SYNTHEIA CORP.
(formerly Veta Resources Inc.)

CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEARS ENDED SEPTEMBER 30, 2024 AND 2023

(EXPRESSED IN CANADIAN DOLLARS)

SYNTHEIA
CONVERSATIONAL AI SOLUTIONS

Jones & O'Connell LLP
CHARTERED PROFESSIONAL ACCOUNTANTS

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Independent Auditor's Report

To the Shareholders of Syntheia Corp. (formerly Veta Resources Inc.)

Opinion

We have audited the consolidated financial statements of **Syntheia Corp. (formerly Veta Resources Inc.)** ("the Company"), which comprise the consolidated statement of financial position as at September 30, 2024 and the consolidated statement of loss and comprehensive loss, consolidated statement of changes in shareholders' equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including material accounting policy information.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of **Syntheia Corp. (formerly Veta Resources Inc.)** as at September 30, 2024 and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards.

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 the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matter - Material Uncertainty Related to Going Concern

We draw attention to Note 1 in the consolidated financial statements, which indicates that the company has not yet achieved profitable operations, has a comprehensive loss for the year of $6,290,321, has accumulated losses of $8,012,549 and expects to incur future losses in the development of its business. As stated in Note 1, these events or conditions, along with other matters as set forth in Note 1, indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the Company for the year ended September 30, 2024. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have identified the following key audit matters in addition to the matter described in the Emphasis of Matter - Material Uncertainty Related to Going Concern section of our report.

<u>Evaluation of Intangible Asset for Potential Impairment</u>

Description of the matter
We draw attention to Notes 7 and 8 to the consolidated financial statements. The intangible assets are $2,967,515 and $130,992 respectively as at September 30, 2024. At each reporting date, the Company assesses the recoverable amount of the intangible assets compared to the carrying amount to determine if the asset is impaired. The Company's assessment of the recoverable amount of the asset is a significant management judgment.

Why the matter is a key audit matter
We identified the evaluation of the recoverable amount of the intangible asset as a key audit matter. This matter represented an area of higher assessed risk of material misstatement, which required significant auditor judgment in the evaluation of the results of our procedures.

How the matter was addressed in the audit
The primary procedure we performed to address this key audit matter included the following:
We evaluated the appropriateness of the Company's impairment analysis by assessing the intangible asset recoverable amount in accordance with IAS 36 through the evaulation of the estimated present value of future cash flows.

To the Shareholders of Syntheia Corp. (formerly Veta Resources Inc.) (Continued)

Key Audit Matters (Continued)

Accounting for the Reverse Take Over

Description of the matter

We draw attention to Note 4 which describes the reverse takeover transaction that took place during the year.

Why the matter is a key audit matter

We identified the reverse acquisition accounting to be a key audit matter. This matter represented an area of higher assessed risk of material misstatement, which required significant auditor judgement in evaluation the results of our procedures.

How the matter was addressed in the audit

The primary procedures we performed to address this key audit matter included the following:

We reviewed the requirements under IFRS 3 Business Combinations, with respect to identification of the acquirer for accounting purposes in the acquisition agreement. We then reviewed the requirements under IFRS 3 Business Combinations, with respect to determining whether the acquisition constituted a business combination or an asset acquisition. We then reviewed the requirements under IFRS 2 Share Based Payments and other authoritative guidance with respect to the accounting for the acquisition. We then obtained management's calculation of the fair value of the share and warrant consideration and the corresponding impact on the listing expense recognized, vouching back to supporting documentation Our audit work identified a requirement for such amounts to be adjusted by management.

Other Matter

The consolidated financial statements of the accounting acquirer, **Syntheia Ltd. (formerly MetaWorld Corporation)** which represent the comparative figures presented as at and for the year ended September 30, 2023, were reported on by another auditor who expressed an unmodified opinion on those statements on February 1, 2024.

Information Other than the Consolidated Financial Statements and Auditor's Report Thereon

Management is responsible for other information. Other information comprises the information included in Management's Discussion and Analysis for the year end September 30, 2024, filed with the relevant Canadian Securities Commissions. Our opinion on the consolidated financial statements does not cover the other information and we do not and will not express any form of assurance conclusion thereon. In connection with our audit of the consolidated 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 consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. 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 the auditors' 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 International Financial Reporting Standards 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.

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

To the Shareholders of Syntheia Corp. (formerly Veta Resources Inc.) (Continued)

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 it 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 a part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgement 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 a 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 with the Group 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.

To the Shareholders of Syntheia Corp. (formerly Veta Resources Inc.) (Continued)

Auditor’s Responsibilities for the Audit of the Consolidated Financial Statements (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 Wayne O'Connell.

Jones & O'Connell LLP

Jones & O'Connell LLP
Chartered Professional Accountants
Licensed Public Accountants
St. Catharines, Ontario
January 27, 2025

Jones & O'Connell LLP
CHARTERED PROFESSIONAL ACCOUNTANTS

Syntheia Corp. (formerly Veta Resources Inc.)
Consolidated Statements of Financial Position
As at September 30, 2024 and 2023
(Expressed in Canadian dollars)

	Note	**2024**	2023
		$	$
ASSETS			
Current			
Cash		**2,301,125**	476
Sales tax recoverable		**271,961**	-
Prepaid expenses		**641,881**	-
Investments - fair value through profit or loss	5	**15,000**	-
		3,229,967	476
Non-Current			
Property and equipment	6	**25,262**	13,043
Intellectual property	7	**2,967,515**	2,967,515
Intangible asset	8	**130,992**	-
Right-of-use asset	9	**229,972**	112,486
		3,353,741	3,093,044
		6,583,708	3,093,520

Syntheia Corp. (formerly Veta Resources Inc.)
Consolidated Statements of Financial Position
As at September 30, 2024 and 2023
(Expressed in Canadian dollars)

	Note	**2024**	2023
		$	$
LIABILITIES AND EQUITY			
Current liabilities			
Accounts payable and other liabilities	10	**1,624,010**	244,422
Current portion of lease liability	11	**72,744**	48,101
		1,696,754	292,523
Non-current liabilities			
Lease liability	11	**165,943**	69,643
		1,862,697	362,166
Equity			
Share capital	12	**9,823,163**	4,665,728
Reserves	12	**2,910,397**	43,534
Deficit		**(8,012,549)**	(1,977,908)
		4,721,011	2,731,354
		6,583,708	3,093,520

Nature of operations and going concern (Note 1)

On behalf of the Board of Directors:

/s/ Tony Di Benedetto
Tony Di Benedetto, CEO and Director

/s/ Richard Buzbuzian
Richard Buzbuzian, Director

The accompanying notes to the financial statements are an integral part of these statements.

Syntheia Corp. (formerly Veta Resources Inc.)
Consolidated Statements of Loss and Comprehensive Loss
For the years ended September 30, 2024 and 2023
(Expressed in Canadian dollars)

	Note	**2024**	2023
		$	$
Selling, general, and administrative expenses			
Consulting fees	15	**1,193,555**	1,130,816
Office and general		**47,249**	16,631
Insurance		**493**	-
Filing fees		**49,288**	-
Sales and marketing		**207,441**	93,125
Professional fees		**449,232**	166,116
Salaries and benefits		**128,057**	34,911
Share-based payments	12, 15	**1,121,690**	-
Interest on lease liability	11	**11,931**	11,154
Amortization	6	**1,380**	805
Amortization of right-of-use asset	9	**52,399**	37,496
Total selling, general, and administrative expenses		**3,262,715**	1,491,054
Operating loss		**(3,262,715)**	(1,491,054)
Other expenses (income)			
Unrealized loss on investments	5	**(135,000)**	-
Listing expense	4	**(2,885,485)**	-
Interest income		**43,817**	-
Gain on lease termination		**7,235**	-
Allowance on recoverability of asset		**(58,173)**	-
		(3,027,606)	-
Net loss and comprehensive loss for the period		**(6,290,321)**	(1,491,054)
Loss per share - basic and diluted		**(0.12)**	(0.03)
Weighted average number of common shares outstanding - basic and diluted		**53,639,988**	51,284,685

The accompanying notes to the financial statements are an integral part of these statements.

Syntheia Corp. (formerly Veta Resources Inc.)
Consolidated Statements of Changes in Shareholders' Equity
For the years ended September 30, 2024 and 2023
(Expressed in Canadian dollars)

	Note	Number of Shares	Share Capital $	Reserves $	Deficit $	Total equity $
Balance, October 1, 2023		**48,873,499**	**4,665,728**	**43,534**	**(1,977,908)**	**2,731,354**
Net loss for the period		**-**	**-**	**-**	**(6,290,321)**	**(6,290,321)**
Private placements	**12**	**16,560,133**	**3,378,189**	**1,879,898**	**-**	**5,258,087**
Cost of issuance	**12**	**-**	**(1,033,254)**	**119,991**	**-**	**(913,263)**
Issuance of shares – reverse acquisition	**4, 12**	**12,500,000**	**2,812,500**	**964**	**-**	**2,813,464**
Warrants expired	**12**	**-**	**-**	**(43,389)**	**43,389**	**-**
Share-based payments	**12**	**-**	**-**	**1,121,690**	**-**	**1,121,690**
Cancellation of options	**12**	**-**	**-**	**(212,291)**	**212,291**	**-**
Balance, September 30, 2024		**77,933,632**	**9,823,163**	**2,910,397**	**(8,012,549)**	**4,721,011**

	Note	Number of Shares	Share Capital $	Reserves $	Deficit $	Total equity $
Balance, October 1, 2022		68,301,667	5,909,513	43,389	(486,854)	5,466,048
Net loss for the period		-	-	-	(1,491,054)	(1,491,054)
Private placements, net of costs	12	2,588,500	395,512	-	-	395,512
Issuance of broker warrants	12	-	(145)	145	-	-
Cancellation of shares	7, 12	(23,983,334)	(2,032,485)	-	-	(2,032,485)
Issuance of shares against services		1,966,666	393,333	-	-	393,333
Balance, September 30, 2023		48,873,499	4,665,728	43,534	(1,977,908)	2,731,354

The accompanying notes to the financial statements are an integral part of these statements.

Syntheia Corp. (formerly Veta Resources Inc.)
Consolidated Statements of Cash Flows
For the years ended September 30, 2024 and 2023
(Expressed in Canadian dollars)

	2024	2023
	$	$
Operating activities		
Net loss for the period	**(6,290,321)**	(1,491,054)
Adjustments for:		
Share-based payments	**1,121,690**	-
Listing expense	**2,885,485**	-
Consulting services – settled with shares	**-**	393,333
Unrealized loss on investments	**135,000**	-
Amortization	**1,380**	805
Amortization of right-of-use asset	**52,399**	37,496
Interest on lease liability	**11,931**	11,154
Gain on lease termination	**(7,235)**	-
Changes in non-cash working capital items:		
Sales tax recoverable	**(269,235)**	-
Prepaid expenses	**(639,324)**	59,325
Accounts payable and other liabilities	**1,302,255**	158,100
Cash used in operating activities	**(1,695,975)**	(830,841)
Investing activities		
Acquisition of property and equipment	**(13,599)**	(13,848)
Acquisition of intangible asset	**(130,992)**	-
Purchase of investments	**(150,000)**	-
Cash acquired in the reverse acquisition	**29**	-
Cash used in investing activities	**(294,562)**	(13,848)
Financing activities		
Proceeds from issuance of shares, net of issuance costs	**4,344,824**	395,512
Repayment of lease liability	**(53,638)**	(43,392)
Cash provided from financing activities	**4,291,186**	352,120
Change in cash during the period	**2,300,649**	(492,569)
Cash, beginning of the period	**476**	493,045
Cash, end of the period	**2,301,125**	476

The accompanying notes to the financial statements are an integral part of these statements.

1. REPORTING ENTITY, NATURE OF OPERATIONS AND GOING CONCERN

Syntheia Corp. (the "Company" or "Syntheia"), formerly Veta Resources Inc. up to the completion of the Amalgamation, as defined below, was incorporated on August 18, 2006 under the Canada Business Corporations Act. The registered office of the Company is located at 217 Queen Street West, suite 401, Toronto, ON, M5V 0R2.

The Company is an early-stage AI business, dedicated to offering automated solutions across a range of industries through its use of AI technologies. Syntheia is the parent company of its wholly-owned subsidiary Syntheia Ltd.

<u>Private placement, Amalgamation and reverse takeover</u>

On June 27, 2024, Metaworld Corporation entered into a letter of agreement with Veta Resources Inc., providing for the acquisition by Veta Resources Inc. of all of the issued and outstanding securities of Metaworld Corporation in exchange for securities of Veta Resources Inc. The Transaction was carried out by way of a three-corner amalgamation under the laws of the Province of Ontario pursuant to the terms of an amalgamation agreement dated September 24, 2024 among the Company, Metaworld Corporation and 1000994508 Ontario Inc. ("Subco"), a wholly owned subsidiary of the Company. Metaworld Corporation and Subco amalgamated pursuant to the provisions of the *Business Corporations Act* (Ontario) and the resulting entity from the amalgamation has become a wholly-owned subsidiary of the Company known as Syntheia Ltd. As a condition to the closing of the Transaction, on September 19, 2024 the Company changed its name from Veta Resources Inc. to Syntheia Corp. and consolidated its common shares on a 2.017753 to one basis. On November 18, 2024, Syntheia Corp. and Syntheia Ltd. completed a final amalgamation resulting in a single entity, Syntheia Corp.

On October 2, 2024, the Company began trading on the Canadian Securities Exchange under the symbol "SYAI".

In connection with the Amalgamation, the following transactions occurred:

- On May 16, 2024 and on September 16, 2024, Metaworld Corporation completed two tranches of the Concurrent Financing through the issuance of a total of 11,180,533 Subscription Receipts at a price of $0.35 per Subscription Receipt for aggregate gross proceeds of $3,913,187. Each subscription receipt was exchangeable for one common share and one warrant of Metaworld Corporation and ultimately entitled the holder thereof to one common share and one warrant of Syntheia Corp., upon completion of the Amalgamation.
- The holders of Metaworld Corporation's common shares (including those investors in the Subscription Receipts financing) received one common share of Syntheia Corp., in exchange for each outstanding common share of Metaworld Corporation. Following the share exchange, there were 77,933,632 issued and outstanding common shares of Syntheia Corp. of which the common shareholders of the former Metaworld Corporation controlled a majority.

For accounting purposes, it has been determined that Veta Resources Inc. was the accounting acquiree and Metaworld Corporation was the accounting acquirer as the shareholders of the former Metaworld Corporation now control Syntheia Corp., based upon the guidance in IFRS 3, *Business Combinations*, to identify the accounting acquirer (refer to Note 4). Since Metaworld Corporation is considered the accounting acquirer, these financial statements are prepared as a continuation of the financial statements of Metaworld Corporation. As a result, 2023 comparative information and the information up to date of the Amalgamation included herein is solely that of Metaworld Corporation. For simplicity, transactions undertaken by Metaworld Corporation are referred to as being undertaken by the Company in these financial statements.

1. REPORTING ENTITY, NATURE OF OPERATIONS AND GOING CONCERN (continued)

Going Concern

In the preparation of these financial statements, the Company's management is required to identify when events or conditions indicate that significant doubt may exist about the Company's ability to continue as a going concern. Significant doubt about the Company's ability to continue as a going concern would exist when relevant conditions and events indicate that the Company will not be able to meet its obligations as they become due for a period of at least, but not limited to, twelve months from the end of the reporting period. When the Company identifies conditions or events that raise potential for significant doubt about its ability to continue as a going concern, the Company considers whether its plans that are intended to mitigate those relevant conditions or events will alleviate the potential significant doubt.

As of September 30, 2024, has not yet achieved profitable operations, has significant losses from operations over the years and an accumulated deficit of $8,012,549 since inception and expects to incur further losses in the development of its business. Additionally, the Company incurred a net loss and comprehensive loss of $6,290,321 during the year. The Company plans to raise additional capital; however, the Company may increase or decrease expenditures as necessary to adjust to a changing capital market environment.

The above factors indicate the existence of material uncertainties that may cast significant doubt on the ability of the Company to continue as a going concern.

These financial statements do not include any adjustments that might be necessary if the Company is unable to continue as a going concern. If management is unsuccessful in securing capital, the Company's assets may not be realized, or its liabilities may be discharged at their carrying amounts, and these differences could be material.

2. BASIS OF PREPARATION

2.1 Statement of compliance

The financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and interpretations of the IFRS Interpretations Committee ("IFRIC").

These financial statements were approved and authorized by the Board of Directors of the Company on January 27, 2025.

2.2 Basis of presentation

These financial statements have been prepared on the historical cost basis.

2.3 Basis of consolidation

These consolidated financial statements include the accounts of the Company and those of its subsidiary Syntheia Ltd. The parent controls a subsidiary if it is exposed, or has rights, to variable returns from its involvement with the subsidiary and has the ability to affect those returns through its power over the subsidiary. The Company's subsidiary is 100% owned.

All transactions and balances between companies are eliminated upon consolidation, including unrealized gains and losses on transactions between the companies.

2. BASIS OF PREPARATION (continued)

2.4 Functional and presentation currency

These financial statements are presented in Canadian dollars, which is both the presentation and functional currency of the Company.

2.5 Use of management estimates and judgments

The preparation of financial statements requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, revenues, and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgments about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

A) Significant estimates and judgments made by management in the preparation of these financial statements:

Going concern

The evaluation of the Company's ability to continue as a going concern, to raise additional financing in order to cover its operating expenses and its obligations for the upcoming year requires significant judgment-based assumptions including the probability that future events are considered reasonable according to the circumstances. Please refer to Note 1 for further information.

Intellectual property

Significant estimates and judgements are made in testing the intellectual property for impairment. Management uses estimates or exercises judgment in assessing indicators of impairment, defining a cash generating unit ("CGU"), forecasting future revenue, and in determining other key assumptions such as revenue multipliers used for assessing fair value (less costs of disposal).

Intangible asset

In determining whether or not the criteria for capitalizing the development costs of its platform are met, the Company used its judgment to demonstrate that the requirements were met. The Company believes that some of them are easily justifiable, because the platform is ready to be commercialized. Significant judgments are linked to the evaluation of expenses attributable to the asset during its development in relation to the maintenance costs of its functional part and the technical feasibility of additional functionalities.

Calculation of share-based payments

The Company measures the cost of share-based payments by reference to the fair value of the equity instrument or underlying equity instrument at the date on which they are granted. Estimating fair value for share-based payments requires management to determine the most appropriate valuation model for a grant, which is dependent on the terms and conditions of each grant. The Black-Scholes option pricing model is used to determine the fair value for the stock options and warrants and utilizes assumptions such as stock price, volatility and expected life of the option or contractual life of the warrant. Details of the assumptions used are included in Note 12.

2. BASIS OF PREPARATION (continued)

B) Other estimates and judgments made by management in the preparation of these financial statements:

Inputs when using Black-Scholes valuation model

The estimates used in determining warrant fair values include input variables, including volatility of the Company's stock price, forfeiture rates, estimated lives, and the risk-free interest rate.

3. MATERIAL ACCOUNTING POLICIES

The principal accounting policies applied in the preparation of these financial statements are set out below.

3.1 Cash

The Company's cash is deposited with a major Canadian bank.

3.2 Property and Equipment

Property and equipment are recorded at cost less accumulated depreciation and any impairment in value. When significant parts of property and equipment are required to be replaced in intervals, the Company recognizes such parts as individual assets with specific useful lives and depreciation, respectively.

Depreciation of property and equipment is provided over the remaining useful lives of the assets using the straight-line method, on ten (10) years.

The asset's residual values, depreciation method and useful lives are reviewed annually and adjusted if appropriate. Gains and losses on disposal of property and equipment are recorded in the statement of loss and comprehensive loss in the year of disposal.

3.3 Intangible asset

The intangible asset includes the platform development costs when all the criteria allowing capitalization are respected:

(a) the technical feasibility of completing the intangible asset with a view to putting it into use or selling it;
(b) the intention to complete the intangible asset and put it into use or sell it;
(c) the ability to put into use or sell the intangible asset;
(d) how the intangible asset will generate likely future economic benefits. The Company must demonstrate, among other things, the existence of a market for the production of the intangible asset or for the intangible asset itself or, if it is to be used internally, its usefulness;
(e) the availability of appropriate technical, financial and other resources to complete the development and put into use or sell the intangible asset;
(f) the ability to reliably assess the expenses attributable to the intangible asset during its development.

When no internally generated intangible assets can be recognized, development expenses are expensed in net income in the year in which they are incurred.

3. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

Intangible assets with a definite life are recorded at cost less accumulated amortization and any impairment loss, if applicable. It is depreciated based on its respective useful life using the straight-line method over a period of 5 years.

3.4 Indefinite-lived intangible assets and valuation of intellectual property

Intangible assets with indefinite lives consist of acquired intellectual property, which were measured at the fair value of the equity consideration issued to acquire the assets (see Note 7 for further details). Indefinite-life intangible assets are reviewed for impairment annually or at any time if any indicator of impairment exists. The intellectual property has been deemed to have an indefinite useful life by management given its unlimited time period of intended use as it supports the Company's development and operation of its AI automated solutions.

3.5 Impairment of non-financial assets

At the end of each reporting period, the Company reviews the carrying amounts of its non-financial assets with finite lives to determine whether there is any indication that those assets have suffered an impairment loss. Where such an indication exists, the recoverable amount of the asset is estimated in order to determine the extend of the impairment loss. The recoverable amount is the higher of an asset's fair value less costs to sell or its value in use. In addition, long lived assets that are not amortized are subject to an annual impairment assessment.

3.6 Equity

The Company's common shares and warrants are classified as equity instruments. Incremental costs directly related to the issue of new shares and warrants are shown in equity as a deduction, net of tax, from the proceeds.

3.7 Financial Instruments

A) Financial Assets:

i. Recognition and initial measurement

All financial assets and financial liabilities are initially recognized when the Company becomes a party to the contractual provisions of the instrument.

All financial asset and financial liabilities are initially measured at fair value plus or minus, for an item not at fair value through profit or loss, transaction costs that are directly attributable to its acquisition or issue.

ii. Classification and subsequent measurement

On initial recognition, financial assets are classified and measured based on the business model in which they are held and the characteristics of their contractual cash flows. The primary measurement categories for financial assets are: measured at amortized cost, fair value through other comprehensive income ("FVTOCI") and fair value through profit or loss ("FVTPL").

3. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

A financial asset is measured at amortized cost if it meets both of the following conditions and is not designated as at FVTPL:

– it is held within a business model whose objective is to hold assets to collect contractual cash flows; and

– its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

All financial assets not classified as measured at amortized cost, as described above, or at FVOCI are measured at FVTPL. This includes all derivative financial assets.

The Company recognizes a loss allowance for the expected credit losses associated with its financial assets, other than financial assets measured at fair value through profit or loss. Expected credit losses are measured to reflect a probability-weighted estimate of credit losses, the time value of money, and reasonable and supportable information regarding past events, current conditions and forecasts of future economic conditions.

The Company assesses whether a financial asset is credit-impaired at the reporting date. Regular indicators that a financial instrument is credit-impaired include significant financial difficulties as evidenced through borrowing patterns or observed balances in other accounts and breaches of borrowing contracts such as default events or breaches of borrowing covenants. For financial assets assessed as credit-impaired at the reporting date, the Company continues to recognize a loss allowance equal to lifetime expected credit losses.

For financial assets measured at amortized cost, loss allowances for expected credit losses are presented in the statement of financial position as a deduction from the gross carrying amount of the financial asset. Given the limited exposure of the Company to credit risk, no loss allowance has been recognized as management believes any such impairment will not have a significant impact on the financial statements.

Financial assets are written off when the Company has no reasonable expectations of recovering all or any portion thereof.

B) Financial liabilities – Classification, subsequent measurement and gains and losses

Financial liabilities are classified as measured at amortized cost or FVTPL.

A financial liability is classified as at FVTPL if it is classified as held-for-trading, it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognized in profit or loss.

Other financial liabilities are subsequently measured at amortized cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognized in profit or loss. Any gain or loss on derecognition is also recognized in profit or loss.

3. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

3.8 Fair values

Assets and liabilities that are measured at fair value use inputs which are classified within a hierarchy that prioritizes their significance. The three levels of the fair value hierarchy are:

- Level 1 ("L1") includes quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2 ("L2") includes inputs that are observable other than quoted prices included within L1.
- Level 3 ("L3") includes inputs that are not based on observable market data (supported by little or no market activity).

3.9 Taxation

Income tax expense consisting of current and deferred tax expense is recognized in profit or loss.

Current tax

Current tax expense is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the end of the reporting period, adjusted for amendments to tax payable with regards to previous years. Current tax assets and liabilities 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 by the date of the statement of financial position.

Deferred tax

Deferred tax assets and liabilities and the related deferred income tax expense or recovery are recognized for deferred tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases. Deferred tax assets and liabilities are measured using the enacted or substantively enacted tax rates expected to apply when the asset is realized, or the liability settled. The effect on deferred tax assets and liabilities of a change in tax rates is recognized in income in the period that substantive enactment occurs.

A deferred tax asset is recognized to the extent that it is probable that future taxable income will be available against which the asset can be utilized. To the extent that the Company does not consider it probable that a deferred tax asset will be recovered, the deferred tax asset is reduced.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Company intends to settle its current tax assets and liabilities on a net basis.

3.10 Basic and diluted loss per share

The basic loss per share is computed by dividing the net loss for the period by the weighted average number of common shares outstanding during the period. The diluted loss per share reflects the potential dilution of common share equivalents, such as outstanding stock options or warrants and contingent share consideration, in the weighted average number of common shares outstanding during the period, if dilutive. The "treasury stock method" is used for the assumed proceeds upon the exercise of the options that are used to purchase common shares at the average market price during the year. Shares to be issued have been considered outstanding from the date of their issuance for the purposes of basic loss per share calculations.

3. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

3.11 Leases

At inception of a contract, the Company assesses whether a contract is, or contains, a lease based on whether the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

(i) Right-of-use asset:

The Company recognizes a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use assets are subsequently depreciated from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term using the straight-line method. The lease term includes consideration of an option to renew or to terminate if the Company is reasonably certain to exercise that option. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

(ii) Lease liability:

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Company’s incremental borrowing rate. Generally, the Company uses its incremental borrowing rate as the discount rate.

The Company determines its incremental borrowing rate by obtaining interest rates from external financing sources and makes certain adjustments to reflect the terms of the lease and the type of the asset leased.

Lease payments included in the measurement of the lease liability comprise fixed payments (including in-substance fixed payments), the exercise price under a purchase option that the Company is reasonably certain to exercise, and lease payments in an optional renewal period if the Company is reasonably certain to exercise a renewal option.

The lease liability is measured at amortized cost using the effective interest method. It is remeasured when there is a change in future lease payments arising mainly if the Company changes its assessment of whether it will exercise a purchase, renewal or termination option, or if there is a revised in-substance fixed lease payment.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in statement of income (loss) if the carrying amount of the right-of-use asset has been reduced to zero.

The Company has elected to exclude from lease liabilities low value leases as well as short-term leases, with a term of less than twelve months.

3. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

3.12 Related parties

Parties are considered to be related if one party has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operating decisions. Parties are also considered to be related if they are subject to common control or common significant influence, related parties may be individuals or corporate entities. A transaction is considered to be a related party transaction when there is a transfer of resources or obligations between related parties. Related party transactions that are in the normal course of business and have commercial substance are measured at the exchange amount.

Standards and interpretations not yet adopted

Certain new standards, interpretations and amendments to existing standards issued by the IASB or the International Financial Reporting Interpretations Committee (IFRIC) that are not yet effective up to the date of issuance of the Company's financial statements are listed below.

Amendments to IAS 8 and IFRS 16, Lease liability in a Sale and Leaseback
The amendments are effective for annual periods beginning on or after January 1, 2024. Early adoption is permitted. The amendments introduce a new accounting model which impacts how a seller-lessee accounts for variable lease payments that arise in a sale-and-leaseback transaction. The amendments clarify that:

- on initial recognition, the seller-lessee includes variable lease payments when it measures a lease liability arising from a sale-and-leaseback transaction.
- after initial recognition, the seller-lessee applies the general requirements for subsequent accounting of the lease liability such that it recognizes no gain or loss relating to the right of use it retains.

The amendments need to be applied retrospectively, which require seller-lessees to reassess and potentially restate sale-and-leaseback transactions entered into since implementation of IFRS 16 in 2019. The Company is assessing the impact of adopting this amendment on its financial statements.

Amendments to IFRS 9, Amendments to the Classification and Measurement of Financial Instruments
The amendments are effective for annual periods beginning on or after January 1, 2026. Early adoption is permitted. The amendments to the application guidance of IFRS 9 permit an entity to deem a financial liability (or part of it) that will be settled in cash using an electronic payment system to be discharged before the settlement date if specified criteria are met. An entity that elects to apply the derecognition option would be required to apply it to all settlements made through the same electronic payment system. The Company is assessing the impact of adopting this amendment on its financial statements.

3. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

Amendments to IFRS 18, Presentation and Disclosure in Financial Statements
On April 9, 2024, the IASB issued IFRS 18 Presentation and Disclosure in Financial Statements to improve reporting of financial performance. IFRS 18 replaces IAS 1 Presentation of Financial Statements. It carries forward many requirements from IAS 1 unchanged.

The new Accounting Standard introduces significant changes to the structure of a company's income statement, more discipline and transparency in presentation of management's own performance measures (commonly referred to as 'non-GAAP measures'), and less aggregation of items into large, single numbers.

The main impacts of the new Accounting Standard include:

- Introducing a newly defined 'operating profit' subtotal and a requirement for all income and expenses to be allocated between three new distinct categories based on a company's main business activities (i.e. operating, investing and financing);
- Requiring disclosure about management performance measures (MPMs); and
- Adding new principles for aggregation and disaggregation of information.

IFRS 18 applies for annual reporting periods beginning on or after January 1, 2027. Earlier application is permitted. The extent of the impact of adoption of this new IFRS has not yet been determined and the Company has not determined if it would adopt by anticipation.

4. REVERSE ACQUISITION ACCOUNTING

On September 24, 2024, Metaworld Corporation ("Meta") completed an acquisition with Veta Resources Inc. ("Veta"), pursuant to an agreement signed on June 27, 2024. Meta and Veta carried out this acquisition by way of a three cornered amalgamation whereby Meta amalgamated with 10000994508 Ontario Inc. (a 100% wholly owned subsidiary of Veta) and formed one Company Syntheia Ltd. (a 100% wholly owned subsidiary of Veta). Upon the amalgamation taking effect, Meta's shareholders received (1) Veta common share for each (1) Meta Share (the "Exchange Ratio"). Immediately following the transaction, 84% of shares were owned by the former shareholders of Meta and 16% were owned by the shareholders of Veta.

As Veta does not meet the definition of a business under *IFRS 3, Business Combinations*, the acquisition of Veta was accounted for under *IFRS 2, Share Based Payment*. Under a reverse acquisition accounting, any difference in the fair value of the consideration and the fair value of Veta's net asset acquired is recorded as a listing expense charge in the statement of loss and comprehensive loss. The result of listing expense was as follows:

(Expressed in Canadian dollars)

4. REVERSE ACQUISITION ACCOUNTING (continued)

	2024
	$
Common share consideration	
# of common shares assumed to be issued to Veta shareholders	12,500,000
Fair value of common shares	0.225
	2,812,500
# of warrants assumed to be issued to Veta shareholders	46,475
Fair value of warrants	0.02074
Fair value of warrants	**964**
Total consideration	**2,813,464**
Veta's net liabilities at fair value	
Cash	29
Prepaid expense	2,557
Sales tax recoverable	2,726
Accounts payable and accrued liabilities	(77,333)
Veta's net liabilities at fair value	**(72,021)**
Excess (listing expense)	**2,885,485**

5. INVESTMENTS

Marketable Securities

The Company's marketable securities comprise of investments in common shares of a Canadian public company. The Company designates its investments in common shares as FVTPL.

	2024	2023
	$	$
Balance, beginning of the period	**-**	-
Additions	**150,000**	-
Unrealized loss in FVTPL	**(135,000)**	-
Balance, end of the period	**15,000**	-

(Expressed in Canadian dollars)

5. INVESTMENTS (continued)

The fair values and costs of the marketable securities are as follows:

	2024	2023
	$	$
Fair value		
Common shares of a public company	**15,000**	-
Fair value	**15,000**	-
Cost	**150,000**	-

Stock Trend Capital Inc.

In December 2023, the Company acquired 3,000,000 common shares of Stock Trend Capital Inc. ("PUMP") at an aggregate subscription price of $0.05, as part of a private placement. As of September 30, 2024, PUMP shares were valued at $15,000 based on the published market price as at September 30, 2024. During the year ended September 30, 2024, the Company recorded an unrealized loss on investment through profit and loss of $135,000 (2023 - $Nil). Stock Trend Capital Inc. and Syntheia Corp. have a common director.

6. PROPERTY AND EQUIPMENT

	Office furniture & equipment
Cost	**$**
Balance – October 1, 2023	**13,848**
Acquisition	**13,599**
Balance – September 30, 2024	**27,447**
Accumulated amortization	
Balance – October 1, 2023	**805**
Amortization	**1,380**
Balance – September 30, 2024	**2,185**
Carrying value, September 30, 2024	**25,262**

(Expressed in Canadian dollars)

6. PROPERTY AND EQUIPMENT (continued)

Cost	Office furniture & equipment $
Balance – October 1, 2022	-
Acquisition	**13,848**
Balance – September 30, 2023	**13,848**
Accumulated amortization	
Balance – October 1, 2022	-
Amortization	**805**
Balance – September 30, 2023	**805**
Carrying value, September 30, 2023	**13,043**

The office furniture & equipment are amortized using the straight-line method, on ten (10) years of useful life.

7. INTELLECTUAL PROPERTY

On December 17, 2021, the Company entered into an intellectual property assignment agreement with a group of vendors with respect to certain digital asset technology involving the design and creation of non-fungible tokens, issuing 59,000,000 common shares in exchange. Included in the group of vendors were three directors of the Company who were issued 9,000,000 shares each in exchange for their respective share of ownership of the intellectual property acquired.

The fair value of the intellectual property was based on three possible cash flow forecast scenarios, which were then probability weighted and valued using a Monte Carlo simulation. The result was a $5,000,000 value assigned to the intellectual property.

The transaction has been accounted for as an asset acquisition as it does not meet the definition of a business acquisition as per IFRS 3.

During the year ended September 30, 2023, some assets included in the intellectual property assignment agreement were returned to some vendors, in exchange for cancellation of their shares. As a result, 23,983,334 shares were cancelled and the value of the intellectual property was reduced for an amount of $2,032,485, resulting a remaining balance of $2,967,515 value assigned to the intellectual property.

As of September 30, 2024, the Company performed its annual impairment test on this indefinite-life intangible asset. With no significant changes to inputs from the independent valuation above, the estimated recoverable amount exceeded the carrying amount and no impairment was recorded.

(Expressed in Canadian dollars)

8. INTANGIBLE ASSET

	Agent NLP platform
Cost	**$**
Balance – October 1, 2023	**-**
Acquisition	**130,992**
Balance – September 30, 2024	**130,992**
Accumulated amortization	
Balance – October 1, 2023	**-**
Amortization	**-**
Balance – September 30, 2024	**-**
Carrying value, September 30, 2024	**130,992**

No amortization was recorded during the year ended September 30, 2024 as the platform was not yet ready for commercialization.

9. RIGHT-OF-USE ASSET

During the year ended September 30, 2023, the Company recognized a right-of-use asset for its offices with a corresponding lease liability (Note 11), following the signature of a lease on January 1, 2023, which are initially measured at the present value of the future lease payments.

The Company recognized a new right-of-use asset with a corresponding lease liability (Note 11) following the signature of a new lease on September 1, 2024, which are initially measured at the present value of the future lease payments.

	Total
	$
Balance – October 1, 2022	**-**
New lease	**149,982**
Depreciation	**(37,496)**
Balance – September 30, 2023	**112,486**
Depreciation on original lease	**(45,828)**
Balance as at August 31, 2024	**66,658**
Disposal of right-of-use asset	**(66,658)**
Additions to right-of-use asset	**236,543**
Depreciation on new lease	**(6,571)**
Balance – September 30, 2024	**229,972**

(Expressed in Canadian dollars)

10. ACCOUNTS PAYABLE AND OTHER LIABILITIES

	2024	2023
	$	$
Accounts payable	**1,566,455**	228,376
Net salaries payable	**-**	3,141
Withholding salaries remittance	**57,555**	12,925
	1,624,010	244,442

All amounts in accounts payable are due within one year.

11. LEASE LIABILITY

In order to calculate the present value of the future lease payments, the Company has used a discount rate of 12% which represents the Company's interest rate that would need to be provided if it issues a debenture given the present risk level of the Company and the underlying asset. The present value of the future lease payments was calculated from January 1, 2023, the signing date of the lease agreement, for a term of more than twelve months. This lease liability was derecognized following the signature of a new agreement on September 1, 2024 for a term of more than twelve months. Changes to the Company's lease liabilities for years ended September 30, 2024 and 2023 are as follows:

	Total
	$
Balance – October 1, 2022	**-**
New lease	**149,982**
Repayment of lease obligation	**(43,392)**
Interest on lease liability	**11,154**
Balance – September 30, 2023	**117,744**
Repayment of original lease obligation	**(53,638)**
Interest on original lease liability	**9,787**
Balance – August 31, 2024	**73,893**
Derecognition of lease liability	**(73,893)**
New lease	**236,543**
Interest payment on new lease	**2,144**
Balance – September 30, 2024	**238,687**
Current lease liability	**72,744**
Non-current lease liability	**165,943**

Contractual undiscounted cash flow for lease liabilities:

	2024	2023
	$	$
Less than one year	97,333	58,534
One to four years	181,067	74,354
More than four years	-	-
Total undiscounted cash flows	**278,400**	132,888

(Expressed in Canadian dollars)

11. LEASE LIABILITY (continued)

Amounts recognized in net earnings:

	2024	2023
	$	$
Interest on lease liability	**11,931**	11,154
	11,931	11,154

12. SHAREHOLDERS' EQUITY

a) Share Capital Authorized

The Company is authorized to issue an unlimited number of common shares.

b) Movements in the company's share capital are as follows:

		Number of Shares	**Amount $**
Balance, September 30, 2023		48,873,499	4,665,728
Private placements, net of costs	(v), (vi)	16,560,133	2,344,935
Shares issued on reverse acquisition (Note 4)	(vii)	12,500,000	2,812,500
Balance, September 30, 2024		77,933,632	9,823,163

		Number of Shares	**Amount $**
Balance, September 30, 2022		68,301,667	5,909,513
Private placements, net of costs	(i), (ii)	2,588,500	395,367
Cancellation of shares	(iii)	(23,983,334)	(2,032,485)
Issuance of shares against services	(iv)	1,966,666	393,333
Balance, September 30, 2023		48,873,499	4,665,728

(i) On December 8, 2022, the Company closed two tranches of a private placement, issuing 1,000,000 common shares and 33,500 shares, respectively (1,033,500 shares in aggregate) at $0.15 per share for $150,000 and $5,025, respectively ($155,025 in aggregate). Cash costs consisted of finder's fees and commissions and totaled $70,513. As part of the private placement, the Company also issued 2,345 broker warrants.

(ii) On December 19, 2022, the Company closed a private placement, issuing 1,555,000 common shares at $0.20 per share for $311,000.

12. SHAREHOLDERS' EQUITY (continued)

(iii) During December 2022, some assets included in the intellectual property assignment agreement were returned to some vendors, in exchange for cancellation of their shares. As a result, 23,983,334 shares were cancelled for a value of $2,032,485.

(iv) On September 1, 2023, the Company issued 1,966,666 as a signing bonus of a consulting services agreement.

(v) Between October 2023 and April 2024, the Company issued 5,379,600 units in twelve tranches which comprise one common share and one warrant at an agreed price of $0.25 per unit for gross proceeds of $1,344,900. The common shares were recorded at $852,696 and share issuance costs amounted to $136,187. The warrants were recorded in warrants reserve at the value attributed to them at the time of the issuance of the units being $492,204.

(vi) On September 24, 2024, the Company issued 11,180,533 units which comprise one common share and one warrant at an agreed price of $0.35 per unit for gross proceeds of $3,913,187. The common shares were recorded at $2,525,493 and share issuance costs amounted to $777,076. The warrants were recorded in warrants reserve at the value attributed to them at the time of the issuance of the units being $1,387,694. As part of the private placement, the Company issued 867,443 agent warrants, which comprise one common share and one warrant of the Company. These agent warrants were recorded in warrants reserve at the value attributed to them at the time of the issuance of the units being $119,991.

(vii) In connection with the reverse acquisition, the Company issued 12,500,000 common shares in consideration of Veta's net asset for a deemed value of $2,812,500 (refer to Note 4)

c) ***Warrants***

In connection with the private placement closed on June 20, 2022, the Company issued 700,000 broker warrants exercisable at $0.25 for a period of two years. The fair value on grant date was estimated to be $43,389 using a Black-Scholes pricing model, based on the following assumptions: underlying share price of $0.15 per share, expected annualized volatility of 100%; risk free interest rate of 3.30%; expected dividend yield of 0%; and expected life of 2 years.

In connection with the private placement closed on December 8, 2022, the Company issued 2,345 broker warrants exercisable at $0.25 for a period of two years. The fair value on grant date was estimated to be $145 using a Black-Scholes pricing model, based on the following assumptions: underlying share price of $0.15 per share, expected annualized volatility of 100%; risk free interest rate of 3.30%; expected dividend yield of 0%; and expected life of 2 years.

In connection with the private placement closed between October 2023 and April 2024, the Company issued a total of 5,379,600 exercisable at $0.35 for a period of two years. These warrants were recorded in warrant reserve at the value attributed to them at the time of their issuance, totalizing $492,204. The fair value was estimated using a Black-Scholes pricing model, based on the following assumptions: underlying share price of $0.16 per share, expected annualized volatility between 144% and 147%; risk free interest rate between 3.79% and 4.76%; expected dividend yield of 0%; and expected life of 2 years.

(Expressed in Canadian dollars)

12. SHAREHOLDERS' EQUITY (continued)

In connection with the private placement closed on September 24, 2024, the Company issued a total of 11,180,533 warrants exercisable at $0.50 for a period of two years. These warrants were recorded in warrant reserve at the value attributed to them at the time of their issuance, totalizing $1,387,694. The fair value was estimated using a Black-Scholes pricing model, based on the following assumptions: underlying share price of $0.225 per share, expected annualized volatility of 140%; risk free interest rate of 2.85%; expected dividend yield of 0%; and expected life of 2 years. The Company also issued a total of 867,443 agent warrants exercisable at $0.35 for a period of two years. These warrants were recorded in warrant reserve at the value attributed to them at the time of their issuance, totalizing $119,991. The fair value was estimated using a Black-Scholes pricing model, based on the following assumptions: underlying share price of $0.225 per share, expected annualized volatility of 140%; risk free interest rate of 2.85%; expected dividend yield of 0%; and expected life of 2 years.

The continuity of outstanding share warrants is as follows:

	Number of warrants	Weighted average exercise price per share $
Balance – September 30, 2022	700,000	0.25
Issued	2,345	0.25
Balance – September 30, 2023	702,345	0.25
Issued	17,474,051	0.56
Expired	(700,000)	0.25
Balance – September 30, 2024	**17,476,396**	**0.56**

All warrants outstanding are exercisable upon issuance. The following table provides additional information about outstanding share warrants as at September 30, 2024:

Exercise price	No. of Warrants Outstanding	Weighted Average Remaining Life (Years)
$0.25	**2,345**	0.19
$0.35	**6,247,043**	1.31
$0.50	**11,180,533**	1.98
$40.36	**4,243**	2.98
$56.49	**42,232**	2.98
$0.56	**17,476,396**	1.74

(Expressed in Canadian dollars)

12. SHAREHOLDERS' EQUITY (continued)

d) ***Options***

The Company has a stock option plan (the "Plan") under which the Company may grant options to directors, officers, employees and consultants. The number of shares to be reserved and set aside for issue under this plan is determined from time to time by the Board. The continuity of outstanding stock options is as follows:

	Number of stock options	Weighted average exercise price per share $
Balance – September 30, 2023	-	-
Granted	9,550,000	0.25
Cancelled	(1,800,000)	0.25
Balance – September 30, 2024	**7,750,000**	**0.25**

On November 29, 2023, the Company granted 7,000,000 options to certain directors, officers, employees and consultants. Each option vests at grant date. One option allows the holder to purchase one common share of the Company at an exercise price of $0.25 per common share for a period of 3 years. The weighted average fair value of the options granted during the period of $0.1179 per option was estimated at the grant date based on the Black-Scholes valuation model using the following assumption: underlying share price of $0.16 per share, expected annualized volatility of 143%; risk free interest rate of 3.87%; expected dividend yield of 0%; and expected life of 3 years. 1,800,000 of these options were cancelled on July 2, 2024.

On April 4, 2024, the Company granted 2,550,000 options to certain directors, officers, employees and consultants. Each option vests at grant date. One option allows the holder to purchase one common share of the Company at an exercise price of $0.25 per common share for a period of 3 years. The weighted average fair value of the options granted during the period of $0.1161 per option was estimated at the grant date based on the Black-Scholes valuation model using the following assumption: underlying share price of $0.16 per share, expected annualized volatility of 140%; risk free interest rate of 3.76%; expected dividend yield of 0%; and expected life of 3 years.

The total expense recognized in profit or loss for the year ended September 30, 2024 amounts to $1,121,690 (2023 - $Nil).

The following table provides additional information about outstanding stock options as at September 30, 2024:

Exercise price	No. of Options Outstanding	Weighted Average Remaining Life (Years)
$0.25	**7,750,000**	2.28

(Expressed in Canadian dollars)

12. SHAREHOLDERS' EQUITY (continued)

e) ***Reserves***

The option and warrant reserve accounts have been created to record the offsetting credits of the share-based payment expenses relating to the issuance of stock options and warrants.

	Options $	Warrants $	Total $
Balance, September 30, 2022	-	43,389	43,389
Issuance of broker warrants	-	145	145
Balance, September 30, 2023	**-**	**43,534**	**43,534**
Private placement warrants (Note 12(c))	-	1,999,889	1,999,889
Warrants – reverse acquisition (Note 4)	-	964	964
Warrants expired	-	(43,389)	(43,389)
Share-based payment expense of the period	1,121,690	-	1,121,690
Cancellation of options	(212,291)	-	(212,291)
Balance, September 30, 2024	**909,399**	**2,000,998**	**2,910,397**

13. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

The carrying value of cash, restricted cash, accounts payable and accrued liabilities, loan and subscription receipts in escrow approximate their fair values due to the relatively short-term maturities of these financial instruments. The following table presents the classification, measurement subsequent to initial recognition, carrying values and fair values (where applicable) of financial assets and liabilities.

Classification	Measurement	**Carrying Value September 30, 2024 $**	**Fair Value September 30, 2024 $**	Carrying Value September 30, 2023 $	Fair Value September 30, 2023 $
Financial Assets					
Cash	FVTPL	**2,301,125**	**2,301,125**	476	476
Investments	FVTPL	**15,000**	**15,000**	-	-
		2,316,125	**2,316,125**	476	476
Financial Liabilities					
Accounts payable and other liabilities	Amortized cost	**1,624,010**	**1,624,010**	244,422	244,422
Lease liability	Amortized cost	**238,687**	**238,687**	117,744	117,744
		1,862,697	**1,862,697**	362,166	362,166

13. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (continued)

The Company is exposed to the following risks by virtue of its activities:

Credit Risk
Credit risk is the risk of loss associated with a counterparty's inability to fulfil its payment obligations. The Company's credit risk is primarily attributable to cash. The Company has no significant concentration of credit risk arising from operations. Cash consists of cash at banks. The cash has been invested and held with reputable financial institutions, from which management believes the risk of loss to be remote.

None of the Company's financial assets are secured by collateral or other credit enhancements. The Company determined that there were no financial assets that were impaired.

Liquidity Risk
Liquidity risk refers to the risk that the Company will not be able to meet its financial obligations as they become due or can only do so at excessive cost. The Company's liquidity and operating results may be adversely affected if the Company's access to the capital market is hindered, whether as a result of a downturn in stock market conditions generally or as a result of conditions specific to the Company. As at September 30, 2024, the Company did not have sufficient cash to settle current liabilities. The Company regularly evaluates its cash position to ensure preservation and security of capital as well as maintenance of liquidity. As the Company does not generate revenue, managing liquidity risk is dependent upon the ability to secure additional financing, controlling expenses, and preserving cash.

Most of the Company's financial liabilities have contractual maturities of less than 30 days and are subject to normal trade terms, except the lease liability that have contractual cash flows for more than two years (refer to Note 11).

Market Risk
Market risk is the risk of loss that may arise from changes in market factors such as interest rates, foreign exchange rates, and commodity and equity prices.

Interest rate risk
The Company has cash balances and regularly monitors its cash management policy. As a result, the Company is not subject to significant interest rate risk.

Foreign currency risk
The Company's functional currency is the Canadian dollar, and it transacts major purchases primarily in Canadian dollars. Management believes the foreign exchange risk derived from currency conversions is minimal, and therefore does not hedge its foreign exchange risk.

(Expressed in Canadian dollars)

14. CAPITAL MANAGEMENT

The Company manages its capital with the following objectives:

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

The Company monitors its capital structure and adjusts 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, contributed surplus, and deficit. The Company manages capital through its financial and operational forecasting processes. The Company reviews its working capital and forecasts its future cash flows based on operating expenditures, and other investing and financing activities. The forecast is updated based on activities related to its operations. Information is provided to the Board of Directors of the Company. The Company is not subject to externally imposed capital requirements. The Company's capital management objectives, policies and processes have remained unchanged during the year ended September 30, 2024.

15. RELATED PARTY TRANSACTIONS AND KEY MANAGEMENT COMPENSATION

The Company defines key management as the Company's Directors and Officers of the Company.

Compensation awarded to key management includes the following:

	2024	2023
	$	$
Consulting fees paid to current and former directors and officers	**777,000**	931,013
Finder's fees to directors	**340,000**	70,161
Marketing fees to a Company controlled by a director	**60,000**	-
Rent to a Company controlled by a director	**61,104**	43,392
Share-based payments – options	**812,148**	-
Total compensation to key management	**2,050,252**	1,044,566

On September 1, 2023, 1,966,666 shares were issued to an officer as a signing bonus of a consulting services agreement.

On December 20, 2023, 1,200,000 common shares were issued to a corporation which has a common director with the Company, for gross proceeds of $300,000.

On July 2, 2024, 1,800,000 options granted to directors and officers were cancelled. These options were attributed a fair value of $212,291.

(Expressed in Canadian dollars)

15. RELATED PARTY TRANSACTIONS AND KEY MANAGEMENT COMPENSATION (continued)

Balances owed to key management include the following:
As at September 30, 2024, included in accounts payable and accrued liabilities is $449,831 ($149,497 as at September 30, 2023) with respect to finder's fees, rent and expenses reimbursement owed to directors and officers.

16. INCOME TAXES

The Income tax expense varies from the amount that would be computed by applying the basic federal and provincial tax rates to income (loss) from operations before income taxes, shown as follows:

	2024 **$**	2023 $
Loss for the year	**(6,290,321)**	(1,491,054)
Statutory tax rate	**26.5%**	26.5%
Expected income tax recovery	**(1,666,935)**	(395,129)
Permanent differences	**1,073,524**	-
Change in unrecognized deductible temporary differences	**593,411**	395,129
Income tax recovery	**-**	-

The significant components of the Company's deferred tax assets are as follows:

Deferred income tax assets:	**2024** **$**	2023 $
Non-capital losses available for future periods	**1,142,000**	**1,404,564**
Share issuance costs deduction	**190,000**	**-**
Other deductible items	**27,000**	**-**
Unrecognized deferred income tax assets	**(1,359,000)**	**(1,404,564)**
Net deferred income tax assets	**-**	**-**

The Deferred tax assets are recognized to the extent that it is probable that the taxable income will be available against which the deductible temporary differences and the carry-forward of unused tax credits and unused tax losses can be utilized.

The Company has the following Canadian non-capital losses available to reduce future years' federal and provincial taxable income, which expire as follows:

	Total **$**
2042	**486,854**
2043	**1,498,839**
2044	**2,232,611**
	4,309,304