



MATADOR

Matador Technologies Inc.

**Condensed Interim Consolidated Financial Statements
(Expressed in Canadian Dollars, Unless Otherwise Stated)**

**Three Months Ended January 31, 2025 and 2024
(Unaudited)**

Matador Technologies Inc.

Condensed Interim Consolidated Statements of Financial Position

(Expressed in Canadian Dollars, unless otherwise stated)

(Unaudited)

	As at January 31, 2025	As at October 31, 2024
Assets		
Current assets		
Cash and cash equivalents	\$ 2,352,053	\$ 3,911,102
Term Deposits	49,196	48,608
Precious Metals (Note 4)	223,691	95,466
Prepaid expenses	461,303	85,385
Total current assets	3,086,243	4,140,561
Non-current assets		
Digital Assets (Note 3)	8,300,194	2,172,432
Total non-current assets	8,300,194	2,172,432
Total assets	\$ 11,386,437	\$ 6,312,993
Liabilities		
Current liabilities		
Accounts payable and accrued liabilities	\$ 126,272	\$ 82,210
Total liabilities	126,272	82,210
Shareholders' Equity		
Share capital (Note 5)	23,842,846	13,420,922
Contributed Surplus (Note 6)	3,467,296	3,775,505
Accumulated Other Comprehensive Income	888,531	58,237
Accumulated Deficit	(16,938,508)	(11,023,881)
Total equity	11,260,165	6,230,783
Total liabilities and equity	\$ 11,386,437	\$ 6,312,993

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

Nature of operations and going concern (Note 1)

Approved by the Board of Directors:

"Deven Soni" _____ Director

"Richard Murphy" _____ Director

Matador Technologies Inc.**Condensed Interim Consolidated Statements of Operations and Comprehensive Loss****(Expressed in Canadian Dollars, unless otherwise stated)****(Unaudited)**

	Three months ended January 31,	
	2025	2024
Expenses		
Professional Fees	485,625	59,213
Advertising and Promotion	426,788	-
General and Administrative	131,769	22,118
Consulting Fees (Note 7)	466,192	113,186
Share Based Compensation (Notes 6 and 7)	1,197,402	289,974
Total Expenses	2,707,776	484,491
Operating Loss	(2,707,776)	(484,491)
Other income (expense)		
Foreign Currency Gain / (Loss)	79,912	-
Listing expense	(3,322,885)	-
Interest Income	36,115	-
Net loss for the year	\$ (5,914,634)	\$ (484,491)
Other Comprehensive Loss		
Unrealized gain on digital assets (Note 3)	\$ 830,301	\$ -
Total Net Loss & Other Comprehensive Loss	\$ (5,084,333)	\$ (484,491)
Basic and Diluted Loss Per Share (Note 8)		
Basic & Diluted Loss per Share	\$ (0.06)	\$ (0.01)

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

Matador Technologies Inc.**Condensed Interim Consolidated Statements of Cash Flows****(Expressed in Canadian Dollars, unless otherwise stated)****(Unaudited)**

Three months ended
January 31,
2025 2024

Cash (used in) provided by**Operating activities**

Net loss for the period	\$ (5,914,634)	\$ (484,491)
Adjustments for non-cash items:		
Share-based payments	1,197,402	289,974
Write (Up)/ Down on Precious Metals Held	-	165
Accrued interest	(588)	2,017
Listing expense	3,322,885	-
Changes in non-cash working capital:		
Precious metals	(128,225)	-
Prepaid expenses	(375,918)	(47,796)
Accounts payable and accrued liabilities	44,062	24,879
Total cash used in operating activities	(1,855,016)	(215,252)

Investing activities

Shares issued in connection of qualifying transaction	770,908	-
Shares issued in private placement in connection with concurrent financing	4,457,321	-
Digital Assets purchased	(4,932,262)	-
Total cash provided by investing activities	295,967	-

Net decrease in cash and cash equivalents	(1,559,049)	(215,252)
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Cash and cash equivalents, beginning of period	3,911,102	2,112,968
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Cash and cash equivalents, end of period	\$ 2,352,053	\$ 1,897,716
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Supplemental cash flow

Digital assets received as part of private placement	\$ 344,941	\$ -
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Amounts paid for interest and received for taxes are included in cash flows from operating activities in the unaudited condensed interim consolidated statements of cash flows.

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

Matador Technologies Inc.

Condensed Interim Consolidated Statements of Changes in Shareholders' Equity

(Expressed in Canadian Dollars, unless otherwise stated)

(Unaudited)

	Shares	Share Capital	Accumulated Comprehensive Surplus	Other Accumulated Income	Total Deficit	equity
Balance, October 31, 2023	60,301,100	\$ 7,760,901	\$ 1,180,429	\$ -	\$ (6,528,906)	\$ 2,412,424
Share Based Compensation Option Issuance (Note 6)	-	-	552,715	-	-	552,715
Share Based Compensation RSU Issuance (Note 6)	-	-	102,708	-	-	102,708
RSU Vested and Issued (Notes 5,6)	273,000	126,500	(126,500)	-	-	-
Shares based Compensation Performance Shares (Notes 5,6)	-	-	240,102	-	-	240,102
PSUs Vested and Issued (Notes 5,6)	-	237,500	(237,500)	-	-	-
Share Based Compensation Advisory Shares (Note 6)	-	-	1,333,522	-	-	1,333,522
Advisory Shares Vested and Issued (Notes 5,6)	1,000,000	500,000	(500,000)	-	-	-
Shares Issued in Private Placements (Note 5)	9,592,041	4,796,021	-	-	-	4,796,021
Proceeds Received in Connection with Concurrent Financing (Note 5)	-	-	1,230,029	-	-	1,230,029
Net Loss for the Period	-	-	-	58,237	(4,494,975)	(4,436,738)
Balance, October 31, 2024	71,166,141	\$13,420,922	\$ 3,775,505	\$ 58,237	\$(11,023,881)	\$ 6,230,783
Share Based Compensation Option Issuance (Note 6)	-	-	732,154	-	-	732,154
Share Based Compensation RSU Issuance (Note 6)	-	-	19,076	-	-	19,076
RSU Vested and Issued (Notes 5,6)	-	25,000	(25,000)	-	-	-
Share Based Compensation Performance Shares (Notes 5,6)	-	-	48,935	-	-	48,935
Share Based Compensation Advisor Shares (Notes 6)	-	-	397,237	-	-	397,237
PSUs Vested and Issued (Notes 5,6)	500,000	250,000	(250,000)	-	-	-
Shares Issued in Connection of Qualifying Transaction (Note 5)	8,228,092	4,114,049	-	-	-	4,114,049
Shares Issued in Connection with Concurrent Financing (Net of Issuance Costs) (Note 5)	12,463,527	6,032,293	(1,230,029)	-	-	4,802,264
Shares Issued in Connection to Warrants	2,559	582	(582)	-	-	-
Net Loss for the Period	-	-	-	830,294	(5,914,627)	(5,084,333)
Balance, January 31, 2025	92,360,319	\$23,842,846	\$ 3,467,296	\$ 888,531	\$(16,938,508)	\$11,260,165

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

Matador Technologies Inc.

Notes to Condensed Interim Consolidated Financial Statements

Three months ended January 31, 2025 and 2024

(Expressed in Canadian Dollars, unless otherwise stated)

(Unaudited)

1. Nature of operations

Matador Technologies Inc. ("Matador", "our", "we", "us" or the "Company") was incorporated on November 29, 2021, under the laws of the Province of Ontario. The principal office of the Company is located at 40 King Street West, Suite 2400, Toronto, ON M5H 3Y2.

Matador is a technology company that develops applications on the Bitcoin network. It's first product will lets users in Canada buy and sell precious metals. Beyond gold, Matador's product vision extends to Layer 2 solutions, NFTs, and a broader range of digitized Real World Asset's (RWA's) on the Bitcoin blockchain.

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

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

2. Material Accounting Policy Information

(a) Basis of Presentation

These unaudited interim condensed consolidated financial statements have been prepared using accounting policies consistent with International Financial Reporting Standards ("IFRS") and in accordance with International Accounting Standard ("IAS") 34, "Interim Financial Reporting" as issued by the International Accounting Standards Board. The unaudited interim condensed consolidated financial statements do not include all the information required for full annual financial statements and should be read in conjunction with the audited annual consolidated financial statements of the Company for the years ended October 31, 2024 and notes thereto. However, selected notes are included that are significant to understanding the Company's financial position and performance since the last annual financial statements.

These unaudited interim condensed financial statements were approved for issuance by Matador's Board of Directors on March 28, 2025, and are presented in Canadian dollars, which is Matador's functional currency.

(b) Basis of Consolidation

These unaudited condensed interim consolidated financial statements incorporate the financial statements of the Company and its subsidiaries.

The subsidiaries are consolidated from the date of acquisition, being the date on which the Company obtains control, and continues to be consolidated until the date that such control ceases. Control is achieved when an investor has power over an investee to direct its activities, exposure to variable returns from an investee, and the ability to use the power to affect the investor's returns.

The results of subsidiaries acquired or disposed of during the years presented are included in the consolidated statements of (loss) income from the effective date of control and up to the effective date of disposal or loss of control, as appropriate. All intercompany transactions, balances, income and expenses are eliminated upon consolidation.

Matador Technologies Inc.

Notes to Condensed Interim Consolidated Financial Statements

Three months ended January 31, 2025 and 2024

(Expressed in Canadian Dollars, unless otherwise stated)

(Unaudited)

2. Material Accounting Policy Information (continued)

(b) Basis of Consolidation (continued)

The following companies have been consolidated within the consolidated financial statements:

Company	Registered	Principal activity
Matador Technologies Inc.	Ontario, Canada	Blockchain technology development
Scaling Capital 1 Corp . ⁽¹⁾	Ontario, Canada	inactive

⁽¹⁾ 100% owned by Matador Technologies Inc.

(c) Critical accounting estimates and judgements

The preparation of these unaudited condensed interim consolidated financial statements in conformity with IFRS requires management to make estimates and judgements that affect the applications of accounting policies regarding certain types of assets, liabilities, revenues, and expenses in the preparation of these financial statements. Estimates and judgements are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the year in which the estimates are revised and in any future years affected. These estimates and assumptions are based on management's historical experience, best knowledge of current events and conditions and activities that the Company may undertake in the future. The actual results could differ materially from these estimates.

i) Judgements

Going Concern: The assumption that Matador will be able to continue as a going concern is subject to critical judgments by management with respect to assumptions surrounding the short and long-term operating budget, including the volatility of gold and digital asset prices, expected profitability, investing and financing activities, and management's strategic planning. Should those judgments prove to be inaccurate, management's continued use of the going concern assumption could be inappropriate.

Income taxes: Significant judgement is required in determining the provision for income taxes. There are many transactions and calculations undertaken during the ordinary course of business for which the ultimate tax determination is uncertain. The Company recognizes liabilities and contingencies for anticipated tax audit issues based on its current understanding of Canadian tax law. For matters where it is probable that an adjustment will be made, the Company records its best estimate of the tax liability including related interest and penalties. There is uncertainty regarding the taxation of digital assets, and the Canada Revenue Agency may assess the Company differently from the position adopted.

Assessment of indicators of impairment: Satoshis are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. In the determination of carrying values and impairment charges, management evaluates fair value based on market conditions, historical trends, and other relevant information. These determinations require significant judgement and assumptions about the future cash flows and discount rates applied.

Recoverability of gold and digital assets held with a custodian: The Company holds gold, Bitcoin, and Satoshis with a third-party custodian. The recoverability of these assets has been determined by management based on information available regarding the custodian's financial standing, security protocols, and legal obligations. Any material adverse changes in the custodian's status could impact the valuation and recoverability of these assets.

Matador Technologies Inc.

Notes to Condensed Interim Consolidated Financial Statements

Three months ended January 31, 2025 and 2024

(Expressed in Canadian Dollars, unless otherwise stated)

(Unaudited)

2. Material Accounting Policy Information (continued)

(c) Critical accounting estimates and judgements (continued)

ii) Estimates

Valuation of gold and digital assets: Matador holds gold as inventory and digital assets, including Bitcoin and Satoshis, as part of its intangible assets. Gold is measured at cost and subsequently, at the end of each reporting period, it is measured at the lower of cost and net realizable value (NRV), by assessing the quoted market price from recognized commodities exchanges to determine the net realizable value. Bitcoin is measured at fair value using the quoted price on reputable exchanges. Satoshis are measured using the cost method, due to the lack of an active market available to reliably determine their fair value. Under this method, digital assets are recorded at their original purchase cost, minus any impairment losses. Since satoshis have an indefinite life, no amortization is applied. If impairment indicators arise, the assets are evaluated against their recoverable amount, with any loss recognized in the statement of loss and comprehensive loss. Management assesses the recoverable amount of satoshis by evaluating factors such as market developments, regulatory changes, and technological advancements that could impact their value. If impairment indicators arise, a detailed review is conducted, considering available market data and relevant economic conditions. Any impairment loss identified is recognized in the statement of loss and comprehensive loss.

Fair value measurement of stock-based compensation: Estimating fair value for stock options and other share based compensation requires determining the most appropriate valuation model, which depends on the terms and conditions of the grant. This estimate also requires determination of the most appropriate inputs to the valuation model, including the expected life of stock options and volatility while making assumptions about them. The assumptions and models used for estimating fair value are disclosed in Note 6.

Management continuously reviews the assumptions and underlying data used in these estimates to ensure they reflect the best available information at the reporting date. However, due to inherent uncertainties, actual results may differ from these estimates, which could result in material adjustments in future financial periods.

(d) New Accounting Standards and Interpretations Not Yet Effective

The following new standards, amendments and interpretations have been issued but are not effective for the fiscal period ending October 31, 2024, and, accordingly, have not been applied in preparing these financial statements.

Amendments to IAS 21 – Lack of Exchangeability

The amendments to IAS 21 will help an entity determine whether a currency is exchangeable into another currency and requirements the entity would apply when it is not. The amendments also require the disclosure of additional information when a currency is not considered exchangeable. The amendments are applied prospectively for annual periods beginning on or after 1 January 2025, with early application permitted. No significant impact to the Company's financial statements is expected.

Matador Technologies Inc.

Notes to Condensed Interim Consolidated Financial Statements

Three months ended January 31, 2025 and 2024

(Expressed in Canadian Dollars, unless otherwise stated)

(Unaudited)

2. Material Accounting Policy Information (continued)

(d) *New Accounting Standards and Interpretations Not Yet Effective (continued)*

Implementation of IFRS 18 – Presentation and Disclosure of Financial Statements

The introduction of IFRS 18 will help to achieve comparability of the financial performance of similar entities. The new disclosures required for some management-defined performance measures will also enhance transparency. The new standards are applied retrospectively for annual periods beginning on or after January 1st, 2027, with early adoption permitted. The Company is currently assessing the expected impact of this standard.

Implementation of CSDS 1 – General Requirements for Disclosure of Sustainability-related Financial Information - and CSDS 2 – Climate-related Disclosures

In December 2024 the Canadian Sustainability Disclosure Standards (the “CSDS”) issued CSDS 1 General Requirements for disclosure of Sustainability-related Financial Information for Disclosure of Sustainability-related Financial Information (“CSDS 1”), proposing general requirements for an entity to disclose sustainability-related financial information about its sustainability-related risks and opportunities. The objective of CSDS S1 is to require an entity to disclose information about its sustainability related risks and opportunities that is useful to users of general purpose financial reports in making decisions relating to providing resources to the entity. CSDS S1 is effective for annual reporting periods beginning on or after January 1, 2024, with earlier application permitted as long as CSDS S2 climate related disclosures is also applied. The Company is currently assessing the expected impact of this standard.

In December 2024 the CSDS issued CSDS 2 Climate-Related Disclosures to integrate and build on the recommendations of the Task Force on Climate-Related Financial Disclosures (TCFD) and incorporating industry-based disclosure requirements derived from Sustainability Accounting Standards Board (SASB) Standards. The objective of CSDS S2 is to require an entity to disclose information about its climate related risks and opportunities that is useful to users of general purpose financial reports and making decisions relating to providing resource is to the entity. CSDS S2 is effective for annual reporting periods beginning on or after January 1st, 2024, with earlier application permitted as long as CSDS S1 is also applied. The Company is currently assessing the expected impact of this standard.

3. Digital Assets

On April 23, 2024, the Company received a strategic investment from UTXO Management, LLC (“UTXO”), a Bitcoin venture capital firm. The strategic investment was in the form of Bitcoin, Legacy Satoshis, and Uncommon Satoshis totaling \$3,000,000. The Legacy and Uncommon Satoshis were transferred at fair value, which at the time of the investment was \$437 per Legacy Satoshi and \$106 per Uncommon Satoshi. The Company also received 2.6 bitcoin (\$209,878) as part of the private placement which closed on July 23, 2024, and 3.4 bitcoin (\$344,941) as part of the private placement which closed on December 5, 2024.

	Bitcoin	
	Quantity	Fair Value
Balance as at October 31, 2023	-	\$ -
Purchase of Bitcoin (i)	8	\$ 773,105
Revaluation Gain	-	58,237
Balance as at October 31, 2024	8	\$ 831,342
Purchase of Bitcoin (ii)	38	\$ 5,285,077
Revaluation Gain	-	830,301
Balance as at January 31, 2025	46	\$ 6,946,720

Matador Technologies Inc.

Notes to Condensed Interim Consolidated Financial Statements

Three months ended January 31, 2025 and 2024

(Expressed in Canadian Dollars, unless otherwise stated)

(Unaudited)

3. Digital Assets (continued)

- (i) The Company's Bitcoin was received at an average cost of \$91,122.
(ii) The Company's Bitcoin was received at an average cost of \$139,081.

	Legacy Satoshis		Uncommon Satoshis		Total Satoshis	
	Quantity	Cost	Quantity	Cost	Quantity	Cost
Balance as at October 31, 2023	-	-	-	-	-	-
Satoshis	5,000	2,456,656	1,000	106,431	6,000	2,563,087
Impairment Loss	-	(1,174,193)	-	(47,804)	-	1,221,997
Balance as at October 31, 2024	5,000	1,282,463	1,000	58,627	6,000	1,341,090
Satoshis	-	-	-	-	-	-
Impairment Loss	-	-	-	-	-	-
Balance as at January 31, 2025	5,000	1,282,463	1,000	58,627	6,000	1,341,090

	Tether	
	Quantity	Cost
Balance as at October 31, 2024	-	-
Tether	8,550	12,384
Impairment Loss	-	-
Balance as at January 31, 2025	8,550	12,384

- (i) The cost for the satoshis was based on the fair value of the shares issued in consideration.

4. Precious Metals

Precious Metals consists of bullion gold bars owned and held by the Company.

	January 31, 2025		October 31, 2024	
	Quantity (ounces)	Value	Quantity (ounces)	Value
Precious Metals Opening Balance	35	\$ 95,466	35	\$ 94,776
Purchases	32	128,225	-	-
Write Up / (Down) to Net Realizable Value	-	-	-	690
Total Precious Metals	67	\$ 223,691	35	\$ 95,466

Matador Technologies Inc.

Notes to Condensed Interim Consolidated Financial Statements

Three months ended January 31, 2025 and 2024

(Expressed in Canadian Dollars, unless otherwise stated)

(Unaudited)

5. Share capital

Authorized

The Company has an unlimited number of shares authorized with no par value. The shares are voting shares and contain certain transfer restrictions.

	Number of Shares Issued and Outstanding	Restricted Performance Shares Issued and Outstanding	Total Shares Issued and Outstanding
Balance, October 31, 2023	59,351,100	950,000	60,301,100
RSUs Vested and Issued (i)	273,000	-	273,000
PSUs Vested (vii)	950,000	(950,000)	-
Advisor Shares Vested and Issued (ii)	1,000,000	-	1,000,000
Shares Issued in Private Placement (iii, iv, v, x)	9,592,041	-	9,592,041
Balance, October 31, 2024	71,166,141	-	71,166,141
Advisor Shares Vested and Issued (viii)	500,000	-	500,000
Shares Issued in Private Placement (ix)	20,691,619	-	20,691,619
Finders warrants issued	2,559	-	2,559
Balance, January 31, 2025	92,360,319	-	92,360,319

(i) As at October 31, 2024, the Company had 273,000 RSUs that vested at a price of \$0.50 per share.

(ii) As at October 31, 2024, the Company had 1,000,000 Advisor Shares that vested at a price of \$0.50 per share.

(iii) On April 23, 2024, the Company completed a non-brokered private placement under which a total of 6,000,000 Common Shares were sold at a price of \$0.50 CAD per Common Share for aggregate gross proceeds to the Company of \$3 million. Gross proceeds were in the form of Bitcoin, Legacy Satoshis, and Uncommon Satoshis (Note 3).

(iv) On July 23, 2024, the Company completed a non-brokered private placement under which a total of 3,250,037 Common Shares were sold at a price of \$0.50 CAD per Common Share for aggregate gross proceeds to the Company of \$1.6 million.

(v) On August 16, 2024, the Company completed a non-brokered private placement under which a total of 342,004 Common Shares were sold at a price of \$0.50 CAD per Common Share for aggregate gross proceeds to the Company of \$171,002.

(vi) On August 20, 2024, Matador commenced a concurrent financing in connection with its planned go-public transaction, to raise a minimum of \$3,500,000 and a maximum of \$4,500,000 gross proceeds by issuing shares at \$0.50 per share. The cash proceeds were received prior to year end and after year end, however shares were not issued until the closing of the financing on December 5, 2024. Prior to October 31, 2024, the Company raised gross proceeds of \$1,230,029. Subsequently, on December 5, 2024, Matador completed the financing and issued 12,446,822 shares, representing the full amount of shares issued in connection with the concurrent financing. Matador raised gross proceeds of \$1,230,029 before year end and \$4,993,382 after year end, for a total amount of \$6,223,411 raised. A portion of the financing proceeds was recognized in contributed surplus (\$1,230,029) in the year ended October 31, 2024.

(vii) During the year ended October 31, 2024, the performance conditions for 950,000 performance conditions were waived.

(viii) During the three months ended January 31, 2025, the advisor shares were issued.

(ix) During the three months ended January 31, 2025, 50,000 RSUs were vested, but have not yet been issued to share capital.

Matador Technologies Inc.

Notes to Condensed Interim Consolidated Financial Statements

Three months ended January 31, 2025 and 2024

(Expressed in Canadian Dollars, unless otherwise stated)

(Unaudited)

5. Share capital (continued)

(x) On August 20, 2024, Matador commenced a concurrent financing in connection with its planned go-public transaction, to raise a minimum of \$3,500,000 and a maximum of \$4,500,000 gross proceeds by issuing shares at \$0.50 per share. The cash proceeds were received prior to year end and after year end, however shares were not issued until the closing of the financing on December 5, 2024. Prior to October 31, 2024, the Company raised gross proceeds of \$1,230,029. Subsequently, on December 5, 2024, Matador completed the financing and issued 12,446,822 shares, representing the full amount of shares issued in connection with the concurrent financing. Matador raised gross proceeds of \$1,230,029 before year end and \$4,993,382 after year end, for a total amount of \$6,223,411 raised. A portion of the financing proceeds was recognized in contributed surplus (\$1,230,029) in the year ended October 31, 2024. On December 5, 2024, the Company completed a non-brokered private placement ("concurrent financing") pursuant to which it issued an aggregate 12,446,822 common shares at a price of \$0.50 per Matador share to raise aggregate gross proceeds of \$6,223,411. In connection with the private placement, 2,559 finders warrants were issued and exercised for gross proceeds of \$582.

6. Stock Based Compensation

	Three months ended January 31,	
	2025	2024
Share based Options	\$ 732,154	\$ 146,873
Share based RSUs	19,076	45,536
Share based Performance Shares	48,935	97,565
Share based Advisor Shares	397,237	-
Share based Compensation Expense	1,197,402	289,974

Stock Options

The Company's Long-Term Incentive Plan (the "LTIP") adopted in November 2021, provides that stock options may be granted to directors, senior officers, employees and consultants of the Company or any of its affiliates and employees of management companies engaged by the Company. The term and vesting period for options granted under the LTIP are determined by the Company's Board.

Below is a summary of the activity related to outstanding options as at January 31, 2025 and October 31, 2024:

	Number of stock options	Weighted average exercise price (\$)
Balance, October 31, 2023	5,315,434	0.25
Granted	5,700,000	0.50
Balance, October 31, 2024	11,015,434	0.33
Granted	2,110,000	0.50
Balance, January 31, 2025	13,125,434	0.33

All stock options were valued using the Black-Scholes pricing model. Where relevant, the expected life used in the model was adjusted based on management's best estimate for the effects of non-transferability, exercise restrictions (including the probability of meeting market conditions attached to the option), and behavioral considerations. Volatility is estimated based on the historical volatility of comparable companies to the Company over the year previous to the grant date, with an adjustment applied to reflect management's best estimate of future volatility, where appropriate.

Matador Technologies Inc.

Notes to Condensed Interim Consolidated Financial Statements

Three months ended January 31, 2025 and 2024

(Expressed in Canadian Dollars, unless otherwise stated)

(Unaudited)

6. Stock Based Compensation (continued)

Stock Options (continued)

The following table reflects the Company's stock options outstanding and exercisable as at January 31, 2025:

Option Series	Expiry date	Exercise price (\$)	Fair Value at Grant Date (\$)	Number of options Granted
1	January 1, 2027	0.25	0.19	2,375,434
2	January 6, 2035 (i)	0.50	0.13	1,350,000
3	January 10, 2026	0.25	0.17	1,350,000
4	January 19, 2032	0.25	0.24	30,000
5	February 1, 2032	0.25	0.24	160,000
6	October 1, 2032	0.25	0.49	50,000
7	August 1, 2034	0.50	0.42	5,700,000
8	January 8, 2035	0.50	0.42	2,110,000

(i) During the three months ended January 31, 2025, the Company increased the exercise price from \$0.25 to \$0.50 as well as extended the expiry date of these options from January 6, 2025 to January 6, 2035. This increased the fair value of the stock options from \$0.13 to \$0.448. The modification was also motivated by the Company's commitment to fostering an environment of employee motivation and retention, recognizing the need to provide competitive and meaningful incentives in the current market landscape.

Restricted Share Units ("RSU")

The Company established a restricted stock unit plan ("RSU Plan") in November 2021. The purpose of the RSU Plan is to secure for the Company and its shareholders the benefits of incentive inherent in share ownership by certain directors, officers, other key employees and consultants of the Company ("Participants") who, in the judgement of the Board, will be responsible for its future growth and success. RSUs granted pursuant to this RSU Plan will be used to compensate Eligible Persons who have forgone salary to assist the Company in cash management in exchange for the grant of RSUs and incentive stock options under the Company's stock option plan. Each RSU gives the Participant the right to receive one common share of the Company. The aggregate number of common shares that may be reserved for issuance, at any time, under this Plan and under any other share compensation arrangement adopted by the Company, including the Company's incentive stock option plan, shall not exceed up to a maximum of 10% of the issued and outstanding Shares at the time of grant pursuant to awards granted under all share compensation plans. The term and vesting period for RSUs granted under the RSU Plan are determined by the Company's Board.

Details on the RSUs outstanding are as follows:

RSU Series	Grant Date	Number of RSUs Granted	Fair Value at Grant Date (\$)	Number of RSUs Outstanding
2	May 26, 2022	300,000	0.50	100,000
3	August 3, 2022	300,000	0.50	50,000

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6. Stock Based Compensation (continued)

Restricted Share Units ("RSU") (continued)

Below is a summary of the activity related to RSUs outstanding as at January 31, 2025 and October 31, 2024:

	Number of Units
Balance, October 31, 2023	539,000
Exercised	(273,000)
Balance, October 31, 2024	266,000
Cancelled (i)	(66,000)
Exercised	(50,000)
Balance, January 31, 2025	150,000

(i) During the three months ended January 31, 2025, 66,000 RSUs were cancelled without being vested.

Performance Shares

The purpose of Performance Shares is to secure for the Company and its shareholders the benefits of incentive inherent in share ownership by certain directors, officers, other key employees and consultants of the Company ("Participants") who, in the judgement of the Board, will be responsible for its future growth and success. Performance Shares granted will be used to compensate Eligible Persons who have forgone salary to assist the Company in cash management in exchange for the grant of Performance Shares. Performance Shares will be tied to certain Participant milestones and the term and vesting period for the Performance Shares are determined by the Company's Board. During the period ended October 31, 2024, the Company granted no Performance Shares nor did it issue any common shares upon certain employees achieving certain performance milestones. During the three months ended January 31, 2025 the Company issued nil common shares upon certain employees achieving certain performance milestones. Based on the total estimated vesting conditions the total share based compensation expense for the three months ended January 31, 2025 is \$48,935.

Below is a summary of the activity related to Performance Shares outstanding as at January 31, 2025 and October 31, 2024:

	Number of Units
Balance, October 31, 2023	3,950,000
Exercised (i)(ii)	(950,000)
Balance, October 31, 2024	3,000,000
Balance, January 31, 2025	3,000,000

(i) On December 1, 2021, 650,000 Common Shares were issued to a consultant of the Company and the performance conditions were waived on July 31, 2024. 450,000 Performance Shares had their performance conditions met in previous years, while the remaining 200,000 Performance Shares had their performance conditions waived during the October 31, 2024 year end. 200,000 shares have been issued and \$50,000 share based compensation has been recognized in the October 31, 2024 statement of operations and comprehensive loss.

(ii) On January 11, 2022, 1,500,000 Common Shares were issued to a consultant of the Company and the performance conditions were waived on July 31, 2024. 750,000 Performance Shares had their performance conditions met in previous years, while the remaining 750,000 Performance Shares had their performance conditions waived during the October 31, 2024 year end. 750,000 shares have been issued and \$115,518 share based compensation has been recognized in the October 31, 2024 statement of operations and comprehensive loss.

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6. Stock Based Compensation (continued)

Advisor Shares

The purpose of Advisor Shares is to secure for the Company and its shareholders the benefits of incentive inherent in share ownership by certain advisors of the Company ("Advisors") who, in the judgement of the Board, will be responsible for its future growth and success. Advisor Shares granted will be used to compensate Advisors who have forgone salary to assist the Company in exchange for the grant of Advisor Shares. Advisor Shares will be tied to a specific term and vesting period for the Advisor Shares are determined by the Company's Board. During the period ended January 31, 2025, the Company granted nil Advisor Shares. As of January 31, 2025, 1,500,000 Advisor Shares were issued. Based on the total estimated vesting conditions the total share based compensation expense for the three months ended January 31, 2025 is \$397,237 (October 31, 2024 - 1,035,627).

Below is a summary of the activity related to Advisor Shares outstanding as at January 31, 2025 and October 31, 2024:

	Number of Units
Balance, October 31, 2023	-
Granted	6,000,000
Exercised	(1,000,000)
Balance, October 31, 2024 and January 31, 2025	5,000,000
Exercised	(500,000)
Balance, January 31, 2025	4,500,000

7. Major shareholder and related party disclosures

TDK Cash Flow Ltd. and Hillcrest Merchant Partners Inc. are related parties of the Company. TDK Cash Flow Ltd. is a Co-Founder and shareholder of Matador. Hillcrest Merchant Partners Inc. is a Co-Founder and shareholder of Matador.

During the three months ended January 31, 2025, the Company paid \$149,160 (period ended January 31, 2024 – \$84,750) in consulting fees to TDK Cash Flow Ltd. and Hillcrest Merchant Partners Inc. for:

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

These services were incurred in the normal course of operations.

Consulting fees paid to key management personnel for the three months ended January 31, 2025 totaled \$318,664 (period ended January 31, 2024 – \$97,895). For the three months ended January 31, 2025, consulting fees included an annual bonus for the calendar year ended December 31, 2024. Share based payments to key management personnel and the Board of Directors of the Company for the three months ended January 31, 2025, were valued using the Black-Scholes valuation model to be \$246,067 (period ended January 31, 2024 – \$119,498) and this is included in share based compensation. Key management personnel is comprised of the Company's Chief Executive Officer ("CEO").

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8. Net loss per share

	Three months ended January 31,	
	2025	2024
Net Loss	(5,914,634)	(484,491)
Weighted Average Number of Shares Outstanding	92,360,319	59,574,100
Basic and Diluted Loss Per Share	(0.06)	(0.01)

9. Financial Instruments and Risk Management

In common with all other businesses, the Company is exposed to risks arising from its use of financial instruments. This note describes the Company's objectives, policies, and processes for managing those risks and the methods used to measure them. Further quantitative information in respect of these risks is presented below.

General Objectives, Policies and Processes

Management has overall responsibility for determining the Company's risk management objectives and policies. While management retains ultimate responsibility, it has delegated the authority for designing and implementing processes that ensure effective risk management to the Company's finance function.

The Company's overall objective is to set policies that minimize risk as far as possible without unduly affecting competitiveness and flexibility. The Company has established risk management policies and procedures designed to reduce the potentially adverse effects of market volatility on operating results and financial position. Further details regarding these policies are set out below.

Liquidity Risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they become due. The Company's approach is to ensure sufficient liquidity to meet operational, tax, capital, and regulatory requirements under both normal and stressed conditions. Cash flow projections are prepared and reviewed regularly to ensure continuity of funding. The Company's financial liabilities consist of accounts payable and accrued liabilities, all of which are due within one year.

Fair Values of Financial Instruments and Digital Assets

IFRS 7 – Financial Instruments: Disclosures requires classification of financial instruments into a three-level hierarchy ("FV hierarchy") based on the significance of the inputs used in making fair value measurements:

- Level 1: Fair value is determined using quoted prices in active markets for identical assets or liabilities.
- Level 2: Fair value is determined using inputs other than quoted prices that are observable, either directly or indirectly.
- Level 3: Fair value is determined using inputs that are unobservable and significant to the overall fair value measurement.

As at January 31, 2025, the Company's financial and digital assets are classified within the FV hierarchy as follows:

Financial Instrument / Digital Asset	Level 1	Level 2	Level 3
Digital Assets (Bitcoin)		X	
Accounts Payable & Accrued Liabilities		X	

X = Classification within the FV hierarchy

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9. Financial Instruments and Risk Management (continued)

IFRS 7 - Financial Instruments: Disclosures requires disclosure of a three-level hierarchy ("FV hierarchy") that reflects the significance of the inputs used in making fair value measurements and disclosures. Fair values of assets and liabilities included in Level 1 are determined by reference to quoted prices in active markets for identical assets and liabilities. Assets and liabilities in Level 2 include those whose valuations are determined using inputs other than quoted prices for which all significant outputs are observable, either directly or indirectly. Level 3 valuations are those based on inputs that are unobservable and significant to the overall fair value measurement.

As at January 31, 2025, the Company's financial instruments are comprised of cash and cash equivalents, term deposits and accounts payable and accrued liabilities. These are measured at amortized cost (excluding accounts payable and accrued liabilities, which are measured at fair value). During the three months ended January 31, 2025, there were no transfers between levels of the fair value hierarchy. The carrying value of the accounts payable and accrued liabilities approximate their fair values due to their short-term nature.

Digital assets are measured at fair value in accordance with IFRS 13 – Fair Value Measurement, which defines fair value as the price at which an asset could be exchanged between knowledgeable, willing parties in an arm's length transaction at the measurement date.

The Company classifies its digital assets within the fair value hierarchy as follows:

Bitcoin – Level 2: The fair value of Bitcoin is determined using observable market inputs, such as aggregated exchange data from active markets, rather than a single quoted price.

If quoted prices are unavailable, fair value is estimated using valuation techniques that prioritize observable inputs while minimizing the use of unobservable data.

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

Bitcoin: determined by taking the last closing price for the day in eastern standard time from www.blockchain.com.

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

10. Capital Risk Management

The Company manages its capital with the following objectives:

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

The Company monitors its capital structure and makes adjustments according to market conditions in an effort to meet its objectives given the current outlook of the business and industry in general. The Company may manage its capital structure by issuing new shares, repurchasing outstanding shares, adjusting capital spending, or disposing of assets. The capital structure is reviewed by management and the Board of Directors on an ongoing basis. The Company considers its capital to be equity, comprising share capital, options, RSUs, performance shares, advisor shares and retained earnings, which at January 31, 2025 totaled \$11,260,165 (at October 31, 2024 – \$6,230,783).

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(Unaudited)

11. Reverse Takeover

On December 9, 2024, the Company entered into a non-binding letter of intent (the "LOI") with Scaling Capital 1 Corp. ("SCC"), pursuant to which the parties intend to complete the business combination of Matador and SCC to ultimately form the resulting issuer that will continue on the business of Matador (the "Transaction"), and Matador and SCC will complete an offering of a minimum of \$3,500,000 and a maximum of \$4,500,000 (the "Concurrent Financing") in aggregate gross proceeds. The Transaction will constitute SCC's Qualifying Transaction (as such term is defined in the policies of the TSX Venture Exchange (the "Exchange")).

The Transaction closed on December 9, 2024 and constitutes a reverse takeover. Although the Company will be regarded as the legal parent and continuing company, SCC will be the acquirer for accounting purposes. Consequently, SCC will be deemed to be a continuation of the reporting entity, and control of the assets and operations of the Company will be deemed to have been acquired in consideration for the issuance of the resulting issuer's shares to the former shareholders of SCC. At the time of this transaction, the Company did not constitute a business as defined under IFRS 3 Business Combination; therefore, the transaction will be accounted for under IFRS 2 Share-Based Payment, where the difference between the consideration given to acquire the Company and the net asset value of the Company will be recorded as a listing expense. The estimated net assets acquired pursuant to the acquisition are as follows:

Total Purchase consideration	
Fair value of 8,228,099 shares of SCC	4,114,049
Total consideration paid	4,114,049
Net assets (liabilities of SCC)	
Cash and cash equivalents	770,908
HST recoverable	27,297
Interest receivable	(5,741)
Accounts payable and accrued liabilities	(1,300)
Net Assets of SCC	791,164
Total	3,322,885

The fair value of the 8,228,099 common shares was determined to be \$4,114,049, calculated using \$0.50 per common share, based on the concurrent Matador private placement price.

12. Income taxes

The reconciliation of the combined Canadian federal and provincial statutory income tax rate of 27% to the effective tax rate is as follows:

	Three Months Ended	
	January 31, 2025	January 31, 2024
Net Loss Before Income Tax Recovery	\$ (5,914,634)	\$ (484,491)
Expected Income Tax Recovery at Effective Tax Rate of 27%	(1,567,378)	(128,390)
Permanent Differences	194,165	39,502
Non-Capital Losses Carried Forward	1,373,211	88,888
Income Tax Expense	\$ (2)	\$ -

Deferred taxes are provided as a result of temporary differences that arise due to the differences between the income tax values and the carrying amount of assets and liabilities. Deferred tax assets have not been recognized in respect of the following deductible temporary differences. As at January 31, 2025, the Company has \$15,601,372 of non-capital loss carry forwards available to reduce taxable income for future years. These losses will expire in 2044.

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(Unaudited)

12. Income taxes (continued)

	Three Months Ended	
	January 31, 2025	January 31, 2024
Non-capital losses carried forward	4,222,729	5,678,535
Unrecognized Deferred Tax Asset	(4,222,729)	(5,678,535)
Net Deferred Tax	\$ -	\$ -
