BEACN WIZARDRY AND MAGIC INC.

CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
(Unaudited)

For the three months ended March 31, 2025 and 2024

Contents

NOTICE OF NO AUDITOR REVIEW OF INTERIM FINANCIAL STATEMENTS

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

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

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

BEACN WIZARDRY AND MAGIC INC.
CONDENSED CONSOLIDATED INTERIM STATEMENTS OF FINANCIAL POSITION
(Unaudited: Presented in Canadian Dollars)

	Note		March 31, 2025		December 31, 2024
Assets					
Current					
Cash		$	631,417	$	792,185
Accounts receivable	5		191,128		173,503
Taxes receivable			87,227		78,915
Inventory	6		1,232,005		1,455,408
Prepaid and inventory deposits	7		206,408		252,696
			2,348,185		2,752,707
Non-current					
Property and equipment, net	8		142,192		162,797
Right-of-use asset	11		98,606		104,937
			240,798		267,734
		$	2,588,983	$	3,020,441
Liabilities					
Current					
Accounts payable and accrued liabilities		$	183,444	$	184,826
Due to related parties	13		10,033		7,576
Promissory note	9, 16		393,490		389,792
Current portion of lease liability	11, 16		32,093		31,035
Current portion of convertible loan	10, 16		62,544		36,363
			681,604		649,592
Non-current					
Lease liability	11, 16		68,352		74,475
Convertible loan	10, 16		786,510		786,510
			854,862		860,985
		$	1,536,466	$	1,510,577
Shareholders' equity					
Share capital	12		7,799,308		7,799,308
Reserves	12		1,252,990		1,251,648
Deficit			(7,999,781)		(7,541,092)
			1,052,517		1,509,864
		$	2,588,983	$	3,020,441

These consolidated financial statements are approved by the Board on May 30, 2025.

Approved by the Board of Directors:

"Kevin Alexander"	*"Scott Christopher"*
Kevin Alexander	Scott Christopher

See the notes to the condensed consolidated interim financial statements

BEACN WIZARDRY AND MAGIC INC.
CONDENSED CONSOLIDATED INTERIM STATEMENTS OF LOSS AND COMPREHENSIVE LOSS
(Unaudited: Presented in Canadian Dollars)

	Note		Three months ended March 31, 2025		2024
Sales, net	14	$	793,954	$	1,002,415
Cost of sales			449,396		597,102
Gross profit			344,558		405,313
Expenses					
Advertising and marketing			159,009		100,971
Consulting fees			48,803		35,809
Depreciation of property and equipment	8		20,607		24,436
Depreciation of right-of-use asset	11		6,331		6,331
Office, supplies, and miscellaneous			71,338		38,805
Professional fees	13		79,422		30,870
Prototype and pre-production costs			43		10,072
Research and development			23,928		-
Rent and operating costs	11		11,465		11,270
Salaries and benefits	13		329,486		376,285
Share-based payments	12(c), 13		1,342		5,079
Transfer agent, filing fees and shareholder communications			7,127		8,875
Travel and related costs			1,260		7,046
Total expenses			760,161		655,849
Operating loss			(415,603)		(250,536)
Other items					
Foreign exchange loss			(11,131)		(6,321)
Interest and accretion expense	9,10,11,16		(31,955)		(4,416)
			(43,086)		(10,737)
Loss and comprehensive loss for the period			(458,689)		(261,273)
Basic and diluted loss per share		$	(0.01)	$	(0.00)
Weighted average number of common shares outstanding - basic and diluted			55,686,810		52,946,836

See the notes to the condensed consolidated interim financial statements

BEACN WIZARDRY AND MAGIC INC.
CONDENSED CONSOLIDATED INTERIM STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY
(Presented in Canadian Dollars)

		Share Capital		Reserves				
	Note	Number of shares	Amount	Share-based payments	Warrants	Finders' Warrants	Deficit	Total Shareholders' Equity
Balance, December 31, 2023		**52,946,836**	**$ 7,141,325**	**$ 360,656**	**$ 836,677**	**$ 42,697**	**$ (6,189,983)**	**$ 2,191,372**
Share-based payments	12(c)	-	-	5,079	-	-	-	5,079
Loss and comprehensive loss for the period		-	-	-	-	-	(261,273)	(261,273)
Balance, March 31, 2024		**52,946,836**	**7,141,325**	**365,735**	**836,677**	**42,697**	**(6,451,256)**	**1,935,178**
Share-based payments	12(c)	-	-	6,539	-	-	-	6,539
Shares issued on private placement	12(b)	3,723,910	670,304	-	-	-	-	670,304
Share issuance costs	12(b)	-	(12,321)	-	-	-	-	(12,321)
Loss and comprehensive loss for the period		-	-	-	-	-	(1,089,836)	(1,351,109)
Balance, December 31, 2024		**56,670,746**	**7,799,308**	**372,274**	**836,677**	**42,697**	**(7,541,092)**	**1,509,864**
Share-based payments	12(c)	-	-	1,342	-	-	-	1,342
Loss and comprehensive loss for the period		-	-	-	-	-	(458,689)	(458,689)
Balance, March 31, 2025		**56,670,746**	**$ 7,799,308**	**$ 373,616**	**$ 836,677**	**$ 42,697**	**$ (7,999,781)**	**$ 1,052,517**

See the notes to the condensed consolidated interim financial statements

BEACN WIZARDRY AND MAGIC INC.
CONDENSED CONSOLIDATED INTERIM STATEMENTS OF CASH FLOWS
(Unaudited: Presented in Canadian Dollars)

	Three months ended March 31, 2025	2024
Cash provided by (used in):		
Operating activities		
Loss for the period	$ (458,689)	$ (261,273)
Items not affecting cash:		
Depreciation property and equipment	20,607	24,436
Depreciation of right-of-use asset	6,331	6,329
Share-based payments	1,342	5,079
Interest and accretion expense	31,955	16,917
Changes in non-cash working capital items:		
Accounts receivable	(17,625)	(58,397)
Taxes receivable	(8,312)	(4,504)
Prepaid and deposits	46,288	169,541
Inventory	223,403	125,050
Accounts payable and accrued liabilities	(1,383)	(76,108)
Due to related parties	2,457	(49,721)
Net cash used in operating activities	(153,626)	(102,651)
Investing activities		
Property and equipment	-	33,468
Net cash provided by investing activities	-	33,468
Financing activities		
Proceeds from promissory note	-	100,000
Payment of lease liability	(5,065)	(6,476)
Interest paid	(2,077)	(13,166)
Net cash provided by (used in) financing activities	(7,142)	80,358
Change in cash	(160,768)	11,175
Cash, beginning of the year	792,185	226,230
Cash, end of the period	$ 631,417	$ 237,405

See the notes to the condensed consolidated interim financial statements

1. NATURE OF OPERATIONS AND CONTINUANCE OF OPERATIONS

BEACN Wizardry and Magic Inc. ("BEACN" or the "Company") was incorporated and domiciled in Canada under the Business Corporations Act (British Columbia) as a "Capital Pool Company" as defined in the TSX Venture Exchange's (the "Exchange") Listing Policy 2.4.

These condensed consolidated interim financial statements have been prepared in accordance with IFRS Accounting Standards ("IFRS") applicable to a going concern basis, which implies the Company will continue to realize its assets and discharge its liabilities in the normal course of business. The Company incurred a net loss of $458,689 for the three months ended March 31, 2025. To March 31, 2025, even though the Company has earned revenue from operations, the continuation of the Company as a going concern is dependent upon the ability of the Company to attain sufficient profitable operations and/or obtain necessary equity or other financing to continue operations.

The current market conditions and volatility increase the uncertainty of the Company's ability to continue as a going concern given the need to continue research and development, purchase inventory, establish profitable sales and raise additional funds. The Company will continue to search for new or alternate sources of financing but anticipates that the current market conditions may impact the ability to source such funds. The outcome of these matters cannot be predicted at the present time. 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.

2. BASIS OF PREPARATION - STATEMENT OF COMPLIANCE

These condensed consolidated interim financial statements have been prepared in accordance with IFRS as issued by the International Accounting Standards Board ("IASB"). The consolidated financial statements have been prepared on a historical cost basis, except for financial instruments classified as financial instruments at fair value through profit and loss, which are stated at their fair value. In addition, these consolidated financial statements have been prepared using the accrual basis of accounting except for cash flow information.

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

These condensed consolidated interim financial statements, including comparatives, have been prepared on the basis of IFRS standards that are published at the time of preparation.

3. MATERIAL ACCOUNTING POLICY INFORMATION

These condensed consolidated interim financial statements have been prepared in accordance with IFRS as issued by the IASB on a basis consistent with those followed in the Company's most recent annual financial statements for the year ended December 31, 2024.

These condensed consolidated interim financial statements do not include all note disclosures required by IFRS for annual financial statements and therefore should be read in conjunction with the annual financial statements for the year ended December 31, 2024. In the opinion of management, all adjustments considered necessary for fair presentation of the Company's financial position, results of operations and cash flows have been included. Operating results for the three-month period ended March 31, 2025 are not necessarily indicative of the results that may be expected for the current fiscal year ending December 31, 2025.

4. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

The fair values of the Company's cash, accounts receivable, accounts payable and accrued liabilities, due to related parties and promissory note approximate their carrying values due to their short-term nature.

The Company's other financial assets and liabilities are carried at amortized cost. There has not been any transfer between fair value hierarchy levels during the three months ended March 31, 2025 and year ended December 31, 2024.

The Company's financial instruments are exposed to certain financial risks, including credit risk, interest rate risk and liquidity risk.

a) 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 cash and accounts receivable. The Company's bank accounts are held with major banks in Canada and the United States. Accordingly, the Company believes it is not exposed to significant credit risk on its cash. Sales to retail customers and B2B customers are required to be settled using major credit cards, mitigating credit risk. There are no significant concentrations of credit risk, whether through exposure to individual customers, specific industry sectors and/or regions.

The Company applies the IFRS 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade receivables. To measure the expected credit losses, trade receivables are grouped based on shared credit risk characteristics and the days past due.

Trade receivables are written off where there is no reasonable expectation of recovery. Impairment losses on trade receivables are presented as net impairment losses within operating profit and loss. Subsequent recoveries of amounts previously written off are credited against the same line item.

There was no loss allowance as at March 31, 2025 and no change in the loss allowance during the three months ended.

b) Interest rate risk

Interest rate risk is the risk of losses that arise as a result of changes in contracted interest rates. The Company is not exposed to significant interest rate risk.

c) Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they come due. The Company controls liquidity risk by ensuring that it has sufficient cash resources to pay for its financial obligations. As of March 31, 2025, the principal portion of the Company's convertible loan has a maturity greater than 90 days with interest accrued on the loan less than 90 days.

d) Equity market risk

The Company is exposed to price risk with respect to equity market prices. There is a potential adverse impact on the Company's ability to raise equity financing due to adverse movements in the Company's equity price or general movements in the level of the stock market. The Company monitors the movements of its equity price and the general stock market to determine the most beneficial course of action to be taken by the Company.

4. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (cont'd)

e) Currency risk

Foreign currency risk is the risk that the fair values of future cash flows of a financial instrument will fluctuate because they are denominated in currencies that differ from the respective functional currency.

The Company is exposed to foreign currency risk on fluctuations related to cash, accounts receivable and accounts payable that are denominated in United States dollars ("USD"). At March 31, 2025, the Company holds cash of US$238,364 (2024 - US$328,851) in USD bank accounts. A 1% change in foreign exchange rates would have an effect of US$2,242 (2024 - US$740) on foreign currency. During the three months ended March 31, 2025, the Company had a foreign exchange loss of $11,131 (2024 – loss of $6,321).

5. ACCOUNTS RECEIVABLE

		March 31, 2025		December 31, 2024
Trade receivables	$	191,128	$	173,503
	$	191,128	$	173,503

Trade receivables are amounts due from customers for goods sold in the ordinary course of business. They are generally due for settlement within 30 days and are therefore all classified as current. Trade receivables are recognized initially at the amount of consideration that is unconditional.

6. INVENTORY

		March 31, 2025		December 31, 2024
WIP	$	10,371	$	10,371
Finished goods		1,221,634		1,445,037
	$	1,232,005	$	1,455,408

The costs of individual items of inventory are determined using weighted average costs. Inventories recognized as an expense during three months ended March 31, 2025 amounted to $264,110 (2024 – $433,571). These were included in cost of sales. Write-downs of inventories to net realizable value due to shrinkage, damage and obsolescence of parts amounted to $113 (2024 – $Nil) which is included in cost of sales. Prepaid and inventory deposits (Note 7) include parts and finished goods inventory that had not been shipped to the Company by the manufacturer at March 31, 2025.

7. PREPAID AND INVENTORY DEPOSITS

		March 31, 2025		December 31, 2024
Inventory deposit on purchase order	$	196,611	$	239,733
Promotional		9,797		12,963
	$	206,408	$	252,696

(Unaudited: Presented in Canadian Dollars)

8. PROPERTY AND EQUIPMENT

		Computer Equipment and Software		Moulds for Products		Furniture and Fixtures		Leasehold Improvements		Total
Balance, December 31, 2023	$	28,663	$	216,277	$	4,792	$	7,954	$	257,686
Depreciation		(20,678)		(69,991)		(1,746)		(2,474)		(94,889)
Balance, December 31, 2024		7,985		146,286		3,046		5,480		162,797
Depreciation		(2,357)		(17,211)		(429)		(608)		(20,605)
Balance, March 31, 2025	$	5,628	$	129,075	$	2,617	$	4,872	$	142,192

9. PROMISSORY NOTE

During the year ended December 31, 2020, the Company entered into a promissory note (the "Note") with a shareholder and related party of the Company with a maturity date of December 31, 2025. The Note was without interest until December 31, 2020, and thereafter incurs interest at a rate of 4% per annum, payable quarterly. The Company can repay all or part of the Note at any time without penalty.

As at December 31, 2023	$	277,750
Advances		100,000
Interest expense		14,792
Interest paid		(2,750)
As at December 31, 2024		389,792
Interest expense		3,698
As at March 31, 2025	$	393,490

10. CONVERTIBLE LOAN

On August 28, 2024, the Company entered into a convertible loan agreement (the "Loan") with three parties ("Lenders") for an aggregate principal amount of $786,510, two of which are shareholders and related parties to the Company. The Loan bears interest at a rate of 13.5% per annum, calculated and payable annually in cash and, if not converted, matures on February 28, 2026 (the "maturity date"). From and after the date of issue and until the maturity date, the Lenders may elect to convert the amount of the Loan then outstanding, not including interest, into common shares of the Company ("Conversion Share") at a conversion price of $0.18 per Conversion Share, in accordance with the terms of the convertible loan agreement. The Company assessed that the equity portion of the Loan was $Nil. The Company is entitled to extend the maturity date by six months at its discretion.

During the three months ended March 31, 2025, the Company incurred $26,181 in interest expense which is payable at the annual anniversary date of the loan (2024 - $Nil). See Note 16 for further details.

As at December 31, 2023	$	-
Advances		786,510
Interest expense		36,363
As at December 31, 2024		822,873
Interest expense		26,181
As at March 31, 2025	$	849,054

(Unaudited: Presented in Canadian Dollars)

11. RIGHT-OF-USE ASSET AND LEASE LIABILITY

The Company leases an office under a non-cancellable lease with a term to May 31, 2025. In January, 2025, the Company signed an extension on its office lease to May 31, 2028 and, as a result, recognized an additional $94,386 in lease liability amount in the year ended December 31, 2024. The consolidated statements of loss and comprehensive loss disclose the following amounts relating to leases:

- Depreciation charge of right-of-use assets – $6,331 (2024 – $6,331);
- Interest expense (included in interest and accretion expense) – $2,077 (2024 – $666); and
- Expense relating to short-term leases (included in rent and operating costs) – $7,142 (2024 – $11,270).

The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, which is generally the case, the Company's incremental borrowing rate is used, being the rate that it would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms, security and conditions. To determine the incremental borrowing rate (8% per annum), the Company investigated borrowing rates at its Canadian bank at that time.

Right-of-use assets are generally depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis. If the Company is reasonably certain to exercise a purchase option, the right-of-use asset is depreciated over the underlying asset's useful life.

Payments associated with short-term leases and all leases of low-value assets are recognized on a straight-line basis as an expense in profit or loss. Short-term leases are leases with a lease term of 12 months or less without a purchase option and are included in rent and operating costs.

Right-of-use assets:

Balance, December 31, 2023	$	35,873
Additions	$	94,386
Amortization		(25,322)
Balance, December 31, 2024	$	104,937
Amortization		(6,331)
Balance, March 31, 2025	**$**	**98,606**

Lease liabilities:

Balance, December 31, 2023	$	37,820
Add: Additions		94,386
Add: Interest		1,870
Less: Rent payments		(28,566)
Balance, December 31, 2024	$	105,510
Add: Interest		2,077
Less: Rent payments		(7,142)
Balance, March 31, 2025	**$**	**100,445**

		March 31, 2025
Maturity Analysis – contractual undiscounted cash flows from minimum lease		
Short-term portion - less than one year	$	32,093
Long-term portion - one to five years		82,700
Total undiscounted lease liabilities	**$**	**114,793**

(Unaudited: Presented in Canadian Dollars)

12. SHARE CAPITAL

(a) Authorized:

As at March 31, 2025, the authorized share capital was comprised of an unlimited number of common shares. The common shares do not have a par value. All issued shares are fully paid.

(b) Share issuances:

Fiscal 2024

On June 20, 2024, the Company completed the first tranche (the “First Tranche”) of a non-brokered private placement. Under the First Tranche, the Company issued 2,890,578 common shares of the Company at a price of $0.18 per share for gross proceeds of $520,304.

On August 28, 2024, the Company completed the second tranche (the “Second Tranche”) of a non-brokered private placement. Under the Second Tranche, the Company issued 833,332 common shares at a price of $0.18 per share for gross proceeds of $150,000.

In connection with the private placement, the Company incurred $12,321 in share issuance costs.

(c) Stock options

The Company has established a stock option plan for its directors, officers, and technical consultants under which the Company may grant options to acquire a maximum number of common shares equal to 10% of the total issued and outstanding common shares of the Company.

The continuity of options is as follows:

Expiry date		Exercise price	December 31, 2023	Expired	December 31, 2024	March 31, 2025
October 29, 2026	$	0.30	3,075,000	-	3,075,000	3,075,000
January 22, 2027	$	0.32	50,000	-	50,000	50,000
May 2, 2027	$	0.32	100,000	-	100,000	100,000
May 17, 2027	$	0.35	450,000	-	450,000	450,000
September 27, 2027	$	0.27	50,000	-	50,000	50,000
September 23, 2028	$	0.20	950,000	(25,000)	925,000	925,000
April 20, 2031	$	0.10	337,500	-	337,500	337,500
Outstanding			5,012,500	(25,000)	4,987,500	4,987,500
Weighted average exercise price			$ 0.27	$ 0.20	$ 0.27	$ 0.27

At March 31, 2025, 4,814,500 stock options were exercisable (December 31, 2024 – 4,814,500), and the weighted average remaining life of the outstanding and exercisable options is 2.31 years (December 31, 2024 – 2.55 years). The stock-based compensation expense recognized in the three months ended March 31, 2025 for the vesting of options was $1,342 (2024 - $5,079).

(Unaudited: Presented in Canadian Dollars)

12. SHARE CAPITAL (cont'd)

(c) Stock options (cont'd)

The assumptions used in the Black Scholes Option Pricing Model to estimate the fair value of options were:

	2025	2024
Expected dividend yield	Nil	Nil
Expected stock price volatility	85.41%	85.41%
Risk-free interest rate	1.80%	1.80%
Forfeiture rate	Nil	Nil
Expected options life in years	5 years	5 years

(d) Warrants

Expiry date		Exercise price	December 31, 2023	Expired	December 31, 2024	March 31, 2025
November 29, 2024	$	0.25	191,100	(191,100)	-	-
November 29, 2025[(a)]	$	0.45	8,516,666	-	8,516,666	8,516,666
April 20, 2026	$	0.10	250,000	-	250,000	250,000
July 25, 2026	$	0.45	3,950,000	-	3,950,000	3,950,000
September 29, 2026	$	0.45	500,000	-	500,000	500,000
Outstanding			13,407,766	(191,100)	13,216,666	13,216,666
Weighted average exercise price			$ 0.44	$ -	$ 0.44	$ 0.44

[(a)] On June 9, 2023, the exercise price of the 2,916,666 warrants was amended from $0.60 to $0.45 and the expiry date was extended to November 29, 2025.

At March 31, 2025, the weighted average remaining life of the outstanding warrants is 0.90 years (December 31, 2024 – 1.15 years).

13. RELATED PARTY TRANSACTIONS

The aggregate value of transactions and outstanding balances relating to key management personnel and entities over which they have control or significant influence were as follows:

For the three months ended March 31, 2025:

	Salaries and benefits	Professional fees	Total
Craig Fraser Chief Executive Officer, Former Director	$ 29,346	$ -	$ 29,346
Daniel Davies Chief Technology Officer, Director	$ 29,346	$ -	$ 29,346
Liberty Brunet, Corporate Secretary	$ 30,468	$ -	$ 30,468
Kevin Alexander, Director	$ -	$ 28,470	$ 28,470

(Unaudited: Presented in Canadian Dollars)

13. RELATED PARTY TRANSACTIONS (cont'd)

For the three months ended March 31, 2024:

	Salaries and benefits	Professional fees	Total
Craig Fraser Chief Executive Officer, Director	$ 37,488	$ -	$ 37,488
Daniel Davies Chief Technology Officer, Director	$ 37,488	$ -	$ 37,488
Pacific Opportunity Capital Ltd. (1)	$ -	$ 10,000	$ 10,000
Kevin Alexander, Director	$ -	$ 14,296	$ 14,296

(1) Robert Doyle, former CFO, is a Senior Vice President at and shareholder of Pacific Opportunity Capital Ltd.

Amounts owing to/from related parties are non-interest bearing, unsecured, and have no fixed terms of repayment. The changes during the period were measured by the exchange amount, which is the amount agreed upon by the transacting parties. As at March 31, 2025 included in due to related parties are amounts owing to related parties of $10,033 (2024 - $7,576).

14. SEGMENTED INFORMATION

The Company's sales are generated in the following geographical areas:

	March 31, 2025	March 31, 2024
Geographic region:		
North America	$ 653,730	$ 761,835
Other	140,224	240,580
	$ 793,954	$ 1,002,415

The Company's non-current, non-financial assets are located in the following geographical areas:

As at March 31, 2025	**North America**	**Other**
Property and equipment, net	$ 142,192	$ -
Right-of-use asset	98,606	-
Total	**$ 240,798**	**$ -**

As at December 31, 2024	**North America**	**Other**
Property and equipment, net	$ 162,797	$ -
Right-of-use asset	104,937	-
Total	**$ 267,734**	**$ -**

(Unaudited: Presented in Canadian Dollars)

15. CAPITAL MANAGEMENT

The Company's capital consists of shareholders' equity. The Company's objective when managing capital is to maintain adequate levels of funding to support the development of its businesses and maintain the necessary corporate and administrative functions to facilitate these activities. This is done primarily through equity financing and incurring debt. Future financing is dependent on market conditions and there can be no assurance the Company will be able to raise funds in the future. The Company invests all capital that is surplus to its immediate operational needs in short-term, highly liquid, high-grade financial instruments. There were no changes to the Company's approach to capital management during the year. The Company is not subject to externally imposed capital requirements.

16. DEBT RECONCILIATION

This section sets out an analysis of debt and the movements in debt for each of the periods presented.

	March 31, 2025	December 31, 2024
Promissory note	$ 393,490	$ 389,792
Convertible loan	849,054	822,873
Lease liability	100,445	105,510
Total debt	$ 1,342,989	$ 1,318,175

	Convertible Loan	Promissory Note	Lease Liability	Total
Debt as at December 31, 2023	$ -	$ 277,750	$ 37,820	$ 315,570
Financing cash flows	786,510	100,000	(26,696)	859,814
Additions	-	-	94,386	94,386
Interest expense	36,363	14,792	1,870	53,025
Interest payments (presented as financing cash flows)	-	(2,750)	(1,870)	(4,620)
Debt as at December 31, 2024	822,873	389,792	105,510	1,318,175
Financing cash flows	-	-	(5,065)	(5,065)
Interest expense	26,181	3,698	2,077	31,955
Interest payments (presented as financing cash flows)	-	-	(2,077)	(2,077)
Debt as at March 31, 2025	$ 849,054	$ 393,490	$ 100,445	$ 1,342,988