
Wellfield Technologies Inc.

Consolidated Financial Statements

March 31, 2025 and 2024

(Expressed in Canadian dollars)



CHARTERED PROFESSIONAL ACCOUNTANTS

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INDEPENDENT AUDITOR'S REPORT

January 12, 2026
Edmonton, Alberta

To the Shareholders of Wellfield Technologies Inc.

Opinion

We have audited the consolidated financial statements of Wellfield Technologies Inc. and its subsidiaries (the Company), which comprise the consolidated statements of financial position as at March 31, 2025 and 2024, and the consolidated statements of loss and comprehensive loss, changes in shareholders' equity and cash flows for the periods then ended, and notes to the consolidated financial statements, including a summary of material accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Company as at March 31, 2025 and 2024 and the consolidated financial performance and consolidated 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 Consolidated 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 consolidated financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material Uncertainty Relating to Going Concern

We draw your attention to Note 2 in the consolidated financial statements, which indicates that the Company incurred a net loss during the year ended March 31, 2025 and, as of that date, had a deficit. As stated in Note 2, these events or conditions, along with other matters as set forth in Note 2, 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.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in the audit of the consolidated financial statements of the current period. This matter was addressed in the context of the audit of the consolidated financial statements as a whole, and in forming the auditor's opinion thereon, and we do not provide a separate opinion on this matter. For the matter below, our description of how our audit addressed the matter is provided in that context.

In addition to the matter described in the Emphasis of Matter - Material Uncertainty Related to Going Concern section, we have determined that matters described below to be key audit matters to be communicated in our auditor's report.

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Independent Auditor's Report to the Shareholders of Wellfield Technologies Inc.
(continued)

Impairment assessment of goodwill and intangible assets

We refer to financial statement summary of material accounting policy information in Note 4 and related disclosures in Notes 9 and 10.

During the period ended March 31, 2025, the Company recognized an impairment loss on its goodwill and intangible assets in the amount of \$14,554,417. The Company reviews for indicators of impairment at each statement of financial position date and when events or changes in circumstances indicate that the goodwill and intangible assets may be impaired. We identified the Company's impairment assessment of the goodwill and intangible assets as a key audit matter.

This impairment test is significant to our audit because the Company identified indicators of impairment for its goodwill and intangible assets, resulting in a significant impairment expense being recognized. In addition, management's assessment process is complex and highly judgmental and is based on assumptions, specifically forecasted future cash flows and discount rates, giving rise to high estimation uncertainty.

To address the risk for material misstatement on the impairment assessment of the goodwill and intangible assets, our audit procedures included, amongst other procedures:

- Evaluated the reasonableness of the Company's cash flows by comparing projections to, among others, historical expenses and operations and current business plans.
- Assessed the assumptions, methodologies and data used by the Company in assessing the value of the goodwill and intangible assets.
- Tested the completeness and accuracy of the underlying data used in the Company's valuation model.
- Performed analysis on significant management assumptions used in the valuation model.

We assessed the adequacy of the Company's presentation and disclosures related to impairment assessment of the goodwill and intangible assets.

Other Information

Management is responsible for the other information. The other information comprises the information, other than the consolidated financial statements and our auditor's report thereon, which includes 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 Management's Discussion and Analysis prior to the date of this auditor's report. If, based on the work we have performed on this other information, we conclude that there is a material misstatement of this other information, we are required to report that fact in this auditor's report. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

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

In preparing the consolidated financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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Independent Auditor's Report to the Shareholders of Wellfield Technologies Inc.
(continued)

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Company to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

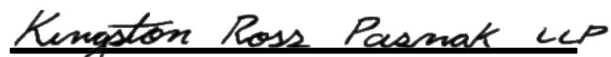
We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

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Independent Auditor's Report to the Shareholders of Wellfield Technologies Inc.
(continued)

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 auditor's report is Justin Rousseau.


Kingston Ross Pasmak LLP
Chartered Professional Accountants

Wellfield Technologies Inc.
Consolidated Statements of Financial Position
As at March 31,
(Expressed in Canadian dollars)

	Note	2025 (\$)	2024 (\$)
Assets			
Current assets			
Cash and cash equivalents		71,374	27,095
Receivables	6	153,976	642,956
Prepaid expenses and deposits		158,555	748,652
Cryptocurrency held for operating activities	7	20,180	28,147
Income taxes receivable		298,486	337,272
		702,571	1,784,122
Non-current assets			
Property and equipment	8	12,629	121,111
Intangible assets	9	-	5,644,847
Goodwill	10	-	9,113,939
Total assets		715,200	16,664,019
Liabilities			
Current liabilities			
Accounts payable and accrued liabilities	11, 15	11,156,808	7,643,799
Loans in cryptocurrency	12	3,053,370	2,514,542
Income taxes payable		614,400	488,817
Convertible debentures	13	8,839,950	1,924,362
Non-convertible debenture	14	2,475,804	1,693,750
		26,140,332	14,265,270
Non-current liabilities			
Other liabilities		-	18,808
Convertible debentures	13	-	6,635,679
		-	6,654,487
Total liabilities		26,140,332	20,919,757
Equity			
Share capital	19	66,603,913	64,358,672
Contributed surplus		8,080,645	5,667,122
Warrant reserve		4,900,575	8,463,567
Deficit		(106,378,560)	(84,633,394)
Accumulated other comprehensive income		1,368,295	1,888,295
Total equity		(25,425,132)	(4,255,738)
Total liabilities and equity		715,200	16,664,019
Going concern	2		
Subsequent events	27		

Approved by the Board of Directors:

/s/ Chanan Steinhart

Chair of the Board

/s/ Ed Zabar

Chair of the Audit Committee

Wellfield Technologies Inc.**Consolidated Statements of Loss and Comprehensive Loss****For the years ended March 31,**

(Expressed in Canadian dollars, except for number of shares)

		2025	2024
	Note	(\$)	(\$)
Revenue	16	2,864,120	52,197,380
Cost of revenue		557,192	48,881,130
Gross profit		2,306,928	3,316,250
Operating expenses			
Research and development		954,166	3,890,924
Growth and marketing		227,329	668,386
Operations		116,340	63,440
General and administrative		5,003,093	8,631,465
Amortization and depreciation	8, 9	900,519	1,544,306
		7,201,447	14,798,521
Operating loss		(4,894,519)	(11,482,271)
Other income (loss)			
Impairment of intangible assets and goodwill	9, 10	(14,554,417)	(9,550,811)
Fair value adjustments on financial instruments	18	(904,619)	(5,105,336)
Other income (loss)		(939,101)	(71,292)
Finance expense		(439,499)	(322,372)
Exchange gain (loss)		61,260	(1,199,986)
Loss before income taxes		(21,670,895)	(27,732,068)
Income tax expense	22	74,271	1,041,981
Net loss		(21,745,166)	(28,774,049)
Other comprehensive income			
<i>Items that may be reclassified to profit or loss</i>			
Foreign currency translation adjustment		(520,000)	(40,603)
Gain (loss) on cash flow hedging derivative instruments		-	46,058
Total comprehensive loss		(22,265,166)	(28,768,594)
Net loss per share	23		
Net loss per share attributable to common shareholders of the Company (basic and diluted)		(0.12)	(0.17)
Weighted average number of common shares outstanding (basic and diluted)		187,350,493	167,347,734

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

Wellfield Technologies Inc.
Consolidated Statements of Changes in Shareholders' Equity

(Expressed in Canadian dollars, except for number of shares)

	Note	Number of shares	Share capital (\$)	Contributed surplus (\$)	Warrant reserve (\$)	Deficit (\$)	Accumulated other comprehensive income (\$)	Total equity (\$)
Balance as at April 1, 2023		155,756,456	60,083,690	3,631,546	8,042,654	(55,859,345)	1,882,840	17,781,385
Share-based payments	20	-	-	1,702,708	-	-	-	1,702,708
Settlement of debt for equity	15	-	-	75,400	-	-	-	75,400
Settlement of restricted stock units	20	93,750	142,500	(142,500)	-	-	-	-
Shares issued on investment in Bosonic Inc.	19	17,250,000	4,089,000	-	-	-	-	4,089,000
Equity portion of convertible debenture issuance	13	-	-	440,156	419,139	-	-	859,295
Convertible debenture transaction costs	13	-	-	(40,188)	(38,269)	-	-	(78,457)
Non-brokered private placement	19	1,904,762	52,059	-	47,941	-	-	100,000
Non-brokered private placement transaction costs	19	-	(8,577)	-	(7,898)	-	-	(16,475)
Net loss and other comprehensive income		-	-	-	-	(28,774,049)	5,455	(28,768,594)
Balance as at March 31, 2024		175,004,968	64,358,672	5,667,122	8,463,567	(84,633,394)	1,888,295	(4,255,738)
Share-based payments	20	-	-	108,904	-	-	-	108,904
Non-brokered private placement	19	1,777,777	55,977	-	44,023	-	-	100,000
Non-brokered private placement transaction costs	19	-	(2,539)	-	(1,996)	-	-	(4,535)
Settlement of convertible debentures	13	9,643,395	578,604	-	-	-	-	578,604
Settlement of debt for equity	19	4,954,983	312,799	-	-	-	-	312,799
Share issuance	19	1,500,000	-	-	-	-	-	-
Settlement of RSUs	20	9,893,005	1,300,400	(1,300,400)	-	-	-	-
Expiry of warrants	21	-	-	3,605,019	(3,605,019)	-	-	-
Net loss and comprehensive loss		-	-	-	-	(21,745,166)	(520,000)	(22,265,166)
Balance as at March 31, 2025		202,774,128	66,603,913	8,080,645	4,900,575	(106,378,560)	1,368,295	(25,425,132)

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

Wellfield Technologies Inc.**Consolidated Statements of Cash Flows****For the years ended March 31,**

(Expressed in Canadian dollars)

	Note	2025 (\$)	2024 (\$)
Operating activities			
Net loss		(21,745,166)	(28,774,049)
Items not affecting cash			
Depreciation of property and equipment	8	43,909	94,810
Amortization of intangible assets	9	856,610	1,449,496
Interest expense		15,582	584
Unrealized foreign exchange loss (gain)		449,369	1,413,456
Loss on disposition of equipment	8	48,841	82,246
(Gain) loss on settlement of liabilities	15	546,289	(11,267)
Impairment of intangible assets and goodwill	9, 10	14,554,417	9,550,811
Fair value adjustments on financial instruments	18	904,619	5,105,336
Impairment of non-financial asset		361,773	-
Share-based payments	20	108,904	1,702,708
Accretion expense	13	62,436	185,811
Non-cash transaction costs	14	253,587	-
Income tax expense (recovery)	22	74,271	1,041,982
Changes in non-cash operating working capital items			
Receivables		25,639	4,224
Prepaid expenses and deposits		241,306	236,398
Cryptocurrency held for operating activities		(263,856)	1,093,398
Accounts payable and accrued liabilities		3,717,830	4,323,320
Contract liabilities		-	(643,788)
Cryptocurrencies payable to customers		-	(817,681)
Cash taxes refunded		57,209	219,144
		313,569	(3,743,061)
Investing activities			
Redemption of term deposits		-	12,000
Additions to equipment	8	-	(2,554)
Proceeds from disposition of equipment		455	3,257
Acquisition of Brane Trust	5	-	(150,000)
Cash and cash equivalents acquired in consideration of business combinations	5	-	(700)
		455	(137,997)
Financing activities			
Issuance of share capital	19	95,465	83,525
Proceeds from exercise of warrants		-	-
Increase in loans in cryptocurrencies		168,463	243,021
Increase in short-term loans		113,576	-
Lease payments		-	(15,151)
Non-convertible debenture repayment	14	(20,000)	-
Proceeds from convertible debentures	13	-	1,213,200
Proceeds from non-convertible debentures	14	-	1,668,875
Net change in due to/from related parties	5	-	(46,580)
		357,504	3,146,890
Effect of foreign exchange rate changes on cash and cash equivalents		(627,249)	33,296
Net increase (decrease) in cash and cash equivalents		44,279	(700,872)
Cash and cash equivalents - Beginning		27,095	727,967
Cash and cash equivalents - Ending		71,374	27,095

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

Wellfield Technologies Inc.**Notes to Consolidated Financial Statements****March 31, 2025 and 2024**(Expressed in Canadian dollars, unless otherwise noted)

1 Nature of operations

Wellfield Technologies Inc. ("the Company" or "Wellfield") was incorporated as 1290447 B.C. Ltd. under the British Columbia Business Corporations Act on February 23, 2021. Wellfield is building technology that unlocks the future of decentralized finance. Wellfield is domiciled in Canada with its registered office located at 666 Burrard Street, Suite 2500, Vancouver, British Columbia V6C 2X8. The Company listed on the TSX Venture Exchange ("TSXV") and began trading on November 30, 2021 under the ticker symbol "WFLD".

2 Basis of presentation***Statement of compliance***

These consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") applicable to the preparation of consolidated financial statements as issued by the International Accounting Standards Board and interpretations issued by the International Financial Reporting Standards Interpretations Committee.

These consolidated financial statements were approved and authorized for issuance by the Board of Directors on January 12, 2026.

Going concern

These consolidated financial statements have been prepared on the assumption that the Company will continue as a going concern, meaning it will continue in operation for the foreseeable future and will be able to realize assets and discharge liabilities in the ordinary course of operations. The Company incurred a net loss of \$21,745,166 for the year ended March 31, 2025, has negative cash flows from operations, and has a deficit of \$106,378,560 as of March 31, 2025. 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.

The assessment of the Company's ability to continue as a going concern requires significant judgment and is based on assumptions regarding its ability to raise additional financing, successfully develop and market its financial services offerings, and achieve profitable operations in the future. Management continues to actively pursue a range of financing and capital-raising opportunities, including equity issuances, debt arrangements, and potential strategic partnerships, to support ongoing operations and maintain liquidity. The consolidated financial statements do not include any adjustments that would be required if the going concern basis of presentation were not appropriate. If the Company is unable to secure sufficient funding or generate sustainable cash flows, certain assets and liabilities may need to be revalued on a liquidation basis, which could differ materially from the amounts presented in the consolidated financial statements.

Basis of measurement

The consolidated financial statements have been prepared on the historical cost basis, except for certain assets and liabilities initially recognized in connection with business combinations, and certain financial instruments and derivative financial instruments, which are measured at fair value. All monetary references expressed in these notes are references to Canadian dollar amounts, unless otherwise stated.

Foreign currency***Functional and presentation currency***

The presentation currency used in the preparation of these consolidated financial statements is the Canadian dollar. The functional currency for the Company is the Canadian dollar. The functional currency of the Company has been assessed by management based on consideration of the currency and economic factors that mainly influence the Company's operating costs, financing and related transactions. Specifically, the Company considers the currencies in which expenses are settled as well as the currency in which it receives or raises financing. Changes to these factors may have an impact on the judgment applied in the determination of the Company's functional currency. Certain of the Company's subsidiaries have functional currencies that are not the Canadian dollar.

Wellfield Technologies Inc.**Notes to Consolidated Financial Statements****March 31, 2025 and 2024**(Expressed in Canadian dollars, unless otherwise noted)

2 Basis of presentation (continued)***Foreign currency (continued)******Foreign currency transactions***

Foreign currency transactions are recorded at the exchange rate as at the date of the transaction. At each statement of financial position date, monetary assets and liabilities are translated using the period end foreign exchange rate. Non-monetary assets and liabilities in foreign currencies other than the functional currency are translated using the historical rate. All gains and losses on translation of these foreign currency transactions are included in the consolidated statements of loss and comprehensive loss.

Foreign currency translation

The results and financial position of the Company's foreign operations whose functional currency is not the Canadian dollar are translated into the presentation currency using the following procedures: assets and liabilities for each statement of financial position presented (including comparatives) are translated at the closing rate at the date of that statement of financial position; and income and expenses are translated at the average exchange rate for the period, which approximates the exchange rate as at the date of the transaction due to exchange rates experiencing minimal fluctuations. Equity items are translated using the historical rate. All resulting exchange differences are recognized in other comprehensive income.

Basis of consolidation

These consolidated financial statements include the financial statements of the Company and its wholly-owned subsidiaries, which are controlled by the Company ("the Group"). Control is achieved when the parent company is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if, and only if, the Group has all of the following: (i) power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee); (ii) exposure, or rights, to variable returns from its involvement with the investee; and (iii) the ability to use its power over the investee to affect its returns.

The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases. All significant inter-company transactions, balances, income and expenses are eliminated on consolidation.

Details of the Company's material subsidiaries are as follows:

Subsidiary	Jurisdiction Incorporated	Functional Currency	Ownership %
Brane Trust Company Ltd.	Canada	Canadian dollars	100%
CMAMA Limited	Ireland	US dollars	100%
CMAMA US Inc. (formerly MoneyClip Inc.)	United States	US dollars	100%
Money Clip Canada Inc.	Canada	Canadian dollars	100%
New Bit Ventures Ltd.	Israel	US dollars	100%
Seamless Logic Software Limited	Gibraltar	US dollars	100%
Tradewind Markets, Inc.	United States	US dollars	100%
Wellfield Technology IR Limited	Ireland	Euros	100%

Wellfield Technologies Inc.**Notes to Consolidated Financial Statements****March 31, 2025 and 2024**(Expressed in Canadian dollars, unless otherwise noted)

3 Significant judgments and estimates

The preparation of the Company's consolidated financial statements requires management to make judgments and estimates that affect the reported amounts of assets, liabilities and contingent liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the period. Actual results could differ from these estimates. Estimates are reviewed on an ongoing basis. Information about critical judgments and estimates in applying accounting policies that have the most significant effect on the amounts recognized in the consolidated financial statements are as follows:

Income taxes

Deferred tax assets are recognized for all deductible temporary differences, carry-forward of unused tax assets and unused tax losses, to the extent probable that future taxable profit will be available against which the deductible temporary differences and carry-forward of unused tax assets and unused tax losses can be utilized. In addition, the valuation of tax credits receivable requires management to make judgments on the amount and timing of recovery.

The determination of the Company's tax expense for the period and deferred tax assets and liabilities involves significant estimation and judgment by management. In determining these amounts, management interprets tax legislation in a variety of jurisdictions and makes estimates of the expected timing of the reversal of deferred tax assets and liabilities, and the deferral and deductibility of certain items. Management also makes estimates of future earnings, which affect the extent to which potential future tax benefits may be used. The Company is subject to assessments by various taxation authorities, which may interpret legislation differently. These differences may affect the final amount or the timing of the payment of taxes. The Company provides for such differences where known based on management's best estimate of the probable outcome of these matters.

Useful life of intangible assets

The Company's definite life intangible assets are amortized on a straight-line basis and calculated using the estimated useful life and residual values of the assets. Changes to these estimates may affect the carrying value of intangible assets, net loss and comprehensive loss.

Investments in private entities

The Company's long-term investments in private entities are carried at fair value through profit or loss and have been classified as level 3 within the fair value hierarchy. There is no observable market data available to determine the fair value therefore management is required to make judgments and estimates to determine the fair value of the financial instruments. Management uses various techniques to estimate the fair value of the assets including implied valuations on subsequent equity raises or sales, if available, changes in the financial results of the operations of the entities, and other market approaches, where applicable.

Impairment of non-financial assets

The Company evaluates each asset or cash generating unit every reporting period to determine whether there are any indications of impairment. If any such indication exists, which is often judgmental, a formal estimate of the recoverable amount is performed and an impairment loss is recognized to the extent that the carrying amount exceeds the recoverable amount. In the case of goodwill, an impairment test is performed on an annual basis regardless of whether there are any indicators of impairment. The recoverable amount of an asset or cash generating group of assets is measured at the higher of fair value less costs to sell and value in use. The evaluation of asset carrying values for indications of impairment includes consideration of both external and internal sources of information.

Revenue recognition

In determining the amount of revenue from contracts with customers, the Company exercises judgment in determining whether it is a principal or an agent in the arrangement. For revenue derived from the sale of cryptocurrencies, this includes the evaluation of whether the Company is subject to the risks and benefits during the period the cryptocurrencies are under the control of the Company.

Wellfield Technologies Inc.**Notes to Consolidated Financial Statements****March 31, 2025 and 2024**(Expressed in Canadian dollars, unless otherwise noted)

3 Significant judgments and estimates (continued)***Share-based payments***

Share-based payments with employees and directors are measured at the fair value of the equity instruments at the date at which they are granted. Share-based payments with non-employees and non-directors, require measurement of the fair value of the services or goods received. If the Company cannot estimate reliably the fair value of the goods or services received, the share-based payments are measured at the fair value of the equity instruments at the date at which they are granted. Estimating the fair value of share-based payments requires the determination of the most appropriate valuation model taking into account the terms and conditions upon which those equity instruments were granted. Share options are valued using the Black-Sholes valuation model, which requires estimates of the share price volatility rate, risk-free rate, dividend yield, and expected life of the option.

Business combinations

Business combinations require the Company to make assumptions and estimates to determine the fair value of the identifiable assets acquired and liabilities assumed. The Company also makes estimates in the measurement of the fair value of consideration transferred where the fair value of the shares or other consideration transferred is not readily available. These assumptions and estimates have an impact on the assets and liabilities recognized in the consolidated statement of financial position, including goodwill which is measured as the excess of the consideration transferred over the fair value of the assets acquired and liabilities assumed.

Convertible debentures, at option of the Company

The convertible debentures, with conversion options exercisable at the discretion of the Company, are measured at fair value through profit or loss. The fair value is determined using a Monte Carlo simulation, modelling the potential price movements of the Company's stock over the term of the debentures. Key inputs used in the fair value calculation include share-price volatility, which reflects expected fluctuations in the Company's share price, the risk-free interest rate based on government bond yields with similar maturity terms, and the cost of similar debt, representing the interest rate for comparable non-convertible debt instruments. The value at maturity was discounted using a relevant discount rate to arrive at the fair value of the debentures.

4 Material accounting policy information***Business combinations***

The Company accounts for business combinations using the acquisition method when the acquired set of activities and assets meets the definition of a business and control is transferred to the Company. The consideration transferred in a business combination is measured at fair value, being the sum of the acquisition-date fair values of the assets transferred by the Company, the liabilities incurred by the Company to former owners of the acquiree and the equity interests issued by the Company. The Company recognizes goodwill on the date of acquisition where the consideration transferred plus any non-controlling interest in the acquiree recognized exceeds the net acquisition-date amounts of the identifiable assets acquired and liabilities assumed. Acquisition-related costs, other than costs to issue debt or equity securities, are recognized as expenses in the periods in which the costs are incurred.

Cash and cash equivalents

Cash and cash equivalents primarily consist of deposits with financial institutions, payment processors and cryptocurrency custodians that may be cashed or redeemed within three months of purchase.

Cryptocurrency held for operating activities

The Company has concluded that cryptocurrency held for operating activities meets the conditions prescribed in IAS 2 for presenting the inventory of cryptocurrencies at fair value less costs to sell. Changes in fair value less costs to sell are recognized in profit or loss in the period of the change. Fair value is based on quoted prices at the end of the reporting period from CoinDesk's XBX index and CoinMarketCap.

Wellfield Technologies Inc.**Notes to Consolidated Financial Statements****March 31, 2025 and 2024**(Expressed in Canadian dollars, unless otherwise noted)

4 Material accounting policy information (continued)***Property and equipment***

Property and equipment is recorded at cost, net of accumulated depreciation and accumulated impairment losses, if any. Depreciation is being provided over the estimated useful life of the assets using the following rates and methods:

Computer equipment	30%	Declining balance
Office equipment	20%	Declining balance
Leasehold improvements	Lease term	Straight-line
Right-of-use-assets - building	Lease term	Straight-line

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

Intangible assets

Research costs are expensed when incurred. Internally-generated software costs, including personnel costs related to software development, are capitalized as intangible assets when the Company can demonstrate that the technical feasibility of the project has been established; the Company intends to complete the asset for use or sale and has the ability to do so; the asset can generate probable future economic benefits; the technical and financial resources are available to complete the development; and the Company can reliably measure the expenditure attributable to the intangible asset during its development.

Following initial recognition, intangible assets are carried at cost less any accumulated amortization and accumulated impairment losses. Intangible assets with finite lives are amortized over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortization period and the amortization method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortization period or method, as appropriate, and are treated as changes in accounting estimates. The amortization expense on intangible assets with finite lives is recognized in the consolidated statements of loss and comprehensive loss in the expense category. Amortization is being provided over the estimated useful life of the assets using the straight-line method over the following estimated useful lives:

Acquired technology	3-7 years
Regulatory licenses	5 years
Brand	10 years
Customer relationships	8 years

Goodwill

Goodwill represents the excess of the purchase price paid for the acquisition of an entity over the fair value of the net tangible and intangible assets acquired. Goodwill is not subject to amortization. Goodwill arising on the acquisition of subsidiaries is measured at cost less accumulated impairment losses. Goodwill acquired in a business combination is tested for impairment on an annual basis or earlier when there is an indication that impairment may exist.

Goodwill acquired in a business combination is allocated to each of the Company's cash generating units that are expected to benefit from the synergies of the combination. Each unit or group of units that goodwill is allocated to shall not be larger than any of the Company's operating segments and shall represent the lowest level within the Company that goodwill is internally monitored.

Wellfield Technologies Inc.**Notes to Consolidated Financial Statements****March 31, 2025 and 2024**(Expressed in Canadian dollars, unless otherwise noted)

4 Material accounting policy information (continued)***Impairment of non-financial assets***

The Company reviews the carrying amounts of its non-financial assets when events or changes in circumstances indicate the assets may not be recoverable. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss, if any. Where it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash generating unit to which the asset belongs. There is a material degree of uncertainty with respect to the estimates of the recoverable amounts given the necessity of making key economic assumptions about the future.

The recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows to be derived from continuing use of the asset or cash generating unit are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. Fair value less costs of disposal is the amount obtainable from the sale of an asset or cash generating unit in an arm's length transaction between knowledgeable, willing parties, less the cost of disposal. When a binding sale agreement is not available, fair value less costs of disposal is estimated using a discounted cash flow approach with inputs and assumptions consistent with those of a market participant. If the recoverable amount of an asset or cash generating unit is estimated to be less than its carrying amount, the carrying amount of the asset or cash generating unit is reduced to its recoverable amount. An impairment loss is recognized immediately in net loss. Where an impairment loss subsequently reverses, the carrying amount of the asset or cash generating unit is increased to the revised estimate of its recoverable amount, such that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognized.

Loans in cryptocurrencies

Loans received and repayable in cryptocurrencies are measured at fair value through profit or loss in view of the accounting mismatch that would otherwise arise with the measurement of the cryptocurrencies financed by the loans. The fair value of the cryptocurrencies relies on quoted prices from CoinMarketCap at the end of the reporting period.

Share capital

Common shares are classified as equity. Incremental costs directly attributable to the issue of common shares are recognized as a deduction from equity, net of tax.

Share-based payments

The grant date fair values of equity-settled share-based arrangements granted are recognized as an expense unless they qualify for recognition as assets, with a corresponding increase in contributed surplus in equity, over the vesting period. The amount recognized as an expense is based on the estimate of the number of awards expected to vest, which is revised if subsequent information indicates that actual forfeitures are likely to differ from the estimate. Upon exercise of stock options, the consideration paid by the holder is included in share capital and the related contributed surplus associated with the stock options exercised is reclassified into share capital. Upon settlement of equity-settled restricted stock units ("RSU"), the related contributed surplus associated with the RSU is reclassified into share capital.

Taxes***Current income tax***

Current income tax assets and liabilities for the current period are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date, in the country where the Company operates and generates taxable income.

Deferred income tax

Deferred income tax is provided for, based on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes. The carrying amount of deferred income tax assets is reviewed at the end of each reporting period and recognized only to the extent that it is probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilized. Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set off current tax assets against current income tax liabilities and the deferred income taxes relate to the same taxable entity and the same taxation authority.

Wellfield Technologies Inc.**Notes to Consolidated Financial Statements****March 31, 2025 and 2024**(Expressed in Canadian dollars, unless otherwise noted)

4 Material accounting policy information (continued)***Loss per share***

Basic loss per share is computed by dividing net loss available to common shareholders by the weighted average number of shares outstanding during the reporting period. Diluted loss per share is computed similar to basic loss per share except that the weighted average shares outstanding are increased to include additional shares for the assumed exercise of stock options and warrants, if dilutive. The number of additional shares is calculated by assuming that outstanding stock options and warrants were exercised and that the proceeds from such exercises were used to acquire common stock at the average market price during the reporting periods.

Revenue recognition***Revenues from buying and selling cryptocurrencies***

In transactions where customers are not routed to a third-party vendor, the Company buys and sells cryptocurrencies for its customers as a principal. The Company recognizes revenues from the sale of cryptocurrencies at the point in time after customer orders have been completed, payment approval is obtained from the payment processing company and after the Company delivers the cryptocurrency to the customer. When the Company buys cryptocurrencies from its customers, a transaction is considered completed once the cryptocurrency delivered by the customer is approved on blockchain (a digital ledger consisting of records called blocks that is used to record transactions used for trading in Bitcoin, among other cryptocurrencies) and after the Company delivers the payment to the customer.

Revenues from trades and settlements on Tradewind ledger

For trades, such as purchases and sales recorded and settled on the Tradewind distributed ledger, fees are calculated based on the dollar value of each settlement and revenue is recognized as the transaction is settled. This is also the point in time the transaction price is determined. For deposits, withdrawals or transfers on the ledger, revenue is earned once the transaction is settled.

Revenue from assets held on Tradewind ledger

The assets-on-ledger revenue occurs subsequent to revenue earned from trades and settlement. This revenue is earned as a result of the Company reflecting the ownership of the precious metals on the ledger and is calculated daily and is based on the dollar value of gold and silver ounces maintained on the Tradewind distributed ledger. Accordingly, revenue is recognized daily, as this is the point in time the transaction price is determined.

Referral revenue

The Company routes customers looking to buy and sell cryptocurrencies to trusted third-party vendors in return for commission on the transaction. The Company recognizes revenue after receiving the report of the completion of the customer's transaction with the vendor.

Financial instruments

The classification and measurement of the Company's financial assets and liabilities are as follows:

Financial assets

- i) Equity instruments at Fair Value Through Other Comprehensive Income ("FVOCI"): This category only includes equity instruments, which the Company intends to hold for the foreseeable future and which the Company has irrevocably elected to so classify upon initial recognition or transition. Equity instruments in this category are subsequently measured at fair value with changes recognized in other comprehensive income, with no recycling of gains or losses to profit or loss upon derecognition. Equity instruments at FVOCI are not subject to an impairment assessment under IFRS 9.
- ii) Amortized cost: This category includes financial assets that are held within a business model with the objective to hold the financial assets in order to collect contractual cash flows that meet the Solely Principal and Interest ("SPPI") criterion. Financial assets classified in this category are carried at amortized cost using the effective interest method.
- iii) Fair Value Through Profit or Loss ("FVTPL"): This category includes derivative instruments and quoted equity instruments which the Company has not irrevocably elected, at initial recognition or transition, to classify at FVOCI. This category would also include debt instruments whose cash flow characteristics fail the SPPI criterion or are not held within a business model whose objective is either to collect contractual cash flows, or to both collect contractual cash flows and sell. Financial assets in this category are recorded at fair value with changes recognized in profit or loss.

Wellfield Technologies Inc.**Notes to Consolidated Financial Statements****March 31, 2025 and 2024**(Expressed in Canadian dollars, unless otherwise noted)

4 Material accounting policy information (continued)***Financial instruments (continued)****Financial liabilities*

Financial liabilities are designated as either: (i) fair value through profit or loss; or (ii) other financial liabilities. All financial liabilities are classified and subsequently measured at amortized cost except for financial liabilities at FVTPL. The classification determines the method by which the financial liabilities are carried on the statement of financial position subsequent to inception and how changes in value are recorded.

Classification of financial instruments

The Company's financial instruments are classified as follows:

Cash and cash equivalents	Amortized cost
Receivables	Amortized cost
Accounts payable and accrued liabilities	Amortized cost
Loans in cryptocurrency	FVTPL
Convertible debentures, convertible at option of Company	FVTPL
Convertible debentures, convertible at option of holder	Amortized cost
Non-convertible debenture	Amortized cost

Measurement of financial instruments

Financial assets and liabilities at amortized cost are initially recognized at fair value plus or minus transaction costs, respectively, and subsequently carried at amortized cost less any impairment.

Financial assets and liabilities carried at FVTPL are initially recorded at fair value and transaction costs are expensed in the statement of loss. Realized and unrealized gains and losses arising from changes in the fair value of the financial assets and liabilities held at FVTPL are included in the statement of loss and comprehensive loss in the period in which they arise.

Impairment

An impairment loss in respect of a financial asset measured at amortized cost is calculated as the difference between its carrying amount and the present value of the estimated future cash flows discounted at the asset's original effective interest rate. In assessing collective impairment, the Company uses historical trends of the probability of default, timing of recoveries and the amount of loss incurred, adjusted for management's judgment as to whether current economic and credit conditions are such that the actual losses are likely to be greater or less than suggested by historical trends. Losses are recognized in the statement of loss and comprehensive loss. When a subsequent event causes the amount of impairment loss to decrease, the decrease in impairment loss is reversed through the statement of loss and comprehensive loss.

Derecognition

The Company derecognizes a financial asset when the contractual rights to the related cash flows expire or it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. The Company derecognizes a financial liability when the obligation in the contract is discharged, cancelled or expires. Gains and losses from the derecognition are recognized in the statement of loss and comprehensive loss.

Adoption of new or amended accounting standards not yet effective*IFRS 18 – Presentation and Disclosure in Financial Statements*

In April 2024, the IASB issued IFRS 18, which will replace IAS 1. The standard is effective for annual reporting periods beginning on or after January 1, 2027, with earlier adoption permitted. IFRS 18 introduces significant changes to the structure and content of financial statements, including new mandatory subtotals in the statement of profit or loss, revised categories for income and expenses, and expanded disclosure requirements for management-defined performance measures. It also requires greater disaggregation of information and introduces related amendments to other standards such as IAS 7 and IAS 34. Management has performed a preliminary review and expects that the adoption of IFRS 18 will primarily affect the presentation and disclosure of the financial statements rather than the recognition or measurement of assets, liabilities, revenues, or expenses. Comparative information will need to be restated, and additional reconciliations and disclosures will be required.

Wellfield Technologies Inc.**Notes to Consolidated Financial Statements****March 31, 2025 and 2024**

(Expressed in Canadian dollars, unless otherwise noted)

4 Material accounting policy information (continued)***Adoption of new or amended accounting standards not yet effective******Amendments to IAS 21 The Effects of Changes in Foreign Exchange Rates***

In August 2023, the IASB issued amendments to IAS 21 addressing how entities should account for situations in which exchangeability between currencies is lacking. The amendments are effective for annual reporting periods beginning on or after January 1, 2025, with earlier adoption permitted. They clarify the assessment of exchangeability and set out a method to estimate the spot exchange rate when currencies are not exchangeable. They also introduce new disclosure requirements about the nature and financial impact of exchange restrictions. Management has begun evaluating the impact of these amendments and anticipates that they will not materially affect the measurement of transactions or balances under current conditions.

CSDS 1 and CSDS 2 – Canadian Sustainability Disclosure Standards

In December 2024, the Canadian Sustainability Standards Board issued CSDS 1, General Requirements for Disclosure of Sustainability-related Financial Information, and CSDS 2, Climate-related Disclosures. These standards are effective from January 1, 2025, but application is currently voluntary pending future regulatory mandates. The standards are based on the ISSB's IFRS S1 and S2 but incorporate transition relief for Canadian entities, including deferrals for Scope 3 greenhouse gas emissions and climate scenario analysis. The standards require entities to disclose information about governance, strategy, risk management, metrics, and targets relating to sustainability, with CSDS 2 focused specifically on climate-related matters. The Company is currently evaluating the impact of these reporting requirements.

5 Business combinations***Acquisition of Brane Trust***

On December 28, 2023, the Company acquired specified assets of Brane Inc. ("Brane") and its subsidiaries. Acquired assets include all intellectual property, rights and entitlements in assumed contracts, books and records, and certain equipment of Brane and all of the issued and outstanding common shares of Brane Trust Company Ltd. ("Brane Trust"), a wholly-owned subsidiary of Brane. The assets were acquired in exchange for the following consideration:

- \$150,000 cash.
- An \$8,400,000 convertible debenture, maturing December 28, 2025, bearing interest at 0% per annum, convertible at the option of the Company.
- A \$1,350,000 convertible debenture, maturing June 28, 2024, bearing interest at 0% per annum, convertible at the option of the Company.

These combined assets were intended to be acquired by the Company to operate Brane Trust as a wholly-owned subsidiary and Canadian digital asset custodian and public trust, licenced by the province of Alberta. At the acquisition date, management believed that this acquisition will provide long-term value resulting from growing demand from institutional investors for regulated digital asset custody services.

On the acquisition date of December 28, 2023, the following assets acquired and liabilities assumed were recognized.

Assets acquired (liabilities assumed)	Fair Value (\$)
Cash and cash equivalents (bank indebtedness)	(700)
Receivables	28,332
Accounts payable and accrued liabilities	(90,883)
Goodwill	7,990,806
	<u>7,927,555</u>
Total consideration paid	
Cash	150,000
Convertible debentures	7,730,975
Settlement of amount due to Wellfield	46,580
	<u>7,927,555</u>

Wellfield Technologies Inc.**Notes to Consolidated Financial Statements****March 31, 2025 and 2024**

(Expressed in Canadian dollars, unless otherwise noted)

5 Business combinations (continued)***Acquisition of Brane Trust (continued)***

The goodwill arising from the acquisition mainly consists of future growth, expected synergies, and an assembled workforce. Goodwill is not expected to be deductible for income tax purposes.

Brane Trust contributed revenues of \$Nil and a net loss of \$4,558,784 for the period from the acquisition date to March 31, 2024. If the acquisition had occurred on April 1, 2023, the Company estimates that consolidated pro-forma loss for the year ended March 31, 2024 would have been \$28,890,224.

Convertible debentures paid as consideration were measured at fair value. The fair value of the debentures was calculated using a Monte Carlo simulation, modelling the potential price movements of the Company's stock over the term of the debentures. Key inputs used in the fair value calculation include share-price volatility, which reflects expected fluctuations in the Company's share price, the risk-free interest rate based on government bond yields with similar maturity terms, and the cost of similar debt, representing the interest rate for comparable non-convertible debt instruments. The value at maturity was discounted using a relevant discount rate to arrive at the fair value of the debentures.

Acquisition costs of \$357,260 have been expensed in general and administrative during the year ended March 31, 2024.

6 Receivables

Receivables consist of the following:

	2025 (\$)	2024 (\$)
Due from customers	73,778	53,385
Referral revenue receivable	29,515	2,049
Governmental authorities	28,906	47,752
Other	21,777	489,227
Credit card clearing companies	-	43,415
Liquidity providers and financial service providers	-	7,128
	<u>153,976</u>	<u>642,956</u>

As at March 31, 2025, \$Nil (March 31, 2024 - \$484,040) was due from a former related party and included in other receivables.

7 Cryptocurrency held for operating activities

Cryptocurrency held for operating activities consists of the following:

	2025	2024
	Units (\$)	Units (\$)
BTC	0.13 <u>20,180</u>	0.29 <u>28,147</u>

Cryptocurrency held for operating activities recognized in cost of revenue for the year ended March 31, 2025 was \$Nil (2024 - \$17,568,282).

Wellfield Technologies Inc.**Notes to Consolidated Financial Statements****March 31, 2025 and 2024**

(Expressed in Canadian dollars, unless otherwise noted)

8 Property and equipment

Property and equipment consists of the following:

	Computer Equipment (\$)	Office Equipment (\$)	Leasehold Improvements (\$)	Right of Use Assets - Building (\$)	Total (\$)
<u>Cost</u>					
April 1, 2023	283,061	69,885	19,118	151,760	523,824
Additions	2,554	-	-	-	2,554
Disposals	(125,394)	(15,854)	-	-	(141,248)
Effect of change in exchange rates	87	65	24	191	367
March 31, 2024	160,308	54,096	19,142	151,951	385,497
Additions	-	-	-	-	-
Disposals	(129,013)	(45,996)	(20,274)	(160,943)	(356,226)
Effect of change in exchange rates	7,606	3,065	1,132	8,992	20,795
March 31, 2025	38,901	11,165	-	-	50,066
<u>Accumulated depreciation</u>					
April 1, 2023	74,788	12,024	1,927	127,647	216,386
Depreciation	52,197	16,159	2,355	24,099	94,810
Disposals	(44,041)	(3,176)	-	-	(47,217)
Effect of change in exchange rates	119	74	9	205	407
March 31, 2024	83,063	25,081	4,291	151,951	264,386
Depreciation	35,169	6,955	1,785	-	43,909
Disposals	(95,922)	(23,817)	(6,406)	(160,943)	(287,088)
Effect of change in exchange rates	5,188	1,720	330	8,992	16,230
March 31, 2025	27,498	9,939	-	-	37,437
Net book value, March 31, 2024	77,245	29,015	14,851	-	121,111
Net book value, March 31, 2025	11,403	1,226	-	-	12,629

Wellfield Technologies Inc.**Notes to Consolidated Financial Statements****March 31, 2025 and 2024**

(Expressed in Canadian dollars, unless otherwise noted)

9 Intangible assets

Intangible assets consist of the following:

	Acquired Technology (\$)	Regulatory Licenses (\$)	Brand (\$)	Customer Relationships (\$)	Total Intangibles (\$)
<u>Cost</u>					
April 1, 2023	8,558,833	1,527,876	3,994,942	230,061	14,311,712
Effect of change in exchange rates	5,350	1,919	5,018	289	12,576
March 31, 2024	8,564,183	1,529,795	3,999,960	230,350	14,324,288
Effect of change in exchange rates	259,942	93,255	243,835	14,042	611,074
March 31, 2025	8,824,125	1,623,050	4,243,795	244,392	14,935,362
<u>Accumulated amortization and impairment</u>					
April 1, 2023	4,670,105	258,551	337,923	4,095	5,270,674
Amortization	716,427	305,310	399,036	28,723	1,449,496
Impairment	987,402	964,290	-	-	1,951,692
Effect of change in exchange rates	3,650	1,644	2,149	136	7,579
March 31, 2024	6,377,584	1,529,795	739,108	32,954	8,679,441
Amortization	416,698	-	410,365	29,547	856,610
Impairment	1,889,324	-	3,035,603	178,898	5,103,825
Effect of change in exchange rates	140,519	93,255	58,719	2,993	295,486
March 31, 2025	8,824,125	1,623,050	4,243,795	244,392	14,935,362
Net book value, March 31, 2024	2,186,599	-	3,260,852	197,396	5,644,847
Net book value, March 31, 2025	-	-	-	-	-

The Coinmama CGU consists of assets generating income from the Company's cryptocurrency trading platform. Resulting from management's decision to delay the launch of new products and marketing efforts, growth forecasts have been reduced, leading to the impairment of the Coinmama CGU. The recoverable amount of the Coinmama CGU was measured at \$Nil resulting in an impairment loss of \$153,886 and \$3,035,603 charged to acquired technology and brand respectively. The recoverable amount of the Coinmama CGU was assessed at its fair value less costs of disposal using level 3 inputs in a discounted cash flow model. Key assumptions made in the forecast include the growth rate under Coinmama's existing business model and total expenditures required to carry out business plans.

During the year ended March 31, 2024, the Company completed an operational reorganization of Coinmama, improving efficiency and reducing costs through strategic partnerships and outsourcing. Upon completion of the operational reorganization, Coinmama was not utilizing its regulatory licenses to generate revenue from customers. The Company has separately assessed the recoverable amount of its regulatory licenses asset apart from the Coinmama CGU. Using its value in use, the recoverable amount of the regulatory licenses was measured at \$Nil. The Company recognized an impairment loss of \$964,290 for the year ended March 31, 2024.

Wellfield Technologies Inc.**Notes to Consolidated Financial Statements****March 31, 2025 and 2024**

(Expressed in Canadian dollars, unless otherwise noted)

10 Goodwill

Changes in goodwill are as follows:

	(\$)
<u>Cost</u>	
April 1, 2023	30,249,748
Acquisition through business combinations	7,990,806
Effect of change in exchange rates	37,999
March 31, 2024	38,278,553
Effect of change in exchange rates	1,846,320
March 31, 2025	40,124,873
<u>Accumulated impairment</u>	
April 1, 2023	21,538,439
Impairment	7,599,119
Effect of change in exchange rates	27,056
March 31, 2024	29,164,614
Impairment	9,450,592
Effect of change in exchange rates	1,509,667
March 31, 2025	40,124,873
Net book value, March 31, 2024	9,113,939
Net book value, March 31, 2025	-

The Company performs its annual test for impairment of goodwill during the final quarter of the fiscal year. During the year ended March 31, 2025, the Company recognized impairment on its Tradewind and Brane Trust CGUs. During the year ended March 31, 2024, the Company recognized impairment on its Coinmama and Brane Trust CGUs.

March 31, 2025

The Tradewind CGU consists of assets generating income from the Company's digital gold platform. Resulting from Tradewind's financial constraints and limited resources, it has not met growth expectations and without additional financing, the future growth of Tradewind is materially uncertain. As a result, growth forecasts have been reduced, leading to the impairment of the Tradewind CGU. The recoverable amount of the Tradewind CGU was measured at \$Nil resulting in an impairment loss of \$5,859,315 being charged to goodwill, \$1,735,438 to acquired technology and \$178,898 to customer relationships. The recoverable amount of the Tradewind CGU was assessed at its fair value less costs of disposal using level 3 inputs in a discounted cash flow model. Key assumptions made in the forecast include the growth rate under Tradewind's existing business model and total expenditures required to carry out business plans.

The Brane Trust cash-generating unit comprises the assets used in the Company's digital asset custody business. The Company's ability to operate as a qualified digital asset custodian was dependent on obtaining additional financing, the availability of which was subject to significant uncertainty. Management has ceased all operations related to Brane Trust and is not actively pursuing future activities in this business line. Given these circumstances, management concluded that it is unlikely the Brane Trust CGU will generate future economic benefits. Accordingly, the recoverable amount of the Brane Trust CGU was determined to be \$nil, and an impairment loss of \$3,591,278 was recognized against goodwill. The recoverable amount was measured at fair value less costs of disposal. In assessing fair value, management considered the absence of active markets for the CGU's specialized assets, the lack of potential buyers for the business in its current non-operating state, and the inability to repurpose the assets for alternative revenue-generating uses without significant additional investment. Based on this analysis, the fair value less costs of disposal was determined to be \$nil.

Wellfield Technologies Inc.**Notes to Consolidated Financial Statements****March 31, 2025 and 2024**

(Expressed in Canadian dollars, unless otherwise noted)

10 Goodwill (continued)**March 31, 2024**

Resulting from management's decision to delay the launch of new products and marketing efforts, growth forecasts have been reduced, leading to the impairment of the Coinmama CGU for the year ended March 31, 2024. As at March 31, 2024, the recoverable amount of the Coinmama CGU was measured at \$3,584,690 resulting in an impairment loss of \$3,199,591 being charged to goodwill and \$987,402 charged to acquired technology. The recoverable amount of the Coinmama CGU was assessed at its fair value less costs of disposal using level 3 inputs in a discounted cash flow model. Key assumptions made in the forecast include the success of the launch of the new Coinmama wallet, the number of users acquired, the timing of revenue-generating activities, expected revenue per user, and total expenditures required to carry out business plans.

The Brane Trust CGU consists of assets used in the Company's digital asset custody business line. The Company's operation as a qualified digital asset custodian depends on securing additional financing, which faces significant uncertainty. This uncertainty, combined with the valuation of consideration paid, led to the impairment of the Brane Trust CGU. As at March 31, 2024, the recoverable amount of the Brane Trust CGU was measured at \$3,454,324 resulting in an impairment loss of \$4,399,528 being charged to goodwill. The recoverable amount of the Brane Trust CGU was assessed at its fair value less costs of disposal using level 3 inputs in a discounted cash flow model. Key assumptions made in the forecast include the Company's ability to obtain approval to operate as a qualified custodian, the number and size of customers acquired, the timing of revenue-generating activities, expected revenue per customer, and total expenditures required to carry out business plans.

The determination of the fair value less cost of disposal of the Coinmama, Tradewind and Brane Trust CGUs are sensitive to various factors, including revenue growth rates and EBITDA margin percentage.

11 Accounts payable and accrued liabilities

Accounts payable and accrued liabilities consist of the following:

	2025	2024
	(\$)	(\$)
Trade payables	5,577,201	3,523,118
Accrued liabilities	3,256,560	2,546,112
Government remittances	1,219,466	1,208,294
Other	1,103,581	366,275
	<u>11,156,808</u>	<u>7,643,799</u>

12 Loans in cryptocurrency

Loans in cryptocurrency consists of the following:

	2025		2024	
	Units	(\$)	Units	(\$)
Short-term credit line (BTC)	22.75	2,703,854	22.75	2,198,929
Related party loan (BTC)	2	237,504	2	193,424
Related party loan (ETH)	11	25,278	11	54,260
Employee loan (BTC)	0.70	86,734	0.70	67,929
		<u>3,053,370</u>		<u>2,514,542</u>

The Company has established a short-term credit line agreement with an individual that allows the Company to access up to 30 BTC. The credit line carries an annual interest rate of 4%, which is payable on a monthly basis. The full amount borrowed from the credit line is due for repayment by January 2026.

The Company entered into a short-term loan agreement with a related party of the Company for 2 BTC and 11 ETH. The loan bears interest at 3% per annum and is due on demand.

Wellfield Technologies Inc.**Notes to Consolidated Financial Statements****March 31, 2025 and 2024**

(Expressed in Canadian dollars, unless otherwise noted)

12 Loans in cryptocurrency (continued)

The Company entered into a short-term loan agreement with an employee of the Company for 0.7 BTC. The loan bears interest at 3% per annum and is due on demand.

The Company recognized an exchange loss for the year ended March 31, 2025 of \$523,730 (2024 - \$1,414,330) on its loans in cryptocurrency.

13 Convertible debentures

Convertible debentures consist of the following:

	2025	2024
	(\$)	(\$)
Current		
Debenture, 0%, matured June 28, 2024, convertible at option of Company	1,350,000	1,299,652
Debentures, 5%, maturing August 3, 2025, convertible at option of holder	-	624,710
Debenture, 0%, December 28, 2025, convertible at option of Company	7,489,950	-
	<u>8,839,950</u>	<u>1,924,362</u>
Long-term		
Debenture, 0%, December 28, 2025, convertible at option of Company	-	6,635,679
Total convertible debentures	<u>8,839,950</u>	<u>8,560,041</u>

August 2023 convertible debentures

On August 3, 2023, the Company completed a \$1,000,000 USD non-brokered private placement of 1,000 Units at \$1,000 USD per Unit. Each Unit consists of \$1,000 USD in unsecured convertible debentures and 5,290 warrants. The convertible debentures bear interest at 5.0% per annum, payable semi-annually and mature on August 3, 2025. With each interest payment, the Company has the option to repay up to \$250 USD in principal for each \$1,000 USD outstanding on the debenture. Any remaining principal and interest on the debentures will be convertible at the option of the holder into the number of common shares computed on the basis of the amount of the debentures outstanding at the time of conversion divided by the conversion price of \$0.25 per common share. Each warrant entitles the holder to purchase one common share of the Company for a period of two years from the date of issuance at an exercise price of \$0.25. The warrants contain an acceleration clause, giving the Company the option to accelerate the expiration date if the 10-day volume-weighted average share price exceeds \$0.75, subject to a minimum notice period of 30 days.

Net proceeds from the private placement were \$1,213,200 (\$908,696 USD) and were allocated to the debt and equity components of the convertible debentures and warrants based on the relative fair value of each component. Net proceeds allocated to the debt portion of the convertible debentures was derived as follows:

	USD	CAD
	(\$)	(\$)
Proceeds on issuance of debentures	1,000,000	1,335,100
Transaction costs	(91,304)	(121,900)
Conversion feature, net of transaction costs	(299,579)	(399,968)
Warrants, net of transaction costs	(285,274)	(380,870)
	<u>323,843</u>	<u>432,362</u>

Wellfield Technologies Inc.**Notes to Consolidated Financial Statements****March 31, 2025 and 2024**

(Expressed in Canadian dollars, unless otherwise noted)

13 Convertible debentures (continued)***December 2023 convertible debentures***

As part of the consideration of the Brane Trust acquisition, the Company issued the following convertible debentures:

- An \$8,400,000 convertible debenture, maturing December 28, 2025, bearing interest at 0% per annum, convertible at the option of the Company.
- A \$1,350,000 convertible debenture, matured on June 28, 2024, bearing interest at 0% per annum, convertible at the option of the Company.

The debentures are convertible into the number of common shares of Wellfield equal to the principal amount outstanding divided by \$0.25 per share or the applicable discounted market price, to be determined at the sole discretion of the Company. At the time of conversion, if the shares of Wellfield are trading at less than \$2 per share, the discounted market price is equal to 80% of the Wellfield share price. Otherwise, the discounted market price is equal to 85% of the Wellfield share price.

Changes in convertible debentures for the years ended March 31, 2025 and 2024 were as follows:

	(\$)
Balance at April 1, 2023	-
Additions	8,163,337
Accretion	185,811
Change in fair value of convertible debentures, convertible at option of Company	204,356
Foreign exchange	6,537
Balance at March 31, 2024	<u>8,560,041</u>
Accretion	62,436
Foreign exchange	5,924
Settlement of debentures	(554,041)
Change in fair value of convertible debentures, convertible at option of Company	904,619
Consolidation of debenture into non-convertible debenture	(139,029)
Balance at March 31, 2025	<u>8,839,950</u>

During the year ended March 31, 2025, the Company entered into debt settlement agreements with the debenture holders from its August 2023 financing. As per the agreements, convertible debentures with a principal balance of \$413,880 USD, along with any accrued interest, were exchanged for 9,643,395 common shares of the Company. The Company recognized a loss of \$283,294 on the settlement of the convertible debentures. The Company settled an additional debenture from its August 2023 financing through a mutual debt forgiveness agreement. Under this agreement, the Company forgave an outstanding receivable owed by the debenture holder in exchange for the extinguishment of the convertible debenture and any accrued interest, which had a principal balance of \$400,000 USD. The Company recognized a loss of \$184,178 on the forgiveness of the convertible debenture.

14 Non-convertible debenture

On August 3, 2023, the Company completed a \$1,250,000 USD unsecured non-convertible debenture by way of private placement. The debenture matures on August 3, 2025 and bears interest at 8.2% for the first 21 calendar months, payable quarterly in arrears, with interest increasing to 16.4% thereafter. The debenture requires quarterly principal repayments of \$150,000 USD commencing on March 31, 2024. The debenture has accelerated repayment terms should the Company repay debentures or notes, issued by the Company to other parties, in advance of maturity. In the event that the Company completes future debt or equity financing for cash, a principal repayment shall be made equal to the lower of the remaining principal balance outstanding and 20% of the net proceeds of such issuance.

In August 2024, the Company restructured its debenture with the lender and entered into an amended and restated secured non-convertible debenture, which consolidated all outstanding debt owing to the debenture holder. In connection with the restructuring, the Company agreed to pay the debenture holder \$31,423 USD for legal fees and a \$156,823 USD deferment fee related to forbearance on past due amounts under the prior debentures. The amended and restated debenture has a principal balance of \$1,725,058 USD, bears interest at 16.4% from issuance to December 31, 2024, 18% from January 1, 2025 to June 30, 2025, and 21% thereafter, and matures on August 30, 2025. Principal repayments of \$675,000 are due on February 28, 2025, July 28, 2025, and on maturity. As part of the agreement, the Company granted the debenture holder a general security interest over its assets. The Company recognized a loss of \$145,074 on the consolidation of the convertible debenture into the non-convertible debenture.

Wellfield Technologies Inc.**Notes to Consolidated Financial Statements****March 31, 2025 and 2024**

(Expressed in Canadian dollars, unless otherwise noted)

14 Non-convertible debenture (continued)

Changes in the non-convertible debenture for the years ended March 31, 2025 and 2024 were as follows:

	(\$)
Balance at April 1, 2023	-
Additions	1,668,875
Foreign exchange	24,875
Balance at March 31, 2024	1,693,750
Consolidation of convertible debenture into non-convertible debenture	270,227
Accrued interest consolidated into debt	136,073
Legal and deferment fees	253,586
Principal repayment	(20,000)
Foreign exchange	142,168
Balance at March 31, 2025	2,475,804

As at March 31, 2025, the Company was not in compliance with the non-convertible debentures covenants. Failure to comply with the covenants provides the debenture holder with the ability to declare the liability outstanding to be immediately due and payable.

15 Related party transactions***Transactions with key management personnel***

Key management personnel compensation consists of the following:

	2025 (\$)	2024 (\$)
Share-based payments	465,433	1,388,173
Wages, salaries, fees and short-term benefits	1,999	1,054,369
	467,432	2,442,542

As at March 31, 2025, \$1,103,628 and \$262,782 (March 31, 2024 - \$1,006,085 and \$247,684) was owed to key management personnel and included in accounts payable and accrued liabilities, and loans in cryptocurrencies, respectively.

During the year ended March 31, 2024, the Company settled outstanding liabilities of \$86,667 owing to a key management person through the issuance of 520,000 RSUs. The Company recognized a gain of \$11,267 on the settlement of the outstanding liabilities. In addition, the Company issued 3,776,932 RSUs to related parties in exchange for the settlement of legacy SAFT liabilities, which were previously de-recognized as financial liabilities.

16 Revenue

Revenue consists of the following:

	2025 (\$)	2024 (\$)
Referrals	2,480,994	3,085,699
Storage revenue - Tradewind	205,543	165,680
Transaction revenue - Tradewind	177,583	135,913
Selling of cryptocurrencies - institutions	-	29,335,142
Selling of cryptocurrencies - consumers	-	19,474,946
	2,864,120	52,197,380

Substantially all of the Company's revenue from selling of cryptocurrencies - institutions is derived from a single customer.

Wellfield Technologies Inc.**Notes to Consolidated Financial Statements****March 31, 2025 and 2024**

(Expressed in Canadian dollars, unless otherwise noted)

16 Revenue (continued)

The Company's geographical breakdown of revenue is as follows:

	2025	2024
	(\$)	(\$)
Poland	2,175,853	2,892,332
Canada	383,126	452,322
Australia	293,583	1,087,744
Other	11,558	6,965,628
United States	-	36,464,393
Germany	-	2,723,167
United Kingdom	-	1,611,794
	<u>2,864,120</u>	<u>52,197,380</u>

In attributing revenue to individual countries, revenue earned from referrals is attributed to the country of domicile of the entity paying the referral fee to the Company. All other revenue is attributed to the country of domicile of the end user of the services provided.

17 Salaries and benefits

The Company's salaries and benefits are broken down by function as follows:

	2025	2024
	(\$)	(\$)
General and administrative	2,313,060	5,140,859
Research and development	618,109	2,299,195
Operations	111,023	42,608
Cost of revenue	89,336	721,163
Growth and marketing	60,606	214,152
	<u>3,192,134</u>	<u>8,417,977</u>

18 Fair value adjustments on financial instruments

Fair value adjustments on financial instruments consists of the following:

	2025	2024
	(\$)	(\$)
Debentures convertible at option of the Company	(904,619)	(204,356)
Investment in Verif-y	-	(811,980)
Investment in Bosonic	-	(4,089,000)
	<u>(904,619)</u>	<u>(5,105,336)</u>

During the year ended March 31, 2024, the Company reduced the carrying values of its investments in Verif-y and Bosonic to zero based on the assessed fair value of each investment. In assessing the fair value of these investments, management considered the current cash flow challenges, recent growth trends, the ability of each company to secure additional financing, and the prevailing market interest. Based on this evaluation, management concluded that the investments are unlikely to yield any future economic benefits.

Wellfield Technologies Inc.**Notes to Consolidated Financial Statements****March 31, 2025 and 2024**

(Expressed in Canadian dollars, unless otherwise noted)

19 Share capital

Share capital consists of:

	2025	2024
	(\$)	(\$)
Authorized:		
Unlimited common shares		
Unlimited preferred shares		
Issued:		
202,774,128 common shares (March 31, 2024 - 175,004,968)	66,603,913	64,358,672

On August 3, 2023, the Company issued 17,250,000 common shares in exchange for 1,155,000 preferred shares, Series B, and 517,100 common shares of Bosonic Inc. The investment was valued at the fair value of the shares issued, totaling \$4,089,000.

In March 2024, the Company completed a \$100,000 non-brokered private placement of 1,904,762 Units at \$0.0525 each. Each Unit consisted of one common share of the Company and one warrant, exercisable for a common share at \$0.0875 for a period of three years from the date of issuance. The gross proceeds and transaction costs were allocated to common shares and warrants based on the relative fair value of the common shares and warrants on the date of issuance.

In July 2024, the Company completed a \$100,000 non-brokered private placement of 1,777,777 Units at \$0.05625 each. Each Unit consisted of one common share of the Company and one warrant, exercisable for a common share at \$0.09375 for a period of three years from the date of issuance. The gross proceeds and transaction costs were allocated to common shares and warrants based on the relative fair value of the common shares and warrants on the date of issuance.

During the year ended March 31, 2025, the Company issued 4,954,983 common shares to settle outstanding payables. The Company recognized a gain on settlement of \$66,257. In addition, the Company issued 1,500,000 shares in error and intends to reacquire and cancel these shares.

20 Share-based payments

The Company has established an equity incentive plan, permitting the Company to award its directors, employees and certain non-employees with share-based compensation. Awards permitted under the plan include restricted stock units ("RSUs") and stock options. The maximum number of common shares reserved under the equity incentive plan shall not exceed 10% of the total common shares issued and outstanding. RSUs vest over a period of up to four years, include service conditions only, and will be settled by the issuance of common shares at the settlement date. The option period for stock options shall not exceed ten years. Stock options will be settled in common shares upon exercise. The following share-based payment amounts are included in the statements of loss as operating expenses:

	2025	2024
	(\$)	(\$)
Restricted stock units	108,904	1,702,708

Wellfield Technologies Inc.**Notes to Consolidated Financial Statements****March 31, 2025 and 2024**

(Expressed in Canadian dollars, unless otherwise noted)

20 Share-based payments (continued)***Restricted stock units***

The following is a summary of changes in RSUs during the periods ended March 31, 2025 and 2024.

	Number of RSUs
Outstanding at April 1, 2023	8,555,498
Granted during the period	11,416,650
Settled during the period	(93,750)
Forfeited during the period	(4,334,711)
Outstanding at March 31, 2024	15,543,687
Granted during the period	-
Settled during the period	(9,893,005)
Forfeited during the period	(586,006)
Outstanding at March 31, 2025	5,064,676

As of March 31, 2025, 4,301,383 (2024 - 13,317,672) fully vested RSUs were outstanding and had not been settled.

Stock options

The number and weighted-average exercise prices of share options are as follows:

	Number of options	Weighted- average exercise price (\$)
Outstanding at April 1, 2023	300,000	1.25
Granted during the period	-	-
Exercised during the period	-	-
Forfeited or expired during the period	(300,000)	-
Outstanding at March 31, 2024	-	-
Granted during the period	-	-
Exercised during the period	-	-
Forfeited or expired during the period	-	-
Outstanding at March 31, 2025	-	-

21 Warrants

Each warrant entitles the holder to purchase one common share at a set price, at the option of the holder, for a set period of time. The following is a summary of changes in warrants during the years ended March 31, 2025 and 2024.

	Number of warrants	Weighted- average exercise price (\$)
Outstanding at April 1, 2023	41,204,356	0.85
Issued during the period	7,194,762	0.21
Exercised during the period	-	-
Expired during the period	-	-
Outstanding at March 31, 2024	48,399,118	0.75
Issued during the period	1,777,777	0.09
Exercised during the period	-	-
Expired during the period	(11,037,689)	1.93
Outstanding at March 31, 2025	39,139,206	0.39

Wellfield Technologies Inc.**Notes to Consolidated Financial Statements****March 31, 2025 and 2024**

(Expressed in Canadian dollars, unless otherwise noted)

21 Warrants (continued)

As at March 31, 2025, the weighted average remaining life and expiry dates of outstanding warrants are as follows:

Weighted average exercise price	Number of warrants	Weighted average remaining life	Expiry date
\$ 0.09	1,777,777	2.25 years	7/02/27
\$ 0.09	1,904,762	1.95 years	3/13/27
\$ 0.25	5,290,000	0.34 years	8/03/25
\$ 0.45	30,166,667	0.86 years	2/08/26

As at March 31, 2024, the weighted average remaining life and expiry dates of outstanding warrants are as follows:

Weighted average exercise price	Number of warrants	Weighted average remaining life	Expiry date
\$ 0.09	1,904,762	2.95 years	3/13/27
\$ 0.25	5,290,000	1.34 years	8/03/25
\$ 0.45	30,166,667	1.86 years	2/08/26
\$ 1.00	800,189	0.65 years	11/23/24
\$ 2.00	10,237,500	0.65 years	11/23/24

22 Income taxes

The following is a reconciliation of expected income taxes to the amounts recognized in the statement of loss and comprehensive loss:

	2025 (\$)	2024 (\$)
Loss before income taxes	(21,670,895)	(27,732,068)
Effective income tax rate	26.50%	26.50%
Expected income tax (recovery)	(5,742,787)	(7,348,998)
Non-deductible items	2,460,073	1,845,042
Difference in foreign tax rates	1,212,731	2,012,540
Change in temporary differences	(409,214)	(17,874)
Foreign exchange translation	(740,283)	10,328
Change in unrecognized deferred tax asset	3,293,751	4,540,943
Income tax expense (recovery)	74,271	1,041,981

Income tax expense (recovery) consists of the following:

	2025 (\$)	2024 (\$)
Current	74,271	-
Deferred	-	1,041,981
	74,271	1,041,981

Wellfield Technologies Inc.**Notes to Consolidated Financial Statements****March 31, 2025 and 2024**

(Expressed in Canadian dollars, unless otherwise noted)

22 Income taxes (continued)

Deferred tax assets have not been recognized in respect of the following deductible temporary differences:

	2025	2024
	(\$)	(\$)
Non-capital losses foreign entities	67,706,988	62,474,156
Non-capital losses Canadian entities	16,579,504	11,983,416
Fair value differences	5,361,800	5,751,967
Development costs and credits	5,176,363	5,154,037
Financing costs	744,421	928,765
Accrued expenses	404,857	355,404
Legal costs	206,572	194,703
Equipment	157,067	149,928
Intangible assets	4,114,621	(1,490,222)
Convertible debentures	(4,727,015)	-
Net unrecognized deferred tax assets	<u>95,725,178</u>	<u>85,502,154</u>

The Company's losses in foreign entities can be carried forward indefinitely. Financing costs will be fully amortized by 2029. The Company's non-capital losses in Canada will expire as follows:

	(\$)
2039	941
2040	317,675
2041	436,196
2042	6,962,497
2043	1,293,392
2044	3,260,335
2045	<u>4,308,468</u>
	<u>16,579,504</u>

23 Loss per share

Basic and dilutive loss per share is calculated by dividing the net loss attributable to shareholders by the sum of the weighted average number of shares outstanding. As a result of the net losses incurred in the years ended March 31, 2025 and 2024, the effects of any potentially dilutive instruments would be anti-dilutive.

	2025	2024
	(\$)	(\$)
Net loss attributable to common shareholders	(21,745,166)	(28,774,049)
Weighted average number of common shares outstanding (basic and diluted)	187,350,493	167,347,734
Net loss per share attributable to common shareholders of the Company (basic and diluted)	(0.12)	(0.17)

Wellfield Technologies Inc.**Notes to Consolidated Financial Statements****March 31, 2025 and 2024**(Expressed in Canadian dollars, unless otherwise noted)

24 Financial instruments and risk management

The Company is exposed, in varying degrees, to a variety of financial instruments related risks. The fair value of the Company's financial instruments, including cash and cash equivalents, receivables, and accounts payable and accrued liabilities approximates their carrying value due to their short-term nature. The investments in Bosonic and Verif-y and convertible debentures, convertible at the option of the Company have been classified as level 3 within the fair value hierarchy. The loans in cryptocurrency are classified as level 2 within the fair value hierarchy and are measured using the market price of the relevant cryptocurrencies. There have been no changes in levels during the period.

In determining fair value, the Company classifies the fair value of these transactions according to the following hierarchy:

- Level 1 - Quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date.
- Level 2 - Quoted prices for similar assets or liabilities in active markets, or quoted prices for identical or similar assets or liabilities in markets that are not active, or other observable inputs other than quoted prices.
- Level 3 - Unobservable inputs for the asset or liability (unobservable inputs reflect management's assumptions on how market participants would price the asset or liability based on the information available).

The type of risk exposure and the way in which such exposure is managed is provided as follows:

Credit risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. The Company's primary exposure to credit risk is on its receivables. The Company works with only a select few reputable providers and customers to mitigate the risk of potential defaults.

Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting obligations associated with financial liabilities. The Company is exposed to this risk mainly with respect to its accounts payable and accrued liabilities, loans in cryptocurrency, convertible debentures, and non-convertible debenture. The Company manages this risk by managing its working capital and monitoring its ongoing operating requirements. As described in Note 2, the Company's continuation as a going concern is dependent upon its ability to raise capital from new equity or debt, the successful development and marketing of its financial services offerings, and attaining profitable operations in the future.

The Company's contractual undiscounted obligations are as follows:

March 31, 2025

	Carrying amount	Contractual cash flows	Less than 1 year	1-2 years
Accounts payable and accrued liabilities	11,156,808	11,156,808	11,156,808	-
Loans in cryptocurrency	3,053,370	3,053,370	3,053,370	-
Convertible debentures	8,839,950	9,750,000	9,750,000	-
Non-convertible debenture	2,475,804	2,913,429	2,913,429	-

March 31, 2024

	Carrying amount	Contractual cash flows	Less than 1 year	1-2 years
Accounts payable and accrued liabilities	7,643,799	7,643,799	7,643,799	-
Loans in cryptocurrency	2,514,542	2,514,542	2,514,542	-
Convertible debentures	8,560,041	11,205,041	1,416,385	9,788,656
Long-term debt	1,693,750	1,845,086	938,806	906,280

The loans in cryptocurrency are expected to be settled in their native cryptocurrency. Convertible debentures include non-discounted liabilities totalling \$9,750,000, which the Company holds the discretion to settle through the issuance of common shares.

Wellfield Technologies Inc.**Notes to Consolidated Financial Statements****March 31, 2025 and 2024**

(Expressed in Canadian dollars, unless otherwise noted)

24 Financial instruments and risk management (continued)**Market risk**

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: currency risk, interest rate risk, and price risk. The Company is mainly exposed to market risk as follows:

Foreign currency risk

Currency risk relates to the risk that the fair values or future cash flows of the Company's financial instruments will fluctuate because of changes in foreign exchange rates.

Foreign exchange risk arises from future commercial transactions and recognized assets and liabilities. The Company maintains bank accounts in various currencies in order to effect transactions in these foreign currencies. The Company operates internationally and is exposed to foreign exchange risk arising from various currency exposures, primarily with respect to US dollars, Euros and Israeli new shekels. Substantially all of the Company's revenue is earned in currencies other than the Canadian dollar.

The fluctuation of these currencies in relation to the Canadian dollar will consequently impact the profitability of the Company and may also affect the value of the Company's assets and liabilities and the amount of shareholders' equity. The Company's significant currency exposure as stated in Canadian dollars is as follows:

March 31, 2025

	USD	EUR	ILS	Other	Total
Cash and cash equivalents	47,767	8,365	6,217	-	62,349
Receivables	123,765	625	27,261	-	151,651
Accounts payable and accrued liabilities	(2,708,467)	(289,551)	(2,439,251)	(21,984)	(5,459,253)
Non-convertible debenture	(2,475,804)	-	-	-	(2,475,804)
Net financial position exposure	(5,012,739)	(280,561)	(2,405,773)	(21,984)	(7,721,057)

A 10% strengthening of the above currencies against the Canadian dollar would have affected the measurement of financial instruments as denominated in a foreign currency and affected equity and profit and loss by the following amounts:

	USD	EUR	ILS	Other	Total
Increase (decrease) on equity and profit or loss	(501,274)	(28,056)	(240,577)	(2,198)	(772,105)

A 10% weakening of the above foreign currencies against the Canadian dollar would have an equal but opposite effect.

March 31, 2024

	USD	EUR	ILS	Other	Total
Cash and cash equivalents	6,571	2,146	15,431	(458)	23,690
Receivables	67,464	43,415	11,706	-	122,585
Accounts payable and accrued liabilities	(1,535,693)	(210,717)	(2,552,733)	(20,387)	(4,319,530)
Convertible debentures	(624,710)	-	-	-	(624,710)
Non-convertible debenture	(1,693,750)	-	-	-	(1,693,750)
Net financial position exposure	(3,780,118)	(165,156)	(2,525,596)	(20,845)	(6,491,715)

Wellfield Technologies Inc.**Notes to Consolidated Financial Statements****March 31, 2025 and 2024**

(Expressed in Canadian dollars, unless otherwise noted)

24 Financial instruments and risk management (continued)***Market risk (continued)******Foreign currency risk (continued)***

A 10% strengthening of the above currencies against the Canadian dollar would have affected the measurement of financial instruments as denominated in a foreign currency and affected equity and profit and loss by the following amounts:

	USD	EUR	ILS	Other	Total
Increase (decrease) on equity and profit or loss	(378,012)	(16,516)	(252,560)	(2,085)	(649,173)

A 10% weakening of the above foreign currencies against the Canadian dollar would have an equal but opposite effect.

Interest rate risk

Interest rate risk is the risk that a financial instrument's fair value or future cash flows will fluctuate because of changes in market rates. The Company is exposed to interest rate risk on its convertible debentures and non-convertible debentures. The Company's interest-bearing debt instruments have fixed interest rates, therefore the Company is not exposed to fluctuations in its future cash flows related to these instruments.

Price risk

Price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk) whether those changes are caused by factors specific to the individual financial instrument or its issuer or by factors affecting all similar financial instruments traded in the market. The Company is exposed to price risk on its investments in Bosonic and Verif-y and the loans in cryptocurrency. The Company manages the price risk of its investments by making strategic business investments in accordance with the Company's investment guidelines. The Company's significant exposure on its assets and liabilities denominated in cryptocurrencies as stated in Canadian dollars is as follows:

March 31, 2025

	BTC	ETH	Total
Cryptocurrency held for operating activities	20,180	-	20,180
Accounts payable and accrued liabilities	(481,197)	-	(481,197)
Loans in cryptocurrency	(3,028,092)	(25,278)	(3,053,370)
Net financial position exposure	(3,489,109)	(25,278)	(3,514,387)

A 10% strengthening of the above cryptocurrencies against the Canadian dollar would have affected the measurement of assets and liabilities denominated in a cryptocurrency and affected equity and profit and loss by the following amounts:

	BTC	ETH	Total
Increase (decrease) on equity and profit or loss	(348,911)	(2,528)	(351,439)

A 10% weakening of the above cryptocurrencies against the Canadian dollar would have an equal but opposite effect.

March 31, 2024

	BTC	ETH	Total
Cryptocurrency held for operating activities	28,147	-	28,147
Accounts payable and accrued liabilities	(393,020)	-	(393,020)
Loans in cryptocurrency	(2,460,282)	(54,260)	(2,514,542)
Net financial position exposure	(2,825,155)	(54,260)	(2,879,415)

Wellfield Technologies Inc.**Notes to Consolidated Financial Statements****March 31, 2025 and 2024**(Expressed in Canadian dollars, unless otherwise noted)

24 Financial instruments and risk management (continued)***Market risk (continued)******Price risk (continued)***

A 10% strengthening of the above cryptocurrencies against the Canadian dollar would have affected the measurement of assets and liabilities denominated in a cryptocurrency and affected equity and profit and loss by the following amounts:

	BTC	ETH	Total
Increase (decrease) on equity and profit or loss	(282,516)	(5,426)	(287,942)

A 10% weakening of the above cryptocurrencies against the Canadian dollar would have an equal but opposite effect.

25 Capital management

The Company's capital structure consists of all components of shareholders' equity. The Company's objective when managing capital is to maintain adequate levels of funding to support the current operations and the necessary corporate and administrative functions to facilitate these activities. This is done primarily through equity financing. Future financings are dependent on market conditions and there can be no assurance the Company will be able to raise funds in the future. The Company is not subject to externally imposed capital requirements and the Company's overall strategy with respect to capital risk management remains unchanged from the prior period.

26 Operating segments

The Company has one reportable segment, the development of blockchain and decentralized financial services. Non-current assets by geographical location are as follows:

	2025 (\$)	2024 (\$)
Canada	12,629	3,607,784
USA	-	7,695,830
Israel	-	3,576,283
	<u>12,629</u>	<u>14,879,897</u>

27 Subsequent events

In May 2025, the Company sold its investment in Bosonic, consisting of 517,100 common shares and 1,155,000 series B preferred shares in the capital of Bosonic, Inc for proceeds, of \$100,000.

In June 2025, the Company issued 4,657,142 common shares to settle outstanding payables of \$180,525 included in accounts payable and accrued liabilities as at March 31, 2025.

Subsequent to the year end, the Company entered into an agreement to sell software and related intellectual property associated with its cryptocurrency wallet to an Ontario-based corporation (the "Purchaser") for total consideration of \$30,000,000. The consideration is payable as \$2,400,000 in cash installments and \$27,600,000 through the issuance of 27,600 special shares of the Purchaser at an issue price and stated value of \$1,000 per share.

Wellfield Technologies Inc.**Notes to Consolidated Financial Statements****March 31, 2025 and 2024**(Expressed in Canadian dollars, unless otherwise noted)

27 Subsequent events (continued)

The special shares are non-voting and carry no entitlement to dividends. During the first nine years following their issuance, the Purchaser is required to redeem the special shares at their stated value to the extent of 75% of funds received by the Purchaser as distributions from the joint venture between the Purchaser and the Company. At the end of the nine-year period, the Purchaser is required to redeem the remaining stated value of the special shares in twelve equal monthly instalments.

Concurrent with the asset sale, the Company entered into a joint venture agreement with the Purchaser through its wholly owned subsidiary, Wellfield Technology IR Limited. The joint venture was established to commercialize the cryptocurrency wallet assets acquired by the Purchaser. The Company holds a 40% interest in the joint venture, with the Purchaser holding the remaining 60% interest. The Company's initial capital contribution to the joint venture is \$4,000, while the Purchaser contributed \$6,000 together with an additional \$4,000,000. The Company is required to make incremental capital contributions totaling \$4,000,000 once the initial \$4,000,000 contributed by the Purchaser has been expended.