulting Issuer RSUs are subject to the Resulting Issuer RSU/PSU Plan. See "Information Concerning the Resulting Issuer – Security Based Compensation" for a summary of the Resulting Issuer RSU/PSU Plan.

Category of optionee	Aggregate Number of Persons	Number of Resulting Issuer PSUs/RSUs	Exercise price per Resulting Issuer PSU/RSU	Date of grant
All officers and directors of the Resulting Issuer	1	3,000,000 Resulting Issuer PSUs	Nil	July 15, 2023 ⁽¹⁾
All other employees of the Resulting Issuer	Nil	Nil	Nil	Nil
All consultants of the Resulting Issuer	3	266,000 Resulting Issuer RSUs	Nil	(2)

(1) Expiring on July 31, 2033.

(2) An aggregate of 100,000 Resulting Issuer RSUs were issued on May 24, 2022 expiring on May 24, 2025; 100,000 Resulting Issuer RSUs were issued on August 3, 2022 expiring on May 24, 2025; and 66,000 Resulting Issuer RSUs were issued on December 12, 2022 expiring on May 24, 2025

Escrowed Securities

Escrow Shares

To the knowledge of Matador and Scaling, the following table sets forth a summary of the Resulting Issuer Escrow Shares that are anticipated to be held in escrow subject to the Resulting Issuer Escrow Agreement.

Name and Municipality of Residence of Securityholder	Designation of class	Prior to giving effect to the Transaction		After giving effect to the Transaction ⁽³⁾	
		Number of securities held in escrow	Percentage of Class(%) ⁽¹⁾	Number of securities to be held in escrow ⁽²⁾	Percentage of Class (%) ⁽¹⁾
Deven Soni Las Vegas, NV	Resulting Issuer Shares	Nil	N/A	2,180,100	2.5%
	Resulting Issuer Options	Nil	N/A	2,800,000	24.1%
	Resulting Issuer PSUs	Nil	N/A	3,000,000	100%
Geoff St. Clair Toronto, Ontario	Resulting Issuer Shares	Nil	N/A	990,000	1.1%
	Resulting Issuer Options	Nil	N/A	802,000	6.9%
Donato Sferra Toronto, Ontario	Resulting Issuer Shares	Nil	N/A	16,110,000	18.1%
	Resulting Issuer Options	Nil	N/A	1,550,000	13.3%
Richard Murphy Sudbury, Ontario	Resulting Issuer Shares	Nil	N/A	1,000,000	1.1%
	Resulting Issuer Options	Nil	N/A	1,050,000	9.0%
Tyler Evans, Nashville, TN	Resulting Issuer Shares	Nil	N/A	7,000,000	7.9%
Sunny Ray Toronto, Ontario	Resulting Issuer Options	Nil	N/A	600,000	5.2%
Mark Moss Toronto, Ontario	Resulting Issuer Options	Nil	N/A	3,300,000	28.4%

Notes:

- (1) Calculated assuming completion of the issuance of an aggregate of 9,400,000 Matador Shares pursuant to the maximum Concurrent Financing, and an aggregate of 11,615,434 Matador Options, 266,000 Matador RSUs and 3,000,000 Matador PSUs outstanding immediately prior to completion of the Transaction.
- (2) These securities will be held in escrow pursuant to the Resulting Issuer Escrow Agreement with the Escrow Agent and will be subject to release as further detailed below.
- (3) The Transaction will only be completed if the minimum Concurrent Financing is completed.

The Resulting Issuer Escrow Shares will be subject to the following release schedule:

Percentage of Shares Released	Time of Release
5%	At the time of Final Exchange Bulletin
5%	6 months from Final Exchange Bulletin
10%	12 months from Final Exchange Bulletin
10%	18 months from Final Exchange Bulletin
15%	24 months from Final Exchange Bulletin
15%	30 months from Final Exchange Bulletin
40%	36 months from Final Exchange Bulletin

Voluntary Resale Restrictions

In addition to any resale restrictions applicable to the Resulting Issuer Escrow Shares pursuant to the policies of TSXV, an aggregate of 14,101,000 Resulting Issuer Shares will be subject to the Voluntary Resale Restrictions which provide for release as follows:

Proportion Subject to Resale Restrictions	Expiration of Resale Restrictions
20%	The date on which the Resulting Issuer Shares are listed for trading.
20%	3 months from the date the Resulting Issuer Shares are listed for trading.
20%	6 months from the date the Resulting Issuer Shares are listed for trading.
20%	9 months from the date the Resulting Issuer Shares are listed for trading.
20%	12 months from the date the Resulting Issuer Shares are listed for trading.

None of the aggregate 14,101,000 Resulting Issuer Shares that will be subject to the Voluntary Resale Restrictions will be subject to the Resulting Issuer Escrow Agreement as detailed above, or the seed share resale restrictions imposed by the TSXV as further detailed below. The Voluntary Resale Restrictions are supplemental to the restrictions mandated by the TSXV, and will not affect the terms of the Tier 2 surplus escrow or the seed share resale restrictions discussed elsewhere herein.

Contractual Resale Restrictions

In addition to any resale restrictions applicable to the Resulting Issuer Escrow Shares pursuant to the policies of TSXV and the Voluntary Resale Restrictions, an aggregate of 1,000,000 Resulting Issuer Shares will be subject to the Contractual Resale Restrictions which provide for release as follows:

- 250,000 Matador Shares shall be released upon completion of an equity financing by Matador to raise minimum aggregate gross proceeds of \$10,000,000;
- 250,000 Matador Shares shall be released upon Matador becoming a reporting issuer in any jurisdiction of Canada and the Matador Shares commencing trading on a recognized stock exchange;
- 250,000 Matador Shares shall be released upon Matador holding \$100,000,000 in tokenized gold;
- 25,000 Matador Shares shall be released upon the establishment of each qualified partnership by Matador, to a maximum of 150,000 Matador Shares; and
- 100,000 Matador Shares shall be released upon Matador having \$100,000,000 in assets under management or tokenized gold.

Of the aggregate 1,000,000 Resulting Issuer Shares that will be subject to the Contractual Resale Restrictions, an aggregate of 750,000 such Resulting Issuer Shares will also be subject to the Resulting Issuer Escrow Agreement as further detailed above, and an aggregate of 250,000 such Resulting Issuer Shares will also be subject to the seed share resale restrictions imposed by the TSXV as further detailed below. To the extent that any of the Resulting Issuer Shares which are subject to the Contractual Resale Restrictions are also subject to the Resulting Issuer Escrow Agreement or the seed share resale restrictions, the more onerous release schedule shall apply. The Contractual Resale Restrictions are supplemental to the restrictions mandated by the TSXV, and will not affect the terms of the Tier 2 surplus escrow or the seed share resale restrictions discussed elsewhere herein.

Seed Share Resale Restrictions

The following table summarizes the securities of the Resulting Issuer expected to be subject to seed share resale restrictions following the completion of the Transaction to the knowledge of Matador and Scaling as of the date of this Filing Statement in accordance with Section 10 of TSXV Policy 5.4.

Name	Designation of Class	Prior to Giving Effect to the Transaction		After Giving Effect to Transaction	
		Number of Securities Held in Escrow	Percentage of Class	Number of Securities Held in Escrow	Percentage of Class ⁽¹⁾
Various existing non-Principal Matador Shareholders	Common Shares	Nil	N/A	25,600,000 Resulting Issuer Shares	28.8%

(1) Calculated on a non-diluted basis assuming an aggregate of 88,794,238 Resulting Issuer Shares outstanding and completion of the Transaction as otherwise contemplated hereby.

Following completion of the Transaction, securities summarized in the above table will be escrowed in accordance with TSXV policies and applicable Securities Laws as follows:

Percentage of Shares Released	Time of Release
10%	At the time of Final Exchange Bulletin
15%	6 months from Final Exchange Bulletin
15%	12 months from Final Exchange Bulletin
15%	18 months from Final Exchange Bulletin
15%	24 months from Final Exchange Bulletin
15%	30 months from Final Exchange Bulletin
15%	36 months from Final Exchange Bulletin

CPC Escrow

The following table summarizes the securities of Scaling and the Resulting Issuer expected to be under escrow following the completion of the Transaction to the knowledge of Matador and Scaling as of the date of this Filing Statement that were previously deposited in escrow pursuant to the CPC Escrow Agreement.

Name	Designation of Class	Prior to Giving Effect to the Transaction ⁽¹⁾		After Giving Effect to Transaction ⁽⁸⁾	
		Number of Securities Held in Escrow ⁽⁴⁾	Percentage of Class ⁽⁴⁾	Number of Securities Held in Escrow ⁽⁵⁾⁽⁶⁾	Percentage of Class ⁽⁷⁾
Northwest Passage Ventures Inc. ⁽²⁾ Toronto, ON	Scaling Shares	1,500,000	8.82%	495,005	0.56%
Shirin Kabani North York, ON	Scaling Shares	500,000	2.94%	165,002	0.19%
Kirstin McTaggart Mississauga, ON	Scaling Shares	500,000	2.94%	165,002	0.19%
Aiden Holdings Ltd. ⁽³⁾ Etobicoke, ON	Scaling Shares	5,000,000	29.41%	1,650,020	1.86%
John Wilson Toronto, ON	Scaling Shares	2,000,000	11.76%	660,008	0.74%
Ramesh Kashyap Brampton, ON	Scaling Shares	500,000	2.94%	165,002	0.19%

Name	Designation of Class	Prior to Giving Effect to the Transaction ⁽¹⁾		After Giving Effect to Transaction ⁽⁸⁾	
		Number of Securities Held in Escrow ⁽⁴⁾	Percentage of Class ⁽⁴⁾	Number of Securities Held in Escrow ⁽⁵⁾⁽⁶⁾	Percentage of Class ⁽⁷⁾
Warren Steinwall Pickering, ON	Scaling Shares	500,000	2.94%	165,002	0.19%
John McMahon Toronto, ON	Scaling Shares	2,000,000	11.76%	660,008	0.74%

Notes:

- (1) Assuming no Matador Shares are purchased by these persons under the Concurrent Financing.
- (2) Northwest Passage Ventures Inc. is a private company wholly-owned and controlled by Mr. Tapscott.
- (3) Aiden Holdings Ltd. is a private company wholly-owned and controlled by Mr. Fox and his spouse.
- (4) On a non-diluted pre-Scaling Consolidation basis based upon 17,000,000 Scaling Shares outstanding.
- (5) Presented on a post-Scaling Consolidation basis, subject to rounding.
- (6) The number of Resulting Issuer Shares held in escrow after giving effect to the Transaction reflects the first 25% having been released upon the date of the Final Exchange Bulletin.
- (7) On a non-diluted basis based upon an aggregate of 88,794,238 Resulting Issuer Shares outstanding, assuming completion of the maximum Concurrent Financing and completion of the Transaction as otherwise set forth herein.
- (8) The Transaction will only be completed if the minimum Concurrent Financing is completed.

Securities summarized in the above table held by certain shareholders of Scaling will be escrowed in accordance with TSXV policies and applicable Securities Laws as follows:

Percentage of Shares Released from Escrow	Share Release Date
25%	Date of Final Exchange Bulletin
25%	6 months from Final Exchange Bulletin
25%	12 months from Final Exchange Bulletin
25%	18 months from Final Exchange Bulletin

Corporate Governance

Upon the Closing, the Resulting Issuer will adopt certain corporate governance policies and practices. The disclosure set out below describes the proposed approach to corporate governance.

Statement of Corporate Governance Practices

The Resulting Issuer's corporate governance disclosure obligations are set out in National Instrument 58-101 – *Corporate Governance Disclosure* ("**NI 58-101**"), National Policy 58-201 – *Corporate Governance Guidelines* and National Instrument 52-110 – *Audit Committees* ("**NI 52-110**"). These instruments set out a series of guidelines and requirements for effective corporate

governance (collectively, the "**Guidelines**"). The Guidelines address matters such as the constitution and independence of corporate boards, the functions to be performed by boards and their committees and the effectiveness and education of board members.

Set out below is a description of the Resulting Issuer's anticipated approach to corporate governance in relation to the Guidelines.

Board of Directors

Upon closing of the Transaction, the Resulting Issuer Board will consist of four directors, being Deven Soni, Donato Sferra, Richard Murphy, and Tyler Evans. An independent director will join the Resulting Issuer Board prior to the Resulting Issuer Shares being listed on the TSXV. The directors will be elected by shareholders at each annual meeting of shareholders, and all directors will hold office for a term expiring at the close of the next annual meeting or until their respective successors are elected or appointed. The chair of the Resulting Issuer Board (the "**Chair**") shall be appointed by the Resulting Issuer Board.

Independence of the Resulting Issuer Board

Under NI 58-101, a director is considered to be independent if they are independent within the meaning of Section 1.4 of NI 52-110. Pursuant to NI 52-110, an independent director is a director who is free from any direct or indirect relationship which could, in the view of the Resulting Issuer Board, be reasonably expected to interfere with a director's independent judgment. Based on information provided by each director concerning their background, employment and affiliations, it has been determined all of the directors will be independent, except for Deven Soni as a result of his role as an executive officer of the Resulting Issuer, and each of Tyler Evans and Donato Sferra as a result of their respective indirect receipt of fees in excess of \$75,000 in any 12 month period over the last three years.

Meeting In-camera

The Resulting Issuer Board will be able to facilitate independent judgment in carrying out its responsibilities. To enhance independent judgment, the independent members of the Resulting Issuer Board may hold scheduled meetings without management and non-independent directors. These discussions are intended to generally form part of the committee chairs' reports to the Resulting Issuer Board. The Resulting Issuer Board will encourage open and candid discussions among the independent directors will be encouraged by providing them with an opportunity to express their views on key topics before decisions are taken.

Mandate of the Resulting Issuer Board

The Resulting Issuer Board will be responsible for supervising the management of the business and affairs of the Resulting Issuer, including providing guidance and strategic oversight to management. The Resulting Issuer Board will adopt a formal mandate that includes the following responsibilities:

- reviewing and approving annual operating plans and budgets;

- identifying the principal risks to the Resulting Issuer's business and ensuring the implementation of appropriate systems and procedures to effectively monitor, manage and mitigate the impact of such risks, including requesting and reviewing reports from management on the status of risk management activities, reviewing reports on spending in relation to approved budgets, and overseeing the financial reporting process of the Resulting Issuer; and
- reviewing and approving management's strategic and business plans.

Position Descriptions

The Resulting Issuer Board will adopt a written position description for the Chair, which will set out the Chair's key responsibilities, including, among others, duties relating to setting Resulting Issuer Board meeting agendas, chairing the Resulting Issuer Board and shareholder meetings and director development.

The Resulting Issuer Board will adopt a written position description for each of the committee chairs which will set out each of the committee chair's key responsibilities, including, among others, duties relating to setting committee meeting agendas, chairing committee meetings and working with the respective committee and management to ensure, to the greatest extent possible, the effective functioning of the committee.

The Resulting Issuer Board will adopt a written position description for the Chief Executive Officer which will set out the key responsibilities of the Chief Executive Officer, including, among other duties in relation to providing overall leadership, ensuring the development of a strategic plan and recommending such plan to the Resulting Issuer Board for consideration, ensuring the development of an annual corporate plan and budget that supports the strategic plan and recommending such plan to the Resulting Issuer Board for consideration, and supervising day-to-day management and communicating with shareholders and regulators.

Director Term Limits and Mandatory Retirement

The Resulting Issuer Board does not propose to adopt director term limits or other automatic mechanisms of board renewal. Rather than adopting formal term limits, mandatory age-related retirement policies and other mechanisms of board renewal, the Resulting Issuer Board will seek to maintain the composition of the Resulting Issuer Board in a manner that provides, in the judgement of the Resulting Issuer Board, the best mix of skills and experience to provide for the overall stewardship.

Diversity

Given Matador's recent incorporation, the Resulting Issuer will initially only have a very small board and management team. However, recognizing the benefits that diversity brings to an organization, the Resulting Issuer intends to adopt a diversity policy that, among other things, encourages the Resulting Issuer Board and management to hire and engage personnel who have a diverse range of perspectives, insights and backgrounds, having regard to, among other things, gender, status, age, professional expertise, nationality, race and geographic background. While it

is not currently anticipated that the Resulting Issuer will initially adopt a target percentage regarding the number of women on the Resulting Issuer Board or in senior management positions, or timeline for appointing same, the Resulting Issuer Board will evaluate the appropriateness of adopting targets in the future as the business grows.

Other Corporate Governance Matters

Orientation and Continuing Education

Following the closing of the Transaction, the Resulting Issuer expects to implement an orientation program for new directors under which a new director will meet with the Chair and executive officers. It is anticipated that new directors will be provided with comprehensive orientation and education as to the nature and operation of the Resulting Issuer and its business, the role of the Resulting Issuer Board and its committees, and the contribution that an individual director is expected to make. The chair of each committee will be responsible for coordinating orientation and continuing director development programs relating to the committee's charter.

Nomination of Directors

The Governance Committee's role will be to recommend to the Resulting Issuer Board candidates for election as directors and candidates for appointment to the Resulting Issuer Board committees as set out in the Governance Committee Charter.

Code of Conduct and Ethics Policy

The Resulting Issuer will adopt a written code of conduct ("**Code of Conduct**") in due course following the closing of the Transaction that applies to all of the officers, directors, employees, contractors and agents acting on behalf of the Resulting Issuer. The objective of the Code of Conduct will be to provide guidelines for maintaining the Resulting Issuer and the Resulting Issuer's subsidiaries' integrity, trust and respect. The Code of Conduct will address, among other things, compliance with laws, rules and regulations, conflicts of interest, confidentiality, financial information, internal controls and disclosure, communications, fair dealing, due diligence, privacy, and reporting any violations of law, regulation or the Code of Conduct. The Governance Committee will have ultimate responsibility for monitoring compliance with the Code of Conduct. The Code of Conduct will be filed with the Canadian securities regulatory authorities on SEDAR+ at www.sedarplus.ca.

Board and Committee Assessment

The Governance Committee's role is expected to be to assess the effectiveness of the Resulting Issuer Board as a whole, the committees of the Resulting Issuer Board and the contribution of individual directors. Directors will be expected to complete self-evaluations, peer evaluations and to consider, among other things, the overall functioning and performance of the Resulting Issuer Board, its standing committees and oversight thereof, the operational oversight of the Resulting Issuer Board, management structure, the effectiveness of the Resulting Issuer's internal controls and financial reporting, ethics and compliance matters and accountability. The chair of the Governance Committee will encourage discussion amongst the Resulting Issuer Board to evaluate

the effectiveness of the Resulting Issuer Board as a whole, its committees and its individual directors. All directors will also be encouraged to make suggestions for improvement of the practices of the Resulting Issuer Board at any time.

Audit Committee

Upon closing of the Transaction, the Audit Committee will consist of three directors, all of whom are persons determined by the Resulting Issuer Board to be both (i) independent directors, other than Mr. Sferra; and (ii) financially literate, within the meaning of NI 52-110. See "*Information Concerning the Resulting Issuer - Audit Committee*".

Compensation Committee

Upon closing of the Transaction, the Resulting Issuer expects to appoint a Compensation Committee consisting of three directors, who will be charged with reviewing, overseeing and evaluating our compensation policies. The Compensation Committee is initially expected to be comprised of Richard Murphy, Donato Sferra, and Deven Soni. No member of the Compensation Committee will be one of the officers of the Resulting Issuer other than Mr. Soni, and as such, the Resulting Issuer Board believes that the Compensation Committee will be able to conduct its activities in an objective manner.

The Resulting Issuer Board will adopt a written charter setting forth the purpose, composition, authority and responsibility of the Compensation Committee. The Compensation Committee's purpose will be to:

- review and recommend to the Resulting Issuer Board the appropriate compensation level for the Resulting Issuer's senior management;
- oversee the Resulting Issuer's compensation and benefit plans, policies and practices, including any executive compensation plans and incentive-compensation and equity-based plans; and
- monitor and evaluate matters relating to the compensation and benefits structure of the Resulting Issuer.

Governance Committee

Upon closing of the Transaction, the Resulting Issuer expects to appoint a Governance Committee consisting of three directors, who will be charged with reviewing, overseeing and evaluating our nomination and governance policies. The Governance Committee is initially expect to be comprised of Richard Murphy, Tyler Evans, and Deven Soni.

For additional details regarding the relevant education and experience of each member of the Governance Committee, see also "*Information Concerning the Resulting Issuer – Management and Director Biographies*".

The Resulting Issuer Board will adopt a written charter setting forth the purpose, composition, authority and responsibility of the Governance Committee. The Governance Committee's duties and responsibilities are to:

- determine the qualifications, skills and other expertise required to be a director of the Resulting Issuer, and develop, and recommend to the Resulting Issuer Board for approval, criteria to be considered in selecting nominees for director;
- review the Resulting Issuer Board committee structure on an annual basis and recommend to the Resulting Issuer Board any changes it considers necessary or desirable with respect to that structure;
- review and discuss with management the disclosure of the Resulting Issuer's corporate governance practices;
- develop and oversee a Resulting Issuer orientation program for new directors, which will include opportunities for meetings and discussion with senior management and other directors; and
- succession planning, to develop and evaluate potential candidates for CEO.

The assessment undertaken by the Governance Committee will address, among other things, individual director independence, individual director and overall Resulting Issuer Board skills, and individual director financial literacy. The Resulting Issuer Board will receive and consider the recommendations from the Governance Committee regarding the results of the evaluation of the performance and effectiveness of the Resulting Issuer Board, committees of the Resulting Issuer Board, individual Resulting Issuer Board members, the Chair and committee chairs. The Governance Committee will also be responsible for orientation and continuing education programs for our directors.

Key Governance Documents

Following completion of the Transaction, it is expected that many policies and practices will support the corporate framework of the Resulting Issuer. The following documents will constitute key components of the Resulting Issuer's corporate governance system and are expected to be made available by the Resulting Issuer subsequent to completion of the Transaction:

- Resulting Issuer Board Mandate
- Audit Committee Charter
- Compensation Committee Charter
- Governance Committee Charter
- Majority Voting Policy for Director Elections

- Insider Trading Policy
- Diversity Policy
- Code of Conduct
- Whistle Blower Policy

Auditor, Transfer Agent and Registrar

Auditor

Upon completion of the Transaction, the Resulting Issuer's auditor will be Kingston Ross Pasnak LLP, being the auditor of Matador, at its office located 2797 John St., Markham, ON L3R 2Y8.

Transfer Agent and Registrar

Upon completion of the Transaction, the Resulting Issuer's transfer agent and registrar will be Odyssey Trust Company at its Toronto offices, located at Trader's Bank Building, 702, 67 Yonge Street, Toronto ON M5E 1J8.

RISK FACTORS

The current business of Matador will be the business of the Resulting Issuer following completion of the Transaction. Accordingly, risk factors relating to Matador's current business will be risk factors relating to the Resulting Issuer's business. Due to the nature of Matador's business, the legal and economic climate in which it operates, and its present stage of development and proposed operations, the Resulting Issuer will be subject to significant risks. The following is a summary of certain risk factors relating to the Transaction and to the business of Matador and is qualified in its entirety by reference to, and must be read in conjunction with, the detailed information appearing elsewhere in this Filing Statement. Readers should carefully consider all such risks, which include but are not limited to the following.

Risks Related to the Transaction

Necessary Approvals

The completion of the Transaction and the listing of the Resulting Issuer Shares on the TSXV are subject to the satisfaction of a number of conditions, including final TSXV approval, the approval of the Arrangement by Matador Shareholders, the approval of the Scaling Shareholders for the Scaling Consolidation, Name Change and Continuance and all requisite Court approvals for the Plan of Arrangement. There can be no assurance that all of the necessary approvals will be obtained. If the Transaction, as contemplated by the Transaction Agreement, is not completed for these reasons or for any others, Matador and Scaling will have incurred significant costs associated with the failed implementation of the Transaction.

Termination of Transaction Agreement

The Transaction Agreement specifies that the parties' obligations to effect the Transaction are conditional upon the satisfaction of a number of conditions. If any of the conditions are not satisfied or waived, the Transaction may not be completed. Each of Scaling and Matador has the right, in certain circumstances, to terminate the Transaction Agreement. Accordingly, there can be no certainty that the Transaction Agreement will not be terminated by either party prior to the completion of the Transaction.

General Asset Risks

Intellectual Property

Matador may rely heavily on the use of proprietary and non-proprietary software, data and intellectual property of third parties. The operation of any element in its network, or any other electronic platform, may be severely and adversely affected by the malfunction of technology. For example, an unforeseen software or hardware malfunction could occur as a result of a virus or other outside force, or as result of a design flaw in the design and operation of the network or platform. In addition, the technology of the service providers may be inactive for periods of time, known as "downtime". Further, if Matador's software, hardware, data or other intellectual property is found to infringe on the rights of any third party, the underlying value of the assets of Matador could be materially and adversely affected.

The security procedures and operational infrastructure of Matador may be breached due to the actions of outside parties, error or malfeasance of an employee of Matador, or otherwise, and, as a result, an unauthorized party may obtain access to Matador's asset accounts or data. Additionally, outside parties may attempt to fraudulently induce employees of Matador to disclose sensitive information in order to gain access to the infrastructure of Matador. As the techniques used to obtain unauthorized access, disable or degrade service, or sabotage systems change frequently, or may be designed to remain dormant until a predetermined event, and often are not recognized until launched against a target, Matador may be unable to anticipate these techniques or implement adequate preventative measures. If an actual or perceived breach of Matador's platform occurs, the market perception of the effectiveness of its security protocols could be harmed and the value of the Matador Shares could be materially adversely affected.

Commodity and Digital Asset Risk.

There is no assurance that any gold or digital assets will maintain their value over the long term. Even if growth in the demand of any such asset occurs in the near or medium term, there is no assurance that such demand will continue to grow over the long term. A contraction in demand for gold or digital assets may result in increased volatility or a reduction in prices, which could materially and adversely affect the value of Matador's assets, the demand for its services, and the value of any investment in the Matador Shares.

Cryptocurrencies, Digital Assets and Momentum Pricing Risk.

Momentum pricing typically is associated with growth stocks and other assets whose valuation, as determined by the investing public, accounts for anticipated future appreciation in value. Market prices of commodities, cryptocurrencies and digital assets are determined primarily using data from various exchanges, over-the-counter markets and derivative platforms. Momentum pricing may have resulted, and may continue to result, in speculation regarding future appreciation in the value of such assets, inflating and making their market prices more volatile. As a result, they may be more likely to fluctuate in value due to changing investor confidence in future appreciation (or depreciation) in their market prices, which could adversely affect the value of the commodities, cryptocurrencies and/or digital assets on Matador's balance sheet and the value of the Matador Shares.

The profitability of Matador's operations may in the future be significantly affected by changes in prices of commodities, cryptocurrencies and other digital assets. The prices of these assets are highly volatile, can fluctuate substantially and are affected by numerous factors beyond Matador's control, including use of such cryptocurrencies and other digital assets in various industries, demand, inflation and expectations with respect to the rate of inflation, global or regional political or economic events. If the price of cryptocurrencies, commodities and/or other digital assets should decline and remain at low market levels for a sustained period, Matador could determine that it is not economically feasible to continue activities. In particular, the price and trading volume of any digital asset is subject to significant uncertainty and volatility, depending on several factors, including, but not limited to:

- changes in liquidity, market-making volume, and trading activities;
- investment and trading activities of highly active retail and institutional users, speculators, miners, and investors;
- decreased user and investor confidence in crypto assets and crypto platforms;
- negative publicity or events and unpredictable social media coverage or "trending" of crypto assets;
- the ability for crypto assets to meet user and investor demands;
- the functionality and utility of crypto assets and their associated ecosystems and networks;
- consumer preferences and perceived value of crypto assets and crypto asset markets;
- regulatory or legislative changes and updates affecting the crypto economy;
- the characterization of crypto assets under the laws of various jurisdictions around the world;
- the maintenance, troubleshooting, and development of the blockchain networks;

- the ability for crypto networks to attract and retain miners or validators to secure and confirm transactions accurately and efficiently;
- interruptions in service from or failures of major crypto platforms;
- availability of an active derivatives market for various crypto assets;
- availability of banking and payment services to support crypto-related projects;
- level of interest rates and inflation;
- national and international economic and political conditions;
- global cryptocurrency supply;
- changes in the software, software requirements or hardware requirements underlying a blockchain network;
- competition for and among various cryptocurrencies; and
- actual or perceived manipulation of the markets for cryptocurrencies.

Cryptocurrencies and Digital Assets Volatility Risk

To the extent that Matador's holdings incorporate digital assets and/or cryptocurrencies, the value of the Resulting Issuer Shares will relate partially to the value of such digital assets and/or cryptocurrencies, and fluctuations in the price of cryptocurrencies and other digital assets could materially and adversely affect an investment in the Resulting Issuer Shares. Several factors may affect the price of cryptocurrencies and other digital assets, including: the total number of cryptocurrencies and other digital assets in existence; global cryptocurrency and other digital asset demand; global cryptocurrency and other digital assets supply; investors' expectations with respect to the applicable rate of inflation and/or deflation, interest rates; currency exchange rates, including the rates at which cryptocurrencies and other digital assets may be exchanged; currency withdrawal and deposit policies of cryptocurrency exchanges and liquidity of such cryptocurrency exchanges; interruptions in service from or failures of major cryptocurrency exchanges; Cyber theft of cryptocurrencies and other digital assets from online wallet providers, or news of such theft from such providers or from individuals' wallets; investment and trading activities of large investors; monetary policies of governments, trade restrictions, currency devaluations and revaluations; regulatory measures, if any, that restrict the use of cryptocurrencies and other digital assets as a form of payment or the purchase of cryptocurrencies and other digital assets; the availability and popularity of businesses that provide cryptocurrencies, other digital assets and blockchain-related services; the maintenance and development of the open-source software protocol of various cryptocurrency or digital asset protocol networks; increased competition from other forms of cryptocurrency or payments services; global or regional political, economic or financial events and situations; expectations among cryptocurrencies and other digital assets economy participants that the value of cryptocurrencies and other digital assets will soon change; and fees associated with processing a cryptocurrency or other digital asset transaction.

Cryptocurrencies and other digital assets have historically experienced significant intraday and long-term price volatility. If cryptocurrency and other digital asset markets continue to be subject to sharp fluctuations, shareholders may experience losses if they need to sell their Resulting Issuer Shares at a time when the price of cryptocurrencies and other digital assets is lower than it was when they purchased their Resulting Issuer Shares (or securities exchanged therefor). In addition, investors should be aware that there is no assurance that cryptocurrencies and other digital assets will maintain their long term value in terms of future purchasing power or that the acceptance of cryptocurrencies and other digital assets payments by mainstream retail merchants and commercial businesses will continue to grow.

Security Risks

As with any other computer code, flaws in cryptocurrency and other digital asset source codes have been exposed by certain malicious actors. Several errors and defects have been found and corrected, including those that disabled some functionality for users and exposed users' information. Discovery of flaws in or exploitations of the source code that allow malicious actors to take or create cryptocurrencies and/or other digital assets can occur. Security breaches, computer malware and computer hacking attacks have been a prevalent concern in the Bitcoin and other cryptocurrency exchange market since the launch of the Bitcoin Network. Any security breach caused by hacking, which involves efforts to gain unauthorized access to information or systems, or to cause intentional malfunctions or loss or corruption of data, software, hardware or other computer equipment, and the inadvertent transmission of computer viruses, could harm Matador's business operations or result in loss of its assets. Any breach of the Matador infrastructure could result in damage to its reputation and reduce demand for the Resulting Issuer Shares, resulting in a reduction in the price of the Resulting Issuer Shares. Furthermore, if its assets grow, Matador may become a more appealing target for security threats, such as hackers and malware. Any security procedures implemented cannot guarantee the prevention of any loss due to a security breach, software defect or act of God that may be borne by Matador.

As technological change occurs, the security threats to Matador's platform will likely adapt, and previously unknown threats may emerge. The ability of Matador to adopt technology in response to changing security needs or trends may pose a challenge to the safekeeping of its assets and user data. To the extent that Matador is unable to identify and mitigate or stop new security threats, its assets may be subject to theft, loss, destruction or other attack.

Potential Manipulation of Blockchain

If a malicious actor or botnet (a volunteer or hacked collection of computers controlled by networked software coordinating the actions of the computers) obtains control of more than 50% of the processing power dedicated to mining on certain cryptocurrency networks such as the Bitcoin Network, it may be able to alter or manipulate the Blockchain on which the network and most associated transactions rely by constructing fraudulent blocks or preventing certain transactions from completing in a timely manner, or at all. The malicious actor or botnet could control, exclude or modify the ordering of transactions, though it could not generate new cryptocurrencies or transactions using such control. The malicious actor could "double-spend" its own cryptocurrency (i.e., spend the same Bitcoins in more than one transaction) and prevent the confirmation of other users' transactions for so long as it maintained control. To the extent that

such malicious actor or botnet did not yield its control of the processing power on the network or the associated cryptocurrency community did not reject the fraudulent blocks as malicious, reversing any changes made to the Blockchain may not be possible. To the extent that the particular crypto ecosystem, including the core developers and the administrators of mining pools, do not act to ensure greater decentralization of mining processing power for cryptocurrencies such as Bitcoin, the feasibility of a malicious actor obtaining control of the processing power on the associated network will increase.

Insurance

Matador intends to insure its operations in accordance with typical practices in the gold dealer market, and for its operations of a technological nature, in the technology industry. However, given the novelty of its business model, such insurance may not be available, may be uneconomical for Matador, or the nature or level may be insufficient to provide adequate insurance cover. The occurrence of an event that is not covered or fully covered by insurance could have a material adverse effect on Matador.

Cybersecurity Risk

Cyber incidents can result from deliberate attacks or unintentional events, and may arise from internal sources (e.g., employees, contractors, service providers, suppliers and operational risks) or external sources (e.g., nation states, terrorists, hackers, competitors and acts of nature). Cyber incidents include unauthorized access to information systems and data (e.g., through hacking or malicious software) for purposes of misappropriating or corrupting data or causing operational disruption. Cyber incidents also may be caused in a manner that does not require unauthorized access, such as causing denial-of-service attacks on websites (e.g., efforts to make network services unavailable to intended users). A cyber incident that affects Matador or its service providers might cause disruptions and adversely affect their respective business operations, and might also result in violations of applicable law (e.g., personal information protection laws), each of which might result in potentially significant financial losses and liabilities, regulatory fines and penalties, reputational harm, and reimbursement and other compensation costs. In addition, substantial costs might be incurred to investigate, remediate and prevent cyber incidents.

Risk of Unauthorized Access and Block Circumvention

Unauthorized users may attempt to bypass access controls, firewalls, or other block mechanisms, resulting in unauthorized access to confidential data or systems. Such circumvention of blocks could expose Matador to data breaches, operational disruptions, and potential regulatory penalties, particularly if sensitive information is accessed or disclosed. These attempts could involve exploiting security vulnerabilities, using VPNs, or other evasion techniques, which may render certain access restrictions ineffective.

Gold Price Volatility and Regulatory Risk

The transfer of gold involves inherent risks, including fluctuations in gold prices due to market volatility. Any significant change in the market price of gold could impact the valuation of the assets involved in Matador's operations. Additionally, the transfer and holding of gold may be

subject to various local and international regulations. Any changes to these regulatory frameworks, including restrictions on gold ownership, taxation, or export/import requirements, could adversely affect the cost, timing, or feasibility of Matador's operations.

Litigation

Matador may be subject to litigation arising out of, or related to, its operations. Damages claimed under such litigation may be material, and the outcome of such litigation may materially impact Matador's operations and the value of the Matador Shares. While Matador expects to assess the merits of any lawsuits and defend such lawsuits accordingly, it may be required to incur significant expense or devote significant financial resources to such defenses. In addition, the adverse publicity surrounding such claims may have a material adverse effect on Matador's operations and the Matador Shares.

Other Risks

Limited Operating History

Matador has a very limited history of operations and is in the early stage of development. As such, it will be subject to many risks common to such enterprises, including undercapitalization, cash shortages, limitations with respect to personnel, financial and other resources, and lack of revenue. There is no assurance that Matador will be successful in achieving a return on shareholders' investment and the likelihood of success must be considered in light of its early stage of operations. There can be no assurance that Matador will be able to earn material revenue or that any of its activities will generate positive cash flow.

Additional Funding

Additional funds raised through debt or equity offerings may be needed to finance Matador's future activities. There can be no assurance that Matador will be able to obtain adequate financing in the future or that the terms of such financing will be favorable. Failure to obtain additional financing could cause Matador to reduce or terminate its operations.

If additional funds are raised through further issuances of equity or securities convertible into equity, existing shareholders could suffer significant dilution, and any new equity securities issued could have rights, preferences and privileges superior to those of holders of Matador Shares. Any debt financing secured in the future could involve restrictive covenants relating to capital raising activities and other financial and operational matters, which may make it more difficult for Matador to obtain additional capital and to pursue business opportunities.

Competition

Matador will compete with other technology businesses, including other businesses focused on developing substantial precious metals dealer and/or digital asset operations. Any market participant with sufficient capital and know-how has the ability to develop a similar platform, which would inherently increase competition.

Compliance and Management Programs

Matador's ability to comply with applicable laws and rules will be largely dependent on the establishment and maintenance of compliance, review and reporting systems, as well as the ability to attract and retain qualified compliance and other risk management personnel, as needed. Matador cannot provide any assurance that its compliance policies and procedures will be effective or that it will be successful in monitoring or evaluating its risks. If there is any alleged non-compliance with applicable laws or regulations, Matador could be subject to investigations and judicial or administrative proceedings that may result in substantial penalties or civil lawsuits for damages, restitution or other remedies, which could be significant. Any of these outcomes, individually or together, may materially and adversely affect Matador's reputation, financial condition and valuation, and the value of the Matador Shares.

Market Disruptions

Matador may incur major losses in the event of disrupted markets and other extraordinary events in which market behavior diverges significantly from historically recognized patterns. Market disruptions caused by unexpected political, military and terrorist events, or other factors, may from time to time cause dramatic losses for Matador. Because, among other things, Matador does not plan to engage in hedging practices with respect to its asset holdings, any such disruptions and events may have a material and adverse effect on its business and the value of the Matador Shares.

Reliance on Management

The success of Matador will, in part, be dependent upon the skill, judgment, industry relationships and expertise of the Matador Board and its management. The loss of a director or key management personnel may materially and adversely affect the business of Matador. There can be no assurance that these individuals will continue to be employed by, or remain involved with, Matador for a particular period of time.

History of Net Losses

Matador has incurred operating losses in recent periods. Matador may not be able to achieve or maintain profitability and may continue to incur significant losses in the future. In addition, Matador expects to continue to increase its operating expenses as it implements initiatives to continue to grow its business. If Matador's revenues do not increase to offset its expected increases in costs and operating expenses, Matador will not be profitable.

Dividends

Matador has not paid dividends in the past and does not anticipate paying dividends in the near future. Matador expects to retain earnings to finance the development and enhancement of its products and to otherwise reinvest in its businesses. Any decision to declare and pay dividends in the future will be made at the discretion of the Matador Board and will depend on, among other things, financial results, cash requirements, contractual restrictions and other factors that the Matador Board may deem relevant. As a result, investors may not receive any return on investment

in Matador Shares unless they sell them for a share price that is greater than that at which such investors purchased them.

Supply Agreements

From time to time, Matador may become dependent on individual contracts with its suppliers and storage partners, such as the Kitco Agreement. There can be no assurance that Matador will be able to secure alternative arrangements in the event that any of its material supply or storage contracts are terminated or expire, or that the terms of any such alternative arrangements will be favourable. As a result, any termination or expiry of material supply or storage agreement could have a material adverse effect on the operations of Matador.

Liquidity Risk

Matador's ability to remain liquid over the long term may depend on its ability to obtain additional financing. Matador has in place planning and budgeting processes to help determine the funds required to support normal operating requirements on an ongoing basis as well as its planned development and capital expenditures. Matador's approach to managing liquidity risk is to ensure that it will have sufficient liquidity to meet liabilities when due.

Risk Factors of Scaling

The following is a summary of certain risk factors relating to the Transaction and to Scaling and is qualified in its entirety by reference to, and must be read in conjunction with, the detailed information appearing elsewhere in this Filing Statement. Readers should carefully consider all such risks, which include but are not limited to the following.

Risks Related to the Transaction

Trading in Scaling Shares is expected to remain halted until after the Closing.

Trading in Scaling Shares on the TSXV was halted in connection with the initial announcement of the Transaction. Scaling does not anticipate that trading in the Scaling Shares on the TSXV will resume prior to the earlier of the Closing, or the termination of the Transaction Agreement. Scaling and Matador have received the conditional approval of the TSXV for the listing of the Resulting Issuer Shares on the TSXV, subject to the satisfaction of certain conditions, including receipt of the final TSXV approval in respect of the Transaction. There can be no assurance that final approval of the TSXV with respect to the Transaction will be obtained.

Termination of the Transaction in Certain Circumstances

Each of Scaling and Matador has the right to terminate the Transaction Agreement in certain circumstances. Accordingly, there is no certainty, nor can the parties provide any assurances that the Transaction Agreement will not be terminated by either Scaling and Matador before the completion of the Transaction. In addition, the completion of the Transaction is subject to a number of conditions precedent, certain of which are outside the control of Scaling and Matador, including

shareholder and regulatory approvals as applicable. There is no certainty that these conditions will be satisfied on a timely basis or at all.

Additionally, Scaling may expend a significant amount of resources to attempt to complete the Transaction. Failure to complete the Transaction may result in Scaling not having sufficient resources to pursue an alternative Qualifying Transaction without raising additional capital. There is no guarantee that such additional capital will be available on commercially reasonable terms, or at all.

Tax Consequences

The transactions described herein may have tax consequences in Canada, or elsewhere, depending on each particular existing or prospective shareholder's specific circumstances. Such tax consequences are not described herein and this Filing Statement is not intended to be, nor should it be construed to be, legal or tax advice to any particular shareholder. Existing and prospective shareholders should consult their own tax advisors with respect to any such tax considerations.

The Transaction Will Have a Dilutive Effect on the Ownership Interest of Scaling Shareholders

The issuance of Consideration Shares pursuant to the Transaction and the Scaling Consolidation will result in the reverse take-over of Scaling by Matador, and if completed, will have a very significant dilutive effect on the ownership interest of the current Scaling Shareholders.

The Market Price of Resulting Issuer Shares May Be Volatile

The market price of Resulting Issuer Shares could be subject to significant fluctuations following completion of the Transaction. In addition, securities markets worldwide have experienced, and are likely to continue to experience, significant price and volume fluctuations. This market volatility, as well as general economic, market or political conditions and the risk factors described in this Filing Statement could subject the market price of Resulting Issuer Shares to wide price fluctuations regardless of the Resulting Issuer's operating performance. There can be no assurance that continual fluctuations in price will not occur.

The Resulting Issuer May Issue Additional Equity Securities

Following completion of the Transaction, the Resulting Issuer may issue equity securities and or securities convertible into equity securities to finance its activities, including in order to finance acquisitions. If the Resulting Issuer were to issue additional equity securities the ownership interest of existing shareholders may be diluted and some or all of the Resulting Issuer's financial measures on a per share basis could be reduced.

Value Assigned to Matador May Be Incorrect

The valuation placed on Matador for the purposes of the Transaction has been determined by negotiation among Matador and Scaling. There can be no assurance that the number of Resulting Issuer Shares will not, in the fullness of time, prove to be excessive. If the market determines that

the number of Resulting Issuer Shares is excessive, the market price of the Resulting Issuer Shares will be adversely affected.

No Assurance of Payment of Dividends

The declaration, timing, amount and payment of dividends are at the discretion of the Resulting Issuer Board and will depend upon the Resulting Issuer's future earnings, cash flows, acquisition capital requirements and financial condition, and other relevant factors. There can be no assurance that the Resulting Issuer will declare a dividend on a quarterly, annual or other basis.

Public Company Requirements

As a reporting issuer, the Resulting Issuer will be subject to the reporting requirements of applicable Securities Laws of the jurisdictions in which it is a reporting issuer, the listing requirements of the TSXV, and other applicable securities rules and regulations. Compliance with those rules and regulations could increase the Resulting Issuer's legal and financial costs, make some activities more difficult, time consuming or costly, and increase demand on the Resulting Issuer's systems and resources.

Volatile Market Price

The market price for Resulting Issuer Shares may be volatile and subject to wide fluctuations in response to numerous factors, many of which are beyond the Resulting Issuer's control, including the following:

- actual or anticipated fluctuations in the Resulting Issuer's quarterly results of operations;
- recommendations by securities research analysts;
- changes in the economic performance or market valuations of companies in the industry in which the Resulting Issuer operates;
- addition or departure of the Resulting Issuer's executive officers and other key personnel;
- release or expiration of transfer restrictions on outstanding Resulting Issuer Shares;
- sales or perceived sales of additional Resulting Issuer Shares;
- operating and financial performance that vary from the expectations of management, securities analysts and investors;
- regulatory changes affecting the Resulting Issuer's industry generally and its business and operations;
- announcements of developments and other material events by the Resulting Issuer or its competitors;

- fluctuations to the costs of vital production materials and services;
- changes in global financial markets and global economies and general market conditions, such as interest rates and gold product price volatility;
- significant acquisitions or business combinations, strategic partnerships, joint ventures or capital commitments by or involving the Resulting Issuer or its competitors;
- operating and share price performance of other companies that investors deem comparable to the Resulting Issuer or from a lack of market comparable companies; and
- news reports relating to trends, concerns, technological or competitive developments, regulatory changes and other related issues in the Resulting Issuer's industry or target markets.

Financial markets have recently experienced significant price and volume fluctuations that have particularly affected the market prices of equity securities and have often been unrelated to the operating performance, underlying asset values or prospects of such companies. Accordingly, the market price of Resulting Issuer Shares may decline even if the Resulting Issuer's operating results, underlying asset values or prospects have not changed. Additionally, these factors, as well as other related factors, may cause decreases in asset values that are lasting and not temporary, which may result in impairment losses. There can be no assurance that continuing fluctuations in share price and volume will not occur. If such increased levels of volatility and market turmoil continue, the Resulting Issuer's operations could be adversely impacted and the trading price of Resulting Issuer Shares may be materially adversely affected.

Limited Market for Securities

There can be no assurance that an active and liquid market for Resulting Issuer Shares will be established or maintained and an investor may find it difficult to resell any securities of the Resulting Issuer.

Forward-Looking Information May Prove Inaccurate

Shareholders are cautioned not to place undue reliance on forward-looking information. By its nature, forward-looking information involves numerous assumptions, known and unknown risk and uncertainties, of both a general and specific nature, that could cause actual results to differ materially from those suggested by the forward-looking information or contribute to the possibility that predictions, forecasts or projections will prove to be materially inaccurate.

Readers should carefully consider the risk factors set out in this Filing Statement and consider all other information contained herein before making a decision with respect to the Transaction. If any of the risks described above materialize, the business, financial condition or results of operations of the parties could be materially and adversely affected. Additional risks and uncertainties not currently known to or currently seen as immaterial by management of Matador or Scaling may also materially and adversely affect the business, financial condition or results of operations of the Resulting Issuer.

Following the completion of the Transaction, the Resulting Issuer may issue additional equity securities.

Following the completion of the Transaction, the Resulting Issuer may issue equity securities to finance its activities. If the Resulting Issuer were to issue additional equity securities, the ownership interest of existing shareholders of Scaling and Matador may be diluted and some or all of the Resulting Issuer's financial measures on a per share basis could be reduced. Moreover, as the Resulting Issuer's intention to issue additional equity securities becomes publicly known, the Resulting Issuer's share price may be materially adversely affected.

The Resulting Issuer's officers, directors and other insiders will control a large percentage of the Resulting Issuer's issued and outstanding Resulting Issuer Shares and such officers, directors and insiders may have the ability to control matters affecting the Resulting Issuer and its business.

The officers, directors and other insiders of the Resulting Issuer are expected to own approximately 30.7% of the issued and outstanding Resulting Issuer Shares on a non-diluted basis. The Resulting Issuer's shareholders will nominate and elect the board of directors of the Resulting Issuer, which generally has the ability to control the acquisition or disposition of the Resulting Issuer's assets, and the future issuance of its Resulting Issuer Shares or other securities. Accordingly, for any matters with respect to which a majority vote of the Resulting Issuer Shares may be required by law, such aforementioned individuals may have the ability to control such matters. Because the aforementioned individuals control a substantial portion of such Resulting Issuer Shares, investors may find it difficult or impossible to replace the Resulting Issuer's directors if they disagree with the way the Resulting Issuer's business is being operated. Furthermore, the interests of the aforementioned individuals and other shareholders are not necessarily aligned in all respects and there can be no assurance that the aforementioned individuals will exercise their rights as significant shareholders of the Resulting Issuer in a manner consistent with the best interests of the Resulting Issuer's other shareholders.

From time to time the directors, officers and other insiders of the Resulting Issuer may sell Resulting Issuer Shares on the open market. These sales will be publicly disclosed in filings made with securities regulators. In the future, the directors, officers and other insiders of the Resulting Issuer may sell a significant number of Resulting Issuer Shares for a variety of reasons unrelated to the performance of the Resulting Issuer's business. The shareholders of the Resulting Issuer may perceive these sales as a reflection on management's view of the business and result in some shareholders selling their Resulting Issuer Shares. These sales could cause the market price of the Resulting Issuer Shares to drop.

Conflicts of Interest

The Resulting Issuer may be subject to various potential conflicts of interest because of the fact that some of its officers, directors and consultants may be engaged in a range of business activities. The Resulting Issuer's executive officers, directors and consultants may devote time to their outside business interests, so long as such activities do not materially or adversely interfere with their duties to the Resulting Issuer. In some cases, the Resulting Issuer's executive officers, directors and consultants may have fiduciary obligations associated with these business interests that interfere with their ability to devote time to the Resulting Issuer's business and affairs and that

could adversely affect the Resulting Issuer's operations. These business interests could require significant time and attention of the Resulting Issuer's executive officers, directors and consultants.

In addition, the Resulting Issuer may also become involved in other transactions which conflict with the interests of its directors, officers and consultants who may from time to time deal with persons, firms, institutions or corporations with which the Resulting Issuer may be dealing, or which may be seeking investments similar to those desired by it. The interests of these persons could conflict with those of the Resulting Issuer. In addition, from time to time, these persons may be competing with the Resulting Issuer for available investment opportunities. Conflicts of interest, if any, will be subject to the procedures and remedies provided under applicable laws. In particular, in the event that such a conflict of interest arises at a meeting of the Resulting Issuer's directors, a director who has such a conflict will abstain from voting for or against the approval of such participation or such terms. In accordance with applicable laws, the directors of the Resulting Issuer are required to act honestly, in good faith and in the best interests of the Resulting Issuer.

Internal Controls

Effective internal controls are necessary for the Resulting Issuer to provide reliable financial reports and to help prevent fraud. Although the Resulting Issuer will undertake a number of procedures and will implement a number of safeguards in order to help ensure the reliability of its financial reports, including those imposed on the Resulting Issuer under applicable law, in each case the Resulting Issuer cannot be certain that such measures will ensure that the Resulting Issuer maintains adequate control over financial processes and reporting. Failure to implement required new or improved controls, or difficulties encountered in their implementation, could harm the Resulting Issuer's results of operations or cause it to fail to meet its reporting obligations. If the Resulting Issuer or its auditors discover a material weakness, the disclosure of that fact, even if quickly remedied, could reduce the market's confidence in the Resulting Issuer's consolidated financial statements and could have a material adverse effect on the Resulting Issuer.

General Economic Risks

The Resulting Issuer's operations could be affected by the economic context should interest rates, inflation or the unemployment level reach levels that influence consumer trends and spending and, consequently, impact the Resulting Issuer's sales and profitability.

Any investors should further consider, among other factors, the Resulting Issuer's prospects for success in light of the risks and uncertainties encountered by companies that, like the Resulting Issuer, are in their early stages. For example, unanticipated expenses and problems or technical difficulties may occur, which may result in material delays in the operation of the Resulting Issuer's business. The Resulting Issuer may not successfully address these risks and uncertainties or successfully implement its operating strategies. If the Resulting Issuer fails to do so, it could materially harm the Resulting Issuer's business to the point of having to cease operations and could impair the value of the Resulting Issuer's securities.

Uncertainty of Use of Proceeds

Although the Resulting Issuer has set out its intended use of proceeds, these intended uses are estimates only and subject to change. While management does not contemplate any material variation, management does retain broad discretion in the application of such proceeds. The failure by the Resulting Issuer to apply these funds effectively could have a material adverse effect on the Resulting Issuer's business, including the Resulting Issuer's ability to achieve its stated business objectives.

Failure to successfully integrate acquired businesses, its products and other assets into the Resulting Issuer, or if integrated, failure to further the Resulting Issuer's business strategy, may result in the Resulting Issuer's inability to realize any benefit from such acquisition.

The Resulting Issuer may grow by acquiring businesses. The consummation and integration of any acquired business, product or other assets into the Resulting Issuer may be complex and time consuming and, if such businesses and assets are not successfully integrated, the Resulting Issuer may not achieve the anticipated benefits, cost-savings or growth opportunities. Furthermore, these acquisitions and other arrangements, even if successfully integrated, may fail to further the Resulting Issuer's business strategy as anticipated, expose the Resulting Issuer to increased competition or other challenges with respect to the Resulting Issuer's products or geographic markets, and expose the Resulting Issuer to additional liabilities associated with an acquired business, technology or other asset or arrangement.

Liquidity and Additional Financing

There is no guarantee that the Resulting Issuer will be able to achieve its business objectives. The continued development of the Resulting Issuer may require additional financing. The failure to raise such capital could result in the delay or indefinite postponement of current business objectives or the Resulting Issuer going out of business. There can be no assurance that additional capital or other types of financing will be available if needed or that, if available, the terms of such financing will be favourable to the Resulting Issuer. If additional funds are raised through issuances of equity or convertible debt securities, existing shareholders could suffer significant dilution. In addition, from time to time, the Resulting Issuer may enter into transactions to acquire assets or the shares of other corporations. These transactions may be financed wholly or partially with debt, which may temporarily increase the Resulting Issuer's debt levels above industry standards. Any debt financing secured in the future could involve restrictive covenants relating to capital raising activities and other financial and operational matters, which may make it more difficult for the Resulting Issuer to obtain additional capital and to pursue business opportunities, including potential acquisitions. The Resulting Issuer may require additional financing to fund its operations to the point where it is generating positive cash flows. Negative cash flow may restrict the Resulting Issuer's ability to pursue its business objectives.

Difficulty to Forecast

Matador must rely largely on its own market research to forecast sales as detailed forecasts are not generally obtainable from other sources. A failure in the demand for its products to materialize as

a result of competition, technological change or other factors could have a material adverse effect on the business, results of operations and financial condition of the Resulting Issuer.

The Market Price of the Resulting Issuer Shares may be subject to Wide Price Fluctuations

The market price of the Resulting Issuer Shares may be subject to wide fluctuations in response to many factors, including variations in the operating results of the Resulting Issuer and its subsidiaries, divergence in financial results from analysts' expectations, changes in earnings estimates by stock market analysts, changes in the business prospects for the Resulting Issuer and its subsidiaries, general economic conditions, legislative changes, and other events and factors outside of the Resulting Issuer's control. In addition, stock markets have from time to time experienced extreme price and volume fluctuations, which, as well as general economic and political conditions, could adversely affect the market price for the Resulting Issuer Shares.

Management of Growth

The Resulting Issuer may be subject to growth-related risks. The ability of the Resulting Issuer to manage growth effectively will require it to continue to implement and improve its operational and financial systems and to expand, train and manage its employee base. The inability of the Resulting Issuer to deal with this growth may have a material adverse effect the Resulting Issuer's business, financial condition, results of operations and growth prospects.

There is no assurance that the Resulting Issuer will turn a profit or generate immediate revenues

There is no assurance as to whether the Resulting Issuer will be profitable or continue to be profitable, or pay dividends. The Resulting Issuer has incurred and anticipates that it will continue to incur substantial expenses relating to the development of its business. The payment and amount of any future dividends will depend upon, among other things, the Resulting Issuer's results of operations, cash flow, financial condition, and operating and capital requirements. There is no assurance that future dividends will be paid, and, if dividends are paid, there is no assurance with respect to the amount of any such dividends.

Equity Price Risk

The Resulting Issuer may be exposed to equity price risk as a result of holding long-term investments in other companies. Just as investing in the Resulting Issuer is inherent with risks such as those set out in this Filing Statement, by investing in these other companies, the Resulting Issuer may be exposed to the risks associated with owning equity securities and those risks inherent in the investee companies.

Anti-Money Laundering Laws and Regulation Risks

The Resulting Issuer is subject to a variety of laws and regulations domestically and internationally that concern money laundering, financial recordkeeping and proceeds of crime, including the Proceeds of Crime (Money Laundering) and Terrorist Financing Act (Canada), as amended and the rules and regulations thereunder, the Criminal Code (Canada) and any related or similar rules,

regulations or guidelines, issued, administered or enforced by governmental authorities internationally.

In the event that any of the Resulting Issuer's proceeds, any dividends or distributions therefrom, or any profits or revenues accruing from operations were found to be in violation of money laundering legislation or otherwise, such transactions may be viewed as proceeds of crime under one or more of the statutes noted above or any other applicable legislation. This could restrict or otherwise jeopardize the ability of the Resulting Issuer to declare or pay dividends, effect other distributions or subsequently repatriate such funds back to Canada.

Regulation

Matador is subject to general business regulations and laws as well as regulations and laws specifically governing collection of information, technology, privacy, securities, cryptocurrencies, digital assets, mining and minerals, and the internet. Existing and future laws and regulations may impede Matador's growth strategies. These regulations and laws may cover taxation, privacy, cybersecurity, Securities Laws, data protection, pricing, content, copyrights, distribution, consumer protection, web services, websites, and the characteristics and quality of products and services. Unfavourable changes in regulations and laws could decrease demand for the Resulting Issuer's digital media properties and inventory and increase its cost of doing business or otherwise have a material adverse effect on Matador's reputation, popularity, results of operations, and financial condition. The requirements of being a public company may strain the Resulting Issuer's resources, divert management's attention and affect its ability to attract and retain executive management and qualified board members.

As a reporting issuer, the Resulting Issuer will be subject to the reporting requirements of applicable securities legislation of the jurisdiction in which it is a reporting issuer, the listing requirements of the TSXV and other applicable securities rules and regulations. Compliance with these rules and regulations will increase the Resulting Issuer's legal and financial compliance costs, make some activities more difficult, time consuming or costly and increase demand on its systems and resources. Applicable Securities Laws require the Resulting Issuer to, among other things, file certain annual and quarterly reports with respect to its business and results of operations. In addition, applicable Securities Laws require the Resulting Issuer to, among other things, maintain effective disclosure controls and procedures and internal control over financial reporting. In order to maintain and, if required, improve its disclosure controls and procedures and internal control over financial reporting to meet this standard, significant resources and management oversight may be required. Specifically, due to the increasing complexity of its transactions, it is anticipated that the Resulting Issuer will improve its disclosure controls and procedures and internal control over financial reporting primarily through the continued development and implementation of formal policies, improved processes and documentation procedures, as well as the continued sourcing of additional finance resources. As a result, management's attention may be diverted from other business concerns, which could harm the Resulting Issuer's business and results of operations. To comply with these requirements, the Resulting Issuer may need to hire more employees in the future or engage outside consultants, which will increase its costs and expenses.

As cryptocurrencies have grown in both popularity and market size, governments around the world have reacted differently to cryptocurrencies with certain governments deeming them illegal while

others have allowed their use and trade. Ongoing and future regulatory actions may alter, perhaps to a materially adverse extent, the ability of Matador to continue to operate. The effect of any future regulatory change on any cryptocurrency, project or protocol that Matador may hold is impossible to predict, but such change could be substantial and adverse to the space as a whole, as well as potentially to the Resulting Issuer.

In addition, changing laws, regulations and standards relating to corporate governance and public disclosure are creating uncertainty for public companies, increasing legal and financial compliance costs and making some activities more time consuming. These laws, regulations and standards are subject to varying interpretations, in many cases due to their lack of specificity, and, as a result, their application in practice may evolve over time as new guidance is provided by regulatory and governing bodies. This could result in continuing uncertainty regarding compliance matters and higher costs necessitated by ongoing revisions to disclosure and governance practices. Matador intends to continue to invest resources to comply with evolving laws, regulations and standards, and this investment may result in increased general and administrative expenses and a diversion of management's time and attention from revenue generating activities to compliance activities. If its efforts to comply with new laws, regulations and standards differ from the activities intended by regulatory or governing bodies due to ambiguities related to their application and practice, regulatory authorities may initiate legal proceedings against the Resulting Issuer and the Resulting Issuer's business may be adversely affected.

As a public company subject to these rules and regulations, the Resulting Issuer may find it more expensive for it to obtain director and officer liability insurance, and it may be required to accept reduced coverage or incur substantially higher costs to obtain coverage. These factors could also make it more difficult for the Resulting Issuer to attract and retain qualified members of its board of directors, particularly to serve on its Audit Committee and Compensation Committee, and qualified executive officers. As a result of disclosure of information in filings required of a public company, the Resulting Issuer's business and financial condition will become more visible, which may result in threatened or actual litigation, including by competitors and other third parties. If such claims are successful, the Resulting Issuer's business and results of operations could be harmed, and even if the claims do not result in litigation or are resolved in its favor, these claims, and the time and resources necessary to resolve them, could divert the resources of the Resulting Issuer's management and harm its business and results of operations.

Unknown Defects and Impairments

A defect in any business arrangement may arise to defeat or impair the claim of the Resulting Issuer to such transaction, which may have a material adverse effect on the Resulting Issuer. It is possible that material changes could occur that may adversely affect management's estimate of the recoverable amount for any agreement the Resulting Issuer enters into. Impairment estimates, based on applicable key assumptions and sensitivity analysis, will be based on management's best knowledge of the amounts, events or actions at such time, and the actual future outcomes may differ from any estimates that are provided by the Resulting Issuer. Any impairment charges on the Resulting Issuer's carrying value of business arrangements could have a material adverse effect on the Resulting Issuer.

Challenging Global Financial Conditions

Global financial conditions, particularly in light of global inflation, stock market and commodities pricing volatility, and Ukraine-Russia war, have been characterized by increased volatility, with numerous financial institutions having either gone into bankruptcy or having to be rescued by government authorities. Global financial conditions could suddenly and rapidly destabilize in response to future events, as government authorities may have limited resources to respond to future crises. Global capital markets have continued to display increased volatility in response to global events. Future crises may be precipitated by any number of causes, including natural disasters, geopolitical instability, changes to energy prices or sovereign defaults. Any sudden or rapid destabilization of global economic conditions could negatively impact the ability of the Resulting Issuer, or the ability of the operators of the companies in which the Resulting Issuer will hold interests, to obtain equity or debt financing or make other suitable arrangements to finance their projects. If increased levels of volatility continue or in the event of a rapid destabilization of global economic conditions, it may result in a material adverse effect on the Resulting Issuer and the price of the Resulting Issuer's securities could be adversely affected.

Credit and Liquidity Risk

The Resulting Issuer will be exposed to counterparty risks and liquidity risks including, but not limited to:

- through suppliers of the Resulting Issuer which may experience financial, operational or other difficulties, including insolvency, which could limit or suspend those suppliers' ability to perform their obligations under agreements with the Resulting Issuer;
- through financial institutions that may hold the Resulting Issuer's cash and cash equivalents;
- through companies that will have payables to the Resulting Issuer;
- through the Resulting Issuer's insurance providers; and
- through the Resulting Issuer's lenders, if any.

The Resulting Issuer will also be exposed to liquidity risks in meeting its operating expenditure requirements in instances where cash positions are unable to be maintained or appropriate financing is unavailable. These factors may impact the ability of the Resulting Issuer to obtain loans and other credit facilities in the future and, if obtained, on terms favourable to the Resulting Issuer. If these risks materialize, the Resulting Issuer's operations could be adversely impacted, and the price of the Resulting Issuer Shares could be adversely affected.

Litigation

The Resulting Issuer may from time to time be involved in various claims, legal proceedings and disputes arising in the ordinary course of business. If the Resulting Issuer is unable to resolve these disputes favourably, it may have a material adverse effect on the Resulting Issuer. Even if the

Resulting Issuer is involved in litigation and wins, litigation can redirect significant Resulting Issuer resources. Litigation may also create a negative perception of the Resulting Issuer. Securities litigation could result in substantial costs and damages and divert the Resulting Issuer's management's attention and resources. Any decision resulting from any such litigation that is adverse to the Resulting Issuer could have a negative impact on the Resulting Issuer's financial position.

Cybersecurity Risks

The information systems of the Resulting Issuer and any third-party service providers and vendors are vulnerable to an increasing threat of continually evolving cybersecurity risks. These risks may take the form of malware, computer viruses, cyber threats, extortion, employee error, malfeasance, system errors or other types of risks, and may occur from inside or outside of the respective organizations. Cybersecurity risk is increasingly difficult to identify and quantify and cannot be fully mitigated because of the rapid evolving nature of the threats, targets and consequences. Additionally, unauthorized parties may attempt to gain access to these systems through fraud or other means of deceiving third-party service providers, employees or vendors. The operations of the Resulting Issuer depend, in part, on how well networks, equipment, IT systems and software are protected against damage from a number of threats. These operations also depend on the timely maintenance, upgrade and replacement of networks, equipment, IT systems and software, as well as pre-emptive expenses to mitigate the risks of failures. However, if the Resulting Issuer is unable or delayed in maintaining, upgrading or replacing IT systems and software, the risk of a cybersecurity incident could materially increase. Any of these and other events could result in information system failures, delays and/or increases in capital expenses. The failure of information systems or a component of information systems could, depending on the nature of any such failure, adversely impact the reputation and results of operations of the Resulting Issuer.

Customer Acquisitions

The Resulting Issuer's success depends, in part, on the Resulting Issuer's ability to attract and retain customers. There are many factors which could impact the Resulting Issuer's ability to attract and retain customers, including but not limited to the successful implementation of marketing plans and the continued growth in the aggregate number of customers. The failure to acquire and retain customers would have a material adverse effect on the Resulting Issuer's business, operating results and financial condition.

Constraints on Marketing Products

The development of the Resulting Issuer's businesses and operating results may be hindered by applicable restrictions on marketing. The Canadian federal regulatory regime requires plain packaging of products, and has further prohibitions with respect to marketing, including prohibitions on testimonials, lifestyle branding and packaging that is appealing to youth.

The regulatory environment in Canada and abroad limits the Resulting Issuer's ability to compete for market share in a manner similar to other industries. If the Resulting Issuer is unable to effectively market its products and compete for market share, or if the costs of compliance with government legislation and regulation cannot be absorbed through increased selling prices for its

products, the Resulting Issuer's sales and operating results could be adversely affected, which could have a materially adverse effect on the Resulting Issuer's business, financial condition and operating results.

Intellectual Property

The ownership and protection of intellectual property rights are significant aspects of the Resulting Issuer's future success. In particular, Matador believes its brand name and its proprietary mobile application has intangible value, however it does not have any registered intellectual property. In accordance with industry practice, Matador plans to protect its proprietary products, technology and competitive advantage through a combination of contractual provisions and trade secrets, copyright and trademark laws in Canada and the United States and other jurisdictions in which it conducts its business, as applicable. Matador will also utilize confidentiality agreements, assignment agreements and license agreements with employees and third parties, which limit access to and use of its intellectual property, where appropriate.

Unauthorized parties may attempt to replicate or otherwise obtain and use the Resulting Issuer's products and technology. Policing the unauthorized use of the Resulting Issuer's current or future intellectual property rights could be difficult, expensive, time-consuming and unpredictable, as may be enforcing these rights against unauthorized use by others. In addition, in any infringement proceeding, some or all of the intellectual property rights, or arrangements or agreements seeking to protect the same may be found invalid, unenforceable, anti-competitive or not infringed. An adverse result in any litigation or defense proceedings could put one or more of the intellectual property rights at risk of being invalidated or interpreted narrowly and could put any future intellectual property applications at risk of not being issued. Any or all of these events could materially and adversely affect the business, financial condition and results of operations of the Resulting Issuer.

In addition, other parties may claim that the Resulting Issuer's products infringe on their proprietary and perhaps patent protected rights. Such claims, whether or not meritorious, may result in the expenditure of significant financial and managerial resources, legal fees, result in injunctions, temporary restraining orders and/or require the payment of damages. As well, the Resulting Issuer may need to obtain licences from third parties who allege that the Resulting Issuer has infringed on their lawful rights. However, such licences may not be available on terms acceptable to the Resulting Issuer or at all. In addition, the Resulting Issuer may not be able to obtain or utilize on terms that are favorable to it, or at all, licences or other rights with respect to intellectual property that it does not own.

Risks Associated with Storage of Physical Gold

There is a risk that part or all of the Resulting Issuer's gold could be lost, damaged, destroyed, misdelivered or stolen. Access to the Resulting Issuer's gold could also be restricted by natural events (such as an earthquake) or human actions (such as a terrorist attack). Any of these events may adversely affect the operations of the Resulting Issuer and, consequently, an investment in the Resulting Issuer Shares.

All physical gold on the Matador platform (other than gold in transit to customers) is held at secure vaults. In this regard, Matador is currently party to the Kitco Agreement pursuant to which its physical gold is held at the Royal Canadian Mint in Ottawa which is owned and operated by the Canadian federal government. However, any loss of gold owned by the Resulting Issuer that is not recovered through insurance or otherwise could have a material adverse effect on financial condition and results of operations of the Resulting Issuer.

Foreign Exchange

The Resulting Issuer will be exposed to foreign currency risk by reason of Matador operating in the United States. As the Resulting Issuer Shares are traded in Canadian dollars, the movement of the US dollar against the Canadian dollar could have a material adverse effect on the Resulting Issuer's prospects, business, financial condition, and results of operation.

SPONSORSHIP

Sponsorship for the Transaction is required by policy 2.4 of the Manual unless an exemption from the sponsorship requirement is available pursuant to the policies of the TSXV or a waiver from the sponsorship requirement is granted to Scaling by the TSXV. Subject to the satisfaction of certain conditions, Scaling has been granted a discretionary waiver by the TSXV from the sponsorship requirement.

GENERAL MATTERS

Experts

Crowe MacKay LLP is the independent auditor of Scaling. Crowe MacKay LLP has confirmed that it is independent of Scaling within the meaning of the Rules of Professional Conduct of the Institute of Chartered Accountants of Alberta.

Kingston Ross Pasnak LLP is the independent auditor of Matador. Kingston Ross Pasnak LLP has confirmed that it is independent of Matador within the meaning of the Rules of Professional Conduct of the Institute of Chartered Accountants of Ontario.

Other Material Facts

To the knowledge of management of Scaling and Matador, there are no material facts about Scaling, Matador, the Resulting Issuer or the Transaction that are not disclosed under any other items and are necessary in order for this Filing Statement to contain full, true and plain disclosure of all material facts relating to Scaling, Matador and the Resulting Issuer, assuming completion of the Transaction.

Board Approval

The contents and the filing of this Filing Statement have been approved by the Scaling Board.

CERTIFICATE OF SCALING CAPITAL 1 CORP.

The foregoing constitutes full, true, and plain disclosure of all material facts relating to the securities of Scaling Capital 1 Corp. assuming Completion of the Qualifying Transaction.

DATED: November 29, 2024

SCALING CAPITAL 1 CORP.

/s/ "Alex Tapscott"

/s/ "Shirin Kabani"

Alex Tapscott
Chief Executive Officer

Shirin Kabani
Chief Financial Officer

ON BEHALF OF THE BOARD OF DIRECTORS OF SCALING CAPITAL 1 CORP.

/s/ "Kristin McTaggart"

/s/ "John Wilson"

Kristin McTaggart
Director

John Wilson
Director

CERTIFICATE OF MATADOR GOLD TECHNOLOGIES INC.

The foregoing, as it relates to Matador Gold Technologies Inc., constitutes full, true, and plain disclosure of all material facts relating to the securities of Matador Gold Technologies Inc.

DATED: November 29, 2024

MATADOR GOLD TECHNOLOGIES INC.

/s/ "Deven Soni"

/s/ "Geoff St. Clair"

Deven Soni

Geoff St. Clair

Chairman, Chief Executive Officer and Director

Interim Chief Financial Officer

ON BEHALF OF THE BOARD OF DIRECTORS OF MATADOR GOLD TECHNOLOGIES INC.

/s/ "Donato Sferra"

/s/ "Richard Murphy"

Donato Sferra

Richard Murphy

Director

Director

ACKNOWLEDGMENT – PERSONAL INFORMATION

"Personal Information" means any information about an identifiable individual, and includes information contained in any Items in the attached filing statement that are analogous to Items 4.2, 11, 12.1, 15, 17.3, 18, 22, 23, 25, 30.3, 31, 32, 33, 34, 35, 36, 37, 40 and 41 of Exchange Form 3B2, as applicable.

The undersigned hereby acknowledges and agrees that it has obtained the express written consent of each individual to: (a) the disclosure of Personal Information by the undersigned to the Exchange (as defined in Appendix 6B) pursuant to Exchange Form 3B2; and (b) the collection, use and disclosure of Personal Information by the Exchange for the purposes described in Appendix 6B or as otherwise identified by the Exchange, from time to time. DATED: November 29, 2024

Scaling Capital 1 Corp.

/s/ "Alex Tapscott"

Alex Tapscott

Chief Executive Officer

SCHEDULE "A"
Management's Discussion and Analysis of Matador Gold Technologies Inc.



MATADOR

MATADOR GOLD TECHNOLOGIES INC.

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR

ENDED

OCTOBER 31, 2023 (EXPRESSED IN CANADIAN DOLLARS)

Introduction

This Management's Discussion and Analysis ("MD&A") is dated March 19, 2024, and consolidates management's review of the factors that affected Matador Gold Technologies Inc.'s ("Matador" or the "Company") financial and operating performance for the year ended October 31, 2023, and factors reasonably expected to impact on future operations and results. This discussion is intended to supplement and complement the Company's audited financial statements as at and for the year ended October 31, 2023 ("Audited Financial Statements") and the notes thereto which were prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board and interpretations issued by the IFRS Interpretations Committee. This MD&A should also be read in conjunction with the Audited Financial Statements.

For the purposes of preparing this MD&A, management, in conjunction with the Board, considers the materiality of information. Information is considered material if: (i) such information results in, or would reasonably be expected to result in, a significant change in the market price or value of the Common Shares; (ii) there is a substantial likelihood that a reasonable investor would consider it important in making an investment decision; or (iii) it would significantly alter the total mix of information available to investors. Management, in conjunction with the Board, evaluates materiality with reference to all relevant circumstances, including potential market sensitivity.

Unless otherwise stated, results are reported in Canadian dollars, unless otherwise noted. In the opinion of management, all adjustments considered necessary for a fair presentation have been included. The results presented in the MD&A are not necessarily indicative of the results that may be expected for any future period.

Matador Gold Technologies Inc.

Management's Discussion and Analysis

For Year Ended October 31, 2023

FORWARD-LOOKING STATEMENTS

This MD&A contains certain forward-looking information and forward-looking statements, as defined in applicable securities laws (collectively referred to herein as “forward-looking statements”). These statements relate to future events or the Company’s future performance. All statements other than statements of historical fact are forward-looking statements. Often, but not always, forward-looking statements can be identified by the use of words such as “plans”, “expects”, “is expected”, “budget”, “scheduled”, “estimates”, “continues”, “forecasts”, “projects”, “predicts”, “intends”, “anticipates” or “believes”, or variations of, or the negatives of, such words and phrases, or state that certain actions, events or results “may”, “could”, “would”, “should”, “might” or “will” be taken, occur or be achieved. Forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause actual results to differ materially from those anticipated in such forward-looking statements. The forward-looking statements in this MD&A speak only as of the date of this MD&A or as of the date specified in such statement.

Inherent in forward-looking statements are risks, uncertainties and other factors beyond the Company’s ability to predict or control. Readers are cautioned that such risk factors, uncertainties and other factors are not exhaustive. Actual results and developments are likely to differ, and may differ materially, from those expressed or implied by the forward-looking statements contained in this MD&A.

Forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause actual results to differ materially from those anticipated in such forward-looking statements. The forward-looking statements in this MD&A speak only as of the date of this MD&A or as of the date specified in such statement. Specifically, this MD&A includes, but is not limited to, forward-looking statements regarding: the Company’s ability to meet its working capital needs at the current level for the next twelve-month period; management’s outlook regarding the market environment and future trends; the future development of Matador's business including with respect to the potential future offering of other metal types and/or operations in additional jurisdictions; management's expectations regarding future profitability and the timing thereof; sensitivity analysis on financial instruments, which may vary from amounts disclosed; future deployment of available funds; and general business and economic conditions.

All forward-looking statements herein are qualified by this cautionary statement. Accordingly, readers should not place undue reliance on forward-looking statements. The Company undertakes no obligation to update publicly, or otherwise revise, any forward-looking statements, whether as a result of new information or future events or otherwise, except as may be required by law. If the Company does update one or more forward-looking statements, no inference should be drawn that it will make additional updates with respect to those or other forward-looking statements, unless required by law.

Matador Gold Technologies Inc.

Management's Discussion and Analysis

For Year Ended October 31, 2023

To the Shareholders of Matador:

Overview

Matador is democratizing the gold buying experience by bringing it into the 21st century. Combining the best of modern technology and time-proven investment options, Matador's proprietary app will allow users to buy, sell, and store gold 24/7, with the added security and flexibility of an encrypted mobile application. The Matador platform is Matador's sole product and is targeted for a public launch in 2024. See "Company and Highlights" below.

Market Environment

Gold prices have experienced significant fluctuations influenced by global economic conditions and central bank policies. After reaching a trading range between \$1,700 and \$1,900 per ounce in late 2023, gold prices surged to new highs of around \$2,135 by the end of the year. In early 2024, gold continued its upward trend, reaching an all-time high of over \$2,265 per ounce in April 2024, driven by increased demand from China and persistent inflation concerns.

Central bank activities have played a crucial role in supporting gold prices. The World Gold Council reported strong demand for gold, with central bank purchases rising by over 150% year-over-year, marking the highest level of net purchases in over 50 years. Additionally, the Federal Reserve's signals of potential rate cuts in 2024 have contributed to a weaker dollar and lower Treasury yields, making gold more attractive as a safe-haven asset.

Operations

Management is prioritizing Matador's mobile application, which allows consumers in specific regions to buy, sell, store, and ship gold. The company is dedicated to innovation, expanding to new regions, and enhancing the app with new products and features to improve the consumer buying experience independently of gold's market performance. Matador is also considering adding new metals like silver to its platform.

During the platform development phase, the key focus areas include creating an appealing front-end for users, building an efficient back-end for the support, finance, and compliance teams to manage operations effectively, and integrating marketing and compliance functions directly into the platform.

Matador aims to become revenue positive in 2024 with the launch of its flagship application in 2024. Revenue generation will come from fees for selling gold and installment fees from its buy-now-pay-later model.

Currently, Matador plans to hold the gold for its installment program on its balance sheet but is also exploring partnerships with financial institutions and lenders to finance the buy-now-pay-later program.

As a dealer of precious metals in Canada, the Company is committed to compliance with all relevant regulations. The legal and compliance team is focused on entering new jurisdictions and ensuring product compliance in these regions.

Matador Gold Technologies Inc.

Management's Discussion and Analysis

For Year Ended October 31, 2023

PART I – COMPANY AND HIGHLIGHTS

THE COMPANY

Matador is revolutionizing the gold buying experience by integrating modern technology with traditional investment options. Their app allows users to buy, sell, and store gold 24/7 with secure, encrypted mobile access. Features include installment payment plans (buy now, pay later), transparent pricing with low fees, and a loyalty program offering rewards for platform use.

The platform is designed with regulatory compliance, including AML and KYC requirements, ensuring secure and authorized user access. Matador has received positive legal feedback on its model as a precious metals dealer.

Future plans include adding various gold types (such as ESG-compliant and region-specific gold) and rebating a portion of transaction fees to gold originators. Matador also aims to expand to new jurisdictions, subject to local regulations.

Physical gold on the platform, excluding gold in transit, is stored in secure vaults, specifically under an agreement with Kitco at the Royal Canadian Mint in Ottawa, managed by the Canadian federal government. The Matador platform, set for public launch in 2024, has been approved for launch on the Apple Store and Google Play Store.

Matador Gold Technologies Inc.
Management's Discussion and Analysis
For Year Ended October 31, 2023

FINANCIAL SUMMARY

Selected Financial Information

	Quarter Ended October 31, 2023	Quarter Ended July 31, 2023	Quarter Ended April 30, 2023	Quarter Ended January 31, 2023	Quarter Ended October 31, 2022	Quarter Ended July 31, 2022	Quarter Ended April 30, 2022	Period Ended (2 months) January 31, 2022
Revenue	-	-	-	-	-	-	-	-
Operating Expenses	286,549	676,593	403,557	1,063,186	2,705,176	476,246	326,369	921,626
Total Loss and Comprehensive Loss	(222,085)	(672,302)	(396,604)	(1,030,774)	(2,674,257)	(461,461)	(325,025)	(921,626)
Basic and Diluted Loss Per Share	(0.01)	(0.01)	(0.01)	(0.01)	(0.03)	(0.03)	(0.01)	(0.01)

HIGHLIGHTS:

- Total cash on hand of \$2.3 million as of October 31, 2023, as compared to \$3.9 million for the period ended October 31, 2022. This represents a decline of 26% and is primarily driven by the Company's need to fund operations without having recorded any revenue.
- Operating expenses were \$2.4 million for the year ended October 31, 2023, as compared to \$4.3 million for the period ended October 31, 2022. Operating expenses were \$286,549 in Q4 2023 compared to \$2,705,176 in Q4 2022. This represents a decline of 844% primarily represented by a decline in share based compensation. The decline is also a result of a decrease in app development expenses as a result of the app being completed by Q4 2023.
- A net loss and comprehensive loss for the year ended October 31, 2023, attributable to Matador, of \$2.3 million, offset by an interest income earned on from its term deposits, as compared to \$4.2 million for the period ended October 31, 2022. This represents a decline of 83% and is primarily driven by a decline in share based compensation and app development expense.

Matador Gold Technologies Inc.

Management's Discussion and Analysis

For Year Ended October 31, 2023

PART II – REVIEW OF FINANCIAL RESULTS

Financial results

For the year ended October 31, 2023, operating expenses were \$2.4 million compared to \$4.2 million for the period ended October 31, 2022.

For the year ended October 31, 2023, the Company recorded a net loss and comprehensive loss of \$2.3 million compared to \$4.2 million for the period ended October 31, 2022. Net loss per share for the year ended October 31, 2023, was \$0.04 per share compared to \$0.08 for the period ended October 31, 2022.

The decrease in operating expenses and net loss and comprehensive loss between October 31, 2023 and October 31, 2022 was primarily a result of a decrease in share based compensation expense.

Operating expenses

A breakdown of the operating expenses is as follows:

	Year Ended	Period Ended (11
	October 31, 2023	months)
	October 31, 2023	October 31, 2022
EXPENSES		
Professional Fees (i)	449,714	276,497
Advertising and Promotion	143,339	84,879
General and Administrative	68,959	23,932
Consulting Fees	935,099	840,826
Losses on Foreign Currency Translation Adjustment	567	-
Losses on Precious Metals	690	-
Travel	25,707	10,525
Share Based Compensation (ii)	805,809	3,017,531
Total Expenses	2,429,884	4,254,190

(i) Primarily consisted of corporate legal and audit fees, and other business consulting.

(ii) Value of options, RSUs and performance shares that vested during the period.

The Matador platform is Matador's sole product and is targeted for a public launch in 2024. Matador's application has been approved by the Apple Store and Google Play Store. For the year ended October 31, 2023, the Company incurred \$186,314 in mobile app development expenses, which have been booked under Consulting Fees. The Company anticipates spending approximately \$20,000 in additional development on the Matador platform until launch in 2024.

Matador also continues to explore innovative ways to integrate the blockchain and digital art to incentivize younger buyers to become interested in the gold market – including the use of Bitcoin Ordinals and digital art.

Matador Gold Technologies Inc.
Management's Discussion and Analysis
For Year Ended October 31, 2023

A breakdown of general and administrative expenses is as follows:

	Year Ended	Period Ended (11
	October 31, 2023	months)
	October 31, 2023	October 31, 2022
Bank charges	3,263	1,283
Domain Expense	538	7,500
Dues and Subscriptions	15,725	10,997
Meals and entertainment	10,387	3,750
Office expenses	5,297	402
Insurance	33,750	-
Total General and Administrative	68,959	23,932

Other items included in net income are:

	Year Ended	Period Ended (11
	October 31, 2023	months)
	October 31, 2023	October 31, 2022
Other Income		
Interest Income	108,120	47,048
Total Loss and Comprehensive Loss	(2,321,764)	(4,207,142)

- (i) Term deposits include two non-redeemable guaranteed investment certificates ("GIC"). The first GIC was issued May 10, 2023, with a 1-year maturity, a principal of \$5,140 GICs and a fixed annual interest rate of 3.65%. The second GIC was issued August 11, 2023, with a 1-year maturity, a principal of \$41,060 GICs and an annual fixed interest rate of 3.90%.

Matador Gold Technologies Inc.

Management's Discussion and Analysis

For Year Ended October 31, 2023

PART III – FINANCIAL CONDITION, LIQUIDITY, AND CAPITAL RESOURCES

Liquidity and Capital Resources

As at October 31, 2023, the Company had a working capital balance of \$2.4 million (October 31, 2022 - \$3.9 million), and shareholders' equity, attributable to the owners of the Company, of \$2.5 million (October 31, 2022 - \$3.9 million). The Company currently anticipates having sufficient cash and cash equivalents to meet its current operating and administrative costs for the next 12 months.

The following summarizes and explains the Company's cash flow activities:

	<u>Year Ended</u> <u>October 31,</u> <u>2023</u>	<u>Period Ended</u> <u>(11 months)</u> <u>October 31,</u> <u>2022</u>
Net cash provided by (used in)		
Operating activities	(1,683,976)	(1,130,325)
Financing activities	-	5,117,990
Investing activities	-	(45,203)
Increase (decrease) in cash	(1,683,976)	3,942,461

The Company anticipates approximately \$90,000 per month of working capital requirements for the next 12 months.

The Company's use of cash at present occurs, and in the future is expected to occur, principally in two areas: the funding of its general and administrative expenditures as a deployment of capital to continuously improve the mobile application and the funding of its gold purchases to facilitate the transactions on its gold trading platform. In connection with the Company's operating and investment activities, when required, the Company will seek to raise capital primarily through the issuance of equity securities. As at the date of this report, the Company anticipates having sufficient capital to meet its ongoing operating and investment activities, for a minimum of the next twelve months.

The Company has no capital commitments as at the date of this report.

Off-Balance Sheet Arrangements

As of the date of this MD&A, the Company does not have any off-balance sheet arrangements that have, or are reasonably likely to have, a current or future effect on the results of operations or financial condition of the Company including, without limitation, such considerations as liquidity and capital resources that have not previously been discussed.

Financial Instruments and Business Risks

The Company's risk exposures and the impact on the Company's financial instruments are summarized below.

Matador Gold Technologies Inc.

Management's Discussion and Analysis

For Year Ended October 31, 2023

Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities. The Company is exposed to this risk mainly with respect to ensuring the sufficiency of funds for working capital and commitments. The Company monitors the maturity dates of existing accounts payable and accrued liabilities, loans payable, and commitments to mitigate this risk. The Company manages company-wide cash projections centrally and regularly updates projections for changes in business and fluctuations. The Company's financial liabilities are comprised of accounts payable and accrued liabilities. As at October 31, 2023, accounts payable and accrued liabilities of \$54,450 (October 31, 2022 - \$59,286) and are expected to mature within one year.

Fair Value Risk

Due to their short-term nature, the carrying value of cash and accounts payable approximate their fair value.

Executive compensation

The executive's base compensation was discussed and determined prior to the start of employment with the executive officer. The Board of Directors looked at comparable compensation packages from other companies within the same industry and stage of growth to decide upon the amount offered to the executive officer. Annual incentive compensation is also discussed annually with the executive officer.

Related party transactions

We define related parties as a person or an entity that is related to the reporting entity. Parties are considered to be related if one party has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operating decisions. Related parties may be individuals or corporate entities. The Company has defined TDK Cash Flow Ltd. and Hillcrest Merchant Partners Inc. as related parties. TDK Cash Flow Ltd. is a Co-Founder and shareholder of Matador. Hillcrest Merchant Partners Inc. is a Co-Founder and shareholder of Matador.

During the period ended October 31, 2023, the Company paid \$374,030 (October 31, 2022 - \$332,220) in consulting fees to TDK Cash Flow Ltd. and Hillcrest Merchant Partners Inc. for:

- a) Business operations support;
- b) HR services;
- c) Bookkeeping services;
- d) Corporate secretarial services; and
- e) Financial advisory services.

These services were incurred in the normal course of operations.

Capital Management

The Company's objective when managing capital is to safeguard its ability to continue as a going concern, so that it can provide returns for shareholders and benefits for other stakeholders. The Company considers the

Matador Gold Technologies Inc.

Management's Discussion and Analysis

For Year Ended October 31, 2023

items included in shareholders' equity as capital. The Company manages the capital structure and makes adjustments to it in response to changes in economic conditions and the risk characteristics of the underlying assets. The Company's primary objective with respect to its capital management is to ensure that it has sufficient cash resources to acquire more gold and fund the operation of the Company. To secure the additional capital necessary to pursue these plans, the Company intends to raise additional funds through equity or debt financing. The Company is not subject to any external capital requirements imposed by a regulator.

Outstanding securities as at October 31, 2023:

Common shares	59,351,100
Dilutive securities	
Stock options	5,315,434
Restricted stock units	539,000
Performance share units	3,950,000
Fully diluted shares	69,155,534

Outstanding securities as at March 19, 2024:

Common shares	59,474,100
Dilutive securities	
Stock options	5,315,434
Restricted stock units	416,000
Performance share units	3,950,000
Fully diluted shares	69,155,534

Matador Gold Technologies Inc.
Management's Discussion and Analysis
For Year Ended October 31, 2023

PART IV – MATERIAL INFORMATION

Approval

The Board of Directors of the Company has approved the disclosures contained in this MD&A.

Matador Gold Technologies Inc.

Management's Discussion and Analysis

For Year Ended October 31, 2023

PART V – RISKS

Risks and Uncertainties

Given the nature of our business and current stage of development, prospective investors should carefully consider the specific and general risks involved in an investment in our securities. Key risk factors that could materially affect our business, results of operations, prospects, and financial condition include a history of operating losses, future capital needs, and the uncertainty of additional financing. Additionally, the concentration of control within the company, foreign currency and exchange rate risks, and global economic and financial market deterioration impeding access to capital or increasing the cost of capital are significant concerns. Our regulatory compliance, and the potential for legal and regulatory changes add to these risks.

We also face challenges related to product development and rapid technological changes, dependence on technical infrastructure, and the protection of intellectual property. The use and storage of personal information and compliance with privacy laws, network security risks, and the risk of system failure or inadequacy are also pertinent issues.

Market expansion, the ability to manage rapid growth, competition, and the effectiveness of our risk management and internal controls are additional factors that could impact our business. Marketing and brand development, improper or illegal use of our services, customer complaints, and negative publicity also pose risks. Our reliance on key personnel, the potential for uninsured and underinsured losses, theft and physical harm to personnel, and precious metal trading risks further complicate our risk profile.

Volatility in precious metals prices, public interest in precious metals investment, and the risks associated with infectious diseases presenting as major health issues are also significant. Compliance with environmental and health and safety laws and regulations and operational or technical difficulties in connection with the trading and storage of precious metals are other crucial considerations.

There may be additional risks and uncertainties not presently known to us or that we do not currently anticipate, which could materially impair our business operations and results. Consequently, these could materially impact our business, prospects, and financial condition.

PART VI – ACCOUNTING POLICIES, CRITICAL ACCOUNTING ESTIMATES AND INTERNAL CONTROLS

Critical Accounting Estimates and Accounting Policies

The preparation of the audited financial statements requires Management to make judgments, estimates and assumptions that affect the application of accounting policies and reported assets, liabilities, revenue and expenses. Estimates and underlying assumptions are reviewed on an ongoing basis. Estimates are based on historical experience and other assumptions that are considered reasonable in the circumstances. The actual amount or values may vary in certain instances from the assumptions and estimates made. Changes will be recorded, with corresponding effect in profit or loss, when, and if, better information is obtained.

PART VII – DISCLOSURE OF INTERNAL CONTROLS

Management has established processes to provide them with sufficient knowledge to support representations that they have exercised reasonable diligence to ensure that (i) the audited financial statements do not contain

Matador Gold Technologies Inc.

Management's Discussion and Analysis

For Year Ended October 31, 2023

any untrue statement of material fact or omit to state a material fact required to be stated or that is necessary to make a statement not misleading in light of the circumstances under which it is made, as of the date of and for the periods presented by the audited financial statements; and (ii) the audited financial statements fairly present in all material respects the financial condition, financial performance and cash flows of Matador, as of the date of and for the periods presented.

In contrast to the certificate required for non-venture issuers under National Instrument 52-109 Certification of Disclosure in Issuers' Annual and Interim Filings ("NI 52-109"), the Venture Issuer Basic Certificate filed by Matador does not include representations relating to the establishment and maintenance of disclosure controls and procedures ("DC&P") and internal control over financial reporting ("ICFR"), as defined in NI 52-109. In particular, the certifying officers filing such certificate are not making any representations relating to the establishment and maintenance of:

- (i) controls and other procedures designed to provide reasonable assurance that information required to be disclosed by the issuer in its annual filings, interim filings or other reports filed or submitted under securities legislation is recorded, processed, summarized and reported within the time periods specified in securities legislation; and
- (ii) a process to provide reasonable assurance regarding the reliability of financial reporting and the preparation of audited financial statements for external purposes in accordance with the issuer's generally accepted accounting principles (IFRS).

Matador's certifying officers are responsible for ensuring that processes are in place to provide them with sufficient knowledge to support the representations they are making in such certificate. Investors should be aware that inherent limitations on the ability of certifying officers of a venture issuer to design and implement on a cost effective basis DC&P and ICFR as defined in NI 52-109 may result in additional risks to the quality, reliability, transparency and timeliness of interim and annual filings and other reports provided under securities legislation.



MATADOR

MATADOR GOLD TECHNOLOGIES INC.

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE

THREE AND NINE MONTHS ENDED JULY 31, 2024

(UNAUDITED)

(EXPRESSED IN CANADIAN DOLLARS, UNLESS OTHERWISE

STATED)

Introduction

This Management's Discussion and Analysis ("MD&A") is dated October 30, 2024, and consolidates management's review of the factors that affected Matador Gold Technologies Inc.'s ("Matador" or the "Company") financial and operating performance for the three and nine months ended July 31, 2024, and factors reasonably expected to impact on future operations and results. This discussion is intended to supplement and complement the Company's interim condensed financial statements as at and for the three and nine months ended July 31, 2024 ("Interim Condensed Financial Statements") and the notes thereto which were prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board and interpretations issued by the IFRS Interpretations Committee. This MD&A should also be read in conjunction with the Audited Financial Statements.

For the purposes of preparing this MD&A, management, in conjunction with the Board, considers the materiality of information. Information is considered material if: (i) such information results in, or would reasonably be expected to result in, a significant change in the market price or value of the Common Shares; (ii) there is a substantial likelihood that a reasonable investor would consider it important in making an investment decision; or (iii) it would significantly alter the total mix of information available to investors. Management, in conjunction with the Board, evaluates materiality with reference to all relevant circumstances, including potential market sensitivity.

Unless otherwise stated, results are reported in Canadian dollars, unless otherwise noted. In the opinion of management, all adjustments considered necessary for a fair presentation have been included. The results presented in the MD&A are not necessarily indicative of the results that may be expected for any future period.

Matador Gold Technologies Inc.

Management's Discussion and Analysis

For Period Ended July 31, 2024

FORWARD-LOOKING STATEMENTS

This MD&A contains certain forward-looking information and forward-looking statements, as defined in applicable securities laws (collectively referred to herein as “forward-looking statements”). These statements relate to future events or the Company’s future performance. All statements other than statements of historical fact are forward-looking statements. Often, but not always, forward-looking statements can be identified by the use of words such as “plans”, “expects”, “is expected”, “budget”, “scheduled”, “estimates”, “continues”, “forecasts”, “projects”, “predicts”, “intends”, “anticipates” or “believes”, or variations of, or the negatives of, such words and phrases, or state that certain actions, events or results “may”, “could”, “would”, “should”, “might” or “will” be taken, occur or be achieved. Forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause actual results to differ materially from those anticipated in such forward-looking statements. The forward-looking statements in this MD&A speak only as of the date of this MD&A or as of the date specified in such statement.

Inherent in forward-looking statements are risks, uncertainties and other factors beyond the Company’s ability to predict or control. Readers are cautioned that such risk factors, uncertainties and other factors are not exhaustive. Actual results and developments are likely to differ, and may differ materially, from those expressed or implied by the forward-looking statements contained in this MD&A.

Forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause actual results to differ materially from those anticipated in such forward-looking statements. The forward-looking statements in this MD&A speak only as of the date of this MD&A or as of the date specified in such statement. Specifically, this MD&A includes, but is not limited to, forward-looking statements regarding: the Company’s ability to meet its working capital needs at the current level for the next twelve-month period; management’s outlook regarding the market environment and future trends; the future development of Matador's business including with respect to the potential future offering of other metal types and/or operations in additional jurisdictions; management's expectations regarding future profitability and the timing thereof; sensitivity analysis on financial instruments, which may vary from amounts disclosed; future deployment of available funds; and general business and economic conditions.

All forward-looking statements herein are qualified by this cautionary statement. Accordingly, readers should not place undue reliance on forward-looking statements. The Company undertakes no obligation to update publicly, or otherwise revise, any forward-looking statements, whether as a result of new information or future events or otherwise, except as may be required by law. If the Company does update one or more forward-looking statements, no inference should be drawn that it will make additional updates with respect to those or other forward-looking statements, unless required by law.

Matador Gold Technologies Inc.

Management's Discussion and Analysis

For Period Ended July 31, 2024

To the Shareholders of Matador:

Overview

Matador is democratizing the gold buying experience by bringing it into the 21st century. Combining the best of modern technology and time-proven investment options, Matador's proprietary app will allow users to buy, sell, and store gold 24/7, with the added security and flexibility of an encrypted mobile application. The Matador platform is Matador's sole product and is targeted for a public launch in 2024. See "Company and Highlights" below.

Market Environment

As of October 30, 2024, gold prices have exhibited substantial volatility, driven by a combination of global macroeconomic factors and evolving central bank policies. After climbing to USD\$2,265 per ounce in April, prices remained strong throughout the summer as persistent inflationary concerns, geopolitical tensions, and market uncertainty boosted the demand for gold as a safe-haven asset. The ongoing wariness about the global economic slowdown, alongside concerns about the U.S. dollar's weakening, has kept gold prices elevated.

One of the key factors driving the continued support for gold prices is central bank activity, with strong buying from global reserves, particularly in emerging markets like China. According to the World Gold Council, central bank purchases have surged over 150% year-over-year, marking a 50-year high in net purchases. These institutions are increasingly looking to diversify reserves, positioning gold as a hedge against both inflation and geopolitical risk.

On the macroeconomic front, the Federal Reserve's pivot to a more dovish stance, hinting at potential rate cuts by the end of 2024, has exerted downward pressure on the U.S. dollar and bond yields, further supporting gold's appeal. Lower treasury yields have reduced the opportunity cost of holding non-interest-bearing assets like gold. With inflation concerns still on the horizon, especially in developed markets, the sentiment around gold remains bullish as investors seek stability amid volatility.

Additionally, geopolitical uncertainties and tensions in regions like the Middle East and Eastern Europe have contributed to elevated gold prices as investors hedge against potential risks. Moving forward, the direction of gold prices will likely depend on central bank policies, the pace of rate cuts, inflation trends, and global economic stability. For now, gold remains one of the most attractive assets in the uncertain global financial landscape, maintaining its status as a critical hedge in diversified portfolios.

Operations

Management is prioritizing Matador's mobile application, which allows consumers in specific regions to buy, sell, store, and ship gold. The company is dedicated to innovation, expanding to new regions, and enhancing the app with new products and features to improve the consumer buying experience independently of gold's market performance. Matador is also considering adding new precious metals to its platform.

During the platform development phase, the key focus areas include creating an appealing front-end for users, building an efficient back-end for the support, finance, and compliance teams to manage operations effectively, and integrating marketing and compliance functions directly into the platform.

Matador Gold Technologies Inc.

Management's Discussion and Analysis

For Period Ended July 31, 2024

Matador aims to achieve revenue-positive status in 2024 with the launch of its flagship application. The company will generate revenue from two key streams: transaction fees for buying and selling gold, and installment fees from its buy-now-pay-later (BNPL) model, offering customers flexible payment options. In addition to its core offerings, Matador continues to explore innovative ways to incorporate Bitcoin into its product lineup. By leveraging Bitcoin's decentralized nature, Matador seeks to expand its customer base and enhance its services, offering modern payment solutions alongside traditional gold investments.

As a dealer of precious metals in Canada, the Company is committed to compliance with all relevant regulations. The legal and compliance team is focused on entering new jurisdictions and ensuring product compliance in these regions.

PART I – COMPANY AND HIGHLIGHTS

THE COMPANY

Matador is revolutionizing the gold buying experience by integrating modern technology with traditional investment options. Their app allows users to buy, sell, and store gold 24/7 with secure, encrypted mobile access. Features include installment payment plans (buy now, pay later), transparent pricing with low fees, and a loyalty program offering rewards for platform use.

The platform is designed with regulatory compliance, including AML and KYC requirements, ensuring secure and authorized user access. Matador has received positive legal feedback on its model as a precious metals dealer.

Future plans include adding various gold types (such as ESG-compliant and region-specific gold) and rebating a portion of transaction fees to gold originators. Matador also aims to expand to new jurisdictions, subject to local regulations. Matador is actively seeking to integrate Bitcoin into its product offerings, going beyond its core services. By tapping into Bitcoin's decentralized features, the company aims to broaden its customer reach and elevate its offerings with cutting-edge payment solutions, complementing its traditional gold investment options.

Physical gold on the platform, excluding gold in transit, is stored in secure vaults, specifically under an agreement with Kitco at the Royal Canadian Mint in Ottawa, managed by the Canadian federal government. The Matador platform, set for public launch in 2024, has been approved for launch on the Apple Store and Google Play Store.

Matador Gold Technologies Inc.

Management's Discussion and Analysis

For Period Ended July 31, 2024

FINANCIAL SUMMARY

Selected Financial Information

	Quarter Ended	Quarter Ended	Quarter Ended	Quarter Ended	Quarter Ended	Quarter Ended	Quarter Ended	Quarter Ended
	July 31, 2024	April 30, 2024	January 31, 2024	October 31, 2023	July 31, 2023	April 30, 2023	January 31, 2023	October 31, 2022
Operating Expenses	1,243,239	1,388,269	194,681	286,549	676,593	403,557	1,063,186	2,705,176
Total Loss and Comprehensive Loss	(1,232,174)	(1,342,330)	(192,664)	(222,085)	(672,302)	(396,604)	(1,030,774)	(2,674,257)
Basic and Diluted Loss Per Share	(0.01)	(0.02)	(0.01)	(0.01)	(0.01)	(0.01)	(0.02)	(0.01)

HIGHLIGHTS:

- Total cash on hand of \$3.06 million as of July 31, 2024, as compared to \$366,939 for the period ended July 31, 2023. This represents an increase of 734% and is primarily driven by the Company raising additional capital throughout the year to fund operations, without having recorded any revenue.
- Operating expenses were \$1.9 million for the nine months ended July 31, 2024, as compared to \$2.2 million for the nine months ended July 31, 2023. Operating expenses were \$952,787 in Q3 2024 compared to \$682,205 in Q3 2023. This represents an increase of 40% primarily represented by a increase in share based compensation.
- A net loss and comprehensive loss for the nine months ended July 31, 2024, attributable to Matador, of \$2.8 million, offset by an interest income earned on from its term deposits, as compared to \$2.2 million for the nine months ended July 31, 2023. This represents an increase of 27% and is primarily driven by an increase in share based compensation and recording a revaluation loss on digital assets.

Matador Gold Technologies Inc.

Management's Discussion and Analysis

For Period Ended July 31, 2024

PART II – REVIEW OF FINANCIAL RESULTS

Financial results

For the three months ended July 31, 2024, operating expenses were \$952,787 compared to \$682,205 for the three months ended July 31, 2023. For the nine months ended July 31, 2024, operating expenses were \$1.9 million compared to \$2.2 million for the nine months ended July 31, 2023.

For the three months ended July 31, 2024, the Company recorded a net loss and comprehensive loss of \$1.2 million compared to \$665,090 for the three months ended July 31, 2023. Net loss per share for the three months ended July 31, 2024, was \$0.02 per share compared to \$0.01 for the three months ended July 31, 2023. For the nine months ended July 31, 2024, the Company recorded a net loss and comprehensive loss of \$2.8 million compared to \$2.2 million for the nine months ended July 31, 2023. Net loss per share for the nine months ended July 31, 2024, was \$0.04 per share compared to \$0.04 for the nine months ended July 31, 2023.

The increase in operating expenses for the three months ended July 31, 2024 as compared to the three months ended July 31, 2023 was primarily a result of an increase in share based compensation. The increase in net loss and comprehensive loss for the three months ended July 31, 2024 as compared to the three months ended July 31, 2023 was primarily a result of recording a revaluation loss on digital assets. The decrease in operating expenses for the nine months ended July 31, 2024 as compared to the nine months ended July 31, 2023 was primarily a result of a decrease in professional fees, advertising and promotion expenses, consulting expenses and travel expenses. The increase in net loss and comprehensive loss for the nine months ended July 31, 2024 as compared to the nine months ended July 31, 2023 was primarily a result of recording a revaluation loss on digital assets.

Operating expenses

A breakdown of the operating expenses is as follows:

EXPENSES	Three Months Ended		Nine Months Ended	
	July 31, 2024	July 31, 2023	July 31, 2024	July 31, 2023
Professional Fees (i)	70,454	225,548	264,946	372,730
Advertising and Promotion	22,465	34,071	22,465	131,114
General and Administrative	53,096	29,459	100,046	51,941
Consulting Fees	106,362	215,278	317,245	826,394
Travel	7,470	6,111	7,470	20,707
Write (up) / down on Inventory	-	3,775	(690)	5,958
Exchange (Gain) or Loss	(41,995)	565	(60,694)	565
Share Based Compensation (ii)	734,936	167,396	1,221,145	806,505
Total Expenses	952,787	682,205	1,871,934	2,215,914

(i) Primarily consisted of corporate legal and audit fees, and other business consulting.

(ii) Value of options, RSUs, performance shares and advisor shares that vested during the period.

Matador Gold Technologies Inc.

Management's Discussion and Analysis

For Period Ended July 31, 2024

The Matador platform is Matador's sole product and is targeted for a public launch in 2024. Matador's application has been approved by the Apple Store and Google Play Store. Matador also continues to explore innovative ways to integrate the blockchain and digital art to incentivize younger buyers to become interested in the gold market – including the use of Bitcoin Ordinals and digital art.

A breakdown of general and administrative expenses is as follows:

	Three Months Ended		Nine Months Ended	
	July 31, 2024	July 31, 2023	July 31, 2024	July 31, 2023
Bank Charges	799	627	1,719	1,824
Domain Expense	129	-	129	44
Dues and Subscriptions	8,153	7,088	13,385	22,072
Meals and Entertainment	-	6,892	297	8,833
Office Expenses	243	1,352	243	5,668
Insurance	43,773	13,500	84,273	13,500
Total Expenses	53,096	29,459	100,046	51,941

Other items included in net income are:

	Three Months Ended		Nine Months Ended	
	July 31, 2024	July 31, 2023	July 31, 2024	July 31, 2023
Revaluation Loss on Digital Assets	290,451	-	954,255	-
Interest Income (i)	11,065	17,115	59,021	43,656

- (i) Term deposits include two non-redeemable guaranteed investment certificates ("GIC"). The first GIC was issued May 10, 2024, with a 1-year maturity, a principal of \$5,328 GICs and a fixed annual interest rate of 4.50%. The second GIC was issued August 12, 2024, with a 1-year maturity, a principal of \$42,670 GICs and an annual fixed interest rate of 4.75%.

Matador Gold Technologies Inc.

Management's Discussion and Analysis

For Period Ended July 31, 2024

PART III – FINANCIAL CONDITION, LIQUIDITY, AND CAPITAL RESOURCES

Liquidity and Capital Resources

As at July 31, 2024, the Company had a working capital balance of \$5.5 million (July 31, 2023 - \$2.1 million), and shareholders' equity, attributable to the owners of the Company, of \$5.5 million (July 31, 2023 - \$2.6 million). The Company currently anticipates having sufficient cash and cash equivalents to meet its current operating and administrative costs for the next 12 months.

The following summarizes and explains the Company's cash flow activities:

	Nine Months Ended	
	July 31, 2024	July 31, 2023
Net cash provided by (used in)		
Operating activities	(620,413)	(1,497,415)
Financing activities	1,421,610	-
Investing activities	-	(2,078,070)
Increase (decrease) in cash	801,197	(3,575,485)

The decrease in operating activities for the nine months ended July 31, 2024 as compared to the nine months ended July 31, 2023 was primarily a result of larger non-cash add backs including share based compensation and the revaluation loss on digital assets. The increase in financing activities for the nine months ended July 31, 2024 as compared to the nine months ended July 31, 2023 was a result of Matador receiving funds in relation to a private placement. The decrease in investing activities for the nine months ended July 31, 2024 as compared to the nine months ended July 31, 2023 was a result of Matador not investing excess cash into term deposits. The Company anticipates approximately \$90,000 per month of working capital requirements for the next 12 months.

The Company's use of cash at present occurs, and in the future is expected to occur, principally in two areas: the funding of its general and administrative expenditures as a deployment of capital to continuously improve the mobile application and the funding of its gold purchases to facilitate the transactions on its gold trading platform. In connection with the Company's operating and investment activities, when required, the Company will seek to raise capital primarily through the issuance of equity securities. As at the date of this report, the Company anticipates having sufficient capital to meet its ongoing operating and investment activities, for a minimum of the next twelve months.

The Company has no capital commitments as at the date of this report.

Off-Balance Sheet Arrangements

As of the date of this MD&A, the Company does not have any off-balance sheet arrangements that have, or are reasonably likely to have, a current or future effect on the results of operations or financial condition of the Company including, without limitation, such considerations as liquidity and capital resources that have not previously been discussed.

Matador Gold Technologies Inc.

Management's Discussion and Analysis

For Period Ended July 31, 2024

Financial Instruments and Business Risks

The Company's risk exposures and the impact on the Company's financial instruments are summarized below.

Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities. The Company is exposed to this risk mainly with respect to ensuring the sufficiency of funds for working capital and commitments. The Company monitors the maturity dates of existing accounts payable and accrued liabilities, loans payable, and commitments to mitigate this risk. The Company manages company-wide cash projections centrally and regularly updates projections for changes in business and fluctuations. The Company's financial liabilities are comprised of accounts payable and accrued liabilities. As at July 31, 2024, accounts payable and accrued liabilities of \$101,421 (July 31, 2023 - \$30,428) and are expected to mature within one year.

Fair Value Risk

Fair value risk is the risk that the fair value of a financial asset or liability fluctuates due to changes in market conditions, such as interest rates, exchange rates, or commodity prices. IFRS 7 - Financial Instruments: Disclosures requires disclosure of a three-level hierarchy ("FV hierarchy") that reflects the significance of the inputs used in making fair value measurements and disclosures. Fair values of assets and liabilities included in Level 1 are determined by reference to quoted prices in active markets for identical assets and liabilities. Assets and liabilities in Level 2 include those whose valuations are determined using inputs other than quoted prices for which all significant outputs are observable, either directly or indirectly. Level 3 valuations are those based on inputs that are unobservable and significant to the overall fair value measurement. As at July 31, 2024, the Company's financial instruments are comprised of cash and cash equivalents, term deposits and accounts payable and accrued liabilities.

Digital assets are measured at fair value in accordance with IFRS 13 "Fair Value Measurement." Fair value is determined based on the price at which an asset could be exchanged between knowledgeable, willing parties in an arm's length transaction on the measurement date. The fair value of digital assets is determined using quoted prices in active markets at the reporting date. If quoted prices are not available, fair value is estimated using valuation techniques that include recent transactions for identical or similar assets, or using other valuation models that maximize the use of relevant observable inputs and minimize the use of unobservable inputs.

Digital assets and cash are measured at fair value as at the date of reporting. During the period ended July 31, 2024, there were no transfers between levels of the fair value hierarchy. The carrying value of the accounts payable and accrued liabilities approximate their fair values due to their short-term nature.

The fair value of these Digital Assets was determined as follows:

- Bitcoin: determined by taking the last closing price for the day in eastern standard time from www.blockchain.com.
- Legacy Satoshis: determined from the floor price from www.magisat.io/category/legacy and Bitcoin's last closing price for the day in eastern standard time from www.blockchain.com.
- Uncommon Satoshis: determined from the floor price from www.magisat.io/category/uncommon and

Matador Gold Technologies Inc.

Management's Discussion and Analysis

For Period Ended July 31, 2024

Bitcoin's last closing price for the day in eastern standard time from www.blockchain.com.

Digital assets are subject to significant market volatility. The value of digital assets can fluctuate widely over short periods due to various factors, including but not limited to changes in investor sentiment, regulatory developments, technological advancements, macroeconomic factors, and market supply and demand dynamics. Given this volatility, the fair value of digital assets may experience substantial changes between reporting periods. Such fluctuations can result in material gains or losses being recognized in the financial statements. The company regularly monitors the market value of its digital asset holdings and adjusts their carrying value accordingly.

Executive compensation

The executive's base compensation was discussed and determined prior to the start of employment with the executive officer. The Board of Directors looked at comparable compensation packages from other companies within the same industry and stage of growth to decide upon the amount offered to the executive officer. Annual incentive compensation is also discussed annually with the executive officer.

Related party transactions

We define related parties as a person or an entity that is related to the reporting entity. Parties are considered to be related if one party has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operating decisions. Related parties may be individuals or corporate entities. The Company has defined TDK Cash Flow Ltd. and Hillcrest Merchant Partners Inc. as related parties. TDK Cash Flow Ltd. is a Co-Founder and shareholder of Matador. Hillcrest Merchant Partners Inc. is a Co-Founder and shareholder of Matador.

During the period ended July 31, 2024, the Company paid \$254,250 (July 31, 2023 - \$254,250) in consulting fees to TDK Cash Flow Ltd. and Hillcrest Merchant Partners Inc. for:

- a) Business operations support;
- b) HR services;
- c) Bookkeeping services;
- d) Corporate secretarial services; and
- e) Financial advisory services.

These services were incurred in the normal course of operations.

Capital Management

The Company manages its capital with the following objectives:

- a) to ensure sufficient financial flexibility to achieve the ongoing business objectives including funding of future growth opportunities and pursuit of accretive acquisitions; and
- b) to maximize shareholder return, through enhancing the share value.

The Company monitors its capital structure and makes adjustments according to market conditions in an effort to meet its objectives given the current outlook of the business and industry in general. The Company

Matador Gold Technologies Inc.

Management's Discussion and Analysis

For Period Ended July 31, 2024

may manage its capital structure by issuing new shares, repurchasing outstanding shares, adjusting capital spending, or disposing of assets. The capital structure is reviewed by management and the Board of Directors on an ongoing basis. The Company considers its capital to be equity, comprising share capital, options, RSUs, performance shares and retained earnings, which at July 31, 2024 totaled \$5,491,420.

Outstanding securities as at July 31, 2024:

Common shares	69,674,137
Dilutive securities	
Stock options	5,915,434
Restricted stock units	416,000
Performance share units	3,000,000
Fully diluted shares	79,005,571

Outstanding securities as at October 30, 2024:

Common shares	71,166,141
Dilutive securities	
Stock options	11,615,434
Restricted stock units	266,000
Performance share units	3,000,000
Fully diluted shares	86,047,575

Matador Gold Technologies Inc.

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For Period Ended July 31, 2024

PART IV – MATERIAL INFORMATION

Subsequent Events

On August 16, 2024, Matador completed a non-brokered private placement pursuant to which it issued an aggregate of 342,004 Matador Shares at a price of \$0.50 per Matador Share for gross proceeds of \$171,002.

Approval

The Board of Directors of the Company has approved the disclosures contained in this MD&A.

Matador Gold Technologies Inc.

Management's Discussion and Analysis

For Period Ended July 31, 2024

PART V – RISKS

Risks and Uncertainties

Given the nature of our business and current stage of development, prospective investors should carefully consider the specific and general risks involved in an investment in our securities. Key risk factors that could materially affect our business, results of operations, prospects, and financial condition include a history of operating losses, future capital needs, and the uncertainty of additional financing. Additionally, the concentration of control within the company, foreign currency and exchange rate risks, and global economic and financial market deterioration impeding access to capital or increasing the cost of capital are significant concerns. Our regulatory compliance, and the potential for legal and regulatory changes add to these risks.

We also face challenges related to product development and rapid technological changes, dependence on technical infrastructure, and the protection of intellectual property. The use and storage of personal information and compliance with privacy laws, network security risks, and the risk of system failure or inadequacy are also pertinent issues.

Market expansion, the ability to manage rapid growth, competition, and the effectiveness of our risk management and internal controls are additional factors that could impact our business. Marketing and brand development, improper or illegal use of our services, customer complaints, and negative publicity also pose risks. Our reliance on key personnel, the potential for uninsured and underinsured losses, theft and physical harm to personnel, and precious metal trading risks further complicate our risk profile.

Volatility in precious metals prices, public interest in precious metals investment, and the risks associated with infectious diseases presenting as major health issues are also significant. Compliance with environmental and health and safety laws and regulations and operational or technical difficulties in connection with the trading and storage of precious metals are other crucial considerations.

There may be additional risks and uncertainties not presently known to us or that we do not currently anticipate, which could materially impair our business operations and results. Consequently, these could materially impact our business, prospects, and financial condition.

PART VI – ACCOUNTING POLICIES, CRITICAL ACCOUNTING ESTIMATES AND INTERNAL CONTROLS

Critical Accounting Estimates and Accounting Policies

The preparation of the audited financial statements requires Management to make judgments, estimates and assumptions that affect the application of accounting policies and reported assets, liabilities, revenue and expenses. Estimates and underlying assumptions are reviewed on an ongoing basis. Estimates are based on historical experience and other assumptions that are considered reasonable in the circumstances. The actual amount or values may vary in certain instances from the assumptions and estimates made. Changes will be recorded, with corresponding effect in profit or loss, when, and if, better information is obtained.

PART VII – DISCLOSURE OF INTERNAL CONTROLS

Management has established processes to provide them with sufficient knowledge to support representations that they have exercised reasonable diligence to ensure that (i) the audited financial statements do not contain

Matador Gold Technologies Inc.

Management's Discussion and Analysis

For Period Ended July 31, 2024

any untrue statement of material fact or omit to state a material fact required to be stated or that is necessary to make a statement not misleading in light of the circumstances under which it is made, as of the date of and for the periods presented by the audited financial statements; and (ii) the audited financial statements fairly present in all material respects the financial condition, financial performance and cash flows of Matador, as of the date of and for the periods presented.

In contrast to the certificate required for non-venture issuers under National Instrument 52-109 Certification of Disclosure in Issuers' Annual and Interim Filings ("NI 52-109"), the Venture Issuer Basic Certificate filed by Matador does not include representations relating to the establishment and maintenance of disclosure controls and procedures ("DC&P") and internal control over financial reporting ("ICFR"), as defined in NI 52-109. In particular, the certifying officers filing such certificate are not making any representations relating to the establishment and maintenance of:

- (i) controls and other procedures designed to provide reasonable assurance that information required to be disclosed by the issuer in its annual filings, interim filings or other reports filed or submitted under securities legislation is recorded, processed, summarized and reported within the time periods specified in securities legislation; and
- (ii) a process to provide reasonable assurance regarding the reliability of financial reporting and the preparation of audited financial statements for external purposes in accordance with the issuer's generally accepted accounting principles (IFRS).

Matador's certifying officers are responsible for ensuring that processes are in place to provide them with sufficient knowledge to support the representations they are making in such certificate. Investors should be aware that inherent limitations on the ability of certifying officers of a venture issuer to design and implement on a cost effective basis DC&P and ICFR as defined in NI 52-109 may result in additional risks to the quality, reliability, transparency and timeliness of interim and annual filings and other reports provided under securities legislation.

SCHEDULE "B"
Financial Statements of Matador Gold Technologies Inc.



MATADOR

MATADOR GOLD TECHNOLOGIES INC.

INTERIM CONDENSED FINANCIAL STATEMENTS FOR THE

THREE AND NINE MONTHS ENDED JULY 31, 2024

(UNAUDITED)

(EXPRESSED IN CANADIAN DOLLARS, UNLESS OTHERWISE

STATED)

Matador Gold Technologies Inc.
Interim Condensed Statement of Financial Position
(Expressed in Canadian Dollars, Unless Otherwise Stated)
(unaudited)

	Note Ref	As at July 31, 2024	As at October 31, 2023
Assets			
Current Assets			
Cash and Cash Equivalents	2	3,059,682	2,258,485
Term Deposits	2	48,006	46,660
Precious Metals	4	95,466	94,776
Prepaid Expenses		87,750	66,954
Total Current Assets		3,290,904	2,466,874
Non-Current Assets			
Digital Assets	3	2,301,937	-
Total Non-Current Assets		2,301,937	-
Total Assets		5,592,841	2,466,874
Liabilities and Equity			
Liabilities			
Current Liabilities			
Accounts Payable and Accrued Liabilities		101,421	54,450
Total Current Liabilities		101,421	54,450
Total Liabilities		101,421	54,450
Shareholders Equity			
Share Capital	5	12,974,919	7,760,901
Contributed Surplus	6	1,812,575	1,180,429
Accumulated Deficit		(9,296,074)	(6,528,906)
Total Equity		5,491,420	2,412,424
Total Liabilities and Equity		5,592,841	2,466,874

See accompanying Notes to the Interim Condensed Financial Statements.

Approved on behalf of the Board:

"Deven Soni", Director

"Richard Murphy", Director

Matador Gold Technologies Inc.
Interim Condensed Statement of Operations and Comprehensive Loss
(Expressed in Canadian Dollars, Unless Otherwise Stated)
(unaudited)

	Note Ref	Three Months Ended		Nine Months Ended	
		July 31, 2024	July 31, 2023	July 31, 2024	July 31, 2023
EXPENSES					
Professional Fees		70,454	225,548	264,946	372,730
Advertising and Promotion		22,465	34,071	22,465	131,114
General and Administrative		53,096	29,459	100,046	51,941
Consulting Fees		106,362	215,278	317,245	826,394
Travel		7,470	6,111	7,470	20,707
Write (up) / down on Inventory		-	3,775	(690)	5,958
Exchange (Gain) or Loss		(41,995)	565	(60,694)	565
Share Based Compensation	5,6	734,936	167,396	1,221,145	806,505
Total Expenses		952,787	682,205	1,871,934	2,215,914
Operating Loss		952,787	682,205	1,871,934	2,215,914
Income Tax Expense	10	-	-	-	-
Revaluation Loss on Digital Assets	3	290,451	-	954,255	-
Interest Income		11,065	17,115	59,021	43,656
Total Net Loss & Comprehensive Loss		(1,232,174)	(665,090)	(2,767,168)	(2,172,258)
Basic and Diluted Loss Per Share		(0.02)	(0.01)	(0.04)	(0.04)

See accompanying Notes to the Interim Condensed Financial Statements.

Matador Gold Technologies Inc.
Interim Condensed Statement of Cash Flows
(Expressed in Canadian Dollars, Unless
Otherwise Stated)
(unaudited)

	Nine Months Ended	
	July 31,	July 31,
	2024	2023
OPERATING ACTIVITIES		
Net Loss	(2,767,168)	(2,172,258)
Items Not Affecting Cash		
Share Based Compensation	1,221,145	806,505
Revaluation Loss on Digital Assets Held	954,255	-
Unrealized Gain / (Loss) on Currency	(52,784)	
Write (Up) / Down on Precious Metals Held	(690)	5,958
Accrued Interest	(1,347)	-
Change in Non-Cash Working Capital		
Precious Metals Purchased	-	(95,466)
Prepaid Expenses	(20,796)	-
Accounts Payable and Accrued Liabilities	46,971	(42,154)
Total Adjustments to reconcile Net Income to Net Cash provided by operations:	2,146,754	674,843
Net cash used in operating activities	(620,413)	(1,497,415)
FINANCING ACTIVITIES		
Proceeds From Share Issuances (Net of Issuance Costs)	1,421,610	-
Net cash provided by financing activities	1,421,610	-
INVESTING ACTIVITIES		
Term Deposits	-	(2,078,070)
Net cash used in financing activities	-	(2,078,070)
Effect of exchange rate differences on cash and cash equivalents	-	(37)
Net cash increase for period	801,197	(3,575,485)
Cash and Cash Equivalents at the Beginning of Period	2,258,485	3,942,461
Cash and Cash Equivalents at End of Period	3,059,682	366,939
Supplemental cash flow information - non-cash transactions		
Digital Asset's received in exchange for Share Issuances	3,203,408	-

See accompanying Notes to the Interim Condensed Financial Statements.

Matador Gold Technologies Inc.
Interim Condensed Statement of Changes in Equity For Period Ended July 31, 2024
(Expressed in Canadian Dollars, Unless Otherwise Stated)
(unaudited)

	Note Ref	Shares	Share Capital	Contributed Surplus	Accumulated Deficit	Total Equity
Balance as at October 31, 2022		60,021,100	7,609,651	525,870	(4,207,142)	3,928,379
Share Based Compensation Option Issuance	6	-	-	486,790	-	486,790
Share Based Compensation RSU Issuance	6	-	-	146,738	-	146,738
RSUs Vested and Issued	5,6	190,000	85,000	(85,000)	-	-
Share Based Compensation Performance Shares	6	-	-	9,787	-	9,787
Performance Shares Vested and Issued	5,6	-	31,250	(31,250)	-	-
Total Loss and Comprehensive Loss		-	-	-	(2,172,258)	(2,172,258)
Balance as at July 31, 2023		60,211,100	7,725,901	1,052,935	(6,379,400)	2,399,436
Balance as at October 31, 2023		60,301,100	7,760,901	1,180,429	(6,528,906)	2,412,424
Share Based Compensation Option Issuance	6	-	-	259,150	-	259,150
Share Based Compensation RSU Issuance	6	-	-	88,127	-	88,127
RSUs Vested and Issued	5,6	123,000	101,500	(101,500)	-	-
Share Based Compensation Performance Shares	6	-	-	212,064	-	212,064
PSUs Vested and Issued	5,6	-	237,500	(237,500)	-	-
Share Based Compensation Advisory Shares	6	-	-	661,804	-	661,804
Advisory Shares Vested and Issued	5,6	-	250,000	(250,000)	-	-
Shares Issued in Private Placements (Net of Issuance Costs)	5	9,250,037	4,625,018	-	-	4,625,018
Total Loss and Comprehensive Loss		-	-	-	(2,767,168)	(2,767,168)
Balance as at July 31, 2024		69,674,137	12,974,919	1,812,575	(9,296,074)	5,491,420

See accompanying Notes to the Interim Condensed Financial Statements.

Matador Gold Technologies Inc.

Notes to Interim Condensed Financial Statements for Period Ended July 31, 2024

(Expressed in Canadian Dollars, Unless Otherwise Stated)

(unaudited)

1) Nature of operations

Matador Gold Technologies Inc. ("Matador", "our", "we", "us" or the "Company") was incorporated on November 29, 2021, under the laws of the Province of Ontario. The principal office of the Company is located at 1 University Avenue, Suite 300, Toronto, Ontario M5J 2P1.

Matador is a technology company that develops a mobile application that lets users in Canada buy and sell precious metals directly from a mobile phone. Our platform also allows customers to arrange for the purchase, sale and storage of precious metals. The Company's operations are conducted through its mobile application available on IOS and Android mobile devices. As of July 31, 2024, the application is finalized and ready to launch. Matador anticipates launching its application in 2024. Matador also continues to explore innovative ways to integrate the blockchain and digital art to incentivize younger buyers to become interested in the gold market – including the use of Bitcoin Ordinals and digital art.

The Company has incurred losses and negative cash flows from operations from inception that has primarily been funded through financing activities. The Company will need to raise additional capital during the next twelve months and beyond to support current operations and planned development. These factors indicate the existence of a material uncertainty that may cast significant doubt as to the Company's ability to continue as a going concern.

These financial statements have been prepared on a going concern basis, which contemplates the realization of assets and the settlement of liabilities and commitment in the normal course of business. These financial statements do not reflect the adjustments to the carrying values of assets and liabilities, the reported revenues and expenses, and the statement of financial position classifications used, that would be necessary if the Company were unable to realize its assets and settle its liabilities and commitment as a going concern in the normal course of operations. Such adjustments could be material.

2) Material Accounting Policy Information

Basis of Presentation

These unaudited interim condensed consolidated financial statements have been prepared using accounting policies consistent with International Financial Reporting Standards ("IFRS") and in accordance with International Accounting Standard ("IAS") 34, "Interim Financial Reporting" as issued by the International Accounting Standards Board. The unaudited interim condensed consolidated financial statements do not include all the information required for full annual financial statements and should be read in conjunction with the audited annual consolidated financial statements of the Company for the years ended October 31, 2023 and notes thereto. However, selected notes are included that are significant to understanding the Company's financial position and performance since the last annual financial statements.

These unaudited interim condensed financial statements were approved for issuance by Matador's Board of Directors on October 30, 2024, and are presented in Canadian dollars, which is Matador's functional currency.

Matador Gold Technologies Inc.

Notes to Interim Condensed Financial Statements for Period Ended July 31, 2024

(Expressed in Canadian Dollars, Unless Otherwise Stated)

(unaudited)

Critical Accounting Estimates and Judgements

The preparation of these financial statements in conformity with IFRS requires management to make estimates and judgements that affect the applications of accounting policies regarding certain types of assets, liabilities, revenues, and expenses in the preparation of these financial statements. Estimates and judgments are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the year in which the estimates are revised and in any future years affected. These estimates and assumptions are based on management's historical experience, best knowledge of current events and conditions and activities that the Company may undertake in the future. Actual results could differ materially from these estimates. The key areas of estimation and judgements are the valuation of intangible and digital assets, share based transactions, and provision for taxes.

The most significant judgments in applying the Company's financial statements include the assessment of the Company's ability to continue as a going concern and whether there are events of conditions that may give rise to significant uncertainty.

The effect of a change in an accounting estimate is recognized prospectively by including it in comprehensive income in the year of the change, if the change affects that year only, or in the year of the change and future years, if the changes affect both.

Digital Assets

Digital assets consist of cryptocurrency denominated assets such as Bitcoin, as well as other Bitcoin Ordinal Assets such as Legacy Satoshis and Uncommon Satoshis (collectively, the "Bitcoin Assets") on its balance sheet and treats these assets as a long-term asset. Digital assets meet the definition of intangible assets in IAS 38 Intangible Assets as they are identifiable non-monetary assets without physical substance. Purchased digital assets are initially recorded at costs. The revaluation method is used to measure digital assets subsequently. Under the revaluation method, increases in fair value are recorded in other comprehensive income, while decreases are recorded in the statement of loss and comprehensive loss. There is no recycling of gains from other comprehensive income in the statements of loss and comprehensive loss, except to the extent that an increase in fair value reverses a previous decrease in fair value that has been recorded in the statements of loss and comprehensive loss, that increase is recorded in the statements of loss and comprehensive loss. The fair value of these Digital Assets was determined as follows:

- Bitcoin: determined by taking the last closing price for the day in eastern standard time from www.blockchain.com.
- Legacy Satoshis: determined from the floor price from www.magisat.io/category/legacy and Bitcoin's last closing price for the day in eastern standard time from www.blockchain.com.
- Uncommon Satoshis: determined from the floor price from www.magisat.io/category/uncommon and Bitcoin's last closing price for the day in eastern standard time from www.blockchain.com.

Inventory

The Company purchases and holds gold as inventory and treats it as a current asset on the balance sheet. The initial recognition of the gold inventory is at cost, which includes the purchase price and any directly attributable costs of bringing it to its existing location and condition, such as transportation costs.

Upon initial recognition, the gold inventory is measured at cost. Subsequently, at the end of each reporting period, it is measured at the lower of cost and net realizable value (NRV), in compliance with IAS 2,

Matador Gold Technologies Inc.

Notes to Interim Condensed Financial Statements for Period Ended July 31, 2024

(Expressed in Canadian Dollars, Unless Otherwise Stated)

(unaudited)

Inventories. The cost of the gold inventory is determined on a weighted average cost basis. Net realizable value represents the estimated selling price for inventories less all estimated costs of disposal. The gold inventory is derecognized from the balance sheet when it is sold or disposed. The amount of any write-down of inventories to net realizable value and all losses of inventories are recognized as an expense in the period the write-down or loss occurs.

New accounting standards and interpretations not yet effective

The following new standards, amendments and interpretations have been issued but are not effective for the fiscal period ending July 31, 2024, and, accordingly, have not been applied in preparing these financial statements.

Amendments to IAS 21 – Lack of Exchangeability

The amendments to IAS 21 will help an entity determine whether a currency is exchangeable into another currency and requirements the entity would apply when it is not. The amendments also require the disclosure of additional information when a currency is not considered exchangeable. The amendments are applied prospectively for annual periods beginning on or after 1 January 2025, with early application permitted. No significant impact to the Company's financial statements is expected.

Implementation of IFRS 18 – Presentation and Disclosure of Financial Statements

The introduction of IFRS 18 will help to achieve comparability of the financial performance of similar entities. The new disclosures required for some management-defined performance measures will also enhance transparency. The new standards are applied retrospectively for annual periods beginning on or after January 1st, 2027, with early adoption permitted. The Company is currently assessing the expected impact of this standard.

Implementation of IFRS S1 – General Requirements for Disclosure of Sustainability-related Financial Information - and IFRS S2 – Climate-related Disclosures

In June 2023 the International Sustainability Standards Board (the "ISSB") issued IFRS S1 General Requirements for disclosure of Sustainability -related Financial Information for Disclosure of Sustainability-related Financial Information ("IFRS S1"), proposing general requirements for an entity to disclose sustainability-related financial information about its sustainability-related risks and opportunities. The objective of IFRS S1 is to require an entity to disclose information about its sustainability related risks and opportunities that is useful to users of general purpose financial reports in making decisions relating to providing resources to the entity. IFRS S1 is effective for annual reporting periods beginning on or after January 1, 2024, with earlier application permitted as long as IFRS 2 climate related disclosures is also applied. The Company is currently assessing the expected impact of this standard.

In June 2023 the ISSB issued IFRS S2 Climate-Related Disclosures to integrate and build on the recommendations of the Task Force on Climate-Related Financial Disclosures (TCFD) and incorporating industry-based disclosure requirements derived from Sustainability Accounting Standards Board (SASB) Standards. The objective of IFRS S2 is to require an entity to disclose information about its climate related risks and opportunities that is useful to users of general purpose financial reports and making decisions relating to providing resource is to the entity. IFRS S2 is effective for annual reporting periods beginning on or after January 1st, 2024, with earlier application permitted as long as IFRS S1 is also applied. The Company

Matador Gold Technologies Inc.

Notes to Interim Condensed Financial Statements for Period Ended July 31, 2024

(Expressed in Canadian Dollars, Unless Otherwise Stated)

(unaudited)

is currently assessing the expected impact of this standard.

3) Digital Assets

On April 23, 2024, the Company received a strategic investment from UTXO Management, LLC (“UTXO”), a Bitcoin venture capital firm. The strategic investment was in the form of Bitcoin, legacy satoshis, and uncommon satoshis (“Bitcoin Assets”) totaling \$3,000,000. The legacy and uncommon satoshis were transferred at fair value. The Company also received 2.6 bitcoin as part of the private placement which closed on July 23, 2024.

Digital assets consists of Bitcoin, legacy satoshis, and uncommon satoshis owned and held by the Company.

	Bitcoin		Legacy Satoshis		Uncommon Satoshis		Total Digital Assets	
	Quantity	Value	Quantity	Value	Quantity	Value	Quantity	Value
Balance as at October 31, 2023	-	-	-	-	-	-	-	-
Digital Assets								
Received (i)	8	693,105	5,000	2,456,656	1,000	106,431	6,008	3,256,192
Revaluation Loss		(14,699)		(895,083)		(44,472)		(954,255)
Balance as at July 31, 2024	8	678,406	5,000	1,561,573	1,000	61,959	6,008	2,301,937

4) Inventory

Precious metals consist of bullion bars owned and held by the Company.

	July 31, 2024		October 31, 2023	
	Quantity (ounces)	Value	Quantity (ounces)	Value
Gold Opening Balance	35	94,776	35	95,466
Write Up / (Down) to Net Realizable Value	-	690		(690)
Total Precious Metals	35	95,466	35	94,776

5) Share Capital

The Company has an unlimited number of shares authorized with no par value. The shares are voting shares and contain certain transfer restrictions.

	Number of Shares Issued and Outstanding
Balance as at October 31, 2022	60,021,100
Share Based Compensation Option Issuance	-
Share Based Compensation RSU Issuance	280,000

Matador Gold Technologies Inc.

Notes to Interim Condensed Financial Statements for Period Ended July 31, 2024

(Expressed in Canadian Dollars, Unless Otherwise Stated)

(unaudited)

Share Based Compensation Performance Shares	-
Balance as at October 31, 2023	60,301,100
Balance as at October 31, 2023	60,301,100
RSUs Vested and Issued (i)	123,000
Advisor Shares Vested and Issued (ii)	-
Shares Issued in Private Placements (iii) (iv)	9,250,037
Balance as at July 31, 2024	69,674,137

(i) As at July 31, 2024 100,000 RSUs have vested, but were not issued until August 16, 2024.

(ii) As at July 31, 2024 500,000 Advisor Shares have vested, but were not issued until August 16, 2024.

(iii) On April 23, 2024, the Company completed a non-brokered private placement under which a total of 6,000,000 Common Shares were sold at a price of \$0.50 CAD per Common Share for aggregate gross proceeds to the Company of \$3 million. Gross proceeds were in the form of Bitcoin, legacy satoshis, and uncommon satoshis.

(iv) On July 23, 2024, the Company completed a non-brokered private placement under which a total of 3,250,037 Common Shares were sold at a price of \$0.50 CAD per Common Share for aggregate gross proceeds to the Company of \$1.6 million.

6) Contributed Surplus

Contributed surplus consists of stock based compensation offered to key employees. A summary of the total expense recognized for employee services received during the periods ended July 31, 2024, and July 31, 2023, for equity settled transactions is shown in the following table:

	Nine Months Ended	
	July 31, 2024	July 31, 2023
Share based Options	259,150	376,316
Share based RSUs	88,127	216,853
Share based Performance Shares	212,064	213,335
Share based Advisor Shares	661,804	-
Share based Compensation Expense	1,221,145	806,505

a) Stock Options

The Company's Long-Term Incentive Plan (the "LTIP") adopted in November 2021, provides that stock options may be granted to directors, senior officers, employees and consultants of the Company or any of its affiliates and employees of management companies engaged by the Company. The term and vesting period for options granted under the LTIP are determined by the Company's Board. Below is a summary of the activity related to options outstanding as at July 31, 2024 and October 31, 2023:

Matador Gold Technologies Inc.

Notes to Interim Condensed Financial Statements for Period Ended July 31, 2024

(Expressed in Canadian Dollars, Unless Otherwise Stated)

(unaudited)

Expressed in Units	Nine Months	Year Ended
	Ended	Year Ended
	July 31, 2024	October 31, 2023
Outstanding, beginning of period	5,315,434	5,490,100
Granted	600,000	-
Exercised	-	-
Forfeited and/or expired	-	174,666
Outstanding, end of period	5,915,434	5,315,434
Exercisable options	4,203,404	2,499,202

b) Restricted Share Units (“RSU”)

The Company established a restricted stock unit plan (“RSU Plan”) in November 2021. The purpose of the RSU Plan is to secure for the Company and its shareholders the benefits of incentive inherent in share ownership by certain directors, officers, other key employees and consultants of the Company (“Participants”) who, in the judgment of the Board, will be responsible for its future growth and success. RSUs granted pursuant to this RSU Plan will be used to compensate Participants who have forgone salary to assist the Company in cash management in exchange for the grant of RSUs and incentive stock options under the Company's stock option plan. Each RSU gives the Participant the right to receive one common share of the Company. The aggregate number of common shares that may be reserved for issuance, at any time, under this Plan and under any other share compensation arrangement adopted by the Company, including the Company's incentive stock option plan, shall not exceed up to a maximum of 20% of the issued and outstanding Shares at the time of grant pursuant to awards granted under all share compensation plans. The term and vesting period for RSUs granted under the RSU Plan are determined by the Company's Board. Below is a summary of the activity related to RSUs outstanding as at July 31, 2024 and October 31, 2023:

Expressed in Units	Nine Months	Year Ended
	Ended	Year Ended
	July 31, 2024	October 31, 2023
Outstanding, beginning of period	539,000	720,000
Granted	-	99,000
Exercised	123,000	280,000
Forfeited and/or expired	-	-
Outstanding, end of period	416,000	539,000

(i) As at July 31, 2024 100,000 RSUs vested, but were not issued until August 16, 2024.

c) Performance Shares

The purpose of Performance Shares is to secure for the Company and its shareholders the benefits of incentive inherent in share ownership by certain directors, officers, other key employees and consultants of the Company (“Participants”) who, in the judgment of the Board, will be responsible for its future growth and success. Performance Shares granted will be used to compensate Participants who have forgone salary to assist the Company in cash management in exchange for the grant of Performance Shares. Performance

Matador Gold Technologies Inc.

Notes to Interim Condensed Financial Statements for Period Ended July 31, 2024

(Expressed in Canadian Dollars, Unless Otherwise Stated)

(unaudited)

Shares will be tied to certain Participant milestones and the term and vesting period for the Performance Shares are determined by the Company's Board. Below is a summary of the activity related to Performance Shares outstanding as at July 31, 2024 and October 31, 2023:

Expressed in Units	Nine Months	Year Ended
	Ended	Year Ended
	July 31, 2024	October 31, 2023
Outstanding, beginning of period	3,000,000	1,075,000
Granted	-	3,000,000
Exercised	-	1,075,000
Forfeited and/or expired	-	-
Outstanding, end of period	3,000,000	3,000,000

(i) On December 1, 2021, 650,000 Common Shares were issued to a consultant of the Company and the performance conditions were waived on July 31, 2024. The full compensation expense has been recognized as at July 31, 2024.

(ii) On January 11, 2022, 1,500,000 Common Shares were issued to a consultant of the Company and the performance conditions were waived on July 31, 2024. The full compensation expense has been recognized as at July 31, 2024.

d) Advisor Shares

The purpose of Advisor Shares is to secure for the Company and its shareholders the benefits of incentive inherent in share ownership by certain advisors of the Company ("Advisors") who, in the judgment of the Board, will be responsible for its future growth and success. Advisor Shares granted will be used to compensate Advisors who have forgone salary to assist the Company in exchange for the grant of Advisor Shares. Advisor Shares will be tied to a specific term and vesting period for the Advisor Shares are determined by the Company's Board. Below is a summary of the activity related to Advisor Shares outstanding as at July 31, 2024 and October 31, 2023:

Expressed in Units	Nine Months	Year Ended
	Ended	Year Ended
	July 31, 2024	October 31, 2023
Outstanding, beginning of period	-	-
Granted	6,000,000	-
Exercised	-	-
Forfeited and/or expired	-	-
Outstanding, end of period	6,000,000	-

(i) As at July 31, 2024 500,000 Advisor Shares have vested, but were not issued until August 16, 2024.

Matador Gold Technologies Inc.

Notes to Interim Condensed Financial Statements for Period Ended July 31, 2024

(Expressed in Canadian Dollars, Unless Otherwise Stated)

(unaudited)

7) Net loss per share

	Nine Months Ended	
	July 31, 2024	July 31, 2023
Net Loss	(2,767,168)	(2,172,258)
Weighted Average Number of Shares Outstanding	64,987,619	60,161,100
Basic and Diluted Loss Per Share	(0.04)	(0.04)

8) Financial instruments and risk management

In common with all other businesses, the Company is exposed to risks that arise from its use of financial instruments. This note describes the Company's objectives, policies and processes for managing those risks and the methods used to measure them. Further quantitative information in respect of these risks is presented below.

General objectives, policies and processes

Management has overall responsibility for the determination of the Company's risk management objectives and policies and, whilst retaining ultimate responsibility for them, it has delegated the authority for designing and operating processes that ensure the effective implementation of the objectives and policies to the Company's finance function.

The overall objective of management is to set policies that seek to minimize risk as far as possible without unduly affecting the Company's competitiveness and flexibility. The Company has established risk management policies and procedures designed to reduce the potentially adverse effects of price volatility on operating results and distributions. Further details regarding these policies are set out below.

Liquidity risk

Liquidity risk is the risk the Company will not be able to meet its financial obligations as they become due. The Company's approach is to ensure it will have sufficient liquidity to meet operations, tax, capital and regulatory requirements and obligations, under both normal and stressed circumstances. Cash flow projections are prepared and reviewed by management to ensure a sufficient continuity of funding exists. The Company's financial liabilities are comprised of its accounts payable and accrued liabilities. The payments for the Company's accounts payable and accrued liabilities are due in less than a year.

Fair values of financial instruments and digital assets

IFRS 7 - Financial Instruments: Disclosures requires disclosure of a three-level hierarchy ("FV hierarchy") that reflects the significance of the inputs used in making fair value measurements and disclosures. Fair values of assets and liabilities included in Level 1 are determined by reference to quoted prices in active markets for identical assets and liabilities. Assets and liabilities in Level 2 include those whose valuations are determined using inputs other than quoted prices for which all significant outputs are observable, either directly or indirectly. Level 3 valuations are those based on inputs that are unobservable and significant to the overall fair value measurement. As at July 31, 2024, the Company's financial instruments are comprised of cash and cash equivalents, term deposits and accounts payable and accrued liabilities.

Matador Gold Technologies Inc.

Notes to Interim Condensed Financial Statements for Period Ended July 31, 2024

(Expressed in Canadian Dollars, Unless Otherwise Stated)

(unaudited)

Digital assets are measured at fair value in accordance with IFRS 13 "Fair Value Measurement." Fair value is determined based on the price at which an asset could be exchanged between knowledgeable, willing parties in an arm's length transaction on the measurement date. The fair value of digital assets is determined using quoted prices in active markets at the reporting date. If quoted prices are not available, fair value is estimated using valuation techniques that include recent transactions for identical or similar assets, or using other valuation models that maximize the use of relevant observable inputs and minimize the use of unobservable inputs.

Digital assets and cash are measured at fair value as at the date of reporting. During the period ended July 31, 2024, there were no transfers between levels of the fair value hierarchy. The carrying value of the accounts payable and accrued liabilities approximate their fair values due to their short-term nature.

The fair value of these Digital Assets was determined as follows:

- Bitcoin: determined by taking the last closing price for the day in eastern standard time from www.blockchain.com.
- Legacy Satoshis: determined from the floor price from www.magisat.io/category/legacy and Bitcoin's last closing price for the day in eastern standard time from www.blockchain.com.
- Uncommon Satoshis: determined from the floor price from www.magisat.io/category/uncommon and Bitcoin's last closing price for the day in eastern standard time from www.blockchain.com.

Digital assets are subject to significant market volatility. The value of digital assets can fluctuate widely over short periods due to various factors, including but not limited to changes in investor sentiment, regulatory developments, technological advancements, macroeconomic factors, and market supply and demand dynamics. Given this volatility, the fair value of digital assets may experience substantial changes between reporting periods. Such fluctuations can result in material gains or losses being recognized in the financial statements. The company regularly monitors the market value of its digital asset holdings and adjusts their carrying value accordingly.

9) Capital risk management

The Company manages its capital with the following objectives:

- a) to ensure sufficient financial flexibility to achieve the ongoing business objectives including funding of future growth opportunities and pursuit of accretive acquisitions; and
- b) to maximize shareholder return, through enhancing the share value.

The Company monitors its capital structure and makes adjustments according to market conditions in an effort to meet its objectives given the current outlook of the business and industry in general. The Company may manage its capital structure by issuing new shares, repurchasing outstanding shares, adjusting capital spending, or disposing of assets. The capital structure is reviewed by management and the Board of Directors on an ongoing basis. The Company considers its capital to be equity, comprising share capital, options, RSUs, performance shares and retained earnings, which at July 31, 2024 totaled \$5,491,420.

10) Income taxes

Matador Gold Technologies Inc.

Notes to Interim Condensed Financial Statements for Period Ended July 31, 2024

(Expressed in Canadian Dollars, Unless Otherwise Stated)

(unaudited)

The reconciliation of the combined Canadian federal and provincial statutory income tax rate of 27% to the effective tax rate is as follows:

	Nine Months Ended	
	July 31, 2024	July 31, 2023
Net Loss Before Income Tax Recovery	(2,767,168)	(2,172,258)
Expected Income Tax Recovery at Effective Tax Rate of 27%	(733,299)	(575,648)
Permanent Differences	483,382	173,900
Non-Capital Losses Carried Forward	249,918	401,749
Income Tax Expense	-	-

Deferred taxes are provided as a result of temporary differences that arise due to the differences between the income tax values and the carrying amount of assets and liabilities. Deferred tax assets have not been recognized in respect of the following deductible temporary differences. As at July 31, 2024, the Company has \$6,284,497 (July 31, 2023 - \$5,195,428) of non-capital loss carry forwards available to reduce taxable income for future years. These losses will expire in 2044.

	Nine Months Ended	
	July 31, 2024	July 31, 2023
Non-Capital Losses Carried Forward	1,665,392	1,376,788
Unrecognized Deferred Tax Asset	(1,665,392)	(1,376,788)
Net Deferred Tax	-	-

11) Subsequent Events

On August 16, 2024, Matador completed a non-brokered private placement pursuant to which it issued an aggregate of 342,004 Matador Shares at a price of \$0.50 per Matador Share for gross proceeds of \$171,002.



MATADOR

MATADOR GOLD TECHNOLOGIES INC.

FINANCIAL STATEMENTS FOR THE YEAR ENDED

OCTOBER 31, 2023 AND PERIOD ENDED OCTOBER 31, 2022

(EXPRESSED IN CANADIAN DOLLARS)



KINGSTON
ROSS
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March 19, 2024
Edmonton, Alberta

INDEPENDENT AUDITOR'S REPORT

To the Shareholders of Matador Gold Technologies Inc.

Opinion

We have audited the financial statements of Matador Gold Technologies Inc. (the Company), which comprise the statement of financial position as at October 31, 2023 and 2022, and the statements of operations and comprehensive loss, changes in equity and cash flows for the periods then ended, and notes to the financial statements, including a summary of significant accounting policies.

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

Basis for Opinion

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

Emphasis of Matter - Material Uncertainty Relating to Going Concern

We draw your attention to Note 1 in the financial statements, which indicates that the Company incurred a net losses and negative cash flows from operations during the period ended October 31, 2023. As stated in Note 1, these events or conditions, along with other matters as set forth in Note 1, indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

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

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

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

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

Independent Auditor's Report to the Shareholders of Matador Gold Technologies Inc.
(continued)

Auditor's Responsibilities for the Audit of the Financial Statements

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

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

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

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

Kingston Ross Pasmak LLP
Kingston Ross Pasmak LLP
Chartered Professional Accountants

Matador Gold Technologies Inc.
Statement of Financial Position
(Expressed in Canadian Dollars)

	Note Ref	As at October 31, 2023	As at October 31, 2022
Assets			
Current Assets			
Cash and Cash Equivalents	2	2,258,485	3,942,461
Term Deposits	2	46,660	45,204
Inventory	3	94,776	-
Prepaid Expenses		66,954	-
Total Current Assets		2,466,874	3,987,665
Total Assets		2,466,874	3,987,665
Liabilities and Equity			
Liabilities			
Current Liabilities			
Accounts Payable and Accrued Liabilities		54,450	59,286
Total Current Liabilities		54,450	59,286
Total Liabilities		54,450	59,286
Shareholders Equity			
Share Capital	4	7,760,901	7,609,651
Contributed Surplus	5	1,180,429	525,870
Accumulated Deficit		(6,528,906)	(4,207,142)
Total Equity		2,412,424	3,928,379
Total Liabilities and Equity		2,466,874	3,987,665

See accompanying Notes to the Financial Statements.

Approved on behalf of the Board:

"Deven Soni", Director

"Richard Murphy", Director

Matador Gold Technologies Inc.
Statement of Operations and Comprehensive Loss
(Expressed in Canadian Dollars)

	Note Ref	Year Ended	Period Ended (11 months)
		October 31, 2023	October 31, 2022
EXPENSES			
Professional Fees		449,714	276,497
Advertising and Promotion		143,339	84,879
General and Administrative		68,959	23,932
Consulting Fees	6	935,099	840,826
Losses on Foreign Currency Translation Adjustment		567	-
Write Down on Inventory Held		690	-
Travel		25,707	10,525
Share Based Compensation	4,5	805,809	3,017,531
Total Expenses		2,429,884	4,254,190
Operating Loss		2,429,884	4,254,190
Other Income			
Interest Income		108,120	47,048
Income Tax Expense	10	-	-
Total Loss and Comprehensive Loss		(2,321,764)	(4,207,142)
Diluted Loss Per Share	7	(0.04)	(0.08)
Basic Loss Per Share	7	(0.04)	(0.08)

See accompanying Notes to the Financial Statements.

Matador Gold Technologies Inc.
Statement of Cash Flows
(Expressed in Canadian Dollars)

	Year Ended	Period
	October 31,	Ended (11
	2023	months)
	October 31,	October 31,
	2023	2022
OPERATING ACTIVITIES		
Net Loss	(2,321,764)	(4,207,142)
Items Not Affecting Cash		
Share Based Compensation	805,809	3,017,531
Write Down on Inventory Held	690	-
Accrued Interest	(1,456)	
Change in Non-Cash Working Capital		
Inventory Purchased	(95,466)	-
Prepaid Expenses	(66,954)	-
Accounts Payable and Accrued Liabilities	(4,835)	59,286
Total Adjustments to reconcile Net Income to Net Cash provided by operations:	637,788	3,076,817
Net cash used in operating activities	(1,683,976)	(1,130,325)
FINANCING ACTIVITIES		
Proceeds From Share Issuances (Net of Issuance Costs)	-	5,117,990
Net cash provided by financing activities	-	5,117,990
INVESTING ACTIVITIES		
Term Deposits	-	(45,204)
Net cash provided by financing activities	-	(45,204)
Net cash increase for period	(1,683,976)	3,942,461
Cash and Cash Equivalents at the Beginning of Period	3,942,461	-
Cash and Cash Equivalents at End of Period	2,258,485	3,942,461

See accompanying Notes to the Financial Statements.

Matador Gold Technologies Inc.
Statement of Changes in Equity For Year Ended October 31, 2023
(Expressed in Canadian Dollars, except for share information)

	Note Ref	Shares	Share Capital	Contributed Surplus	Accumulated Deficit	Total Equity
Balance as at November 29, 2021		39,350,000	-	-	-	-
Share Based Compensation Option Issuance	5	-	-	368,452	-	368,452
Share Based Compensation RSU Issuance	5	4,420,100	2,200,050	82,530	-	2,282,580
Share Based Compensation Performance Shares	5	1,075,000	291,611	74,888	-	366,499
Shares Issued in Private Placements (Net of Issuance Costs)	4	14,101,000	5,117,990	-	-	5,117,990
Total Earnings and Comprehensive Earnings		-	-	-	(4,207,142)	(4,207,142)
Balance as at October 31, 2022		58,946,100	7,609,651	525,870	(4,207,142)	3,928,379
Share Based Compensation Option Issuance	5	-	-	535,720	-	535,720
Share Based Compensation RSU Issuance	5	-	-	168,642	-	168,642
RSUs Vested and Issued	5	280,000	120,000	(120,000)	-	-
Share Based Compensation Performance Shares	5	-	-	101,447	-	101,447
Performance Shares Vested and Issued	5	125,000	31,250	(31,250)	-	-
Total Earnings and Comprehensive Earnings		-	-	-	(2,321,764)	(2,321,764)
Balance as at October 31, 2023		59,351,100	7,760,901	1,180,429	(6,528,906)	2,412,424

See accompanying Notes to the Financial Statements.

Matador Gold Technologies Inc.

Notes to Financial Statements For Year Ended October 31, 2023

(Expressed in Canadian Dollars)

1) Nature of operations

Matador Gold Technologies Inc. ("Matador", "our", "we", "us" or the "Company") was incorporated on November 29, 2021, under the laws of the Province of Ontario. The principal office of the Company is located at 1 University Avenue, Suite 300, Toronto, Ontario M5J 2P1.

Matador is a technology company that develops a mobile application that lets users in Canada buy and sell precious metals directly from a mobile phone. Our platform also allows customers to arrange for the purchase, sale and storage of precious metals. The Company's operations are conducted through its mobile application available on IOS and Android mobile devices. As of October 31, 2023, the application has been approved for launch on App Store (iOS devices) and the Google Play Store (Android devices). The Company is required to hold sufficient precious metals assets before launching to the public and is currently in the process of evaluating financing solutions to acquire sufficient precious metals assets. The Company anticipates launching in Q3 2024.

The Company has incurred losses and negative cash flows from operations from inception that has primarily been funded through financing activities. The Company will need to raise additional capital during the next twelve months and beyond to support current operations and planned development. These factors indicate the existence of a material uncertainty that may cast significant doubt as to the Company's ability to continue as a going concern.

These financial statements have been prepared on a going concern basis, which contemplates the realization of assets and the settlement of liabilities and commitment in the normal course of business. These financial statements do not reflect the adjustments to the carrying values of assets and liabilities, the reported revenues and expenses, and the statement of financial position classifications used, that would be necessary if the Company were unable to realize its assets and settle its liabilities and commitment as a going concern in the normal course of operations. Such adjustments could be material.

2) Significant accounting policies

Basis of Presentation

These financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and interpretations issued by the International Financial Reporting Interpretations Committee ("IFRIC"). Accounting policies are consistently applied to all periods presented.

These financial statements were approved for issuance by the Board of Directors on March 19, 2024.

Matador Gold Technologies Inc.

Notes to Financial Statements For Year Ended October 31, 2023

(Expressed in Canadian Dollars)

Critical Accounting Estimates and Judgements

The preparation of these financial statements in conformity with IFRS requires management to make estimates and judgements that affect the applications of accounting policies regarding certain types of assets, liabilities, revenues, and expenses in the preparation of these financial statements. Estimates and judgments are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the year in which the estimates are revised and in any future years affected. These estimates and assumptions are based on management's historical experience, best knowledge of current events and conditions and activities that the Company may undertake in the future. Actual results could differ materially from these estimates. The key areas of estimation and judgements are the valuation of intangible assets, share based transactions, and provision for taxes.

The most significant judgments in applying the Company's financial statements include the assessment of the Company's ability to continue as a going concern and whether there are events of conditions that may give rise to significant uncertainty.

The effect of a change in an accounting estimate is recognized prospectively by including it in comprehensive income in the year of the change, if the change affects that year only, or in the year of the change and future years, if the changes affect both.

Revenue recognition

The Company has no operating revenues for the 2023 fiscal year. The Company anticipates generating revenue in the 2024 fiscal year. Interest revenue is recognized based upon the amounts to which the Company is contractually entitled.

Cash and cash equivalents

This category consists of cash on hand, demand deposits and short-term, highly liquid investments that are readily convertible to known amounts of cash within ninety days of purchase.

Term deposits

Term deposits include two non-redeemable guaranteed investment certificates ("GIC"). The first GIC was issued May 10, 2023, with a 1-year maturity, a principal of \$5,140 GICs and a fixed annual interest rate of 3.65%. The second GIC was issued August 11, 2023, with a 1-year maturity, a principal of \$41,060 GICs and an annual fixed interest rate of 3.90%.

Inventory

The Company purchases and holds gold as inventory and treats it as a current asset on the balance sheet. The initial recognition of the gold inventory is at cost, which includes the purchase price and any directly attributable costs of bringing it to its existing location and condition, such as transportation costs.

Matador Gold Technologies Inc.

Notes to Financial Statements For Year Ended October 31, 2023

(Expressed in Canadian Dollars)

Upon initial recognition, the gold inventory is measured at cost. Subsequently, at the end of each reporting period, it is measured at the lower of cost and net realizable value (NRV), in compliance with IAS 2, Inventories. The cost of the gold inventory is determined on a weighted average cost basis. Net realizable value represents the estimated selling price for inventories less all estimated costs of disposal. The gold inventory is derecognized from the balance sheet when it is sold or disposed. The amount of any write-down of inventories to net realizable value and all losses of inventories are recognized as an expense in the period the write-down or loss occurs.

Financial Instruments

a) Classification of financial assets

Financial assets are classified and measured based on the three categories: amortized cost, fair value through other comprehensive income (“FVOCI”) and fair value through profit and loss (“FVTPL”).

b) Classification of financial liabilities

Financial liabilities are classified and measured in two categories: amortized cost or FVTPL. Under IFRS 9, derivatives embedded in contracts where the host is a financial asset in the scope of the standard are not separated, but the hybrid financial instrument as a whole is assessed for classification.

The following table summarizes the classification of the financial instruments under IFRS 9:

	Classification
Cash and cash equivalents	Amortized cost
Term deposits	Amortized cost
Accounts payable and accrued liabilities	Amortized cost

Measurement of Financial Instruments

On initial recognition, a financial asset is classified as measured at amortized cost, FVTPL, or FVTOCI. Financial assets are not reclassified subsequent to their initial recognition unless the Company changes its business model for managing assets, in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model. The Company recognizes goods and services tax receivable initially when they are originated. All other financial assets are initially recognized when the Company becomes a party to the contractual provisions of the instrument. All other financial assets are initially measured at fair value plus, for items not classified as FVTPL, transaction costs that are directly attributable to its acquisition.

Matador Gold Technologies Inc.

Notes to Financial Statements For Year Ended October 31, 2023

(Expressed in Canadian Dollars)

Subsequent to initial recognition, FVTPL financial assets are measured at fair value with change in fair value recognized in profit and loss. Financial assets classified as amortized cost are measured at cost using the effective interest method. The amortized cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognized in profit of loss. Any gain or loss on derecognition is recognized in profit or loss.

All financial liabilities are initially recorded at amortized cost. The Company recognizes debt securities it issues when they originate. All other financial liabilities are initially recognized when the Company becomes a party to the contractual provisions of the instrument. The Company's financial liabilities include accounts payable and accrued liabilities.

c) Impairment of financial assets

For financial assets carried at amortized cost, the Company recognizes loss allowances for expected credit losses ("ECLs"). ECLs are a probability-weighted estimate of credit losses. The Company applies a three-stage approach to measure ECLs. The Company measures loss allowance at an amount equal to twelve months of expected losses if the credit risk at the reporting date has not increased significantly since initial recognition (Stage 1) and at an amount equal to lifetime expected losses if there is a significant increase in credit risk since origination (Stage 2) and at an amount equal to lifetime expected losses which are credit impaired (Stage 3).

The Company considers a significant increase in credit risk to have occurred if contractual payments are more than 30 days past due and considers the financial assets carried at amortized cost to be in default if they are 90 days past due. A significant increase in credit risk or default may have also occurred if there are other qualitative factors (including forward looking information) to consider; such as borrower specific information (i.e. change in credit assessment). Such factors include consideration relating to whether the counterparty is experiencing significant financial difficulty, there is a breach of contract, concessions are granted to the counterparty that would not normally be granted, or it is probable the counterparty will enter into bankruptcy or a financial reorganization.

Significant increases in credit risk are assessed based on changes in probability of default of a financial asset subsequent to initial recognition. The Company uses past due information to determine whether credit risk has increased significantly since initial recognition. Financial assets are considered to have experienced a significant increase in credit risk and are reclassified to Stage 2 if a contractual payment is more than 30 days past due as at the reporting date.

The Company defines default as the earlier of when a contractual payment is more than 90 days past due or when a loan becomes insolvent as a result of customer bankruptcy. Financial assets that have experienced a default event are considered to be credit impaired and are reclassified as Stage 3 loans.

Matador Gold Technologies Inc.

Notes to Financial Statements For Year Ended October 31, 2023

(Expressed in Canadian Dollars)

The Company writes off an impaired financial asset, either partially or in full, when there is no realistic prospect of recovery. Where financial assets are secured, write-off is after the expected receipts from the realization of collateral.

Share Based Compensation

Equity-settled share-based payments to employees and others providing similar services are measured at the fair value of the equity instruments at the grant date. The fair value excludes the effect of non-market-based vesting conditions.

The fair value determined at the grant date of the equity-settled share-based payments, using the Black-Scholes option pricing model and is expensed on a straight-line basis over the vesting period, based on the estimate of the number of equity instruments that will eventually vest. At each reporting date, the Company revises its estimate of the number of equity instruments expected to vest as a result of the effect of non-market-based vesting conditions. The impact of the revision of the original estimates, if any, is recognized in profit or loss such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to reserves.

Equity-settled share-based payment transactions with parties other than employees are measured at the fair value of the goods or services received, except where that fair value cannot be estimated reliably, in which case they are measured at the fair value of the equity instruments granted, measured at the date the entity obtains the goods or the counterparty renders the service. For cash-settled share-based payments, a liability is recognized for the goods or services acquired, measured initially at the fair value of the liability. At each reporting date until the liability is settled, and at the date of settlement, the fair value of the liability is remeasured, with any changes in fair value recognized in profit or loss for the year.

Net Loss Per Share

The Company presents basic and diluted loss per share data for its common shares. Basic loss per share is calculated by dividing the income or loss attributable to common shareholders of the Company by the weighted average number of common shares outstanding during the period, adjusted for own shares held. Diluted loss per share is determined by adjusting the income or loss attributable to common shareholders and the weighted average number of common shares outstanding, adjusted for own shares held, and for the effects of all dilutive potential common shares.

Matador Gold Technologies Inc.

Notes to Financial Statements For Year Ended October 31, 2023

(Expressed in Canadian Dollars)

Related Party Transactions

Parties are considered to be related if one party has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operating decisions. Related parties may be individuals or corporate entities. A transaction is considered to be a related party transaction when there is a transfer of resources or obligations between related parties. Related party transactions that are in the normal course of business and have commercial substance are measured at exchange amount.

Share Capital

Common shares are classified as equity. Transaction costs directly attributable to the issue of common shares and share purchase options are recognized as a deduction from equity, net of any tax effects. For unit offerings, the proceeds from the issuance of units are allocated between common shares and share purchase warrants using the residual method, allocating fair value to the common shares first, and then to the share purchase warrants.

Foreign Exchange

Foreign currency transactions are translated into the functional currency of the Corporation, using the exchange rates prevailing at the dates of the transactions (spot exchange rate). Foreign exchange gains and losses resulting from the settlement of such transactions and from the remeasurement of monetary items denominated in foreign currency at period-end exchange rates are recognized in profit or loss.

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

Income taxes

Income tax expense (benefit) comprises current and deferred tax. Current tax and deferred tax are recognized in profit or loss except to the extent that they relate to a business combination, or items recognized directly in equity or in other comprehensive income. Current tax is the expected tax payable or receivable on the taxable income or loss for the period, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years. Current tax payable also includes any tax liability arising from the declaration of dividends. Deferred tax is recognized in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes.

Matador Gold Technologies Inc.

Notes to Financial Statements For Year Ended October 31, 2023

(Expressed in Canadian Dollars)

Deferred tax is not recognized for temporary differences on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss, temporary differences related to investments in subsidiaries and associates to the extent that it is probable that they will not reverse in the foreseeable future, and taxable temporary differences arising on the initial recognition of goodwill. A deferred tax asset is recognized only to the extent that it is probable that future taxable profits will be available against which the asset can be utilized.

New Accounting Standards and Interpretations Not Yet Effective

In June 2023 the International Sustainability Standards Board (the “ISSB”) issued IFRS S1 General Requirements for disclosure of Sustainability -related Financial Information for Disclosure of Sustainability-related Financial Information (“IFRS S1”), proposing general requirements for an entity to disclose sustainability-related financial information about its sustainability-related risks and opportunities. The objective of IFRS S1 is to require an entity to disclose information about its sustainability related risks and opportunities that is useful to users of general purpose financial reports in making decisions relating to providing resources to the entity. IFRS S1 is effective for annual reporting periods beginning on or after January 1, 2024, with earlier application permitted as long as IFRS 2 climate related disclosures is also applied.

In June 2023 the ISSB issued IFRS S2 Climate-Related Disclosures to integrate and build on the recommendations of the Task Force on Climate-Related Financial Disclosures (TCFD) and incorporating industry-based disclosure requirements derived from Sustainability Accounting Standards Board (SASB) Standards. The objective of IFRS S2 is to require an entity to disclose information about its climate related risks and opportunities that is useful to users of general purpose financial reports and making decisions relating to providing resource is to the entity. IFRS S2 is effective for annual reporting periods beginning on or after January 1st 2024 with earlier application permitted as long as IFRS S1 is also applied.

IFRS 7 is a financial reporting standard that requires entities to disclose information about the significance of financial instruments to an entity, and the nature and extent of risks arising from those financial instruments, both in qualitative and quantitative terms. In February 2023, the International Accounting Standards Board (“IASB”) proposed an amendment to add disclosure requirements about an entity’s supplier finance arrangements to enhance the transparency of supplier finance arrangements and their effects on a company's liabilities, cash flows, and exposure to liquidity risk.

On May 23rd, 2023, the IASB issued the amendments to IAS 12, income taxes to introduce a temporary exception from accounting for deferred taxes arising from the implementation of the OECD's Pillar Two models model rules, as well as targeted disclosures for affected entities. Although the temporary exception is effective immediately, the disclosures to investors are only required for annual reporting periods beginning on or after January 1, 2023.

Matador Gold Technologies Inc.

Notes to Financial Statements For Year Ended October 31, 2023

(Expressed in Canadian Dollars)

In November 2021, the IASB proposed amendments to IAS 1 to modify the requirements on how an entity classifies debt and other financial liabilities as current or noncurrent in particular circumstances: Only covenants with which an entity is required to comply on or before the reporting date affect the classification of a liability as current or non-current. In addition, an entity has to disclose information in the notes that enables users of financial statements to understand the risk that non-current liabilities with covenants could become repayable within 12 months. The amendment requires the entity to present noncurrent liabilities with covenants separately in the statement of financial position, disclosed whether and, if so, how it expects to comply with the covenants after the reporting date, and clarify some situations in which an entity would not have a right to defer settlement of a liability. The amendments are effective for reporting periods beginning on or after January 1, 2024.

On February 12, 2021, IASB amended IAS 8 to include definitions of accounting estimates to help entities to distinguish between accounting policies and accounting estimates. The amendments are effective for annual periods beginning on or after January 1, 2023.

3) Inventory

Precious metals consist of bullion bars owned and held by the Company.

	Year Ended			
	October 31, 2023		October 31, 2022	
	Quantity (ounces)	Value	Quantity (ounces)	Value
Gold	35	95,466	-	-
Write Down to Net Realizable Value	-	(690)	-	-
Total Precious Metals	35	94,776	-	-

4) Share capital

The Company has an unlimited number of shares authorized with no par value. The shares are voting shares and contain certain transfer restrictions.

	Number of Shares Issued and Outstanding
Balance at November 29, 2021 (i)	39,350,000
Shares Issued as part of RSU Plan (ii)	4,420,100
Shares Issued as part of Performance Share Issuance (iii)	1,075,000
Shares Issued in Private Placement (iv)	14,101,000
Balance at October 31, 2022	58,946,100
Shares Issued as part of RSU Plan (v)	280,000
Shares Issued as part of Performance Share Issuance (vi)	125,000
Balance at October 31, 2023	59,351,100

Matador Gold Technologies Inc.

Notes to Financial Statements For Year Ended October 31, 2023

(Expressed in Canadian Dollars)

-
- (i) On November 29, 2021, the Company was incorporated with an initial capitalization of 39,350,000 shares at a price of \$0.000001 CAD per Common Share for aggregate gross proceeds to the Company of \$39.35.
- (ii) On August 11, 2022, the Company issued 4,420,100 shares under the restricted stock unit ("RSU Plan") at a price of \$0.50 per share.
- (iii) The Company issued Performance Shares to certain employees which will become unrestricted shares once the employees reach certain milestones at a price of \$0.25 per share.
- (iv) On January 14, 2022, the Company completed a non-brokered private placement under which a total of 7,694,000 Common Shares were sold at a price of \$0.25 CAD per Common Share for aggregate gross proceeds to the Company of \$1.9 million. On April 1, 2022, the Company completed a subsequent non-brokered private placement under which a total of 6,407,000 Common Shares were sold at a price of \$0.50 CAD per Common Share for aggregate gross proceeds to the Company of \$3.2 million.
- (v) As at October 31, 2023, the Company had 280,000 RSUs that vested at a price of \$0.25 per share.
- (vi) As at October 31, 2023, the Company had 125,000 Performance Shares that were granted as certain milestones were achieved by the Company's consultants at a price of \$0.25 per share.

5) Stock Based Compensation

Compensation expense recognized consists of stock based compensation offered to key employees.

	Year Ended October 31, 2023	Year Ended October 31, 2022
Share based Options	535,720	368,452
Share based RSUs	168,642	2,282,580
Share based Performance Shares	101,447	366,499
Share based Compensation Expense	805,809	3,017,531

a) Stock Options

The Company's Long-Term Incentive Plan (the "LTIP") adopted in November 2021, provides that stock options may be granted to directors, senior officers, employees and consultants of the Company or any of its affiliates and employees of management companies engaged by the Company. The term and vesting period for options granted under the LTIP are determined by the Company's Board.

During the Year Ended October 31, 2023, the Company experienced changes in market conditions, observed decreases in valuation multiples, and recognized the importance of maintaining a competitive and motivating equity incentive program. As a result, the exercise price of certain stock options granted to employees was adjusted from \$0.50 per share to \$0.25 per share (the "**Modification**"). The decision to modify the exercise price was multifaceted. Firstly, the Company responded to prevailing market conditions and a decrease in valuation multiples affecting the Company's industry. Additionally, the adjustment aimed to ensure that the stock options remain aligned with the Company's true value. Importantly, the modification was also motivated by the Company's commitment to fostering an environment of employee motivation and retention, recognizing the need to provide competitive and meaningful incentives in the current market landscape.

Matador Gold Technologies Inc.

Notes to Financial Statements For Year Ended October 31, 2023

(Expressed in Canadian Dollars)

The following stock options were in existence as at October 31, 2023:

Option Series	Grant Date	Number of Options Granted	Expiry Date	Exercise Price	Fair Value at Grant Date	Incremental Increase to Fair Value After Modification
1	30-Nov-21	2,510,100	01-Jan-27	\$0.25	\$0.19	\$0.05
2	06-Jan-22	1,350,000	06-Jan-25	\$0.25	\$0.13	\$0.05
3	11-Jan-22	1,350,000	10-Jan-26	\$0.25	\$0.17	\$0.05
5	19-Jan-22	30,000	19-Jan-32	\$0.25	\$0.24	\$0.03
6	01-Feb-22	160,000	01-Feb-32	\$0.25	\$0.24	\$0.03
7	01-Oct-22	50,000	01-Oct-32	\$0.25	\$0.49	\$0.03

Stock options granted during the Year Ended October 31, 2023, were valued using the Black-Scholes pricing model. Where relevant, the expected life used in the model was adjusted based on management's best estimate for the effects of non-transferability, exercise restrictions (including the probability of meeting market conditions attached to the option), and behavioral considerations. Volatility is estimated based on the historical volatility of comparable companies to the Company over the year previous to the grant date, with an adjustment applied to reflect management's best estimate of future volatility, where appropriate. Inputs into the model are as follows before and after the modification:

Before Modification

Option Series	Grant Date Share Price	Exercise Price	Volatility	Expected Life
1	\$0.50	\$0.50	119.46%	5
2	\$0.50	\$0.50	104.78%	3
3	\$0.50	\$0.50	116.15%	4
4	\$0.50	\$0.50	134.92%	10
5	\$0.50	\$0.50	135.02%	10
6	\$0.50	\$0.50	135.28%	10
7	\$0.50	\$0.50	137.77%	10

After Modification

Option Series	Grant Date Share Price	Exercise Price	Volatility	Expected Life
1	\$0.25	\$0.25	49.30%	4
2	\$0.25	\$0.25	68.45%	2
3	\$0.25	\$0.25	61.93%	3
5	\$0.25	\$0.25	62.03%	9
6	\$0.25	\$0.25	61.25%	9
7	\$0.25	\$0.25	61.98%	9

Matador Gold Technologies Inc.

Notes to Financial Statements For Year Ended October 31, 2023

(Expressed in Canadian Dollars)

Below is a summary of the activity related to options outstanding as at October 31, 2023 and October 31, 2022:

Expressed in Units	Year Ended	Year Ended
	October 31, 2023	October 31, 2022
Outstanding, beginning of period	5,490,100	-
Granted	-	5,490,100
Exercised	-	-
Forfeited and/or expired	(174,666)	-
Outstanding, end of period	5,315,434	5,490,100
Exercisable options	2,499,202	648,125

b) Restricted Share Units (“RSU”)

The Company established a restricted stock unit plan (“RSU Plan”) in November 2021. The purpose of the RSU Plan is to secure for the Company and its shareholders the benefits of incentive inherent in share ownership by certain directors, officers, other key employees and consultants of the Company (“Participants”) who, in the judgment of the Board, will be responsible for its future growth and success. RSUs granted pursuant to this RSU Plan will be used to compensate Eligible Persons who have forgone salary to assist the Company in cash management in exchange for the grant of RSUs and incentive stock options under the Company's stock option plan. Each RSU gives the Participant the right to receive one common share of the Company. The aggregate number of common shares that may be reserved for issuance, at any time, under this Plan and under any other share compensation arrangement adopted by the Company, including the Company's incentive stock option plan, shall not exceed up to a maximum of 10% of the issued and outstanding Shares at the time of grant pursuant to awards granted under all share compensation plans. The term and vesting period for RSUs granted under the RSU Plan are determined by the Company's Board.

During the period ended October 31, 2022, the Company granted 5,440,100 RSUs based on the price of the Company's common shares on the date of grant and vesting period. Details on the RSUs issued are as follows:

RSU Series	Grant Date	Number of RSUs Granted	Fair Value at Grant Date
1	2022-03-07	160,000	\$0.25
2	2022-05-26	300,000	\$0.50
3	2022-08-03	300,000	\$0.50
4	2022-08-11	4,380,100	\$0.50
5	2022-09-02	300,000	\$0.50

Matador Gold Technologies Inc.

Notes to Financial Statements For Year Ended October 31, 2023

(Expressed in Canadian Dollars)

Below is a summary of the activity related to RSUs outstanding as at October 31, 2023 and October 31, 2022:

Expressed in Units	Year Ended	Year Ended
	October 31, 2023	October 31, 2022
Outstanding, beginning of period	720,000	-
Granted	99,000	5,440,100
Exercised	(280,000)	(4,420,100)
Forfeited and/or expired	-	(300,000)
Outstanding, end of period	539,000	720,000

c) Performance Shares

The purpose of Performance Shares is to secure for the Company and its shareholders the benefits of incentive inherent in share ownership by certain directors, officers, other key employees and consultants of the Company ("Participants") who, in the judgment of the Board, will be responsible for its future growth and success. Performance Shares granted will be used to compensate Eligible Persons who have forgone salary to assist the Company in cash management in exchange for the grant of Performance Shares. Performance Shares will be tied to certain Participant milestones and the term and vesting period for the Performance Shares are determined by the Company's Board. During the period ended October 31, 2022, the Company granted 2,150,000 Performance Shares that had a fair value \$0.25 per common share. During the year ended October 31, 2023, the Company issued 125,000 common shares (October 31, 2022 – 1,075,000 common shares) upon certain employees achieving certain performance milestones. Based on the total estimated vesting conditions the total share based compensation expense for the year ended October 31, 2023 is \$101,447 (October 31, 2022 – \$366,499). During the year ended October 31, 2023, the Company granted 3,000,000 Performance Shares that had a fair value \$0.25 per common share.

Below is a summary of the activity related to Performance Shares outstanding as at October 31, 2023 and October 31, 2022:

Expressed in Units	Year Ended	Period Ended (11 months)
	October 31, 2023	October 31, 2022
Outstanding, beginning of period	1,075,000	-
Granted	3,000,000	2,150,000
Exercised	(125,000)	(1,075,000)
Forfeited and/or expired	-	-
Outstanding, end of period	3,950,000	1,075,000

Matador Gold Technologies Inc.

Notes to Financial Statements For Year Ended October 31, 2023

(Expressed in Canadian Dollars)

6) Related party transactions

We define related parties as a person or an entity that is related to the reporting entity. Parties are considered to be related if one party has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operating decisions. Related parties may be individuals or corporate entities. The Company has defined TDK Cash Flow Ltd. and Hillcrest Merchant Partners Inc. as related parties. TDK Cash Flow Ltd. is a Co-Founder and shareholder of Matador. Hillcrest Merchant Partners Inc. is a Co-Founder and shareholder of Matador.

During the year ended October 31, 2023, the Company paid \$374,030 (period ended October 31, 2022 – \$332,220) in consulting fees to TDK Cash Flow Ltd. and Hillcrest Merchant Partners Inc. for:

- a) Business operations support;
- b) HR services;
- c) Bookkeeping services;
- d) Corporate secretarial services;
- e) Financial advisory services.

These services were incurred in the normal course of operations.

Consulting fees paid to key management personnel for the year ended October 31, 2023 totaled \$235,001 (period ended October 31, 2022 – \$156,485). Share based payments to key management personnel and the Board of Directors of the Company for the year ended October 31, 2023, were valued using the Black-Scholes valuation model to be \$307,537 (period ended October 31, 2022 – \$708,957) and this is included in share based compensation. Key management personnel is comprised of the Company's Chief Executive Officer ("CEO").

7) Net loss per share

	Year Ended	Period Ended (11 months)
	October 31, 2023	October 31, 2022
Net Loss	(2,321,764)	(4,207,142)
Weighted Average Number of Shares Outstanding	59,334,127	53,267,795
Basic and Diluted Loss Per Share	(0.04)	(0.08)

8) Financial instruments and risk management

In common with all other businesses, the Company is exposed to risks that arise from its use of financial instruments. This note describes the Company's objectives, policies and processes for managing those risks and the methods used to measure them. Further quantitative information in respect of these risks is presented below.

Matador Gold Technologies Inc.

Notes to Financial Statements For Year Ended October 31, 2023

(Expressed in Canadian Dollars)

General objectives, policies and processes

Management has overall responsibility for the determination of the Company's risk management objectives and policies and, whilst retaining ultimate responsibility for them, it has delegated the authority for designing and operating processes that ensure the effective implementation of the objectives and policies to the Company's finance function.

The overall objective of management is to set policies that seek to minimize risk as far as possible without unduly affecting the Company's competitiveness and flexibility. The Company has established risk management policies and procedures designed to reduce the potentially adverse effects of price volatility on operating results and distributions. Further details regarding these policies are set out below.

Liquidity risk

Liquidity risk is the risk the Company will not be able to meet its financial obligations as they become due. The Company's approach is to ensure it will have sufficient liquidity to meet operations, tax, capital and regulatory requirements and obligations, under both normal and stressed circumstances. Cash flow projections are prepared and reviewed by management to ensure a sufficient continuity of funding exists. The Company's financial liabilities are comprised of its accounts payable and accrued liabilities. The payments for the Company's accounts payable and accrued liabilities are due in less than a year.

Fair values of financial instruments

IFRS 7 - Financial Instruments: Disclosures requires disclosure of a three-level hierarchy ("FV hierarchy") that reflects the significance of the inputs used in making fair value measurements and disclosures. Fair values of assets and liabilities included in Level 1 are determined by reference to quoted prices in active markets for identical assets and liabilities. Assets and liabilities in Level 2 include those whose valuations are determined using inputs other than quoted prices for which all significant outputs are observable, either directly or indirectly. Level 3 valuations are those based on inputs that are unobservable and significant to the overall fair value measurement.

As at October 31, 2023, the Company's financial instruments are comprised of cash and cash equivalents, term deposits and accounts payable and accrued liabilities. There are no financial instruments measured at fair value as at the date of reporting. During the year ended October 31, 2023, there were no transfers between levels of the fair value hierarchy. The carrying value of the accounts payable and accrued liabilities approximate their fair values due to their short-term nature.

9) Capital risk management

The Company manages its capital with the following objectives:

- a) to ensure sufficient financial flexibility to achieve the ongoing business objectives including funding of future growth opportunities and pursuit of accretive acquisitions; and
- b) to maximize shareholder return, through enhancing the share value.

Matador Gold Technologies Inc.

Notes to Financial Statements For Year Ended October 31, 2023

(Expressed in Canadian Dollars)

The Company monitors its capital structure and makes adjustments according to market conditions in an effort to meet its objectives given the current outlook of the business and industry in general. The Company may manage its capital structure by issuing new shares, repurchasing outstanding shares, adjusting capital spending, or disposing of assets. The capital structure is reviewed by management and the Board of Directors on an ongoing basis. The Company considers its capital to be equity, comprising share capital, options, RSUs, performance shares and retained earnings, which at October 31, 2023 totaled \$2,412,424 (at October 31, 2022 – \$3,928,379).

10) Income taxes

The reconciliation of the combined Canadian federal and provincial statutory income tax rate of 27% to the effective tax rate is as follows:

	Year Ended	Period Ended
	October 31,	(11 months)
	2023	October 31,
		2022
Net Loss Before Income Tax Recovery	(2,321,764)	(4,207,142)
Expected Income Tax Recovery at Effective Tax Rate of 27%	(615,268)	(1,114,893)
Permanent Differences	174,834	139,852
Non-Capital Losses Carried Forward	440,433	975,041
Income Tax Expense	-	-

Deferred taxes are provided as a result of temporary differences that arise due to the differences between the income tax values and the carrying amount of assets and liabilities. Deferred tax assets have not been recognized in respect of the following deductible temporary differences. As at October 31, 2023, the Company has \$5,341,411 (at October 31, 2022 – \$3,679,396) of non-capital loss carry forwards available to reduce taxable income for future years. These losses will expire between 2042 and 2043.

	Year Ended	Period Ended
	October 31, 2023	(11 months)
		October 31,
		2022
Non-Capital Losses Carried Forward	1,415,474	975,041
Unrecognized Deferred Tax Asset	(1,415,474)	(975,041)
Net Deferred Tax	-	-

SCHEDULE "C"
Pro Forma Financial Statements

SCALING CAPITAL 1 CORP.

PROFORMA CONSOLIDATED STATEMENT OF FINANCIAL

POSITION AS AT JUNE 30, 2024

(UNAUDITED)

(EXPRESSED IN CANADIAN DOLLARS, UNLESS OTHERWISE

STATED)

Scaling Capital 1 Corp.
Proforma Consolidated Statement of Financial Position
(Expressed in Canadian Dollars, Unless Otherwise Stated)
(unaudited)

	Note Ref	Matador Gold Technologies Inc. as at July 31, 2024	Scaling Capital 1 Corp. as at June 30, 2024	Adjustments	Pro-Forma Consolidated as at July 31, 2024
Assets					
Current Assets					
Cash and Cash					
Equivalents	3	3,059,682	807,265	4,670,000	8,536,947
Term Deposits		48,006	-	-	48,006
Precious Metals		95,466	-	-	95,466
Prepaid Expenses		87,750	-	-	87,750
HST Recoverable		-	8,099	-	8,099
Interest Receivable		-	3,089	-	3,089
Total Current Assets		3,290,904	818,453	4,670,000	8,779,357
Non-Current Assets					
Digital Assets		2,301,937	-	-	2,301,937
Total Non-Current Assets		2,301,937	-	-	2,301,937
Total Assets		5,592,841	818,453	4,670,000	11,081,294
Liabilities and Equity					
Liabilities					
Current Liabilities					
Accounts Payable and Accrued Liabilities	3	101,421	17,000	325,000	443,421
Total Current Liabilities		101,421	17,000	325,000	443,421
Total Liabilities		101,421	17,000	325,000	443,421
Shareholders Equity					
Share Capital	3	12,974,919	873,954	7,910,095	21,758,968
Contributed Surplus		1,812,575	187,592	(187,592)	1,812,575
Accumulated Deficit		(9,296,074)	(260,093)	(3,377,503)	(12,933,670)
Total Equity		5,491,420	801,453	4,345,000	10,637,873
Total Liabilities and Equity		5,592,841	818,453	4,670,000	11,081,294

Scaling Capital 1 Corp.

Notes to Proforma Consolidated Statement of Financial Position

June 30, 2024

(Expressed in Canadian Dollars, Unless Otherwise Stated)

(unaudited)

1) Basis of Presentation

Matador Gold Technologies Inc. (“Matador” or the “Company”) entered into a non-binding letter of intent (the “LOI”) with Scaling Capital 1 Corp. (“SCC”), pursuant to which the parties intend to complete the business combination of Matador and SCC to ultimately form the resulting issuer (the “Resulting Issuer”) that will continue on the business of Matador (the “Transaction”), and Matador and SCC will complete an offering of a minimum of \$3,500,000 and a maximum of \$4,500,000 (the “Concurrent Financing”) in aggregate gross proceeds. The Transaction will constitute SCC’s Qualifying Transaction (as such term is defined in the policies of the TSX Venture Exchange (the “Exchange”).

This proforma unaudited consolidated statement of financial position has been compiled from and combines Matador’s unaudited Statement of Financial Position as at July 31, 2024 with SCC’s unaudited Statement of Financial Position as at June 30, 2024 giving effect to the Transaction as if it occurred on July 31, 2024.

It is management’s opinion that this proforma consolidated statement of financial position includes all adjustments necessary for the fair presentation of the transaction described herein and have been prepared in accordance with International Financial Reporting Standards (“IFRS”) applied on a basis consistent with the Company’s accounting policies.

The proforma consolidated statement of financial position is not intended to reflect the financial position that will exist following the Transaction. Actual amounts recorded when the Transaction closes will likely differ from those recorded in the pro forma financial information.

2) Summary of Transaction

On October 16, 2024 the Company, SCC and SCC AcquisitionCo, a wholly-owned subsidiary of the SCC, entered into a business combination agreement (the “Definitive Agreement”) to complete the Transaction, which superseded the terms of the LOI. The Definitive Agreement contemplates, among other things, the Transaction will be completed by way of a three-cornered amalgamation under the laws of the Province of Ontario, whereby SCC AcquisitionCo and Matador will amalgamate (the “Amalgamation”), and the resulting amalgamated entity will survive as a wholly-owned subsidiary of SCC. Pursuant to the Transaction, each issued and outstanding Matador Common Share will be exchanged for 1 common share of the Resulting Issuer (each, a “Resulting Issuer Common Share”), so that all of the issued and outstanding Matador Common Shares will be exchanged for approximately 71,166,141 Resulting Issuer Common Shares. For the purposes of the Transaction, Matador Common Shares will be valued at CAD\$0.50 per share, and each Resulting Issuer Common Share that will be exchanged for each Matador Common Share will have a deemed value of CAD\$0.20 per share. The Transaction will be structured by use of a consolidation of Scaling Capital Common Shares so that the number of outstanding Scaling Capital Common Shares are reduced by a ratio of 2.2727. SCC will change its name to Matador Technologies Inc. immediately prior to or concurrently with the closing of the Transaction.

The Concurrent Financing will be completed at CAD\$0.50 per Matador Common Share and will be exchanged for 1 common share of the Resulting Issuer.

The shareholders of SCC will acquire control of Matador, thereby constituting a reverse acquisition of SCC. The Transaction is considered a purchase of SCC’ net assets by the shareholders of Matador.

Scaling Capital 1 Corp.

Notes to Proforma Consolidated Statement of Financial Position

June 30, 2024

(Expressed in Canadian Dollars, Unless Otherwise Stated)

(unaudited)

The Transaction will be accounted for in accordance with guidance provided in IFRS 2, “Share-Based Payment” and IFRS 3, “Business Combinations”. As SCC did not qualify as a business according to the definition in IFRS 3, this Transaction is treated as an issuance of shares by Matador for the net assets of SCC and SCC’ listing status with Matador as the continuing entity.

The purchase price is allocated as follows:

Fair Value of 8,228,099 shares of SCC	4,114,049
Total consideration paid	4,114,049
Net assets (liabilities) of SCC:	
Cash and cash equivalents	807,265
HST recoverable	8,099
Interest receivable	3,089
Accounts payable and accrued liabilities	(17,000)
Net Assets of SCC	801,453
Excess consideration - listing expenses	3,312,596

3) Proforma Adjustments and Assumptions

The Proforma statement has been prepared to reflect the following assumptions and adjustments.

- The Company and SCC completed the Offering of 9,000,000 Matador Common Shares for total gross proceeds of \$4,500,000. Each Matador Common Share will be exchanged for 1 Resulting Issuer Common Share.
- In conjunction with the Transaction, Matador incurred CAD\$325,000 of expenses which will be paid after closing of the Transaction. These expenses include legal, accounting, advisory services provided to Matador and SCC and for the purposes of the proforma statement will be allocated to accounts payable and accrued liabilities.
- 1,700,000 Scaling Options will be exercised to acquire Scaling Shares for gross aggregate proceeds of \$170,000.

Scaling Capital 1 Corp.

Notes to Proforma Consolidated Statement of Financial Position

June 30, 2024

(Expressed in Canadian Dollars, Unless Otherwise Stated)

(unaudited)

4) Proforma Share Capital

	Shares	Share Capital
<u>Matador balance as at July 31, 2024</u>	<u>69,674,137</u>	<u>\$12,974,919</u>
<u>SCC balance as at June 30, 2024</u>	<u>18,700,000</u>	<u>\$873,954</u>
Elimination of pre-acquisition	(18,700,000)	(\$873,954)
Matador shares issued to SCC	8,228,099	\$4,114,049
Concurrent financing	9,340,000	\$4,670,000
Transaction expenses	-	\$-
Listing expenses	-	\$-
Total	87,242,236	\$ 21,758,968

SCHEDULE "D"
Financial Statements of Scaling Capital 1 Corp.

Scaling Capital 1 Corp.

(A Capital Pool Company)

Interim Financial Statements

For the Three Months and Six Months Ended June 30, 2024

(Unaudited - Stated in Canadian Dollars)

Scaling Capital 1 Corp.
(A Capital Pool Company)
Interim Statements of Financial Position
As at
(Unaudited - in Canadian Dollars)

	June 30, 2024		December 31, 2023
Assets			
Current			
Cash	\$ 807,265	\$	839,314
HST recoverable	8,099		6,091
Interest receivable	3,089		-
Total Assets	\$ 818,453	\$	845,405
Liabilities			
Current			
Accounts payable and accrued liabilities	\$ 17,000	\$	21,333
Total Liabilities	\$ 17,000	\$	21,333
Shareholders' Equity			
Share capital (note 6)	\$ 873,954	\$	873,954
Contributed surplus	187,592		187,592
Deficit	(260,093)		(237,474)
Total Shareholders' Equity	\$ 801,453	\$	824,072
Total Liabilities and Shareholders' Equity	\$ 818,453	\$	845,405

Nature of operations and going concern (note 1)

Approved on behalf of the Board of Directors of Scaling Capital 1 Corp.

(signed) "John Wilson"
Director

(signed) "James Fox"
Director

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

Scaling Capital 1 Corp.
(A Capital Pool Company)

Interim Statements of Net Income (Loss) and Comprehensive Income (Loss)
For the three and six months ended June 30, 2024 and 2023
(Unaudited - in Canadian Dollars)

	Three months ended June 30		Six months ended June 30	
	2024	2023	2024	2023
Revenues				
Interest income	\$ 13,133	\$ -	\$ 13,133	\$ -
Total Revenues	13,133	-	13,133	-
Expenses				
Professional fees	\$ 5,389	\$ 45,571	\$ 35,752	\$ 51,382
Share based compensation (note 6)	-	(30,220)	-	28,235
Total Expenses	5,389	15,351	35,752	79,617
Net income (loss) and comprehensive income (loss)	\$ 7,744	\$ (15,351)	\$ (22,619)	\$ (79,617)
Net income (loss) per share (note 9)				
Basic and diluted	\$ 0.00	\$ (0.00)	\$ (0.00)	\$ (0.00)

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

Scaling Capital 1 Corp.
(A Capital Pool Company)

Interim Statements of Changes in Equity

For the six months ended June 30, 2024 and 2023
(Unaudited - in Canadian Dollars)

	Number of shares	Share capital (\$)	Contributed Surplus	Deficit	Total (\$)
Balance as at December 31, 2022	12,500,000	\$ 625,000	\$ -	\$(42,347)	\$ 582,653
Issuance of common shares on IPO	4,500,000	450,000	-	-	450,000
Issuance of options	-	-	28,236	-	28,236
Share issuance costs	-	(136,748)	-	-	(136,748)
Net loss and comprehensive loss	-	-	-	(79,618)	(79,618)
Balance as at June 30, 2023	17,000,000	938,252	28,236	(121,965)	844,523
Issuance of options	-	-	159,356	-	159,356
Share issuance costs	-	(64,298)	-	-	(64,298)
Net loss and comprehensive loss	-	-	-	(115,509)	(115,509)
Balance as at December 31, 2023	17,000,000	873,954	187,592	(237,474)	\$ 824,072
Net loss and comprehensive loss	-	-	-	(22,619)	(22,619)
Balance as at June 30, 2024	17,000,000	873,954	187,592	(260,093)	\$ 801,453

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

Scaling Capital 1 Corp.
(A Capital Pool Company)
Interim Statements of Cash Flows
For the six months ended June 30, 2024 and 2023
(Unaudited - in Canadian Dollars)

Operating activities		2024		2023
Net loss for the period	\$	(22,619)	\$	(79,617)
Non-cash items:				
Share based compensation		-		28,235
Changes in non-cash working capital:				
HST Recoverable		(2,008)		-
Interest receivable		(3,089)		-
Accounts payable and accrued liabilities		(4,333)		(49,657)
Cash used in operating activities	\$	(32,049)	\$	(101,039)
Financing activities				
Issuance of Common shares (note 6)	\$	-		450,000
Share issuance costs		-		(80,005)
Cash provided by financing activities	\$	-	\$	369,995
Net increase (decrease) in cash	\$	(32,049)		268,956
Cash, beginning of period	\$	839,314		611,757
Cash, end of period	\$	807,265	\$	880,713
Supplemental disclosure of non-cash transactions:				
Deferred issuance costs reclassified to share capital	\$	-	\$	56,743

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

Scaling Capital 1 Corp.
(A Capital Pool Company)
Interim Notes to Financial Statements
For the three and six months ended June 30, 2024
(Unaudited - in Canadian Dollars)

1. Nature of Organization

Scaling Capital 1 Corp. (the "Corporation") is a capital pool company (CPC) incorporated under the *Business Corporations Act* (Alberta) on November 1, 2021.

The Corporation's registered office is located at 800-333 7 Ave SW, Calgary, Alberta, T2P 2Z1.

Initial Public Offering

On February 10, 2023, the Corporation completed an initial public offering (the "Offering") to raise gross proceeds of \$450,000 on the TSX Venture Exchange (the "Exchange") by issuing 4,500,000 common shares at a purchase price of \$0.10 per share. The proceeds of the Offering will be used by the Corporation, as a capital pool company, to fund its search for a Qualifying Transaction in accordance with Exchange Policy 2.4.

Going Concern

These financial statements have been prepared on a going concern basis, which assumes the Corporation will be able to realize its assets and discharge its liabilities in the normal course of business. There are material uncertainties that cast significant doubt on the validity of this assumption. On February 10, 2023, the Corporation completed their initial public offering which is required to become a CPC.

The Corporation incurred a net loss and comprehensive loss of \$22,619 (2023 – \$79,617) for the six months ended June 30, 2024, and a deficit of \$260,093 (December 31, 2023 - \$237,474). The Corporation has a working capital surplus of \$801,453 (December 31, 2023 - \$824,072) as of June 30, 2024; however, the Corporation is subject to externally imposed restrictions on the use of proceeds from share issuances pursuant to TSX Policy 2.4 (Note 5). The Corporation's ability to continue as a going concern is dependent upon its ability to fund its future operations and complete a qualifying transaction in accordance with TSX Exchange Policy 2.4.

These financial statements do not reflect adjustments in the carrying value of the assets and liabilities, the reported expenses and the statement of financial position classifications that would be necessary if the going concern assumption were not appropriate. Such adjustments could be material.

2. Basis of Presentation

Statement of Compliance

The financial statements have been prepared in accordance with IFRS Accounting Standards ("IFRS") issued by the International Accounting Standards Board ("IASB") and interpretations of the International Financial Reporting Interpretations Committee ("IFRIC") and comply with IAS 34 – Interim Financial Reporting in accordance with section 3.2(1)(b) of NI 52-107.

The Board of Directors approved the issuance of these financial statements on October 22, 2024.

Basis of Measurement and Functional Currency

The financial statements are presented in Canadian dollars ("CAD"), which is the Corporation's functional and presentation currency. The financial statements are prepared on a historical cost basis. The accounting policies have been applied consistently throughout the entire period presented in these financial statements.

Use of Estimates and Significant Assumptions

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

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

Judgments are made by management to determine the likelihood of whether deferred tax assets will be realized from future taxable earnings. To the extent that assumptions regarding future profitability change, there can be an adjustment in the deferred tax assets as well as an income impact in the period in which the change occurs.

3. Material Accounting Policies

Cash and Cash Equivalents

Cash is comprised of amounts held in a chartered Canadian bank. There are no cash equivalents as at June 30, 2024 and December 31, 2023.

Share Based Compensation

The Corporation applies a fair value-based method of accounting to all share-based payments. Stock options are measured at the fair value of each tranche on the grant date and recognized over their respective vesting period. The value of the stock options is presented as an expense when applicable with a corresponding credit to contributed surplus. On the exercise of stock options, share capital is credited for consideration received and for fair value amounts previously credited to contributed surplus. The Corporation uses the Black-Scholes option pricing model to estimate the fair value of these stock options.

Net Income (Loss) Per Common Share

Net income (loss) per common share has been calculated based on the weighted average number of common shares outstanding during the period using the treasury stock method.

Financial Instruments

Recognition

The Corporation recognizes financial assets and financial liabilities on the date the Corporation becomes a party to the contractual provisions of the instruments.

Classification

The Corporation classifies its financial assets and financial liabilities in the following measurement categories: i) those to be measured subsequently at fair value (either through other comprehensive income or through profit or loss, and ii) those to be measured at amortized cost. The classification of financial assets depends on the business model for managing the financial assets and the contractual terms of the cash flows. Financial liabilities are classified as those to be measured at amortized cost unless they are designated as those to be measured subsequently at fair value through profit or loss (irrevocable election at the time of recognition). For assets and liabilities measured at fair value, gains and losses are either recorded in profit or loss or other comprehensive income.

The Corporation reclassifies financial assets when and only when its business model for managing those assets changes. Financial liabilities are not reclassified.

The Corporation has adopted the following classifications:

Cash and interest receivable are classified as assets at amortized cost.

Accounts payable and accrued liabilities are classified as liabilities at amortized cost.

Deferred Issuance Costs

Professional, consulting, regulatory and other costs directly attributable to the financing transaction were recorded as deferred issuance costs until the financing transaction was completed.

4. New Accounting Pronouncements

New accounting standards, amendments and interpretations:

The Company has adopted the following amendment effective January 1, 2024:

Amendments to IAS 1 – Classification of Liabilities as Current or Non-current

The amendments to IAS 1 provide a more general approach to the classification of liabilities based on the contractual arrangements in place at the reporting date.

Amendments to IAS 7 and IFRS 7 – Supplier Finance Arrangements

The amendments require qualitative and quantitative information to be provided about supplier finance arrangements. Typically, a supplier finance arrangement involves one or more finance providers offering to pay amounts that a company owes to its suppliers and the company agreeing to pay those finance providers with the same or different term than the original term with the suppliers. The amendments supplement the current requirements in the IFRS standards that apply to reverse factoring and similar arrangements and enhances transparency to assist users in understanding the effects of these arrangements on a company's liabilities, cash flows, liquidity risk and risk management.

There was no significant impact to the financial statements as a result of the adoption of these amendments.

Future accounting standards and amendments

IFRS 18 Presentation and Disclosure in Financial Statements

IFRS 18 introduces three sets of new requirements to give investors more transparent and comparable information about companies' financial performance for better investment decisions.

1. Three defined categories for income and expenses—operating, investing and financing—to improve the structure of the income statement, and require all companies to provide new defined subtotals, including operating profit.
2. Requirement for companies to disclose explanations of management-defined performance measures (MPMs) that are related to the income statement.
3. Enhanced guidance on how to organise information and whether to provide it in the primary financial statements or in the notes.

This new standard is effective for reporting periods beginning on or after January 1, 2027.

Scaling Capital 1 Corp.
(A Capital Pool Company)
Interim Notes to Financial Statements
For the three and six months ended June 30, 2024
(Unaudited - in Canadian Dollars)

5. Restriction on Use of Proceeds

The proceeds raised from the issuance of common shares in the capital of the Company (the "common shares") may only be used to identify and evaluate businesses or assets and to obtain shareholder approval for a proposed Qualifying Transaction, other than for reasonable general and administrative expenses of the Company which are limited to \$3,000 per month. These restrictions apply until completion of a Qualifying Transaction by the Company as defined under the Exchange Policy 2.4.

6. Share Capital

a) Authorized and Issued

The Corporation is authorized to issue an unlimited number of Common Shares (as defined herein).

Issued and outstanding Common Shares	Number		Amount
Balance, December 31, 2022	12,500,000	\$	625,000
Issuance of Common Shares – February 10, 2023	4,500,000	\$	450,000
Balance, June 30, 2023 and December 31, 2023	17,000,000	\$	1,075,000
Balance, June 30, 2024	17,000,000	\$	1,075,000

The issued and outstanding founders' common shares of 12,500,000 are held in escrow as they are subject to a CPC Escrow Agreement. Under the CPC Escrow Agreement, 25% of the escrowed common shares will be released from escrow on the issuance of the Final Exchange Bulletin (as defined in Exchange Policy 1.1 - Interpretation) (the "Initial Release") and an additional 25% will be released on the dates 6, 12, and 18 months following the Initial Release. All common shares acquired on the exercise of stock options granted to directors, officers, and non-employees prior to the completion of a Qualifying Transaction must also be deposited in escrow until the Final Exchange Bulletin is issued. Subject to certain exemptions permitted by the Exchange, all securities of the Company held by principals of the resulting issuer will also be escrowed.

b) Stock Options

The Company has adopted an incentive stock option plan in accordance with the policies of the Exchange (the "Stock Option Plan") for the benefit of directors and officers, and where permitted pursuant to Exchange policies, employees, and consultants of the Company. A maximum of ten percent (10%) of the issued and outstanding common shares of the Company upon completion of the initial public offering may be reserved for issuance pursuant to the exercise of stock options to be granted to directors and officers, and where permitted pursuant to Exchange policies employees and consultants, of the Company. In addition, subject to the policies of the Exchange, the number of common shares reserved for issuance to any one person shall not exceed five percent (5%) and for consultants and employees conducting investor relations activities shall not exceed two percent (2%) of the issued and outstanding common shares. The Stock Option Plan provides that the terms of the options and the option price shall be fixed by the directors, subject to the price restrictions and other requirements imposed by TSX Venture. Stock options granted under the Stock Option Plan may not be exercisable for a period longer than ten (10) years and the exercise price must be paid in full upon exercise of the option.

On February 10, 2023, directly following closing of the offering, the Corporation issued to its directors and officers an aggregate of 1,700,000 options to purchase 1,700,000 common shares in the capital of the Corporation at an exercise price of \$0.10 per Common Share, expiring February 10, 2033.

Scaling Capital 1 Corp.
(A Capital Pool Company)
Interim Notes to Financial Statements
For the three and six months ended June 30, 2024
(Unaudited - in Canadian Dollars)

The Corporation also issued an Agent's option to Canaccord Genuity to purchase 450,000 common shares in relation to the Offering at a price of \$0.10 per Common Share, expiring February 10, 2028. Not more than 50% of the Common Shares received on the exercise of the Agent's Option may be sold by the Agent prior to the Completion of the Qualifying Transaction.

The below table outlines the issuance of options during the years:

	Number of Options	Weighted average exercise price
Balance, December 31, 2022	-	\$ -
Issued	2,150,000	\$ 0.10
Balance, December 31, 2023 and June 30, 2024	2,150,000	\$ 0.10
Exercisable, June 30, 2024	2,150,000	\$ 0.10

The below table outlines the weighted average life of the options.

Options outstanding	Weighted average exercise price	Weighted average remaining term (years)	Options exercisable
1,700,000	\$ 0.10	8.61	1,700,000
450,000	\$ 0.10	3.61	450,000
2,150,000	\$ 0.10	7.56	2,150,000

The below table outlines the variables used in the valuation of the warrants and options by the Black Scholes model.

	February 10, 2023
Risk free interest rate (%)	3.38%-3.54%
Expected life (years)	5-10 years
Volatility rate (%)	100.00%
Dividend yield (%)	0.00%
Forfeiture rate (%)	0.00%

7. Income taxes

The income tax provision reported differs from the amount computed by applying the combined Canadian federal and provincial rate to income before income taxes. The reasons for the difference and the related tax effects are as follows:

	June 30, 2024	June 30, 2023
Loss before income taxes	\$ (22,619)	(79,617)
Expected rate	23%	23%
Expected tax expense (recovery)	(5,202)	(18,312)
Tax effected adjustments		
Unused tax losses not recognized	5,202	18,312
Income tax expense	\$ -	\$ -

Scaling Capital 1 Corp.
(A Capital Pool Company)
Interim Notes to Financial Statements
For the three and six months ended June 30, 2024
(Unaudited - in Canadian Dollars)

The financial statements do not reflect potential tax reductions available through the application of losses carried forward against future years' earnings otherwise subject to income taxes. These losses may be carried forward and expire as follows:

2041	\$	15,612
2042	\$	26,735
2043	\$	83,973
2044	\$	22,619

8. Financial instruments

The Corporation's financial instruments consist of cash, interest receivable and accounts payable and accrued liabilities.

Financial risk

The Corporation's activities are exposed to a variety of financial risks: credit risk and liquidity risk. The Corporation's overall risk management program focuses on the unpredictability of financial and economic markets (note 1) and seeks to minimize potential adverse effects on the Corporation's financial results. Risk management is carried out by financial management in conjunction with overall corporate governance.

Credit risk

Credit risk is the risk of loss associated with the counterparty's ability to fulfil its payment obligations. The Corporation is not susceptible to significant credit risk as cash is held at a major financial institution.

Liquidity risk

The Corporation's exposure to liquidity risk is dependent on purchasing commitments and obligations and the ability to raise funds to meet commitments and sustain operations. As at June 30, 2024, the Corporation has cash of \$807,265 (December 31, 2023 - \$839,314) to settle financial liabilities of \$17,000 (December 31, 2023 - \$21,333).

9. Net Income (Loss) per Share

The weighted average number of shares for the purpose of the net income (loss) per share calculations were as follows:

Weighted average number of shares outstanding	June 30, 2024	June 30, 2023
Basic	17,000,000	15,000,000
Diluted	17,000,000	15,000,000

10. Related Party Transactions and Key Management Compensation

The Corporation's key management personnel include Directors and Officers with the responsibility of planning, directing and controlling activities of the Corporation. The Corporation's management includes its CEO, CFO, directors and shareholders, who are also employees and controlling shareholders of a non-arm's length entity – Ninepoint Partners LP. For the six months ended June 30, 2024, the Corporation recorded an expense of \$nil (2023 - \$28,235) with respect to stock options provided to its key management personnel.

11. Capital Management

The Corporation's objective when managing capital is to maintain adequate cash resources to support planned activities which include identifying and evaluating potential acquisitions. The Corporation includes shareholders' equity of \$801,453 (2023 - \$844,523) in the definition of capital as at June 30, 2024.

In managing capital, the Corporation estimates its future cash requirements by preparing a budget. The budget establishes the activities for the upcoming year and estimates the costs associated with these activities.

The Corporation plans to raise capital through the issuance of additional common shares. There are no assurances that funds will be made available to the Corporation when required.

The Company is not subject to externally imposed capital requirements other than the restriction on the use of proceeds disclosed in Note 5.

12. Subsequent Event

The Corporation has signed a Letter of Intent with Matador Gold Technologies Inc. ("Matador") dated August 8, 2024, detailing the proposed business combination and share consolidation for the purpose of constituting a Qualifying Transaction. The business combination would result in Matador becoming a wholly-owned subsidiary of the Corporation, and would entail a 1:1 exchange of Matador issued and outstanding common shares for common shares in the amalgamated entity. The currently issued and outstanding common shares of the Corporation would be reduced by a 2.5:1 ratio. The agreement would further result in a name change of the Corporation. The Letter of Intent is subject to a number of terms and conditions, which include shareholder and Exchange approval.

Scaling Capital 1 Corp.

(A Capital Pool Company)

Financial Statements

For the years ended December 31, 2023 and 2022

(Stated in Canadian Dollars)

Independent Auditors' Report

To the Shareholders of Scaling Capital 1 Corp.

Opinion

We have audited the financial statements of Scaling Capital 1 Corp. (the "Company"), which comprise the statements of financial position as at December 31, 2023 and December 31, 2022 and the statements of loss and comprehensive loss, changes in shareholders' equity and cash flows for the years then ended, and notes to the financial statements, including a summary of material accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at December 31, 2023 and December 31, 2022, and its financial performance and its cash flows for the years then ended in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board.

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 *Auditors' Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material Uncertainty Related to Going Concern

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

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. Other than the matter described in the Material Uncertainty Related to Going Concern section, we have determined there are no key audit matters to be communicated in our report.

Other Information

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

- Management's Discussion and Analysis

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information

identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

We obtained the other information prior to the date of this auditors' 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 auditors' report. We have nothing to report in this regard.

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

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

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

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

Auditors' Responsibilities for the Audit of the Financial Statements

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

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

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

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

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

The engagement partner on the audit resulting in this independent auditors' report is Ashley Kidd.

Crowe Mackay LLP

**Chartered Professional Accountants
Calgary, Canada
March 28, 2024**

Scaling Capital 1 Corp.
(A Capital Pool Company)
Statements of Financial Position
As at December 31
(in Canadian Dollars)

	2023	2022
Assets		
Current		
Cash	\$ 839,314	\$ 611,757
Deferred issuance costs	-	56,743
HST recoverable	6,091	-
Total Assets	845,405	668,500
Liabilities		
Current		
Accounts payable and accrued liabilities	21,333	85,847
Total Liabilities	\$ 21,333	\$ 85,847
Shareholders' Equity		
Share capital (note 6)	873,954	625,000
Contributed surplus	187,592	-
Deficit	(237,474)	(42,347)
Total Shareholders' Equity	824,072	582,653
Total Liabilities and Shareholders' Equity	\$ 845,405	\$ 668,500

Nature of operations and going concern (note 1)

Approved on behalf of the Board of Directors of Scaling Capital 1 Corp.

(signed) "John Wilson"
Director

(signed) "James Fox"
Director

The accompanying notes are an integral part of these financial statements

Scaling Capital 1 Corp.
(A Capital Pool Company)
Statements of Loss and Comprehensive Loss
For the years ended December 31, 2023 and 2022
(in Canadian Dollars)

	2023	2022
Expenses		
Professional fees	\$ 41,626	\$ 26,735
Share based compensation (note 6)	153,501	-
Total Expenses	195,127	26,735
Net loss and comprehensive loss	\$ 195,127	\$ 26,735
Net loss per share (note 9)		
Basic and diluted	\$ (0.01)	\$ (0.00)

The accompanying notes are an integral part of these financial statements

Scaling Capital 1 Corp.
(A Capital Pool Company)
Statements of Changes in Equity
For the years ended December 31, 2023 and 2022
(in Canadian Dollars)

	Number of shares	Share capital	Contributed Surplus	Deficit	Total
Balance as at December 31, 2021	12,500,000	\$ 625,000	\$ -	\$ (15,612)	\$ 609,388
Net loss and comprehensive loss	-	-	-	(26,735)	(26,735)
Balance as at December 31, 2022	12,500,000	625,000	-	(42,347)	582,653
Issuance of common shares on IPO	4,500,000	\$ 450,000	\$ -	\$ -	450,000
Issuance of options	-	-	187,592	-	187,592
Share issuance costs	-	(201,046)	-	-	(201,046)
Net loss and comprehensive loss	-	-	-	(195,127)	(195,127)
Balance as at December 31, 2023	17,000,000	\$ 873,954	\$ 187,592	\$ (237,474)	\$ 824,072

The accompanying notes are an integral part of these financial statements

Scaling Capital 1 Corp.
(A Capital Pool Company)

Statements of Cash Flows

For the years ended December 31, 2023 and 2022

(in Canadian Dollars)

Operating activities	2023	2022
Net loss for the year	\$ (195,127)	\$ (26,735)
Non-cash items:		
Share based compensation	153,501	-
Changes in non-cash working capital:		
HST Recoverable	(6,091)	-
Accounts payable and accrued liabilities	(64,514)	13,492
Cash used in operating activities	\$ (112,231)	\$ (13,243)
Financing activities		
Issuance of Common shares (note 6)	450,000	-
Share issuance costs	(110,212)	(56,743)
Accounts payable and accrued liabilities related to financing activities	-	56,743
Cash provided by financing activities	\$ 339,788	\$ -
Net increase (decrease) in cash	227,557	(13,243)
Cash, beginning of year	611,757	625,000
Cash, end of year	\$ 839,314	\$ 611,757
Supplemental disclosure of non-cash transactions:		
Deferred issuance costs reclassified to share capital	\$ 56,743	\$ -
Fair value of agent stock options recognized as share issuance costs	\$ 34,091	\$ -

The accompanying notes are an integral part of these financial statements

Scaling Capital 1 Corp.
(A Capital Pool Company)

Notes to Financial Statements

For the years ended December 31, 2023 and 2022
(in Canadian Dollars)

1. Nature of Organization

Scaling Capital 1 Corp. (the "Corporation") is a capital pool company (CPC) incorporated under the *Business Corporations Act* (Alberta) on November 1, 2021.

The Corporation's head office is located at 800-333 7 Ave SW, Calgary, Alberta, T2P 2Z1.

Initial Public Offering

On February 10, 2023, the Corporation completed an initial public offering (the "Offering") to raise gross proceeds of \$450,000 on the TSX Venture Exchange by issuing 4,500,000 common shares at a purchase price of \$0.10 per share. The proceeds of the Offering will be used by the Corporation, as a capital pool company, to fund its search for a Qualifying Transaction and in accordance with Exchange Policy 2.4.

Going Concern

These financial statements have been prepared on a going concern basis, which assumes the Corporation will be able to realize its assets and discharge its liabilities in the normal course of business. There are material uncertainties that cast significant doubt on the validity of this assumption. On February 10, 2023, the Corporation completed their initial public offering which is required to become a CPC.

The Corporation incurred a net loss of \$195,127 (2022 - \$26,735) for the year ended December 31, 2023, and as of that date, the Corporation's deficit was \$237,474 (2022 - \$42,347). The Corporation's ability to continue as a going concern is dependent upon its ability to fund its future operations and complete a qualifying transaction in accordance with TSX Exchange Policy 2.4.

These financial statements do not reflect adjustments in the carrying value of the assets and liabilities, the reported expenses and the statement of financial position classifications that would be necessary if the going concern assumption were not appropriate. Such adjustments could be material.

2. Basis of Presentation

Statement of Compliance

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

The Board of Directors approved the issuance of these financial statements on March 28, 2024.

Basis of Measurement and Functional Currency

The financial statements are presented in Canadian dollars ("CAD"), which is the Corporation's functional and presentation currency. The financial statements are prepared on a historical cost basis. The accounting policies have been applied consistently throughout the entire period presented in these financial statements.

Scaling Capital 1 Corp.
(A Capital Pool Company)

Notes to Financial Statements

For the years ended December 31, 2023 and 2022
(in Canadian Dollars)

Use of Estimates and Significant Assumptions

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

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

Judgments are made by management to determine the likelihood of whether deferred tax assets will be realized from future taxable earnings. To the extent that assumptions regarding future profitability change, there can be an adjustment in the deferred tax assets as well as an income impact in the period in which the change occurs.

3. Material Accounting Policies

Cash and Cash Equivalents

Cash is comprised of amounts held in a chartered Canadian bank (2022 – held in law firms trust accounts). There are no cash equivalents as at December 31, 2023 or 2022.

Share Based Compensation

The Corporation applies a fair value-based method of accounting to all share-based payments. Stock options are measured at the fair value of each tranche on the grant date and recognized over their respective vesting period. The value of the stock options is presented as an expense when applicable with a corresponding credit to contributed surplus. On the exercise of stock options, share capital is credited for consideration received and for fair value amounts previously credited to contributed surplus. The Corporation uses the Black-Scholes option pricing model to estimate the fair value of these stock options.

Net Loss Per Common Share

Net loss per common share has been calculated based on the weighted average number of common shares outstanding during the period using the treasury stock method.

Financial Instruments

Recognition

The Corporation recognizes financial assets and financial liabilities on the date the Corporation becomes a party to the contractual provisions of the instruments.

Classification

The Corporation classifies its financial assets and financial liabilities in the following measurement categories: i) those to be measured subsequently at fair value (either through other comprehensive income or through profit or loss, and ii) those to be measured at amortized cost. The classification of financial assets depends on the business model for managing the financial assets and the contractual terms of the cash flows. Financial liabilities are classified as those to be measured at amortized cost unless they are designated as those to be measured subsequently at fair value through profit or loss (irrevocable election at the time of recognition). For assets and liabilities measured at fair value, gains and losses are either recorded in profit or loss or other comprehensive income.

Scaling Capital 1 Corp.
(A Capital Pool Company)

Notes to Financial Statements

For the years ended December 31, 2023 and 2022
(in Canadian Dollars)

The Corporation reclassifies financial assets when and only when its business model for managing those assets changes. Financial liabilities are not reclassified.

The Corporation has implemented the following classifications:

Cash is classified as assets at amortized cost.

Accounts payable and accrued liabilities are classified as liabilities at amortized cost.

Deferred Issuance Costs

Professional, consulting, regulatory and other costs directly attributable to the financing transaction were recorded as deferred issuance costs until the financing transaction was completed.

4. New Accounting Pronouncements

New accounting standards, amendments and interpretations:

The Company has adopted these amendments effective January 1, 2023:

Amendments to IAS 8 – Definition of Accounting Estimates

These amendments clarify how companies distinguish changes in accounting policies from changes in accounting estimates, with a primary focus on the definition of and clarifications on accounting estimates. The distinction between the two is important because changes in accounting policies are applied retrospectively, whereas changes in accounting estimates are applied prospectively. Further, the amendments clarify that accounting estimates are monetary amounts in the financial statements subject to measurement uncertainty. The amendments also clarify the relationship between accounting policies and accounting estimates by specifying that a company develops an accounting estimate to achieve the objective set out by an accounting policy.

There was no significant impact to the financial statements as a result of the adoption of these amendments.

Amendments to IAS 1 and IFRS Practice Statement 2 – Disclosure of Accounting Policies

These amendments continue the IASB's clarifications on applying the concept of materiality. These amendments help companies provide useful accounting policy disclosures, and they include: requiring companies to disclose their material accounting policies instead of their significant accounting policies; clarifying that accounting policies related to immaterial transactions, other events or conditions are themselves immaterial and do not need to be disclosed; and clarifying that not all accounting policies that relate to material transactions, other events or conditions are themselves material. The IASB also amended IFRS Practice Statement 2 to include guidance and examples on applying materiality to accounting policy disclosures.

There was no significant impact to the financial statements as a result of the adoption of these amendments.

Future accounting standards and amendments

Amendments to IAS 1 – Classification of Liabilities as Current or Non-current

The amendments to IAS 1 provide a more general approach to the classification of liabilities based on the contractual arrangements in place at the reporting date.

These amendments are effective for reporting periods beginning on or after January 1, 2024.

Scaling Capital 1 Corp.
(A Capital Pool Company)

Notes to Financial Statements

For the years ended December 31, 2023 and 2022

(in Canadian Dollars)

5. Restriction on Use of Proceeds

The proceeds raised from the issuance of common shares in the capital of the Company (the "common shares") may only be used to identify and evaluate businesses or assets and to obtain shareholder approval for a proposed Qualifying Transaction, other than for reasonable general and administrative expenses of the Company which are limited to \$3,000 per month. These restrictions apply until completion of a Qualifying Transaction by the Company as defined under the Exchange Policy 2.4.

6. Share Capital

a) Authorized and Issued

The Corporation is authorized to issue an unlimited number of Common Shares (as defined herein).

Issued and outstanding Common Shares	Number		Amount
Issuance of Common shares – November 1, 2021	12,500,000	\$	625,000
Balance, December 31, 2022	12,500,000	\$	625,000
Issuance of Common Shares – February 10, 2023	4,500,000	\$	450,000
Balance, December 31, 2023	17,000,000	\$	1,075,000

The issued and outstanding founders' common shares of 12,500,000 are held in escrow as they are subject to a CPC Escrow Agreement. Under the CPC Escrow Agreement, 25% of the escrowed common shares will be released from escrow on the issuance of the Final Exchange Bulletin (as defined in Exchange Policy 1.1 - Interpretation) (the "Initial Release") and an additional 25% will be released on the dates 6, 12, and 18 months following the Initial Release. All common shares acquired on the exercise of stock options granted to directors, officers, and non-employees prior to the completion of a Qualifying Transaction must also be deposited in escrow until the Final Exchange Bulletin is issued. Subject to certain exemptions permitted by the Exchange, all securities of the Company held by principals of the resulting issuer will also be escrowed.

Scaling Capital 1 Corp.
(A Capital Pool Company)

Notes to Financial Statements

For the years ended December 31, 2023 and 2022
(in Canadian Dollars)

b) Stock Options

The Company has adopted an incentive stock option plan in accordance with the policies of the Exchange (the "Stock Option Plan") for the benefit of directors and officers, and where permitted pursuant to Exchange policies, employees, and consultants of the Company. A maximum of ten percent (10%) of the issued and outstanding common shares of the Company upon completion of the initial public offering may be reserved for issuance pursuant to the exercise of stock options to be granted to directors and officers, and where permitted pursuant to Exchange policies employees and consultants, of the Company. In addition, subject to the policies of the Exchange, the number of common shares reserved for issuance to any one person shall not exceed five percent (5%) and for consultants and employees conducting investor relations activities shall not exceed two percent (2%) of the issued and outstanding common shares. The Stock Option Plan provides that the terms of the options and the option price shall be fixed by the directors, subject to the price restrictions and other requirements imposed by TSX Venture. Stock options granted under the Stock Option Plan may not be exercisable for a period longer than ten (10) years and the exercise price must be paid in full upon exercise of the option.

On February 10, 2023, directly following closing of the offering, the Corporation issued to its directors and officers an aggregate of 1,700,000 options to purchase 1,700,000 common shares in the capital of the Corporation at an exercise price of \$0.10 per Common Share, expiring February 10, 2033.

The Corporation also issued an Agent's option to Canaccord Genuity to purchase 450,000 common shares in relation to the Offering at a price of \$0.10 per Common Share, expiring February 10, 2028. Not more than 50% of the Common Shares received on the exercise of the Agent's Option may be sold by the Agent prior to the Completion of the Qualifying Transaction.

The below table outlines the issuance of options during the years:

	Number of Options	Weighted average exercise price
Balance, December 31, 2022	-	\$ -
Issued	2,150,000	\$ 0.10
Balance, December 31, 2023	2,150,000	\$ 0.10
Exercisable, December 31, 2023	2,150,000	\$ 0.10

The below table outlines the weighted average life of the options.

Options outstanding	Weighted average exercise price	Weighted average remaining term (years)	Options exercisable
1,700,000	\$ 0.10	9.11	1,700,000
450,000	\$ 0.10	4.11	450,000
2,150,000	\$ 0.10	6.61	2,150,000

The options issued during the year ended December 31, 2023 were valued at \$187,592. \$153,501 was recorded as shared based compensation expense and \$34,091 was recorded as share issuance costs.

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The below table outlines the variables used in the valuation of the warrants and options by the Black Scholes model.

	February 10, 2023
Risk free interest rate (%)	3.38%-3.54%
Expected life (years)	5-10 years
Volatility rate (%)	100.00%
Dividend yield (%)	0.00%
Forfeiture rate (%)	0.00%

The fair value of the stock options granted to directors and officers during the year ended December 31, 2023 was \$0.09 per option. The fair value of the agent stock options granted during the year ended December 31, 2023 was \$0.07 per option.

7. Income taxes

The income tax provision reported differs from the amount computed by applying the combined Canadian federal and provincial rate to income before income taxes. The reasons for the difference and the related tax effects are as follows:

	December 31, 2023	December 31, 2022
Loss before income taxes	\$ (195,127)	(26,735)
Expected rate	23%	23%
Expected tax recovery	(44,879)	(6,149)
Tax effected adjustments		
Non-deductible items	35,305	-
Unused tax losses not recognized	9,574	6,149
Income tax expense	\$ -	\$ -

The financial statements do not reflect potential tax reductions available through the application of losses carried forward against future years' earnings otherwise subject to income taxes. These losses may be carried forward and expire as follows:

2041	\$ 15,612
2042	\$ 26,735
2043	\$ 81,835

The Company has a deferred tax asset of approximately \$65,000 (2022 - \$10,000) which consists of non-capital tax losses and share issue costs. A deferred tax asset has not been recognized as the Corporation does not consider it probable that it will be recovered.

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8. Financial instruments

The Corporation's financial instruments consist of cash and accounts payable and accrued liabilities.

Financial risk

The Corporation's activities are exposed to a variety of financial risks: credit risk and liquidity risk. The Corporation's overall risk management program focuses on the unpredictability of financial and economic markets (note 1) and seeks to minimize potential adverse effects on the Corporation's financial results. Risk management is carried out by financial management in conjunction with overall corporate governance.

Credit risk

Credit risk is the risk of loss associated with the counterparty's ability to fulfil its payment obligations. The Corporation is not susceptible to significant credit risk as cash is held at a major financial institution.

Liquidity risk

The Corporation's exposure to liquidity risk is dependent on purchasing commitments and obligations and the ability to raise funds to meet commitments and sustain operations. As at December 31, 2023, the Corporation has cash of \$839,314 (2022 - \$611,757) to settle financial liabilities of \$21,333 (2022 - \$85,847).

9. Net Loss per Share

The weighted average number of shares for the purpose of the net loss per share calculations were as follows:

Weighted average number of shares outstanding	December 31, 2023	December 31, 2022
Basic	16,494,521	12,500,000
Diluted	16,494,521	12,500,000

10. Related Party Transactions and Key Management Compensation

The Corporation's key management personnel include Directors and Officers with the responsibility of planning, directing and controlling activities of the Corporation. The Corporation's management includes its shareholders, who are also employees and controlling shareholders of a non-arms length entity – Ninepoint Partners LP. The Corporation recorded an expense of \$153,501 (2022 - \$nil) with respect to stock options provided to its key management personnel during the year.

Accounts payable and accrued liabilities include amounts owing to a related party, Ninepoint Partners LP, for professional fees paid on behalf of the Corporation. All balances are non-interest bearing and carry no specific terms of repayment. As at December 31, 2023 the amounts owing were \$nil (2022 - \$31,322).

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11. Capital Management

The Corporation's objective when managing capital is to maintain adequate cash resources to support planned activities which include identifying and evaluating potential acquisitions. The Corporation includes shareholders' equity of \$824,072 (2022 - \$582,653) in the definition of capital.

In managing capital, the Corporation estimates its future cash requirements by preparing a budget. The budget establishes the activities for the upcoming year and estimates the costs associated with these activities.

The Corporation plans to raise capital through the issuance of additional common shares. There are no assurances that funds will be made available to the Corporation when required.

The Company is not subject to externally imposed capital requirements other than the restriction on the use of proceeds disclosed in Note 5.

SCHEDULE "E"
Audit Committee Charter

**Charter of the Audit Committee
of the Board of Directors of Matador Technologies Inc.**

(this "Charter")

I. PURPOSE

The Audit Committee (the "**Committee**") is appointed by the Board of Directors (the "**Board**") of Matador Technologies Inc. (the "**Corporation**") to assist the Board in fulfilling its oversight responsibilities relating to financial accounting and reporting process and internal controls for the Corporation. The Committee's primary duties and responsibilities are to:

- conduct such reviews and discussions with management and the independent auditors relating to the audit and financial reporting as are deemed appropriate by the Committee;
- assess the integrity of internal controls and financial reporting procedures of the Corporation and ensure implementation of such controls and procedures;
- ensure that there is an appropriate standard of corporate conduct including, if necessary, adopting a corporate code of ethics for senior financial personnel;
- review the quarterly and annual financial statements and management's discussion and analysis of the Corporation's financial position and operating results and report thereon to the Board for approval of same;
- select and monitor the independence and performance of the Corporation's outside auditors (the "**Independent Auditors**"), including attending at private meetings with the Independent Auditors and reviewing and approving all renewals or dismissals of the Independent Auditors and their remuneration; and
- provide oversight to related party transactions entered into by the Corporation.

The Committee has the authority to conduct any investigation appropriate to its responsibilities, and it may request the Independent Auditors as well as any officer of the Corporation, or outside counsel for the Corporation, to attend a meeting of the Committee or to meet with any members of, or advisors to, the Committee. The Committee shall have unrestricted access to the books and records of the Corporation and has the authority to retain, at the expense of the Corporation, special legal, accounting, or other consultants or experts to assist in the performance of the Committee's duties. The Committee shall review and assess the adequacy of this Charter annually and submit any proposed revisions to the Board for approval. In fulfilling its responsibilities, the Committee will carry out the specific duties set out in Part IV of this Charter.

II. AUTHORITY OF THE AUDIT COMMITTEE

The Committee shall have the authority to:

- (a) engage independent counsel and other advisors as it determines necessary to carry out its duties;
- (b) set and pay the compensation for advisors employed by the Committee; and
- (c) communicate directly with the internal and external auditors.

III. COMPOSITION AND MEETINGS

1. The Committee and its membership shall meet all applicable legal and listing requirements, including, without limitation, those of the TSX Venture Exchange, the *Business Corporations Act* (Ontario) and all applicable securities regulatory authorities.

2. The Committee shall be composed of three or more independent directors as shall be designated by the Board from time to time. The members of the Committee shall appoint from among themselves a member who shall serve as Chair.

3. Each member of the Committee shall be “financially literate” (as defined by applicable securities laws and regulations).

4. The Committee shall meet at least quarterly, at the discretion of the Chair or a majority of its members, as circumstances dictate or as may be required by applicable legal or listing requirements. A minimum of two of the members of the Committee present either in person or by telephone shall constitute a quorum.

5. If within one hour of the time appointed for a meeting of the Committee, a quorum is not present, the meeting shall stand adjourned to the same hour on the second business day following the date of such meeting at the same place. If at the adjourned meeting a quorum as hereinbefore specified is not present within one hour of the time appointed for such adjourned meeting, such meeting shall stand adjourned to the same hour on the second business day following the date of such meeting at the same place. If at the second adjourned meeting a quorum as hereinbefore specified is not present, the quorum for the adjourned meeting shall consist of the members then present.

6. If and whenever a vacancy shall exist, the remaining members of the Committee may exercise all of its powers and responsibilities so long as a quorum remains in office.

7. The time and place at which meetings of the Committee shall be held, and procedures at such meetings, shall be determined from time to time by, the Committee. A meeting of the Committee may be called by letter, telephone, facsimile, email or other communication equipment, by giving at least 48 hours' notice, provided that no notice of a meeting shall be necessary if all of the members are present either in person or by means of conference telephone or if those absent have waived notice or otherwise signified their consent to the holding of such meeting.

8. Any member of the Committee may participate in the meeting of the Committee by means of conference telephone or other communication equipment, and the member participating

in a meeting pursuant to this paragraph shall be deemed, for purposes hereof, to be present in person at the meeting.

9. The Committee shall keep minutes of its meetings which shall be submitted to the Board. The Committee may, from time to time, appoint any person who need not be a member, to act as a secretary at any meeting.

10. The Committee may invite such officers, directors and employees of the Corporation and its subsidiaries as it may see fit, from time to time, to attend at meetings of the Committee.

11. The Board may at any time amend or rescind any of the provisions hereof, or cancel them entirely, with or without substitution.

12. Any matters to be determined by the Committee shall be decided by a majority of votes cast at a meeting of the Committee called for such purpose. Actions of the Committee may be taken by an instrument or instruments in writing signed by all of the members of the Committee, and such actions shall be effective as though they had been decided by a majority of votes cast at a meeting of the Committee called for such purpose. All decisions or recommendations of the Audit Committee shall require the approval of the Board prior to implementation.

IV. RESPONSIBILITIES

A. Financial Accounting and Reporting Process and Internal Controls

1. The Committee shall review the annual audited financial statements to satisfy itself that they are presented in accordance with applicable Canadian accounting standards and report thereon to the Board and recommend to the Board whether or not same should be approved prior to their being filed with the appropriate regulatory authorities. The Committee shall also review and approve the interim financial statements. With respect to the annual and interim financial statements, the Committee shall discuss significant issues regarding accounting principles, practices, and judgments of management with management and the Independent Auditors as and when the Committee deems it appropriate to do so. The Committee shall satisfy itself that the information contained in the annual audited financial statements is not significantly erroneous, misleading or incomplete and that the audit function has been effectively carried out.

2. The Committee shall review management's internal control report and the evaluation of such report by the Independent Auditors, together with management's response.

3. The Committee shall review the financial statements, management's discussion and analysis relating to annual and interim financial statements, annual and interim earnings press releases and any other public disclosure documents that are required to be reviewed by the Committee under any applicable laws before the Corporation publicly discloses this information.

4. The Committee shall be satisfied that adequate procedures are in place for the review of the Corporation's public disclosure of financial information extracted or derived from the Corporation's financial statements, other than the public disclosure referred to in subsection IV.A.3, and periodically assess the adequacy of these procedures.

5. The Committee shall meet no less frequently than annually with the Independent Auditors and the Chief Financial Officer or, in the absence of a Chief Financial Officer, with the officer of the Corporation in charge of financial matters, to review accounting practices, internal controls and such other matters as the Committee, Chief Financial Officer or, in the absence of a Chief Financial Officer, with the officer of the Corporation in charge of financial matters, deems appropriate.
6. The Committee shall inquire of management and the Independent Auditors about significant risks or exposures, both internal and external, to which the Corporation may be subject, and assess the steps management has taken to minimize such risks.
7. The Committee shall review the post-audit or management letter containing the recommendations of the Independent Auditors and management's response and subsequent follow-up to any identified weaknesses.
8. The Committee shall ensure that there is an appropriate standard of corporate conduct including, if necessary, adopting a corporate code of ethics for senior financial personnel.
9. The Committee shall establish procedures for:
 - (a) the receipt, retention and treatment of complaints received by the Corporation regarding accounting, internal accounting controls or auditing matters; and
 - (b) the confidential, anonymous submission by employees of the Corporation of concerns regarding questionable accounting or auditing matters.
10. The Committee shall provide oversight to related party transactions entered into by the Corporation.

B. Independent Auditors

1. The Committee shall be directly responsible for the selection, appointment, compensation and oversight of the Independent Auditors and the Independent Auditors shall report directly to the Committee.
2. The Committee shall be directly responsible for overseeing the work of the external auditors, including the resolution of disagreements between management and the external auditors regarding financial reporting.
3. The Committee shall pre-approve all audit and non-audit services (including, without limitation, the review of any interim financial statements of the Corporation by the Independent Auditors at the discretion of the Committee) not prohibited by law to be provided by the Independent Auditors.
4. The Committee shall monitor and assess the relationship between management and the Independent Auditors and monitor, confirm, support and assure the independence and objectivity of the Independent Auditors. The Committee shall establish procedures to receive and respond to complaints with respect to accounting, internal accounting controls and auditing matters.

5. The Committee shall review the Independent Auditor's audit plan, including scope, procedures and timing of the audit.
6. The Committee shall review the results of the annual audit with the Independent Auditors, including matters related to the conduct of the audit, and receive and review the auditor's interim review reports.
7. The Committee shall obtain timely reports from the Independent Auditors describing critical accounting policies and practices, alternative treatments of information within applicable Canadian accounting principles that were discussed with management, their ramifications, and the Independent Auditors' preferred treatment and material written communications between the Corporation and the Independent Auditors.
8. The Committee shall review fees paid by the Corporation to the Independent Auditors and other professionals in respect of audit and non-audit services on an annual basis.
9. The Committee shall review and approve the Corporation's hiring policies regarding partners, employees and former partners and employees of the present and former auditors of the Corporation.
10. The Committee shall monitor and assess the relationship between management and the external auditors, and monitor and support the independence and objectivity of the external auditors.

C. Other Responsibilities

1. The Committee shall perform any other activities consistent with this Charter and governing law, as the Committee or the Board deems necessary or appropriate.