SATO Technologies Corp.

CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS
For the three and nine months ended September 30, 2025 and 2024
(expressed in Canadian dollars)

NOTICE OF NO AUDITOR REVIEW OF CONDENSED INTERIM FINANCIAL STATEMENTS

In accordance with National Instrument 51-102 released by the Canadian Securities Administrators, the Company discloses that its auditors have not reviewed the unaudited condensed interim financial statements for the three and nine months ended September 30, 2025 and 2024.

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

SATO Technologies Corp.

Condensed Interim Consolidated Statements of Financial Position

As at September 30, 2025 and December 31, 2024
(In Canadian dollars)
(Unaudited)

As at,	Notes	September 30, 2025 Unaudited $	December 31, 2024 Audited $
Assets			
Current assets			
Cash		640,621	658,488
Restricted cash	**(Note 11)**	-	58,673
Trades and other receivables	**(Note 5)**	240,394	726,883
Digital assets	**(Note 6)**	346,688	3,094,216
Prepaid expenses		327,675	301,823
		1,555,378	4,840,083
Restricted cash	**(Note 11)**	-	31,639
Restricted digital assets	**(Note 6)**	1,115,317	1,462,648
Deposits	**(Note 7)**	432,486	432,486
Property and equipment	**(Note 9)**	7,781,687	9,228,790
Right-of-use assets	**(Note 8)**	1,845,580	2,013,361
Total assets		12,730,448	18,009,007
Liabilities and Shareholders' Equity			
Current liabilities			
Accounts payable and accrued liabilities	**(Note 10)**	429,650	916,072
Current portion of borrowings	**(Note 11)**	3,307,259	3,748,785
Current portion of lease liability	**(Note 8)**	267,117	283,874
		4,004,026	4,948,731
Non-current liabilities			
Borrowings	**(Note 11)**	-	2,595,100
Lease liability	**(Note 8)**	2,044,991	2,125,308
Total liabilities		6,049,017	9,669,139
Shareholders' Equity			
Share capital	**(Note 12)**	14,643,692	14,643,659
Contributed surplus		3,946,616	3,713,716
Digital currency revaluation reserve		328,631	283,681
Accumulated deficit		(12,237,508)	(10,301,188)
Total shareholders' equity		6,681,431	8,339,868
Total liabilities and shareholders' equity		12,730,448	18,009,007

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

Approved on behalf of the Board:

"Romain Nouzareth"
Chair of the Board and CEO

"Frank DiTomaso"
Director

SATO Technologies Corp.

Condensed Interim Consolidated Statements of (Loss) Income and Comprehensive (Loss) Income

For the three and nine months ended September 30, 2025 and 2024
(In Canadian dollars)
(Unaudited)

		Three month period ended September 30,		Nine month period ended September 30,	
		2025	2024	2025	2024
	Notes	$	$	$	$
Revenue					
Digital assets earned	**(Note 6)**	3,339,586	2,607,717	9,308,439	12,764,579
Other		5,280	5,280	15,840	38,331
Total Revenue		**3,344,866**	**2,612,997**	**9,324,279**	**12,802,910**
Cost of Operations					
Site operating costs		2,373,478	2,381,151	6,983,745	7,432,731
Salary and benefits		44,506	26,910	135,922	85,638
Depreciation and amortization	**(Notes 8 & 9)**	545,316	749,323	1,635,028	2,201,568
		2,963,300	3,157,384	8,754,695	9,719,937
Gross (loss) profit		**381,566**	**(544,387)**	**569,584**	**3,082,973**
Gain (loss) on use of digital assets	**(Note 6)**	185,979	(111,284)	532,260	231,635
Unrealized gain on revaluation of digital assets	**(Note 6)**	-	97,282	-	1,194,769
		567,545	**(558,389)**	**1,101,844**	**4,509,377**
Expenses					
Share based payments	**(Note 12)**	32,763	48,417	232,914	156,250
General and administration	**(Note 14)**	594,793	485,739	1,806,854	2,179,335
Total expenses		627,556	534,156	2,039,768	2,335,585
Operating (loss) income		**(60,011)**	**(1,092,545)**	**(937,924)**	**2,173,792**
Other Items					
Foreign exchange loss (gain)		(1,416)	56,824	8,754	27,752
Impairment of property, plant and equipment		-	16,101	-	16,101
Unrealized foreign exchange loss		62,543	304,489	431,852	72,650
Finance expense	**(Note 11)**	163,286	247,097	557,790	787,902
Total other items		224,413	624,511	998,396	904,405
Net (loss) income		**(284,424)**	**(1,717,056)**	**(1,936,320)**	**1,269,387**
Other comprehensive (loss) income					
Items that will not be reclassified to net (loss) income					
Revaluation of digital asset, net of tax	**(Note 6)**	81,266	-	44,950	-
Total comprehensive (loss) income		**(203,158)**	**(1,717,056)**	**(1,891,370)**	**1,269,387**
Basic net (loss) income per share	**(Note 13)**	(0.00)	(0.02)	(0.03)	0.02
Diluted net (loss) income per share	**(Note 13)**	(0.00)	(0.02)	(0.03)	0.02

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

SATO Technologies Corp.

Condensed Interim Consolidated Statements of Changes in Shareholders' Equity

For the nine months ended September 30, 2025 and 2024
(In Canadian dollars)
(Unaudited)

	Number of shares	Share capital	Contributed surplus	Digital asset revaluation reserve	Accumulated deficit	Total
	#	$	$	$	$	$
Balance, December 31, 2023	72,589,465	14,430,320	3,665,926	-	(11,475,835)	6,620,411
Net income for the period					1,269,387	1,269,387
Common shares deemed to be issued following the election to exercise compensation warrants	318,218	61,351	(58,169)	-	-	3,182
Common shares upon the exercise of stock options	370,000	151,988	(71,038)	-	-	80,950
Share based payments	-	-	156,250	-	-	156,250
Balance, September 30, 2024	73,277,683	14,643,659	3,692,969	-	(10,206,448)	8,130,180
December 31, 2024	73,277,683	14,643,659	3,713,716	283,681	(10,301,188)	8,339,868
Common shares upon the exercise of stock options	100	33	(14)	-	-	19
Net loss for the period	-	-	-	-	(1,936,320)	(1,936,320)
Revaluation of digital assets, net of tax	-	-	-	44,950	-	44,950
Share based payments	-	-	232,914	-	-	232,914
Balance, September 30, 2025	**73,277,783**	**14,643,692**	**3,946,616**	**328,631**	**(12,237,508)**	**6,681,431**

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

SATO Technologies Corp.

Condensed Interim Consolidated Statements of Cash Flows

For the nine months ended September 30, 2025 and 2024
(In Canadian dollars)
(Unaudited)

	Nine months ended September 30,	
	2025	**2024**
		(Restated - Note 4)
Cash provided by (used in):		
OPERATING ACTIVITIES		
Net (loss) income for the period	**(1,936,320)**	1,269,387
Items not affecting operating cash:		
Digital asset mined	**(9,308,439)**	(12,764,579)
Digital assets used to pay for services	**12,223**	11,801
Digital assets given as donations	**9,844**	10,000
Depreciation	**1,635,028**	2,201,568
Gain on use of digital assets	**(532,260)**	(231,635)
Revaluation of digital assets	**-**	(1,194,769)
Impairment of property, plant and equipment	**-**	16,101
Share based payments	**232,914**	156,250
Foreign exchange loss (gain)	**428,898**	72,650
Interest on lease liabilities	**202,600**	213,216
Net cash used in operating activities (restated)	**(9,255,512)**	(10,240,010)
Change in working capital		
Trades and other receivables	**486,508**	(1,128,745)
Deposits and prepaid expenses	**(25,852)**	(102,200)
Accounts payable and accrued liabilities	**(475,593)**	(252,986)
Total change in operating working capital (restated)	**(14,937)**	(1,483,931)
Cash used in operating activities	**(9,270,449)**	(11,723,941)
INVESTING ACTIVITIES		
Change in restricted cash	**90,312**	1,032,794
Disposal of digital assets (restated)	**12,949,718**	13,457,169
Purchase of digital assets (restated)	**(11,421)**	-
Purchase of property, plant and equipment	**-**	(794,027)
Cash provided by investment activities	**13,028,609**	13,695,936
FINANCING ACTIVITIES		
Repayment of long term loan	**(2,829,161)**	(2,446,657)
Proceeds from line of credit	**21,703**	526,130
Repayment of line of credit	**(584,615)**	-
Repayment of lease liabilities	**(299,674)**	(289,428)
Exercise of compensation warrants	**-**	3,182
Exercise of stock options	**-**	80,950
Cash used in financing activities	**(3,691,747)**	(2,125,823)
Increase in cash	**66,413**	(153,828)
Effect of foreign exchange on cash	**(84,280)**	94,580
Cash, beginning of the period	**658,488**	583,151
Cash, end of the period	**640,621**	523,903
Interest paid	355,190	574,686
Non-cash Investing and Financing Activities		
Purchase of equipment with digital assets	20,144	-

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

1. INCORPORATION, BUSINESS ACTIVITIES AND GOING CONCERN

SATO Technologies Corp. (the "Company" or "SATO") was incorporated under the Ontario Business Corporations Act on May 7, 2008 as Capricorn Business Acquisitions Inc. ("Capricorn"). The Company's shares are listed for trading on the TSX Venture Exchange ("TSXV") on September 16, 2021.The Group's head office is located at 66 Wellington Street West, Suite 5300, Toronto, Ontario M5K 1E6 and its only place of business is located at 289 Dugas Joliette, Québec, Canada, J6E 4H1.

The subsidiary Canada Computational Unlimited Inc. was incorporated under the Business Corporations Act of Québec on November 16, 2017. The Company carried on the business of Canada Computational Unlimited Inc. as a Tier 2 technology issuer under the symbol "SATO". SATO Corp., the Company's US based subsidiary was incorporated under the Delaware General Corporation Law on October 11, 2023. During the period ended September 30, 2025, the subsidiary Qritical AI Inc. was incorporated under the Business Corporations Act of Québec on June 23, 2025.

The Company and its subsidiaries ("the Group") are in the business of utilizing specialized equipment to solve complex computational problems to validate transactions on the bitcoin blockchain. The Group receives digital assets in return for computing power and is primarily engaged in the cryptocurrency mining industry, a highly volatile market with significant inherent risk. A significant decline in the market prices of cryptocurrencies, an increase in the difficulty of cryptocurrency mining, changes in the regulatory environment and adverse changes in other inherent risks can significantly and negatively impact the Group's operations. In addition, adverse changes to the factors mentioned above may impact the carrying value of the Group's property and equipment resulting in impairment charges being recorded. All the assets of the Group are located in Joliette, Quebec, Canada and there is one operating segment being provider of compute power for Bitcoin Mining.

Going Concern

As at September 30, 2025, the Group had an accumulated deficit of $12,237,508 and $10,301,188 as at December 31, 2024. Net loss for nine months ended September 30, 2025 was $1,936,320. The Group had a working capital deficiency of $2,448,648 as at September 30, 2025 and a working capital deficiency of $108,648 as at December 31, 2024. These conditions raise material uncertainties which may cast significant doubt as to whether the Group will be able to continue as a going concern.

The cryptocurrency mining industry is subject to halving events, which are pre-determined and scheduled occurrences that reduce the reward for mining transactions by half. The halving event occurred on April 19th, 2024. This event has had an impact on the Group's revenues. These conditions indicate the existence of material uncertainties that may cast significant doubt on the Group's ability to continue as a going concern.

In assessing the Group's ability to continue as a going concern, management has made significant judgments and estimates. These include projections of digital assets prices, the impact of the halving event on the Group's revenues, the exchange rate and the effectiveness of the mitigation actions mentioned below. These judgments are subject to a high degree of inherent uncertainty, given the volatile nature of the cryptocurrency market and regulatory environment.

These unaudited condensed interim consolidated financial statements have been prepared on a going concern basis, which presumes realization of assets and discharge of liabilities in the normal course of business for the foreseeable future. The Group's ability to continue as a going concern depends on its ability to generate sufficient cash resources to meet its obligations for at least twelve months from the end of the reporting period.

Management has implemented in the past a series of measures to address this concern and will continue to do so if required in order to improve the Group's financial position, including:

- Cost review initiatives: the Group has undertaken a comprehensive review of its cost structure and would implement possible measures to reduce its cost of operations and general and administration expenses.
- Equity financing: Management regularly monitors capital markets and considers opportunities presented to it for equity offerings, and believes, based on these offers and recent activity among other companies in the industry, that there are reasonable prospects for obtaining equity financing.

1. INCORPORATION, BUSINESS ACTIVITIES AND GOING CONCERN (continued)

Subsequent to September 30, 2025, the Company reached an agreement with its primary lender to temporarily suspend principal and interest payments under its long-term loan facility for a grace period of three months beginning November 2025 (the "Forbearance Agreement"). The arrangement was made to provide the Company with financial flexibility while management undertakes a strategic restructuring plan intended to improve liquidity and long-term operating performance.

The agreement does not amend the total principal outstanding, interest rate, or maturity date of the facility. Management believes the grace period will provide sufficient time to complete the restructuring initiatives and improve the Company's ability to meet its obligations as they come due.

The Company's continuation as a going concern is dependent on its ability to generate future cash flows and/or obtain additional financing. These factors indicate the existence of a material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern. Management intends to finance operating costs over the next twelve months with sale of assets, issue of debt, and/or private placements of common stock, and restructuring loans. There is a risk that these measures will not be available on a timely basis or on terms acceptable to the Company.

As a result, these unaudited condensed interim consolidated financial statements do not include adjustments to the amounts and classification of assets and liabilities that might be necessary should the Group be unable to continue a going concern. Such adjustments could be material.

2. STATEMENT OF COMPLIANCE AND BASIS OF PRESENTATION

Statement of compliance

These unaudited condensed interim consolidated financial statements, including comparatives, have been prepared in accordance with IAS 34 Interim financial reporting. These unaudited condensed interim consolidated financial statements of the Group were reviewed, approved and authorized for issue by the Board of Directors on December 1, 2025.

Basis of presentation

These unaudited condensed interim consolidated financial statements have been prepared on an accrual basis and under the historical cost basis, except for some financial instruments and some assets that have been measured at fair value.

Basis of consolidation

The unaudited condensed interim consolidated financial statements include the financial statements of the Company and its wholly-owned subsidiaries, Canada Computational Unlimited Inc. SATO Corp and Qritical AI Inc.

A subsidiary is an entity which the Group has control. The Group controls an entity when the group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiaries are fully consolidated from the date on which control is acquired and de-consolidated from the date that control ceases.

The unaudited condensed interim consolidated financial statements of the subsidiaries are prepared for the same reporting period as the Group, using consistent accounting policies. All intercompany transactions and balances are eliminated upon consolidation.

3. MATERIAL ACCOUNTING POLICIES

These unaudited condensed interim consolidated financial statements have been prepared using the same accounting policies and methods of computation as those applied in the audited consolidated financial statements for the year ended December 31, 2024, as described in Note 3 thereto, and should be read in conjunction with those audited financial statements.

3. MATERIAL ACCOUNTING POLICIES (continued)

Revenue recognition

The Group records revenue from contracts with customers in accordance with IFRS 15, Revenue from Contracts with Customers ("IFRS 15"). The core principle of this standard is that a company should recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the company expects to be entitled in exchange for those goods or services. The following five steps are applied to achieve that core principle:

Step 1 - Identifying the contract with and its customer;
Step 2 - Identifying the performance obligations in the contract;
Step 3 - Determining the transaction price, which is the total consideration provided by the customer;
Step 4 - Allocating the transaction price among the performance obligations in the contract based on their relative fair values; and
Step 5 - Recognizing revenue when (or as) the Group satisfies a performance obligation.

Digital assets earned

The Group has entered into arrangements, as amended from time to time, with mining pools operators and has undertaken the performance obligation of performing hash computations (i.e., hashrate) to the mining pools in exchange for non-cash consideration in the form of digital assets. The provision of computing power to mining pools is an output of the Group's ordinary activities. The Group has the right to decide the point in time and duration for which it will provide hash computation services to the mining pools. As a result, the Company's enforceable right to compensation only begins when, and continues as long as, the Company provides computing power to the mining pool operator. The contracts are terminable at any time by either party without substantive compensation to the other party for such termination. Upon termination, the mining pool operator (i.e., the customer) is required to pay the Group any amount due related to previously satisfied performance obligations. Therefore, the Group has determined that the duration of the contract is less than 24 hours and that the contract continuously renews throughout the day. The Company has determined that this renewal right is not a material right as the terms, conditions, and compensation amounts are at then market rates. There is no significant financing component in these transactions.

In exchange for providing computing power, which represents the Group's only performance obligation, the Group is entitled to non-cash consideration in the form of digital assets, calculated under a payout method, depending on the mining pool. The payout method used by the mining pools in which the Group participated are the Full Pay Per Share ("FPPS"). This payout methods contain three components, (1) a fractional share of the fixed cryptocurrency award from the mining pool operator (referred to as a "block reward"), (2) transaction fees generated from (paid by) blockchain users to execute transactions and distributed (paid out) to individual miners by the mining pool operator, and (3) mining pool operating fees retained by the mining pool operator for operating the mining pool. The Company's total compensation is the sum of the Company's share of (1) block rewards and (2) transaction fees, less (3) mining pool operating fees:

(1) Block rewards earned by the Group are calculated by the mining pool operator based on the proportion of hashrate the Group contributed to the mining pool to the total network hashrate used in solving the current algorithm. The Group is entitled to its relative share of consideration even if a block is not successfully added to the blockchain by the mining pool.

(2) Transaction fees refer to the total fees paid by users of the network to execute transactions. Under FPPS, the Company is entitled to a pro-rata share of the total network transaction fees. The transaction fees paid out by the mining pool operator to the Group is based on the proportion of hashrate the Group contributed to the mining pool to the total network hashrate. The Group is entitled to its relative share of consideration even if a block is not successfully added to the blockchain by the mining pool.

(3) Mining pool operating fees are charged by the mining pool operator for operating the mining pool as set forth in a rate schedule to the mining pool contract. The mining pool operating fees reduce the total amount of compensation the Group receives and are only incurred to the extent that the Group has generated mining revenue pursuant to the mining pool operators' payout calculation.

3. MATERIAL ACCOUNTING POLICIES (continued)

Because the consideration to which the Group expects to be entitled for providing computing power is entirely variable (block rewards, transaction fees and pool operating fees), as well as being non-cash consideration, the Group assesses the estimated amount of the variable non-cash consideration to which it expects to be entitled for providing computing power at contract inception and subsequently, to determine when and to what extent it is highly probable that a significant reversal in the amount of cumulative revenue recognized will not occur once the uncertainty associated with the variable consideration is subsequently resolved. For each contract under the FPPS payout method, the Company recognizes the non-cash consideration on the same day that control of the contracted service transfers to the mining pool operator, which is the same day as the contract inception. The Group measures non-cash consideration at the cryptocurrency closing price of the day on the date of contract inception, as determined by the Company's principal market, which is Coinbase Prime.

Management considers the prices quoted on Coinbase Prime to be a Level 1 input under IFRS 13, Fair Value Measurement ("IFRS 13"). Any difference between the fair value of digital assets recorded upon receipt from selling hashrate activities and the actual realized price upon disposal are recorded as a gain or loss on disposition of digital assets.

Digital assets
Digital assets consist of Bitcoin and other cryptocurrencies. Digital assets meet the definition of intangible assets in IAS 38 Intangible Assets as they are identifiable non-monetary assets without physical substance. They are initially recorded at cost and the revaluation method is used to measure the digital assets subsequently. Where digital assets are recognized as revenue, the fair value of the digital asset received is considered to be the cost of the digital assets. Under the revaluation method, increases in fair value are recorded in other comprehensive income, while decreases are recorded in profit or loss. The Group revalues its digital assets at the end of each quarter. There is no recycling of gains from other comprehensive income to profit or loss. However, to the extent that an increase in fair value reverses a previous decrease in fair value that has been recorded in profit or loss, that increase is recorded in profit or loss. Decreases in fair value that reverse gains previously recorded in other comprehensive income are recorded in other comprehensive income. Gains and losses on digital assets sold between revaluation dates are included in profit or loss.

Digital assets are measured at fair value using the quoted price on Coinbase Prime. The Group has determined Coinbase Prime as the most advantageous market due to its liquidity, market accessibility, and competitive transaction fees, as no principal market has been identified for the digital assets. The most advantageous market is defined as the market that maximizes the net proceeds from selling the asset, after considering transaction costs. Management considers this fair value measurement to be a Level 1 input under IFRS 13, as Coinbase Prime provides quoted prices directly observable in active markets for identical digital assets without adjustments.

Non-monetary transactions
Where the Group is settling with digital assets, a liability for the purchase of goods and services where the price was established in a quantity of digital assets, the difference between the liability's initial fair value of the quantity of digital assets settled and the fair value of the digital assets transferred is recognized as a gain or loss on settlement.

Income taxes
The Group applies the liability method of accounting for income taxes. Current tax expense is recognized based on the expected tax payable on the taxable income for the year, using the enacted tax rate at period end, adjusted for any amendments with regards to previous years.

Deferred income tax assets and liabilities are recognized for the future income tax consequences of temporary differences between the carrying amounts of assets and liabilities and their respective tax bases, and for tax losses carried forward. Deferred income tax assets and liabilities are measured using the substantively enacted tax rates that will be in effect for the year in which the differences are expected to reverse.

3. MATERIAL ACCOUNTING POLICIES (continued)

Deferred income tax assets are recognized only to the extent that it is probable that future taxable profits will be available against which the underlying tax loss or deductible temporary differences can be utilized. Deferred tax liabilities are always recognized in full. Deferred tax assets and liabilities are offset only when the Group has a right and intention to set off current tax assets and liabilities from the same taxation authority.

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

The Group has earned bitcoin from the commercial activity of digital assets mining by using pools. The Group has followed the published Canada Revenue Agency (“CRA”) view that Bitcoin is a commodity and inventory of the business, the value of which is included in the calculation of taxable income from the business. Digital assets are valued in accordance with Section 10 of the Income Tax Act. Revenue from bitcoin mining is included in taxable income when the bitcoin is earned from the pools. There is uncertainty regarding the taxation of cryptocurrency and the CRA may assess the Group differently from the position adopted. This could result in additional current taxes payable with equal offset to deferred tax expense.

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

At the date of authorization of these condensed interim unaudited consolidated financial statements, several new, but not yet effective, standards and amendments to existing standards, and interpretations have been published by the International Accounting Standards Board ("IASB"). None of these standards or amendments to existing standards have been adopted early by the Group. Management anticipates that all relevant pronouncements will be adopted for the first period beginning on or after the effective date of the pronouncement. New standards, amendments and interpretations not adopted in the current year have not been disclosed as they are not expected to have a material impact on the Group’s condensed interim unaudited consolidated financial statements except for the following:

IFRS 18 *Presentation and Disclosure in the Financial Statements*

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

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

The publication of IFRS 18 results also in consequential amendments to other IFRS standards, including IAS 7 Statement of Cash Flows.

IFRS 18 is effective for annual periods beginning on or after January 1, 2027, with earlier application permitted. IFRS 18 will apply retrospectively with specific transitional provisions.

The Group is currently working to identify all impacts that the amendments will have on the primary financial statements and notes to the interim unaudited consolidated condensed financial statements.

3. MATERIAL ACCOUNTING POLICIES (continued)

Critical accounting judgements, estimates and assumptions

The preparation of these condensed unaudited interim consolidated financial statements in conformity with IFRS Accounting standards requires management to make certain estimates, judgments and assumptions that affect the reported amounts of assets and liabilities at the date of the condensed unaudited interim consolidated financial statements and reported amounts of expenses during the reporting period. Actual outcomes could differ from these estimates. These condensed unaudited interim consolidated financial statements include estimates that, by their nature, are uncertain. The impacts of such estimates are pervasive throughout the condensed unaudited interim consolidated financial statements and may require accounting adjustments based on future occurrences. Revisions to accounting estimates are recognized in the period in which the estimate is revised and future years if the revision affects both current and future years. These estimates are based on historical experience, current and future economic conditions and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Critical accounting judgements

The following are the judgments made by management in applying the accounting policies of the Group that have the most significant effect on these condensed interim consolidated financial statements.

Income, valued added, withholding and other taxes

The Group is subject to income, value added, withholding and other taxes. Significant judgment is required in determining the Group's provisions for taxes. There are many transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. The Group recognizes liabilities for anticipated tax audit issues based on estimates of whether additional taxes will be due. The determination of the Group's income, value added, withholding and other tax liabilities requires interpretation of complex laws and regulations. The Group's interpretation of taxation law as applied to transactions and activities may not coincide with the interpretation of the tax authorities. All tax related filings are subject to government audit and potential reassessment subsequent to the condensed interim consolidated financial statement reporting period. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the tax related accruals and deferred income tax provisions in the year in which such determination is made.

Critical accounting estimates and assumptions

Information about estimates and assumptions that may have the most significant effect on recognition and measurement of assets, liabilities, income, and expenses is provided below. Actual results may be substantially different.

4. RESTATEMENT OF STATEMENT OF CASH FLOWS

The consolidated statement of cash flows have been restated to reclassify the cash proceeds from the sale of digital assets and the cash disbursements related to their acquisition, which are accounted for as intangible assets under IAS 38, from cash flows from operations to cash flows from investing activities.

Originally, the Company classified the proceeds from sale and purchase of digital assets in the consolidated statements of cash flows as operating activities on the basis that its core business and main activities are related to digital assets.

The effects of the restatement on the affected financial statement line items are as follows:

Adjustments to consolidated statements of cash flows for the nine months ended September 30, 2024 – Restatement

4. RESTATEMENT OF STATEMENT OF CASH FLOWS

	Nine months ended September 30,		
	2024 (as reported)	Adjustments	**2024 (as restated)**
Operating activities			
Net income	1,269,387	-	1,269,387
Change in non-cash operating items:			
Net cash used in operating activities	(10,240,010)	-	(10,240,010)
Change in working capital			
Digital assets	13,457,169	(13,457,169)	-
Total change in operating working capital	11,973,238	(13,457,169)	(1,483,931)
Cash provided by (used in) operating activities	**1,733,228**	**(13,457,169)**	**(11,723,941)**
Investing activities			
Disposal of digital assets	-	13,457,169	13,457,169
Cash provided by investing activities	**238,767**	**13,457,169**	**13,695,936**

5. TRADES AND RECEIVABLES

	September 30, 2025	**December 31, 2024**
	$	**$**
Sales taxes receivable (i)	240,394	218,951
Amount receivable (ii)	-	507,932
Total trades and other receivable	240,394	726,883

(i) During the year ended December 31, 2023, the Group assessed that certain sales tax receivables related to Goods and Services Tax (GST) and Québec Sales Tax (QST) may not have been recoverable.

This assessment followed a Confirmation of Audit received on December 14, 2022, from Revenu Québec, requesting documentation regarding the Group's treatment of commodity taxes. On October 18, 2023, the Group received a draft notice of assessment, which was based on Revenu Québec's interpretation of Article 188(2), introduced through Canada Revenue Agency's Notice 324 concerning numerical services. According to this guidance, crypto mining entities operating in Canada were not correctly claiming input tax credits (ITCs) and input tax refunds (ITRs).

The Company received the final determination from Revenu Québec in 2024. As at December 31, 2024, the Company has adjusted the carrying amount of the sales tax receivables and removed any balances determined to be uncollectible, along with the reversal of the provision previously recorded. All amounts have since been collected.

(ii) As at December 31, 2024, the Group's client continued to owe the Group uncollected GST and QST related to services provided between December 1, 2019 and July 31, 2023. These amounts represent an excess over the customer deposit initially received, and the amount was received during the period ended September 30, 2025.

6. DIGITAL ASSETS

The Group's holdings of digital assets consist of the following:

	For the nine months ended September 30, 2025				
	Bitcoin $	Number of Bitcoin	Other $	Number of Other Digital assets	Total $
Balance, beginning of year	4,551,495	34	5,369	1	4,556,864
Digital assets earned	9,308,439	65	-	-	9,308,439
Digital assets purchased	8,378	-	3,043	5	11,421
Digital assets traded for cash	(12,949,718)	(90)	-	-	(12,949,718)
Digital assets paid for services	(12,223)	-	-	-	(12,223)
Digital assets used to purchase equipment	(20,144)	-	-	-	(20,144)
Digital assets given as a donation	(9,844)	-	-	-	(9,844)
Gain on use of digital assets	532,260	-	-	-	532,260
Unrealized gain on revaluation of digital assets	45,094	-	(144)	-	44,950
Balance, end of period	**1,453,737**	**9**	**8,268**	**6**	**1,462,005**

	For the nine months ended September 30, 2024				
	Bitcoin $	Number of Bitcoin	Other $	Number of Other Digital assets	Total $
Balance, beginning of period	2,241,280	40	3,450	1	2,244,730
Digital assets earned	12,764,579	161	-	-	12,764,579
Digital assets traded for cash	(13,457,169)	(167)	-	-	(13,457,169)
Digital assets used to pay for services	(11,633)	-	(168)	-	(11,801)
Digital assets given as a donation	(10,000)	-	-	-	(10,000)
Gain on use of digital assets	231,635	-	-	-	231,635
Unrealized gain on revaluation of digital assets	1,192,474	-	2,295	-	1,194,769
Balance, end of period	**2,951,666**	**34**	**5,577**	**1**	**2,956,743**

	For the year ended December 31, 2024				
	Bitcoin $	Number of Bitcoin	Other $	Number of Other Digital assets	Total $
Balance, beginning of year	2,241,280	40	3,450	1	2,244,730
Digital assets earned	16,053,612	190	-	-	16,053,612
Digital assets purchased	-	-	2,356	0.50	2,356
Digital assets traded for cash	(16,481,220)	(194)	-	-	(16,481,220)
Digital assets used to pay for services	(170,348)	(2)	(124)	(0.03)	(170,472)
Digital assets given as a donation	(10,000)	(0.12)	-	-	(10,000)
Gain on use of digital assets	918,356	-	-	-	918,356
Unrealized gain on revaluation of digital assets	1,999,815	-	(313)	-	1,999,502
Balance, end of period	**4,551,495**	**34**	**5,369**	**1**	**4,556,864**

6. DIGITAL ASSETS (continued)

Digital assets held are re-evaluated each reporting period based on the fair market value for the price of Bitcoin and Ethereum on the reporting period date. As of September 30, 2025, the price of Bitcoin was $159,331 ($US 114,433) (December 31, 2024 - $132,968 ($US 92,383)) and the price of Ethereum was $5,848 ($US 4,218) (December 31, 2024 - $4,791 ($US 3,330)).

For the nine months ended September 30, 2025, the Company recognized an unrealized revaluation gain of $44,950 on digital assets measured under the revaluation model. Of this amount, $Nil was recognized in net income, to the extent that it reverses revaluation gains previously recognized in comprehensive income, resulting in a net OCI income of $44,950. The remainder was recognized in profit and loss.

As of September 30, 2024, the price of Bitcoin was $87,310 ($US 64,544) and the price of Ethereum was $3,556 ($US 2,629), resulting in an unrealized revaluation gain for the period ended September 30, 2024 of $1,194,769 net of taxes of $Nil for which $1,194,769 goes through the profit and loss statement and $Nil through the other comprehensive income.

As at September 30, 2025, the Group had pledged 7 BTC (fair value: $1,115,317) as collateral for a long-term loan, compared to 8 BTC (fair value: $1,063,744) as at December 31, 2024. These digital assets are subject to contractual restrictions and cannot be transferred, sold, or otherwise used by the Group while the loan remains outstanding. Further details are provided in Note 11.

As at September 30, 2025, the Group had pledged 0 BTC (fair value: $Nil) as collateral for a revolving line of credit agreement, compared to 3 BTC (fair value: $398,904) as at December 31, 2024. These digital assets are subject to contractual restrictions and cannot be transferred, sold, or otherwise used by the Group while the loan remains outstanding. Further details are provided in Note 11.

7. DEPOSITS

	September 30, 2025	December 31, 2024
	$	$
Deposits related to electricity supply under Electricity Supply Agreement (i)	417,486	417,486
Other deposits	15,000	15,000
Total non-current deposits	**432,486**	**432,486**

(i) Security deposit for current electricity usage.

8. LEASES

The Group leases facilities. The lease has an initial term of 5 years and a renewal option after that date. The lease does not specify any restrictions and the leased property cannot be used to secure loans. The right-of-use assets and lease liabilities recognized by the Group relates to facilities.

Right-of-use assets	September 30, 2025	December 31, 2024
	$	$
Balance as at January 1st	2,013,361	2,237,069
Depreciation	(167,781)	(223,708)
Balance	**1,845,580**	**2,013,361**

Lease liability	September 30, 2025	December 31, 2024
	$	$
Balance as at January 1st	2,409,182	2,511,781
Lease payments and interest	(97,074)	(102,599)
Balance	**2,312,108**	**2,409,182**
Current portion of lease liability	267,117	283,874
Non-current portion of lease liability	2,044,991	2,125,308

Contractual undiscounted payments under lease liabilities are as follows:	September 30, 2025	December 31,2024
	$	$
Within one year	410,174	399,566
1 to 2 years	424,694	413,710
2 to 5 years	1,366,435	1,331,095
After 5 years	1,341,522	1,698,129
Total	**3,542,825**	**3,842,500**

Other amounts recognized in profit or loss	September 30, 2025	September 30, 2024
	$	$
Interest expense on lease liabilities	202,600	213,216

Cash flow amounts	September 30, 2025	September 30, 2024
	$	$
Total cash outflow for lease	299,674	289,428

9. PROPERTY AND EQUIPMENT

	Miners	Computer Equipment	Industrial Equipment	Leasehold Improvement	Small Equipment	In Construction - Industrial Equipment	Total
	$	$	$	$	$	$	$
Cost							
Balance - December 31, 2023	**8,749,011**	**252,109**	**6,351,223**	**715,014**	**43,694**	**433,470**	**16,544,521**
Additions	641,751	8,975	154,391	-	-	-	805,117
Write-off	(1,509,015)	-	(378,455)	-	-	-	(1,887,470)
Balance - December 31, 2024	**7,881,747**	**261,084**	**6,127,159**	**715,014**	**43,694**	**433,470**	**15,462,168**
Additions	20,144	-	-	-	-	-	20,144
Balance - September 30, 2025	**7,901,891**	**261,084**	**6,127,159**	**715,014**	**43,694**	**433,470**	**15,482,312**
Accumulated depreciation							
Balance - December 31, 2023	**3,533,478**	**243,402**	**1,204,483**	**170,598**	**24,884**	**-**	**5,176,845**
Depreciation	1,874,185	4,789	638,929	71,501	3,762	-	2,593,166
Write-off	(1,238,150)	-	(298,483)	-	-	-	(1,536,633)
Balance - December 31, 2024	**4,169,513**	**248,191**	**1,544,929**	**242,099**	**28,646**	**-**	**6,233,378**
Depreciation	946,509	5,318	459,537	53,626	2,257	-	1,467,247
Balance - September 30, 2025	**5,116,022**	**253,509**	**2,004,466**	**295,725**	**30,903**	**-**	**7,700,625**
Net carrying value	**$**	**$**	**$**	**$**	**$**	**$**	**$**
As at December 31, 2024	**3,712,234**	**12,893**	**4,582,230**	**472,915**	**15,048**	**433,470**	**9,228,790**
As at September 30, 2025	**2,785,869**	**7,575**	**4,122,693**	**419,289**	**12,791**	**433,470**	**7,781,687**

10. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	September 30, 2025	December 31, 2024
	$	$
Accounts payable	93,028	132,148
Accrued liabilities	199,096	454,643
Amounts due to related parties (Note 15)	103,994	292,477
Salaries and vacation payable	33,532	36,804
Total	429,650	916,072

11. BORROWINGS

	September 30, 2025	December 31, 2024
	$	$
Long term loan, 9.5% payable in monthly instalments of CHF217,504 ($342,743) maturing in July 2026 (i)	3,288,687	5,770,276
Emergency Loan for Canadian Businesses	-	-
Credit line (ii)	18,572	573,609
Total debt	**3,307,259**	**6,343,885**
Current portion of long term debt	3,307,259	3,748,785
Long term portion of long term debt	-	2,595,100

(i) On July 18, 2022, the Group signed a loan agreement to finance the purchase of mining equipment. An initial tranche of CHF3,000,000 (CAD$3,873,610) net of financing costs of $98,600 was allocated. The capital is repayable over a 3-year term and bears interest at 8%.

On July 21, 2023, the Group refinanced the loan, stated above, to finance the purchase of additional mining equipment. From the initial tranche of CHF3,000,000, an additional increment of CHF3,790,000 was added for a total principal of CHF6,639,781 (CAD$10,103,755) net of financing costs of $195,449. The capital is repayable over a 3-year term and bears interest at 9.5%. As of December 31, 2024, the net book value of miners collateralized under the loan is $3,399,193.

The long-term loan is secured by a collateral representing 20% of the outstanding principal, $657,737 ($1,154,056 at December 31, 2024). The collateral is composed of 7 BTC at a fair value of $1,115,317 ($1,063,744 at December 31, 2024) and the $Nil ($90,312 at December 31, 2024) in restricted cash. Changes in the loan are as follows:

	$
Balance at January 1, 2025	**5,770,276**
Cash-flows:	
Proceeds	-
Repayment	(2,829,161)
Non-cash	
Unrealized foreign exchange loss	347,572
Balance, September 30, 2025	**3,288,687**

11. BORROWINGS (continued)

(ii) The Group has a $1,600,915 (US$1,150,000) revolving line of credit agreement, to support its continuing working capital needs. At September 30, 2025, the Group had pledged 0 BTC (fair value: $Nil) as collateral for the revolving line of credit agreement, compared to 3 BTC (fair value: $398,904) as at December 31, 2024. These digital assets are subject to contractual restrictions and cannot be transferred, sold, or otherwise used by the Group while the loan remains outstanding. Borrowings under the credit agreement bear interest at a fixed rate of 9.0%. As at September 30, 2025, the Company has an outstanding balance of $18,572 (December 31, 2024 - $573,609).

Changes in the credit line are as follows:

	$
Balance at January 1, 2025	**573,609**
Cash-flows:	
Proceeds	21,703
Repayment	(584,615)
Interest and bank fees	10,829
Non-cash	
Unrealized foreign exchange loss	(2,954)
Balance, September 30, 2025	**18,572**

(iii) A summary of finance expense is as follows:

	September 30, 2025	September 30, 2024
Finance expense	**$**	**$**
Interest expense on long term loan	349,258	574,686
Interest on line of credit	5,932	-
Interest on lease liability	202,600	213,216
	557,790	**787,902**

12. EQUITY

Share Capital

Authorized
An unlimited number of common shares, voting, participating and without par value.

Issued

	Number of common shares	Amount$
Balance, December 31, 2023	**72,589,465**	**14,430,320**
Common shares issued following the exercise of compensation warrants (i)	318,218	61,351
Common shares issued upon the exercise of stock options (ii)	370,000	151,988
Balance, December 31, 2024	**73,277,683**	**14,643,659**
Common shares issued upon the exercise of stock options (iii)	100	33
Balance, September 30, 2025	**73,277,783**	**14,643,692**

(i) 318,218 common shares were issued on the exercise of 318,218 warrants for cash proceeds of $3,182. The warrants had a recorded value of $58,169, which was re-allocated to share capital on the exercise.

(ii) 370,000 common shares were issued on the exercise of 370,000 stock options for cash proceeds of $80,950. The options had a recorded value of $71,038, which was re-allocated to share capital on the exercise.

(iii) 100 common shares were issued on the exercise of 100 stock options for cash proceeds of $19. The options had a recorded value of $14, which was re-allocated to share capital on the exercise.

12. EQUITY (continued)

Compensation Warrants
The warrant activity is as follows:

	Number of compensation warrants	Weighted average exercise price$
Balance, December 31, 2022 and 2023	**942,170**	**0.29**
Exercised	(318,218)	(0.01)
Balance, December 31, 2024	**623,952**	**0.38**
Expired	(623,952)	(0.38)
Balance, September 30, 2025	**-**	**-**

Warrants
The warrant activity is as follows:

	Number of warrants		Weighted average exercise price$
Balance, December 31, 2023 and 2024	1,754,901	$	0.57
Expired	(1,234,901)		(0.75)
Balance, September 30, 2025 (i)	520,000	$	0.25

(i) The outstanding balance of 520,000 warrants have an expiry date of May 31, 2028.

Stock Options
On June 28, 2019, the Group adopted an incentive stock option plan which provides that the Board of Directors of the Group may grant to certain employees. The option price shall be determined by the Board of Directors and shall not be less than the fair market value of the share.

The Group maintains a stock option plan (the "Plan") whereby certain officers, directors and consultants may be granted stock options for common shares of the Group. Options are granted at the fair market value of the shares on the day granted, and vest over various terms. Stock-based compensation is recognized over the vesting period. The Board may from time to time, in its discretion, grant to officers, directors and consultants of the Group, non-transferable options to purchase common shares, provided that the number of common shares reserved for issuance will not exceed ten percent (10%) of the issued and outstanding common shares exercisable for a period of up to five years from the date of grant. The plan also contains certain specifications when a trigger event occurs that would accelerate vesting.

On March 3, 2025, the Company granted stock options to purchase an aggregate of 1,991,424 common shares to directors, officers, consultants and employees. The Options are exercisable into common shares of the Company at a price of $0.185 per share for a period of 5 years from date of grant. A total of 1,085,000 options will vest on April 21, 2025, and 906,424 options will vest on March 3, 2026. The fair value of the options were $285,576. The fair value was calculated using Black & Scholes option pricing model and the following weighted average assumptions:

Share price at the date of the grant:	$0.185
Expected life:	5 years
Risk-free interest rate :	2.52%
Expected volatility[(1)]:	105%
Dividend:	Nil
Exercise price at the date of grant:	$0.185

12. EQUITY (continued)

	Number of Warrants	Weighted average exercise price$
Balance, December 31, 2023	6,434,124	0.56
Granted	30,000	0.46
Cancelled	(1,532,428)	(0.63)
Exercised	(370,000)	(0.22)
Balance, December 31, 2024	4,561,696	0.57
Granted	1,991,424	0.185
Exercised	(100)	0.185
Balance, September 30, 2025	6,553,020	0.45

As at September 30, 2025 stock options are as follows:

Balance outstanding at September 30, 2025	Balance exercisable at September 30, 2025	Weighted average life	Expiry date	Exercise price $
282,354	282,354	0.053	12/23/2026	0.850
3,333,979	3,333,979	0.744	3/18/2027	0.640
385,000	385,000	0.143	3/5/2028	0.250
30,000	30,000	0.014	9/27/2028	0.380
424,290	424,290	0.253	8/27/2029	0.190
1,991,324	1,085,000	1.367	3/30/2030	0.185
106,073	106,073	0.091	5/20/2031	0.380
6,553,020	5,646,696	2.67		

During the nine months ended September 30, 2025 and 2024, the Group recorded a share based compensation expense of respectively $232,914 and $156,250.

13. (LOSS) INCOME PER SHARE

	Three months ended September 30,		Nine months ended September 30,	
	2025	2024	2025	2024
	$	$	$	$
Net (loss) income for the period	(284,424)	(1,717,056)	(1,936,320)	1,269,387
Net (loss) income per share - basic	(0.00)	(0.02)	(0.03)	0.02
Net (loss) income per share - diluted	(0.00)	(0.02)	(0.03)	0.02
Weighted average number of shares outstanding - basic	73,277,682	73,750,633	73,277,687	72,979,347
Weighted average number of shares outstanding - diluted	73,277,682	73,750,633	73,277,687	73,551,145

1. As at September 30, 2025, in calculating the diluted income per share, dilutive potential ordinary shares such as stock options and warrants have been included. Details of stock options and warrants issued that could potentially dilute earnings per share in the future are given in Note 12.

14. GENERAL AND ADMINISTRATION

	Three months ended September 30		Nine months ended September 30	
	2025	**2024**	**2025**	**2024**
	$	**$**	**$**	**$**
Salaries, benefits and remuneration	362,055	209,032	1,143,807	1,022,954
Advertising, promotion, and investor relations	25,798	55,928	109,389	356,949
Directors' and officers' insurance	23,750	42,987	71,250	128,962
Professional fees	65,956	34,201	237,954	269,669
Legal fees	65,017	39,411	153,804	106,020
Regulatory cost	36,674	26,993	98,259	102,455
Custodian fees	-	12,387	12,808	31,774
Other expenses	15,543	64,800	73,302	160,552
Other expense recovery	-	-	(93,719)	-
	594,793	**485,739**	**1,806,854**	**2,179,335**

15. RELATED PARTY TRANSACTIONS

The Group entered into consulting agreements with certain non-independent directors and officers. The total compensation that was given to the directors and officers is detailed as follows:

	September 30, 2025	September 30, 2024
	$	**$**
Salaries, benefits and remuneration (Note 14)	617,524	722,277
Stock based compensation (Note 12)	119,070	88,849
Total	736,594	811,126

As at September 30, 2025, a balance of $103,994 ($292,477 as at December 31, 2024) was due to related parties and included in accounts payable and accrued liabilities. During the nine months ended September 30, 2025, the Company granted 1,071,424 options to directors and officers and are subject to a four month hold period in accordance with TSXV policies.

16. CAPITAL MANAGEMENT

The Group manages its capital to maintain its ability to continue as a going concern and to provide returns to shareholders and benefits to other stakeholders. The capital structure of the Group consists of equity comprised of issued share capital, reserves and borrowings of $3,307,259. The Group manages its capital structure and makes adjustments to it in light of economic conditions. The Group, upon approval from its Board of directors, will balance its overall capital structure through new share issuances or by undertaking other activities as deemed appropriate under the specific circumstances. The Group is not subject to externally imposed capital requirements and the Group's overall strategy with respect to capital risk management remains unchanged from the year ended December 31, 2024.

17. FINANCIAL INSTRUMENTS

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

Fair value
The fair value of the Group's financial instruments, including cash, restricted cash, amount receivable, accounts payable and accrued liabilities, approximates their carrying value due to their short-term nature. The fair value of borrowings approximates their carrying amounts based on actualized cash flows (Level 2).

Digital assets are measured at fair value using the quoted price on Coinbase Prime (Level 1).

Credit Risk
Financial instruments that potentially subject the Group to a concentration of credit risk consist primarily of cash, restricted cash and amounts receivable. The Group limits its exposure to credit loss by placing its cash with high credit quality financial institutions. The Company believes the concentration of credit risk in its amounts receivables is substantially mitigated by its ongoing credit evaluation process. The Company does not generally require collateral from customers. The Company evaluates the need for an allowance for doubtful accounts based upon factors affecting the credit risk of specific customers, historical trends and other information.

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

The Group's exposure to interest rate risk is limited and relates to its ability to earn interest income on cash balances. Changes in short term interest rates will not have a significant effect on the fair value of the Group's cash account.

Liquidity Risk
Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due. The Group currently settles its financial obligations out of cash and digital assets.

The Group has a planning and budgeting process to help determine the funds required to support the Group's normal spending requirements on an ongoing basis and its expansionary plans.

As at September 30, 2025, the contractual maturities of financial liabilities, and other amounts payable including estimated interest payments are as follows:

	Carrying amount	Contractual cash flows	Within 1 year	1 to 2 years	2 to 5 years	5+ years
	$	$	$	$	$	$
Accounts payable and accrued liabilities	429,650	429,650	429,650	-	-	-
Line of credit	18,572	18,572	18,572	-	-	-
Line of credit - interest	-	-	-	-	-	-
Loan	3,288,687	3,288,687	3,288,687	-	-	-
Loan - interest	-	122,364	122,364	-	-	-
	3,736,909	**3,859,273**	**3,859,273**	**-**	**-**	**-**

17. FINANCIAL INSTRUMENTS (continued)

As at December 31, 2024, the contractual maturities of financial liabilities, and other amounts payable including estimated interest payments are as follows:

	Carrying amount	Contractual cash flows	Within 1 year	1 to 2 years	2 to 5 years	5+ years
	$	$	$	$	$	$
Accounts payable and accrued liabilities	879,268	879,268	879,268	-	-	-
Line of credit	573,609	573,609	-	573,609		
Line of credit - interest	-	5,799	5,799	-	-	-
Long term loan	5,770,276	5,770,276	3,748,785	2,021,491	-	-
Long term loan - interest	-	453,169	395,499	57,670	-	-
	7,223,153	**7,682,121**	**5,029,351**	**2,652,770**	**-**	**-**

Currency Risk
Currency risk is the risk that the value of a financial instrument will fluctuate due to changes in foreign exchange rates. Currency risk arises from financial instruments (including cash) that are denominated in a currency other than Canadian dollars, which represents the functional currency of the Group. The Group's functional currency is the Canadian dollar and most purchases are transacted in Canadian dollars. Management currently does not hedge its foreign exchange risk.

The table below indicates the foreign currencies to which the Group has significant exposure in Canadian dollar terms:

	September 30, 2025	December 31, 2024
	$	$
Cash - $US	485,215	33
Cash - CHF	11,762	(5,331)
Restricted cash - CHF	-	56,832
Digital assets - $US	1,453,737	4,556,864
Accounts payable and accrued liabilities - $US	42,128	28,616
Long term loan - CHF	3,288,687	5,770,276
Line of credit - $US	18,572	573,609

Based on the net U.S. dollar exposure as at September 30, 2025 a 10% increase in the Canadian/U.S. dollar exchange rate would have had an unfavorable impact of $188,652 on net income ($395,467 for the year ended December 31, 2024). A 10% decrease in the Canadian/U.S. dollar exchange rate would have had an impact of a similar magnitude but in opposite directions on net income.

Based on the net CHF exposure as at September 30, 2025, a 10% increase in the Canadian/CHF exchange rate would have had a favorable impact of $327,692 on net income ($571,878 for the year ended December 31, 2024). A 10% decrease in the Canadian/CHF exchange rate would have had an impact of a similar magnitude but in opposite directions on net income.

Digital assets and risk management
Digital assets are measured using Level 1 Fair values, determined by taking the rate from Coinbase Prime.

17. FINANCIAL INSTRUMENTS (continued)

Digital asset prices are affected by various forces including global supply and demand, interest rates, exchange rates, inflation or deflation and the global political and economic conditions. The profitability of the Group is directly related to the current and future market price of digital assets; in addition, the Group may not be able liquidate its inventory of digital assets at its desired price if required. A decline in the market prices for digital assets could negatively impact the Group's future operations. The Group has not hedged the conversion of any of its sales of digital assets.

Digital assets have a limited history and the fair value historically has been very volatile. Historical performance of digital assets is not indicative of their future price performance. The Group's digital assets currently solely consist of Bitcoin and Ether.

At September 30, 2025, if the market price of the Group's holdings of digital assets increased or decreased by 10% with all other variables held constant, the corresponding asset value increase or decrease respectively would amount to $146,200 ($455,602 at December 31, 2024).

18. SUBSEQUENT EVENTS

See the Forbearance Agreement, note 1.