CYBEATS TECHNOLOGIES CORP.
CONSOLIDATED ANNUAL FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022
(Expressed in Canadian Dollars)

Dated February 3, 2025

INDEX

Jones & O'Connell LLP
CHARTERED PROFESSIONAL ACCOUNTANTS

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Independent Auditor's Report

To the Shareholders of Cybeats Technologies Corp.

Opinion

We have audited the consolidated financial statements of **Cybeats Technologies Corp.** ("the Company"), which comprise the statements of financial position as at December 31, 2023 and December 31, 2022 and the statements of loss and comprehensive loss, statements of changes in shareholders' equity and statements of cash flows for the years then ended, and notes to financial statements, including material accounting policy information.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of **Cybeats Technologies Corp.** as at December 31, 2023 and December 31, 2022 and its financial performance and its cash flows for the years then ended in accordance with International Financial Reporting Standards.

Basis for Opinion

We conducted our audits 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 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 a working capital deficiency of $2,998,135 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.

Emphasis of Matter - Comparative Figures

We draw attention to Note 18, which indicates that the amounts shown for comparative purposes as at and for the year ended December 31, 2022 have been restated from amounts previously presented by the Company as approved by the Board of Directors on April 28, 2023. In addition, further disclosures have been added to Note 18, with respect to the restatement of the amounts shown for comparative figures as at and for the year ended December 31, 2022, to dislcosures previously made by the Company in its December 31, 2023 financial statements, as approved by the Board of Directors on June 28, 2024.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audits of the consolidated financial statements of the Company for the years ended December 31, 2023 and December 31, 2022. These matters were addressed in the context of our audits of the consolidated financial statements as a whole, and in forming our opinions thereon, and we do not provide a separate opinion on these matters. In addition to the matter described in the Emphasis of Matter - Material Uncertainty Related to Going Concern section of our report, we have identified the following other key audit matters.

<u>Restatement of Comparative Figures</u>

Description of the matter

We identified issues with respect to the accuracy of the original assessment and calculations in relation to the accounting for the acquisition agreement described in Note 16 and other corrections as outlined in Note 18.

Why the matter is a key audit matter

We identified the accuracy of accounting for the acquisition and other restatements to be a key audit matter given the pervasiveness of the effects of the accounting for the acquisition agreement and other corrections on the December 31, 2022 balances.

To the Shareholders of Cybeats Technologies Corp. (Continued)

Key Audit Matters (Continued)

Restatement of Comparative Figures (Continued)

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 management's identification of the acquirer for accounting purposes in the acquisition agreement. We then reviewed the requirements under IFRS 3 Business Combinations, with respect to management's determination as to 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. Once that analysis was completed, we reviewed calculations with respect to the impact of the analysis of the acquisition on the previously presented figures for the December 31, 2022 year end. In addition we reviewed other corrections identified back to supporting documentation and assessed the adequacy of disclosure of the restatements on the previously presented figures for the December 31, 2022 year end.

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 ended December 31, 2023 and December 31, 2022, 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 audits 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 audits or otherwise appears to be materially misstated. We obtained Management's Discussion and Analysis prior to the date of this auditor's report. If, based on the work we have performed on this other information, we conclude that there is a material misstatement of this other information, we are required to report that fact in 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.

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.

To the Shareholders of Cybeats Technologies Corp. (Continued)

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements (Continued)

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

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as 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 condition 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.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated 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
February 1, 2025

Jones & O'Connell LLP
CHARTERED PROFESSIONAL ACCOUNTANTS

CYBEATS

CYBEATS TECHNOLOGIES CORP.
CONSOLIDATED ANNUAL STATEMENTS OF FINANCIAL POSITION
(Audited - Expressed in Canadian dollars)

As at		December 31, 2023		December 31, 2022 *(Note 18)*
Assets				
Current Assets				
Cash and cash equivalents	$	35,700	$	193,258
Accounts receivable		204,505		398,878
Prepaid expenses		1,211,327		99,022
HST receivable		165,014		224,381
Due from related parties (note 13)		151,289		8,497
		1,767,835		924,035
Non-current Assets				
Property, plant and equipment (note 5)		10,592		19,316
Right-of-use asset (note 6)		84,656		181,454
Total Assets	$	1,863,083	$	1,124,805
Liabilities				
Current Liabilities				
Accounts payable and accrued liabilities (note 7)	$	1,861,094	$	1,937,545
Current portion of lease payable (note 9)		90,745		106,019
Due to Scryb Inc. (note 13)		-		558,119
Due to related parties (note 13)		1,029,899		-
Short term debt (note 8)		1,368,208		-
Deferred revenue		416,024		491,154
		4,765,970		3,092,837
Long-Term Debt				
Lease payable (note 9)		-		86,492
		-		86,492
Total Liabilities		4,765,970		3,179,329
Shareholders' equity				
Share capital (note 11 (a), (b))		21,944,839		15,865,831
Warrant reserve		4,594,490		2,711,084
Share based payment reserve		4,916,199		3,537,434
Contributed surplus		148,069		-
Deficit		(34,506,485)		(24,168,871)
Total Shareholders' Equity		(2,902,887)		(2,054,523)
Total Liabilities and Shareholders' Equity	$	1,863,083	$	1,124,805

Note 1 - Nature of Operations and Going Concern
Note 17 - Subsequent Events
Note 18 - Restatement of Comparative Figures

APPROVED ON BEHALF OF THE BOARD OF DIRECTORS

"Justin Leger"
Chief Executive Officer

"Michael Minder"
Director

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

CYBEATS

CYBEATS TECHNOLOGIES CORP.
CONSOLIDATED ANNUAL STATEMENTS OF LOSS AND COMPREHENSIVE LOSS
FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022
(Audited - Expressed in Canadian dollars)

	Twelve months ended			
		December 31, 2023		December 31, 2022 (Note 18)
Revenue				
Product Sales	$	1,172,747	$	147,954
Total Revenues		1,172,747		147,954
Commissions and bonuses		50,207		202,073
Gross Profit		1,122,541		(54,118)
Expenses				
Advertising and promotion		1,455,830		679,321
Computer and software		237,395		192,207
Depreciation		108,021		109,889
Filing Fees		84,691		-
Insurance		8,849		7,701
Interest and bank charges		136,744		97,627
Meals and entertainment		75,779		43,655
Office and general		14,437		83,204
Product development		1,021,320		1,011,528
Professional fees		176,690		197,390
Repairs and maintenance		2,184		27,545
Salary and wages		5,565,113		6,274,519
Share based compensation		2,001,201		3,537,434
Shareholder communications and marketing		356,026		120,210
Travel expense		182,621		193,962
Total Expenses	$	11,426,902	$	12,576,191
Net loss for the period	$	(10,304,361)	$	(12,630,309)
Other Expenses				
Reverse takeover costs (Note 16)		-		7,523,240
Foreign currency loss		-		-
Unrealized (gain) on foreign currency exchange		33,251		22,587
Net income (loss) and comprehensive loss for the period	$	(10,337,612)	$	(20,176,137)
Income (loss) per share				
Basic and diluted	$	(0.11)	$	(0.97)
Weighted average number of common shares outstanding, basic and diluted		97,731,924		20,819,226

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

CYBEATS TECHNOLOGIES CORP.
CONSOLIDATED ANNUAL STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY
FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022
(Expressed in Canadian dollars)

	Capital Stock		Class Seed 1 - Preferred Shares		Class Seed 2 - Preferred Shares		Class Seed 3 - Preferred Shares		Warrant Reserve	Share-Based Payment Reserve	Contributed Surplus	Deficit	Total Equity
	Number of shares	$	Number of shares	$	Number of shares	$	Number of shares	$	$	$	$	$	$
Balance - January 1, 2022	9,208,817	9,303	359,832	36	3,267,002	543,660	5,997,221	2,547,808	-	-	-	(3,992,734)	(891,927)
Share Cancellation and reissuance of shares and warrants	50,791,183	2,299,608	(359,832)	(36)	(3,267,002)	(543,660)	(5,997,221)	(2,547,808)	791,896	-	-	-	-
Reverse takeover	15,517,139	6,529,612	-	-	-	-	-	-	601,521	-	-	-	7,131,133
Shares issued for private placement	16,734,800	7,042,179	-	-	-	-	-	-	1,325,221	-	-	-	8,367,400
Share issuance costs	-	(150,710)	-	-	-	-	-	-	8,284	-	-	-	(142,426)
Shares issued on the exercise of warrants (note 12 (a))	200,000	135,838	-	-	-	-	-	-	(15,838)	-	-	-	120,000
Share-based compensation (note 12 (b))	-	-	-	-	-		-	-	-	3,537,434	-	-	3,537,434
Total comprehensive loss	-	-	-	-	-	-	-	-	-	-	-	(20,176,137)	(20,176,137)
Balance - December 31, 2022	**92,451,939**	**15,865,830**	**-**	**-**	**-**	**-**	**-**	**-**	**2,711,084**	**3,537,434**	**-**	**(24,168,871)**	**(2,054,523)**
Balance - January 1, 2023	92,451,939	15,865,830	-	-	-	-	-	-	2,711,084	3,537,434	-	(24,168,871)	(2,054,523)
Units issued for cash, net of issuance costs	6,221,000	4,271,805	-	-	-	-	-	-	1,949,195	-	-	-	6,221,000
Share issuance costs - Units	9,600	6,781	-	-	-	-	-	-	2,819	-	-	-	9,600
Share issuance costs	-	(147,731)	-	-	-	-	-	-	18,678	-	-	-	(129,053)
Shares issued on the exercise of warrants	1,068,000	676,286	-	-	-	-	-	-	(87,286)	-	-	-	589,000
Shares issued on the exercise of options	1,595,000	1,271,867	-	-	-	-	-	-	-	(474,367)	-	-	797,500
Share-based compensation	-	-	-	-	-	-	-	-	-	2,001,201	-	-	2,001,201
Expired warrants and options	-	-	-	-	-	-	-	-	-	(148,069)	148,069	-	-
Total comprehensive loss	-	-	-	-	-	-	-	-	-	-	-	(10,337,612)	(10,337,612)
Balance - December 31, 2023	**101,345,539**	**21,944,838**	**-**	**-**	**-**	**-**	**-**	**-**	**4,594,490**	**4,916,199**	**148,069**	**(34,506,485)**	**(2,902,887)**

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

CYBEATS

CYBEATS TECHNOLOGIES CORP.
CONSOLIDATED ANNUAL STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022
(Audited - Expressed in Canadian dollars)

		December 31, 2023		December 31, 2022
				(Note 18)
Cash flows from (used in) operating activities				
Net loss and comprehensive loss for the period	**$**	**(10,337,612)**	$	(20,176,137)
Items not affecting cash from operations:				
Depreciation		**108,021**		109,889
Reverse takeover		**-**		7,523,240
Share based compensation		**2,001,201**		3,537,434
Changes in non-cash working capital items:				
Amounts receivable		**194,373**		(398,878)
Prepaid expenses		**(1,112,305)**		(64,573)
HST receivable		**59,367**		(119,066)
Accounts payable and accrued liabilities		**(76,451)**		1,811,690
Increase (decrease) in deferred revenue		**(75,130)**		491,154
Increase in lease payable		**-**		-
Net cash used in operating activities		**(9,238,535)**		(7,285,247)
Cash flows from (used in) investing activities				
Purchase of property, plant and equipment		**(2,499)**		(21,034)
Cash obtained on reverse takeover		**-**		40,463
Payments made on behalf of Pima Zinc Corp. in reverse takeover		**-**		(338,832)
(Increase) in due from related parties		**(142,792)**		(8,497)
Net cash from (used in) investing activities		**(145,291)**		(327,900)
Cash flows from (used in) financing activities				
Repayment on due to Scryb Inc.		**(558,119)**		(459,473)
Advances from related parties		**1,029,899**		-
Short term debt		**1,368,208**		-
Proceeds from warrant exercise		**589,000**		120,000
Proceeds from option exercise		**797,500**		-
Net payment on leases		**(101,766)**		(91,169)
Proceeds from private placement, net of issue costs		**6,101,546**		8,224,974
Net cash from financing activities		**9,226,268**		7,794,332
Increase in cash for the year		**(157,558)**		181,185
Cash - beginning of period		**193,258**		12,073
Cash - end of period	**$**	**35,700**	$	193,258

Note 19 - Business and Comparative Figures

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

1. Nature of Operations and Going Concern

Cybeats Technologies Corp. ("Cybeats" or "the Company"), formerly Pima Zinc. Corp. was incorporated under the laws of the State of Idaho in 1916. After several decades of dormancy, the Company reorganized in 1997 as an exploration stage company focused on evaluating, acquiring and exploring mineral prospects with potential for economic deposits. In 2011, the Company was re-domiciled to the Cayman Islands. The Company filed a continuation application to continue out of the Cayman Islands under the provisions of the of the *Companies Law* (2020 Revision) and into the Province of British Columbia under the provisions of the *Business Corporations* Act (British Columbia) (the "Continuance"). The Continuance became effective on June 25, 2021. Pima Corp. changed its name to Cybeats Technologies Corp. on November 9, 2022. The principal business address of the Company is 65 International Blvd, Suite 202, Etobicoke, Ontario M9W 6L9.

On November 11, 2022, Cybeats completed the acquisition of Cybeats Technologies Inc., which was incorporated in Ontario on September 20, 2016 as 2537478 Ontario Ltd., through the amalgamation of Cybeats Technologies Inc., and 2635212 Ontario Inc. as described in Note 15. As described in Note 16, Cybeats Technologies Inc. was identified as the acquirer for accounting purposes. As such, the Company is considered to be a continuation of the business and operations of Cybeats Technologies Inc.

Cybeats mission is to offer software product developers unparalleled cybersecurity from design phase throughout the commercial life cycle following a secure-by-design approach for software.

The Company's ability to continue as a going concern is dependent upon the need to both manage expenditures and to raise additional funds. The Company is experiencing, and has experienced, negative operating cash flows and has working capital deficit of $2,998,135 as at December 31, 2023 (December 31, 2022 working capital deficit - $2,168,801). The Company will continue to search for new or alternate sources of financing in order to continue development of its products. These material uncertainties cast significant doubt on the Company's ability to continue as a going concern.

There can be no assurance that the Company will be able to continue to raise funds when required in which case the Company may be unable to meet its obligations. Should the Company be unable to realize on its assets and discharge its liabilities in the normal course of business, the net realizable value of its assets may be materially less than the amounts recorded on the statement of financial position.

2. Basis of Presentation

Statement of Compliance

These financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB"). The annual consolidated financial statements of the Company for the year ended December 31, 2023 were approved and authorized for issue by the Board of Directors on February 1, 2025.

Basis of Measurement

These financial statements have been prepared on the historical cost basis except for items recorded at fair value. In addition, these financial statements have been prepared using the accrual basis of accounting, except for cash flow information.

Functional and Presentation Currency

The financial statements are presented in Canadian dollars, which is also the Company's functional currency.

3. Material Accounting Policy Information

The following accounting policies have been applied consistently to all periods presented in these financial statements:

a) Impairment

At each financial position reporting date, the carrying amounts of the Company's long-lived assets are reviewed to determine whether there is any indication that those assets are impaired at a cash generating unit level. If any such indication exists, the recoverable amount of the cash generating unit is estimated in order to determine the extent of the impairment, if any. The recoverable amount is the higher of fair value less costs to sell and value in use, which is the present value of future cash flows expected to be derived. If the recoverable amount is estimated to be less than its carrying amount, the carrying amount is reduced to its recoverable amount and the impairment loss is recognized in the profit or loss for the period.

Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset (or cash generating unit) in prior years. A reversal of an impairment loss is recognized immediately in profit or loss.

b) Research and development costs

Costs associated with the development of the Company's products are capitalized where the following criteria are met:

- the technical feasibility of completing the intangible asset so it will be available for use or sale;
- its intention to complete and its ability to use or sell the assets;
- how the asset will generate future economic benefits;
- the availability of resources to complete the asset; and
- the ability to measure reliably of the expenditure during development.

The Company did not incur other research and development costs in the period.

c) Foreign currency translation

The Company's functional and presentation currency is the Canadian dollar. Foreign currency transactions are initially recorded in the functional currency at the transaction date exchange rate. At closing date, monetary assets and liabilities denominated in a foreign currency are translated into the functional currency at the closing date exchange rate, and non-monetary assets and liabilities at the historical rates. Exchange differences arising on the settlement of monetary items or on translating monetary items at rates different from those at which they were translated on initial recognition during the period or in previous financial statements are recognized in profit or loss.

d) Financial Instruments

Financial assets and financial liabilities are recognized at fair value when the Company becomes a party to the contractual provisions of the financial instrument.

Under IFRS 9, financial assets are classified and measured based on the business model in which they are held and the characteristics of their contractual cash flows. IFRS 9 contains the primary measurement categories for financial assets: measured at amortized cost, fair value through other comprehensive income ("FVTOCI") and fair value through profit and loss ("FVTPL").

Below is a summary showing the classification and measurement basis of financial instruments;

Asset or Liability	Category	Measurement
Cash	FVTPL	Fair Value
Accounts receivable	FVTPL	Fair Value
Accounts payable and accrued liabilities	Other liabilities	Amortized Cost
Lease payable	Other liabilities	Amortized Cost
Due from related parties	Other liabilities	Amortized Cost
Due to related parties	Other liabilities	Amortized Cost
Short-term debt	Other liabilities	Amortized Cost

Financial Assets

Financial assets are classified as either financial assets at FVTPL, amortized cost, or FVTOCI. The Company determines the classification of its financial assets at initial recognition.

i. Financial assets recorded at FVTPL

Financial assets are classified as FVTPL if they do not meet the criteria of amortized cost of FVTOCI. Gains or losses on these items are recognized in profit or loss. The Company's cash and cash equivalents are classified as financial assets measured at FVTPL.

ii. Amortized Cost

Financial assets are classified as measured at amortized cost if both of the following criteria are met and the financial assets are not designated as at FVTPL: 1) the object of the Company's business model for these financial assets is to collect their contractual cash flows; and 2) the asset's contractual cash flows represent "solely payments of principal and interest".

Financial Liabilities

Financial liabilities are classified as either financial liabilities at FVTPL or at amortized cost. The Company determines the classification of its financial liabilities at initial recognition.

i. Amortized Cost

Financial liabilities are classified as measured at amortized cost unless they fall into one of the following categories: financial liabilities at FVTPL, financial liabilities that arise when a transfer of a financial asset does not qualify for derecognition, financial guarantee contracts, commitments to provide a loan at a below-market interest rate, or contingent consideration recognized by an acquirer in a business combination.

The Company's accounts payable, accrued liabilities, and lease payable do not fall into any of the exemptions and are therefore classified as measured at amortized cost.

ii. Financial Liabilities recorded at FVTPL

Financial liabilities are classified as FVTPL if they fall into one of the five exemptions detailed above.

Transaction Costs

Transaction costs associated with financial instruments, carried at FVTPL, are expensed as incurred, while transaction costs associated with all other financial instruments are included in the initial carrying amount of the asset or the liability.

Subsequent Measurement

Instruments classified as FVTPL are measured at fair value with unrealized gains and losses recognized in profit or loss. Instruments classified as amortized cost are measured at amortized cost using the effective interest rate method. Instruments classified as FVTOCI are measured at fair value with unrealized gains and losses recognized in other comprehensive income.

Derecognition

The Company derecognizes financial liabilities only when its obligations under the financial liabilities are discharged, cancelled, or expired. The difference between the carrying amount of the financial liability derecognized and the consideration paid and payable, including any non-cash assets transferred or liabilities assumed, is recognized in profit or loss.

Expected credit loss impairment model

IFRS 9 introduced a single expected credit loss impairment model, which is based on changes in credit quality since initial application. The adoption of the expected credit loss impairment model had no impact on the Company's financial statements.

The Company assumes that the credit risk on a financial asset has increased significantly if it is more than 30 days past due. The Company considers a financial asset to be in default when the borrower is unlikely to pay its credit obligations to the Company in full or when the financial asset is more than 90 days past due.

The carrying amount of a financial asset is written off (either partially or in full) to the extent that there is no realistic prospect of recovery. This is generally the case when the Company determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off.

Financial instruments at fair value through profit and loss

Financial instruments recorded at fair value on the statements of financial position are classified using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

Level 1 – valuation based on quoted prices (unadjusted) in active markets for identical assets or liabilities

Level 2 – valuation techniques based on inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices); and

Level 3 – valuation techniques using inputs for the asset or liability that are not based on observable market date (unobservable inputs)

Cash is measured at fair value using Level 1 inputs.

As at December 31, 2023, the fair value of the financial liabilities approximates the carrying value, due to the short-term nature of the instruments.

e) Revenue Recognition

Revenue from contracts with customers are based on *IFRS 15: Revenue from Contracts with Customers* and revenue is recognized when it has satisfied its performance obligation to the customers over time or at a single point in time. The company transfers control of a good or service over time, and therefore satisfies a performance obligation and recognizes revenue over time. Revenue is recognized at a point in time when customers obtain control of the product. Interest income is recognized on a time-proportion basis using the effective interest method.

f) Property, Plant, and Equipment

Property, plant and equipment is stated at historical cost less accumulated depreciation and accumulated impairment losses.

Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognized. All other repairs and maintenance are charged to the statement of loss and comprehensive loss during the financial period in which they are incurred.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognized in profit or loss in the period.

Amortization is calculated on a declining balance basis at the following annual rates:

Furniture and Fixtures	20%
Computer equipment	55%

g) Income Taxes

Income tax on profit or loss for the year comprises of current and deferred tax. Current tax is the expected tax paid or payable on the taxable income for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax paid or payable in respect of previous years.

Deferred tax is recorded using the liability method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. A deferred tax asset is recognized only to the extent that it is probable that future taxable profits will be available against which the asset can be utilized. Deferred tax assets are reduced to the extent that it is no longer probable that the related tax benefit will be realized. The effect on deferred income tax assets and liabilities of a change in income tax rates is recognized in the period that includes the date of the enactment or substantive enactment of the change. Deferred tax assets and liabilities are presented separately except where there is a right of set off within fiscal jurisdictions.

h) Basic and Diluted Income (Loss) per Share

Basic income (loss) per share has been calculated using the weighted average number of common shares outstanding during the year. Diluted income (loss) per share has been calculated using the weighted average number of common shares that would have been outstanding during the respective period had all of the stock options and warrants outstanding at year end having a dilutive effect been converted into shares at the beginning of the year and the proceeds used to repurchase the Company's common shares at the average market price for the year.

i) Comprehensive Income (Loss)

Comprehensive income (loss) consists of net income (loss) and other comprehensive income (loss) and represents the change in shareholders' equity which results from transactions and events from sources other than the Company's shareholders. Income or loss from an investment in associate is included in other comprehensive income (loss). Accumulated other comprehensive income (net of income taxes) is included on the statements of financial position as a component of common shareholders' equity.

j) Cash and cash Equivalents

Cash consists of cash on hand, deposits in banks and funds held in short term deposits.

k) Leases

All leases are accounted for by recognizing a right-of-use asset and a lease liability except for leases of low value assets and leases with a duration of twelve months or less. Lease liabilities are measured at the present value of the contractual payments due to the lessor over the term of the lease with the discount rate determined by using the incremental borrowing rate on commencement of the lease. Right-of-use assets are amortized on a straight-line basis over the remaining term of the lease or over the remaining economic life of the asset if this is judged to be shorter than the remaining lease term.

l) Valuation of Units on Private Placement

The valuation of units issued under private placements is determined based on the issue price of the units. Each unit typically comprises a common share and an associated common share purchase warrant. The associated common share purchase warrants issued as part of the private placements are valued using the Black-Scholes option pricing model. This model takes into account several factors, including the market price of the underlying common shares, the exercise price of the warrants, the expected volatility of the share price, the risk-free interest rate, and the expected life of the warrants. The fair value of the warrants is calculated at the time of issuance and is subsequently used in the financial statements to reflect the value of the equity component of the units.

m) Basis of Consolidation

These consolidated financial statements as at and for the year ended December 31, 2023 include the accounts of the Company and its wholly-owned and controlled operating subsidiary Cybeats Technologies Inc. and its inactive subsidiaries 1139432 B.C. Ltd and 1139432 Nevada Ltd..

These consolidated financial statements as at and for the year ended December 31, 2022 include the accounts of the Company and its inactive subsidiaries 1139432 B.C. Ltd and 1139432 Nevada Ltd.. as at December 31, 2022 and for the period November 11, 2022 to December 31, 2022 and the accounts of its wholly-owned and controlled operating subsidiary Cybeats Technologies Inc. as at and for the year ended December 31, 2022, whose was identified as the acquirer in the acquisition described in Note 16.

The financial statements of its subsidiaries are included in the audited consolidated financial statements from the date that control commences until the date that control ceases. All significant inter-company transactions and balances have been eliminated on consolidation. All references to the Company should be treated as references to the Company and its subsidiaries.

n) Share-Based Payments

Share-based payment transactions

Employees (including directors and senior executives) and consultants of the Company receive a portion of their remuneration in the form of share-based payment transactions, whereby employees render services as consideration for equity instruments (“equity-settled transactions”).

In situations where equity instruments are issued and some or all of the goods or services received by the entity as consideration cannot be specifically identified, they are measured at fair value of the share-based payment.

Equity-settled transactions

The costs of equity-settled transactions with employees are measured by reference to the fair value of the equity instrument at the date on which they are granted.

The costs of equity-settled transactions are recognized, together with a corresponding increase in equity, over the period in which the performance and/or service conditions are fulfilled, ending on the date on which the relevant employees become fully entitled to the award (the “vesting date”). The cumulative expense is recognized for equity-settled transactions at each reporting date until the vesting date reflects the Company’s best estimate of the number of equity instruments that will ultimately vest. The profit or loss charge or credit for a period represents the movement in cumulative expense recognized as at the beginning and end of that period and the corresponding amount is represented in share based payment reserve. No expense is recognized for awards that do not ultimately vest, except for awards where vesting is conditional upon a market condition, which are treated as vesting irrespective of whether or not the market condition is satisfied provided that all other performance and/or service conditions are satisfied.

Where the terms of an equity-settled award are modified, the minimum expense recognized is the expense as if the terms had not been modified. An additional expense is recognized for any modification which increases the total fair value of the share-based payment arrangement, or is otherwise beneficial to the employee as measured at the date of modification.

o) Related Party Transactions

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.

(Audited - Expressed in Canadian dollars)

4. Significant Accounting Judgements and Estimates

The preparation of these financial statements in conformity with IFRS requires that management make estimates and assumptions about future events that affect the amounts reported in the financial statements and related notes to the annual consolidated financial statements. Actual results may differ from those estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected.

(i) Critical accounting estimates

Critical accounting estimates are estimates and assumptions made by management that may result in a material adjustment to the carrying amount of assets and liabilities within the next financial year and are, but are not limited to, the following:

Useful life of intangible assets - Management has exercised their judgment in determining the useful life of its patents, patent applications and research and development costs. The estimate is based on the expected period of benefit of the patent and the expected life of the product in the marketplace.

(ii) Critical accounting judgments

Information about critical judgments in applying accounting policies that have the most significant effect on the amounts recognized in the financial statements are, but are not limited to, the following:

Determination of functional currency - In accordance with IAS 21, The Effects of Changes in Foreign Exchange Rates, management has determined that the functional currency of the Company is the Canadian dollar.

Evaluation of going concern - The preparation of the financial statements requires management to make judgments regarding the going concern of the Company. Management has determined the Company is a going concern.

Income taxes - Management has exercised their judgment in determining the provision for future income taxes. The judgment is based on the Company's current understanding of the tax law as it relates to the transactions and activities entered into by the Company.

5. Property, Plant and Equipment

Property, plant and equipment as at December 31, 2023 consists of the following:

			December 31, 2023	**December 31, 2022**
				Note 18
	Cost	**Accum. Amort.**	**Net Book Value**	**Net Book Value**
Furniture and fixtures	8,394	(4,835)	3,558	4,533
Computers	44,426	(37,393)	7,033	14,783
	52,820	**(42,228)**	**10,592**	**19,316**

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6. Right-of-use Asset

Right-of-use assets consist of the lease for the Company's office is amortized over a period of 34 months and its development space is amortized over a period of 32 months.

	December 31, 2023	December 31, 2022 *Note 18*
Opening Balance	**181,454**	**-**
Additions	-	283,679
Depreciation	(96,798)	(102,225)
Ending Balance	**84,656**	**181,454**

7. Accounts Payable and Accrued Liabilities

Accounts payable and accrued liabilities as at December 31, 2023 consists of the following:

	December 31, 2023	December 31, 2022 *Note 18*
Trade payables	1,678,692	818,639
Accrued liabilities	182,402	1,118,905
	1,861,094	1,937,545

8. Advances Payable

At December 31, 2023 the Company has a payable to related parties of $1,029,899 (December 31, 2022 – receivable of $8,497). The Company obtained short term advances payable in the amount of $1.37M (December 31, 2022 – nil) from select individuals where each individual is not related to the entity. The advances are short term in nature.

Interest bearing advances amounted to $100,000 each payable in 3 years from the date of the respective agreements, with interest bearing 15% per annum. As of December 31, 2023, interest payable for interest bearing advances amount to $1,933.

Non-interest-bearing advances amounted to $776,000 due 60 days from the date of the respective agreements have subsequently been extended to become due upon completion of future equity financing.

9. Lease Payable

Lease payable at December 31, 2023 of $90,745 (December 31, 2022 - $192,511) is comprised of the following leases:

i) On January 7, 2022 the Company signed a property lease for a term of commencing on January 1, 2022 and expiring on October 31, 2024. During the year ended December 31, 2023 the Company made total payments of $80,217 of which $3,212 consisted of interest. The lease payable balance as at December 31, 2023 is $68,537 (December 31, 2022 - $145,542) of which 68,537 (December 31, 2022 - $80,217) is current.
ii) On March 1, 2022 the Company signed a property lease for a term commencing on March 1, 2022 and expiring on October 31, 2024. During the year ended December 31, 2023 the Company made total payments of $25,802 of which $1,040 consisted of

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interest. The lease payable balance as of December 31, 2023 is $22,207 (December 31, 2022 - $48,049) of which $22,207 (December 31, 2022 - $25,802) is current.

The outstanding lease payable balance for the right of use assets is presented as follows:

	Unit 103	Unit 206	Total
January 1, 2022	-	-	-
Additions	217,274	66,406	283,679
Interest	5,515	1,420	6,935
Payments	(77,246)	(20,858)	(98,104)
December 31, 2022 - *Note 18*	**145,542**	**46,969**	**192,511**
Interest	3,212	1,040	4,252
Payments	(80,217)	(25,802)	(106,019)
December 31, 2023	**68,537**	**22,207**	**90,745**

10. Reconciliation of Income Taxes

Income tax expense differs from the amount that would be computed by applying the federal and provincial income tax rates of 26.50% (2022 – 26.50%) to income before income taxes. The reasons for the differences and the related tax effects are as follows:

	December 31, 2023	December 31, 2022 *Note 18*
Tax at applicable tax rate of 26.5%	**(2,739,467)**	(5,346,676)
Permanent differences	**540,359**	2,913,943
Temporary differences	**2,199,108**	2,432,733
Income tax expense	**-**	-

Significant components of deductible and taxable temporary differences, unused tax losses and unused tax credits that have not been included on the statement of financial position are as follows:

	December 31, 2023	December 31, 2022 *Note 18*
Share issuance costs	103,242	-
CCA in excess of NBV	28,992	39,735
	$ 132,234	$ 39,735

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 these items because it is not probable that future taxable profit will be available against which the Company can utilize the benefits there from. Non-capital loss carry-forwards expire as rated in the table below. Share issuance costs will be fully amortized in 2027. The remaining deductible temporary differences may be carried forward indefinitely.

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At December 31, 2023 the Company has un-utilized non-capital loss carry forwards of $21,027,360 which will expire as follows:

2036	5,813
2037	265,524
2038	210,732
2039	1,438,266
2040	27,161
2041	247,854
2042	10,597,367
2043	8,234,643
	21,027,360

11. Share Capital

(a) Common Shares

Authorized

The authorized capital stock of the Company consists of an unlimited number of common shares.

Issued and Outstanding

Balance December 31, 2021	**9,208,817**
Share cancellation and reissuance of shares on reverse takeover acquisition (i)	50,791,183
Share issue - Pima Zinc (ii)	15,517,139
Private placement - Subco (iii)	16,734,800
Exercise of Warrants (iv)	200,000
Balance December 31, 2022	**92,451,939**
Shares issued on private placement (v)	6,230,600
Shares issued on the exercise of options (vi)	1,595,000
Shares issued on the exercise of warrants (vii)	1,068,000
Balance December 31, 2023	**101,345,539**

(i) As part of the reverse takeover acquisition described in Note 16, the former shareholders of Cybeats Technologies Inc. were issued 60,000,000 common shares. The 50,791,183 common shares bring the outstanding total of common shares of the former Cybeats Technologies Inc. shareholders up to this 60,000,000 common share amount;

(ii) As part of the reverse takeover acquisition described in Note 16, Cybeats Technologies Inc. as the acquirer was deemed to issue 15,517,139 common shares to the former shareholders of the company previously known as Pima Zinc Inc. at a value of $6,529,612;

(iii) As part of the reverse takeover acquisition described in Note 16, the company issued 16,734,800 units comprised of one common share and one common share purchase warrant in exchange for the 16,734,800 units comprised of one common share and one common share purchase warrants issued by 2635212 Ontario Inc. for total consideration of $8,367,400. Each Warrant shall entitle the holder thereof to acquire one Common Share at a price of $0.60 per Common Share for a period of 18 months following the completion of the acquisition. Out of this consideration $1,325,221 was allocated to the warrants and $7,042,179 to the common shares.;

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(iv) During the year-ended December 31, 2022, 200,000 common shares were issued in connection with the exercise of 200,000 warrants at an exercise price of $0.60 for gross proceeds of $120,000;

(v) The Company closed a non-brokered private placement financing for gross proceeds of $6,230,600 through the issuance of 6,230,600 Units (each "Unit") at a price of $1.00 per unit. Each Unit is comprised of: (i) one common share in the capital of the Company (each a "Common Share"); (ii) one Common Share purchase warrant (each, a "Warrant). Each whole Warrant entitles the holder to purchase one additional Common Share at an exercise price of $1.40 on or before 24 months from the date of issuance;

(vi) During the year ended December 31, 2023, 1,595,000 common shares were issued in connection with the exercise of 1,595,000 options at an average exercise price of $0.50 for gross proceeds of $797,500;

(vii) During the year ended December 31, 2023, 1,068,000 common shares were issued in connection with the exercise of 1,068,000 warrants at an average exercise price of $0.55 for gross proceeds of $589,000.

(b) Stock option plan and share-based compensation

The Company has a stock option plan under which it is authorized to grant options to directors, employees and consultants enabling them to acquire up to 20% of the issued and outstanding common shares of the Company. Under the plan, the exercise price of each option equals the market price, minimum price, or a discounted price of the Company's shares as calculated on the date of grant. The options can be granted for a maximum term of 10 years.

The following table summarizes activity within the Company’s stock option plan during the year:

	Number of Options Outstanding	Black-Scholes Value	Weighted Average Exercise Price
Balance at beginning of the year, January 1, 2022	-	-	$ -
Stock Options issued during the year (i)	18,450,000	3,537,434	0.50
Balance at end of the year, December 31, 2022 - *Note 18*	**18,450,000**	**3,537,434**	**$ 0.50**
Previously issued stock options vesting amortization	-	1,616,621	-
Stock Options issued during the year (ii)	440,000	384,580	1.35
Exercised during the year (iii)	(1,595,000)	(474,367)	0.50
Cancelled during the year	(575,000)	(148,069)	0.50
Balance at end of the year, December 31, 2023	**16,720,000**	**4,916,199**	**$ 0.52**

(i) On December 11, 2022, the Company announced that it has granted an aggregate of 18,450,000 options to purchase common shares of the Company with an estimated fair value of $5,487,196 exercisable at a price of $0.50 per common share, expiring on November 11, 2027, vesting at various times between December 31, 2022 and December 31, 2024 to certain directors, employees, officers and consultants of the Company;

ii) On May 16, 2023, the Company announced that it has granted an aggregate of 440,000 options to purchase common shares of the Company with an estimated fair value of $384,580 exercisable at a price of $1.35 per common share, expiring on May 16, 2028, 280,000 vesting immediately and 160,000 vesting at various times between December 31, 2023 and December 31, 2024, to certain directors, employees, officers and consultants of the Company;

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iii) 1,595,000 stock options were issued during the year at an exercise price of $0.50 for total proceeds of $797,500.

The following common share purchase options are outstanding at December 31, 2023:

Date of Grant	Number of Options Outstanding	Exercise Price	Weighted average remaining life (years)	Expiry Date	Number of Options exercisable
November 11, 2022	16,280,000	0.500	3.87	November 11, 2027	13,280,300
May 16, 2023	440,000	1.350	4.38	May 16, 2028	360,000
	16,720,000	**0.522**	**3.88**		**13,640,300**

Share based compensation during the December 31, 2023 fiscal year totaled $2,001,201 (2022 - $3,537,434).

The fair value of options granted during the period ended December 31, 2023 was estimated at the date of grant using a Black Scholes Option Pricing Model with the following assumptions.

	May 16, 2023	November 11, 2022
Share price	$1.35	$0.50
Risk-free interest rate	2.98%	3.22%
Expected life of options	5 years	5 years
Annualized volatility	94.00%	94.00%
Dividend rate	Nil	Nil
Forfeiture rate	0%	0%

(c) Warrants

The following table summarizes warrants that have been issued, exercised or expired during the year ended December 31, 2023:

	Number of Warrants Outstanding	Black-Scholes Value	Weighted Average Exercise Price
Balance at beginning of the year, January 1, 2022	-	$ -	$ -
Warrants issued on reverse takeover (note 16)	10,000,000	791,895.54	0.60
Warrants issued on reverse takeover (note 16)	7,125,000	601,521.34	0.50
Warrants issued on private placement (note 11a) iii)	16,534,800	1,325,221.00	0.60
Broker warrants issued on private placement	80,000	8,283.50	0.50
Exercised during the year (note 11 a) iv)	(200,000)	(15,838.00)	0.50
Balance at end of the year, December 31, 2022 - *Note 18*	**33,539,800**	**$ 2,711,083**	**$ 0.50**
Warrants issued on private placement (note 11a) iv)	6,230,600	1,952,014	1.40
Broker warrants issued on private placement	55,600	18,678	1.40
Exercised during the year (note 11 a) vii)	(1,068,000)	(87,285)	0.50
Balance - December 31, 2023	**38,758,000**	**$ 4,594,490**	**$ 0.71**

The fair value of warrants granted during the year ended December 31, 2023, was estimated at the date of grant using a Black Scholes Option Pricing Model with the following assumptions:

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	Investor and Broker Warrants May 2023	Investor and Broker Warrants April 2023	Investor and Broker Warrants November 2022	Investor and Broker Warrants November 2022
Share price	$1.40	$1.00	$0.60	$0.50
Risk-free interest rate	3.72%	3.45%	3.88%	4.38%
Time to maturity - years	2.0 years	2.0 years	1.5 years	1.5 years
Annualized volatility	61.0%	61.0%	60.0%	63.0%
Dividend yield	Nil	Nil	Nil	Nil

On November 11, 2022, as part of the reverse takeover, the Company issued an aggregate of 7,125,000 warrants at an exercise price of $0.50 with the expiry date of April 21, 2024.

On November 11, 2022, the Company issued an aggregate of 26,814,800 warrants at an exercise price of $0.60 due to expire in 18 months, with the expiry date of May 11, 2024.

On November 11, 2022, 200,000 warrants were exercised at an exercise price of $0.60.

On April 6, 2023, the Company issued an aggregate of 2,118,100 warrants at an exercise price of $1.40 due to expire in 24 months, with the expiry date of April 6, 2025.

On May 10, 2023, the Company issued an aggregate of 4,112,500 warrants at an exercise price of $1.40 due to expire in 24 months, with the expiry date of May 10, 2025.

During the year ended December 31, 2023, 1,068,000 warrants were exercised at an average exercise price of $0.55.

As at December 31, 2023 there were 38,958,000 warrants outstanding.

12. Related Party Transactions and Balances

At December 31, 2023 the Company has a payable to related parties of $1,029,899 (December 31, 2022 – receivable of $8,497). These advances are non-interest bearing and due upon completion of future equity financing.

At December 31, 2023, the Company has a balance due from Scryb Inc. of $151,359 (December 31, 2022 – balance due to Scryb $558,119).

During the year ended, December 31, 2023, $2,861,296 (December 31, 2023 -$2,038,850) was due to key management and companies controlled by or related to key management. As of December 31, 2023, $293,904 remains owing to these related parties.

Remuneration of key management of the Company was as follows:

		December 31, 2023		December 31, 2022
				Note 18
Share based compensation		**2,001,201**		3,537,434
Consulting and management fees		**860,095**		619,870
	$	**2,861,296**	$	4,157,304

13. Due To and From Related Parties

Amounts payable and amounts receivable from related parties, are non-interest bearing, unsecured and have no specific terms of repayment.

14. Management of Capital

The Company manages its capital structure and makes adjustments to it, based on the funds available to the Company, in order to support the development of its business. The Board of Directors does not establish quantitative return on capital criteria for management, but rather relies on the expertise of the Company's management to sustain future development of the business. The Company defines capital to include its shareholders' equity. In order to carry out the planned development of its business and pay for administrative costs, the Company will spend its existing working capital and raise additional funds as needed. Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company, is reasonable.

There were no changes in the Company's approach to capital management during the year ended December 31, 2023. The Company is not subject to externally imposed capital requirements.

The Company considers its capital to be shareholders' equity, which is comprised of capital stock, reserves, and accumulated deficit, which as at December 31, 2023 totaled a deficiency $2,902,887 (December 31, 2022 – $2,054,523).

The Company's objective when managing capital is to obtain adequate levels of funding to support the development of its business and to obtain corporate and administrative functions necessary to support organizational functioning.

The Company raises capital, as necessary, to meet its needs and take advantage of perceived opportunities and, therefore, does not have a numeric target for its capital structure. Funds are primarily secured through equity capital raised by way of private placements. There can be no assurance that the Company will be able to continue raising equity capital in this manner.

15. Financial Risk Factors

The Company manages its exposure to a number of different financial risks arising from its operations as well as its use of financial instruments including market risks, credit risk and liquidity risk through its risk management strategy.

The objective of the strategy is to support the delivery of the Company's financial targets while protecting its future financial security and flexibility.

Financial risks are primarily managed and monitored through operating and financing activities and, if required. The financial risks are evaluated regularly with due consideration to changes in the key economic indicators and up-to-date market information.

The Company's financial instruments primarily consist of cash. The fair value of the Company's accounts payable and accrued liabilities approximates their carrying value, due to their short-term maturities or ability of prompt liquidation.

The Company's cash is recorded at fair value, under the fair value hierarchy, based on level one quoted prices in active markets for identical assets of liabilities. The Company is exposed in varying degrees to a variety of financial instrument related risks.

Market Risk

Market risk is the risk or uncertainty arising from possible market price movements and their impact on the future performance of the business. These market risks are evaluated by monitoring changes in key economic indicators and market information on an on-going basis.

(i) Interest Rate Risk

The Company has cash balances and is not at a significant risk to fluctuating interest rates. The Company's current policy is to invest excess cash in investment-grade short-term deposit certificates issued by its banking institutions. The Company periodically monitors the investments it makes and is satisfied with the credit ratings of its banks. The Company monitors the credit worthiness of the debtor and is satisfied with the debtor's ability to repay the amount owing.

(ii) Foreign currency risk

As at December 31, 2023 the Company's expenditures are predominantly in Canadian dollars, and any future equity raised is expected to be predominantly in Canadian dollars and therefore is not at a significant risk to fluctuating exchange risks.

Liquidity Risk

Liquidity risk encompasses the risk that a company cannot meet its financial obligations in full. The Company's main source of liquidity is derived from its common stock issuances. These funds are primarily used to finance working capital, operating expenses, capital expenditures, and acquisitions. The Company manages its liquidity risk by regularly monitoring its cash flows from operating activities and holding adequate amounts of cash and cash equivalents. As at December 31, 2023 the Company held cash and cash equivalents in banks of $35,700 (December 31, 2022 - $193,258) to settle current liabilities of $4,765,970 (December 31, 2022 - $3,092,837).

Credit Risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. Financial instruments that potentially subject the Company to credit risk consist of cash. The Company has reduced its credit risk by investing its cash in trust with Canadian chartered banks.

16. Reverse Takeover

On November 11, 2022, Scryb Inc. controlled 100% of its shares in Cybeats Technologies Inc. Subsequent to the reverse takeover transaction, Scryb sold all of its issued and outstanding common shares in the capital of Cybeats Technologies Inc. and received 60,000,000 shares of Pima Zinc Corp., representing a controlling interest, which was then subsequently renamed to Cybeats Technologies Corp. via a three-cornered amalgamation agreement with Pima Zinc Corp., 2635212 Ontario Inc. (a corporation formed solely for the purpose of facilitating the acquisition) and Scryb Inc..

For accounting purposes, Cybeats Technologies Inc. is identified as the accounting acquirer because the former shareholder of Cybeats Technologies Inc. obtained control of the company through the issuance of 60,000,000 common shares 10,000,000 common share purchase warrants of the company. Each warrant will entitle Scryb Inc. to acquire one additional common share of the

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Company. at a price of $0.60 per common share for a period of 18 months following the completion of the acquisition.

The assessment of Cybeats being the acquirer was based on the criteria set forth in IFRS 3 "Business Combinations," considering factors such as the relative size of the companies, the composition of the combined entity's board of directors and management, and the distribution of voting rights among the shareholders of the combined entity.

Once it was determined that Cybeats Technologies Inc. was the acquirer, there was requirement to determine if the acquisition met the definition of a business or whether it was an asset acquisition. Based the IFRS 3 "Business Combination" definition of a business it was noted that former Pima Zinc. Corp.'s operations did not meet the definition of a business. As such, the transaction was accounted for as an asset purchase as follows:

	Amount
Share Value Issued to Former Pima Zinc Holders	6,529,612
Warrant Value Issued to Former Pima Zinc Holders	601,521
Total consideration paid to Former Pima Zinc holders	**7,131,133**
Net Assets Acquired	
Cash	40,463
Loan Receivable - Cybeat Technologies Inc.	7,060,641
Accounts payable and accrued liabilities	(93,737)
Share Subscriptions, net of costs	(7,399,474)
Reverse Takeover Cost	7,523,240
Net Assets Acquired	**7,131,133**

17. Subsequent Events

Debenture unit private placement (January 2024)

On January 25, 2024, the Company completed a financing of $2,025,000 through the issuance of secured convertible debentures (the "Debentures"). The Debentures will mature on the second anniversary of issuance, bear interest at a rate of ten percent (12%) per annum. The Debentures are convertible at the option of the holder into common shares in the capital of the Company at a price of $0.30 per common share (the "Conversion Option"). In connection with the Debentures, holders also received one common share purchase warrant (each, a "Debenture Warrant") for each $0.40 principal amount of the Debentures, resulting in an aggregate of 6,749,325 Debenture Warrants issued. Each Debenture Warrant entitles the holder to acquire one common share of the Company at an exercise price of $0.40 per common share for a period of two years from the date of issuance.

Each whole Warrant entitles the holder to acquire one common share of the Company at an exercise price of $0.40 per common share for a period of two years from the date of issuance. In connection with the financing, finder's fees were paid totalling $3,150.

Private placement financing – tranche 1 (March 2024)

On March 8, 2024, the Company announced it has closed the first tranche of its non-brokered private placement through the issuance of 7,835,034 units for gross proceeds of $1,175,255. Each unit comprises of one common share of the Issuer and one-half Common Share purchase warrant, for which each Warrant shall be exercisable to acquire 1 Common Share at an exercise price of $0.20 for a period of 18 months from the date of issuance. In connection with the Offering, the Company paid certain eligible persons (each, a "Finder"): (i) a cash commission in the aggregate of $1,500; and (ii) an aggregate of 190,170 finder warrants (each, a "Finder Warrant") Each Finder Warrant is exercisable at a price of $0.20 per Common Share until September 8, 2025. In addition, a Finder was issued 113,500 compensation shares representing a cash commission in the amount of $17,025.

Private placement financing – tranche 2 (April 2024)

On April 12, 2024, the Company closed the second and final tranche of its non-brokered private placement financing for gross proceeds of $1,279,850 through the issuance of 8,532,333 units at a price of $0.15 per unit. The aggregate gross proceeds raised pursuant to the Offering was $2,425,105 through the issuance of 16,167,367 units. Each unit consists of one common share in the capital of the Issuer and one-half of one whole Common Share purchase warrant. Each Warrant entitles the holder thereof to acquire one Common Share at a price of $0.20 per Common Share until the date that is eighteen months from the date of issuance. Gross proceeds raised from the Offering will be used for working capital and general corporate purposes. In connection with the Offering, the Company paid certain eligible persons (each, a "Finder"): (i) a cash commission in the aggregate of $27,540; and (ii) an aggregate of 160,200 finder warrants (each, a "Finder Warrant"). Each Finder Warrant is exercisable at a price of $0.20 per Common Share until October 12, 2025.

Private placement financing – tranche 1 (November 2024)

On November 29, 2024, the Company announced it has completed the first tranche of its nonbrokered private placement offering, issuing 10,408,750 Units of the Company at a price of $0.16 per Unit, for gross proceeds of $1,665,400. Each Unit consists of one common share in the capital of the Company, and one common share purchase warrant. Each warrant is exercisable into one common share at a price of $0.22 per common share for a period of 24 months after the date of issuance. In connection with the offering, the Company paid certain eligible finders a cash fee of up to 7% of the gross proceeds in respect of the offering from subscribers introduced by such finders to the Company, for a total of $15,232. In addition, the Company issued to eligible finders such number of finder warrants equal to 7% of the number of units sold under the offering to subscribers introduced by such finders to the Company, for a total of 95,200 Finder Warrants. Each Finder Warrant will entitle the holder to acquire one Common Share at an exercise price of $0.22 per share for a period of 24 months following the date of issuance.

Extension of Warrants (2024)

On April 3, 2024, the Company announced it has extended the expiry date of an aggregate of 32,591,800 previously issued common share purchase warrants. 6,607,000 Warrants were originally issued by the Issuer on November 11, 2022 at an exercise price of $0.50 per common share and were to expire on April 21, 2024. 6,607,000 Warrants have been extended to May 11, 2025. The exercise price of the 6,607,000 Warrants will remain unchanged. 25,984,800 Warrants were originally issued by the Issuer on November 11, 2022 at an exercise price of $0.60 per common share and were to expire on May 11, 2024. 25,984,800 Warrants have been extended for an additional twelve (12) months, with the amended expiry being May 11, 2025. The exercise price of the 25,984,800 Warrants will remain unchanged.

Option Grants and Cancellations (2024)

On March 6, 2024, the Company issued 300,000 stock options with an exercise price of $0.16 per option and a maturity date of March 6, 2029.

On March 7, 2024, the Company cancelled 25,000 stock options with an exercise price of $0.50 per option and a maturity date of November 11, 2027.

On March 11, 2024, the Company issued 4,610,000 stock options with an exercise price of $0.16 per option and a maturity date of March 11, 2029.

On May 28, 2024, the Company issued 910,000 stock options with an exercise price of $0.22 per option and a maturity date of May 28, 2029.

On September 19, 2024, the Company issued 1,000,000 stock options with an exercise price of $0.18 per option and a maturity date of September 19, 2029.

On December 12, 2024, the Company issued 7,000,000 stock options with an exercise price of $0.16 per option and a maturity date of December 12, 2029

Throughout 2024, the Company cancelled 3,230,000 stock options with an exercise price of $0.50 per option.

Throughout 2024, the 80,000 common share purchase warrants, with an exercise price of $0.50 per warrant.

18. Restatement of Comparative Figures

During the year, management determined that the accounting for the acquisition as described in Note 17 of the December 31, 2022 financial statements was performed incorrectly. Accordingly, Cybeats restated its historical comparatives.

Previously Cybeats Technologies Corp. (formerly known as Pima Zinc Corp.) for accounting purposes, was considered the acquirer of Cybeats Technologies Inc. as a business combination. Management has now determined that Cybeats Technologies Inc. should have been identified as the acquirer for reasons as disclosed in Note 16 and that the acquisition should have been accounted for as an asset acquisition of the net assets of Pima Zinc Corp. and 2635212 Ontario Inc. as disclosed in Note 16. This transaction has now been consolidated as based on Note 3 Basis of Consolidation.

Management has now determined that Cybeats Technologies Inc. should have been identified as the acquirer for reasons as disclosed in Note 16 and that the acquisition should be have been accounted for as an asset acquisition of the net assets of Pima Zinc Corp. and 2635212 Ontario Inc. as disclosed in Note 16. Accounting for the transaction this way now sees the consolidation occurring as described in Note 3 Basis of Consolidation.

The correction of this error has resulted in the requirement to fully restate the amounts shown for comparative purposes for the year ended December 31, 2022 on the Statements of Loss and Comprehensive Loss, Statements of Changes in Shareholders' Equity and Statements of Changes in Cash Flows, as well as resulting changes on the Statements of Financial Position related to Shareholders' Equity, Note 11 Share Capital and Note 16 disclosure regarding the acquisition.

In addition to the above noted improper accounting for the acquisition, other errors were identified that resulted in changes to the comparative figures on the Statements of Financial Position for certain assets and liabilities as at December 31, 2022 as follows on next page.

Cybeats Technologies Corp.
Consolidated Annual Statement of Financial Position Adjustments

As at December 31, 2022		Original	Adjustments	Adjusted
Assets				
Current Assets				
Cash and cash equivalents	A	379,354	(226,559)	193,257
	B		40,462	
Accounts receivable	C	388,878	10,000	398,878
Prepaid expenses		99,022	-	99,022
HST receivable	D	302,323	(77,942)	224,381
Due from related parties (note 13)		8,497	-	8,497
		1,178,074	(254,039)	924,035
Non-current Assets				
Property, plant and equipment (note 5)		19,316	-	19,316
Right-of-use asset (note 6)		181,454	-	181,454
Total Assets		1,378,844	(254,039)	1,124,805
Liabilities				
Current Liabilities				
Accounts payable and accrued liabilities (note 7)	A	1,333,907	(236,862)	1,937,545
	C		50,500	
	E		790,000	
Deferred revenue	F	469,231	21,923	491,154
Current portion of lease payable (note 9)		106,019	-	106,019
Due to Scryb Inc. (note 13)	G	-	558,119	558,119
		1,909,157	1,183,680	3,092,837
Non-current Liabilities				
Lease payable (note 9)		86,492	-	86,492
Due to Scryb Inc.	G	558,119	(558,119)	-
		644,611	(558,119)	86,492
Total Liabilities		2,553,768	625,561	3,179,329
Shareholders' equity				
Share capital (note 11 (a), (b))	H	12,239,803	3,626,027	15,865,831
Warrant reserve	I	5,586,973	(2,875,889)	2,711,084
Share based payment reserve	J	4,522,958	(985,524)	3,537,434
Deficit	K	(23,524,658)	(644,214)	(24,168,872)
Total Shareholders' Equity		(1,174,924)	(879,600)	(2,054,524)
Total Liabilities and Shareholders' Equity		1,378,844	(254,039)	1,124,805

Consolidated Annual Statement of Financial Position Adjustments:

A - To reverse adjustment for capital stock for funds received. Transaction is part of the Pima Zinc Business combination which is removed upon consolidation.

B - Adjustment to record lawyer trust activity of Pima Zinc Corp to December 31, 2022

C - Adjustment for share subscription receivable outstanding at December 31, 2022

D - Adjustment for HST receviable refund mistakenly credited to share capital.

E- Amounts recorded relating to old performance bonuses were reversed, and accrual for new amounts were recorded (See C. in Adjustments to Statement of Comprehensive Loss).

F - Adjustment to Revenue and Deferred Revenue to actual, corrected timing difference of contractual start date. (See A. in Adjustments to Statement of Comprehensive Loss).

G - Reclassification of Due to Scryb Inc. from Non-Current Liabilities to Current Liabilities due to the nature of the advances.

H-K - See adjustments A-N on the restatement of the Statement of Shareholders' Equity for detailed changes to the equity accounts.

CYBEATS

CYBEATS TECHNOLOGIES CORP.
NOTES TO THE CONSOLIDATED ANNUAL FINANCIAL STATEMENTS (Audited)

Cybeats Technologies Corp.
Consolidated Annual Statement of Loss and Comprehensive Loss Adjustments
For the Twelve Months ended December 31, 2022

	Original	Profit & Loss Jan 1 - Nov 10*		Adjustments	Adjusted
Revenue					
Product sales	$ 114,520	55,357	A	(21,923)	$ 147,954
Total Revenues	**114,520**	**55,357**		**(21,923)**	**147,954**
Commissions and bonuses	-	77,323	B	334,750	202,073
			C	790,000	
			D	(1,000,000)	
Gross Profit	**114,520**	**(21,966)**		**(146,673)**	**(54,119)**
Expenses					
Advertising and promotion	303,414	382,202	E	(6,295)	679,321
Commissions and bonuses	334,750	-	B	(334,750)	-
Computer and software	77,393	114,814		-	192,207
Consulting fees	771,452	1,461,691	F	(537,273)	-
			G	(1,695,870)	
Depreciation	28,750	81,139		-	109,889
Insurance	3,125	4,576		-	7,701
Interest and bank charges	36,589	148,700	H	(87,662)	97,627
Investor relations, transfer agent and filing fees	209,454	-	I	(209,454)	-
Meals and entertainment	7,244	36,411		-	43,655
Office and general	48,371	28,539	E	6,295	83,204
Product development	-	-	J	611,527	1,011,527
			D	400,000	
Professional fees	590,856	91,252	F	(484,718)	197,390
Repairs and maintenance	13,210	14,335		-	27,545
Realized gain of foreign currency exchange	5,552	-	K	(5,552)	-
Salary and wages	451,367	1,690,158	G	2,233,143	6,274,519
			L	761,000	
			M	538,850	
			D	600,000	
Share based compensation	4,522,958	-	N	964,238	3,537,434
			O	(1,949,762)	
Shareholder communications and marketing	-	-	I	209,454	120,210
			F	(89,244)	
System maintenance	209,011	402,516	J	(611,527)	-
Travel expense	35,108	158,854		-	193,962
Total Expenses	**$ 7,648,604**	**$ 4,615,186**		**$ 312,400**	**$ 12,576,190**
Net loss from operations	**$ (7,534,084)**	**$ (4,637,152)**		**$ (459,073)**	**$ (12,630,309)**
Other Expenses					
Extraordinary gain on acquisition	(429,815)	-	P	429,815	-
Reverse takeover costs	-	-	Q	7,523,240	7,523,240
Unrealized (gain) on foreign currency exchange	45,150	(28,115)	K	5,552	22,587
Net loss and comprehensive loss for the period	**$ (7,149,419)**	**$ (4,609,037)**		**$ (8,417,681)**	**$ (20,176,136)**
Income (loss) per share					
Basic and diluted	(0.34)	(0.22)		(0.40)	(0.97)
Weighted average number of common shares outstanding, basic and diluted	20,819,226	20,819,226		20,819,226	20,819,226

Consolidated Annual Statement of Loss and Comprehensive Loss Adjustments

* Income and Loss for January 1 to November 10, 2022 not previously consolidated as the treatment of the RTO transaction was considered a business combination at the acquisition date. These have been added to the Restated Statement of Loss and Comprehensive Loss.

A - Adjustment to Revenue and Deferred Revenue to actual, corrected timing difference of contractual start date. (See F. in Adjustments to Statement of Financial Position).

B - Commissions and Bonuses were reclassed from Expenses to form part of Gross Margins as they relate to the execution of sales staff closing on product sales.

C - Amounts recorded relating to old performance bonuses were reversed, and accrual for new amounts were recorded (See E. in Adjustments to Statement of Financial Position).

D - Bonuses not relating to sales were reclassed to correct accounts as these relate to further development work on the platform.

E - Certain amounts pertaining to general office related expenses were reclassed to Office and General

F - Certain Consulting, Professional, and Shareholder Communications Fees related to Pima Zinc formed part of the Reverse Takeover Costs.

G - Consulting fees were reclassed to form part of Salary and Wages.

H - Expenses incurred in 2021 relating to interest and bank service charges were removed as they are adjusted to opening deficit (see note N. in Adjustmenst to Statement of Changes in Equity).

I - Investor Relations, Transfer Agent and Filing Fees were renamed to Shareholder Communications and Marketing to better align with the nature of costs incurred.

J - System Maintenance costs were renamed to Product Development Costs as a major component of the costs include new feature development and implementation.

K - Realized Gain of Foreign Currency Exchange were moved from Expenses to Other Expenses as they are not part of the core operating expenses of the company.

L - Adjustment to Share Issuance Costs in consideration of consulting fees and adjustment for payment received where shares were not issued to certain subscribers.

M - To record commissions in payroll.

N - To adjust Stock-Based Compensation to recalculated amounts.

O - To remove options in the year in accordance with vesting periods.

P - Extraordinary gain on acquisition was removed to align with the correct treatment of the consolidation

Q - To record Reverse Takeover Costs associated with the RTO Transaction.

CYBEATS

CYBEATS TECHNOLOGIES CORP.
NOTES TO THE CONSOLIDATED ANNUAL FINANCIAL STATEMENTS (Audited)

Cybeats Technologies Corp.
Consolidated Annual Statement of Changes in Shareholders' Equity Adjustments

Original - December 31. 2022		**92,451,939**	**$ 12,239,803**	**$ 5,586,973**	**$ 4,522,958**	**$ -**	**$ (23,524,658)**	**$ (1,174,924)**
Adjustments								
	A						(4,609,037)	**(4,609,037)**
	A.1						(8,417,681)	**(8,417,682)**
	B		(3,028,377)		3,028,377			**-**
	C		2,489,527		(3,475,051)			**(985,524)**
	D		538,850		(538,850)			**-**
	E		5,737,716	(1,206,332)				**4,531,384**
	F		(5,525,926)	(1,653,601)			7,429,266	**249,739**
	G		947,610	(15,956)			(152,103)	**779,551**
	H						5,210,048	**5,210,048**
	I		(8,175,154)					**(8,175,154)**
	J		10,149,933					**10,149,933**
	K		720,500					**720,500**
	L		(77,943)					**(77,943)**
	M		(150,710)					**(150,710)**
	N						(104,706)	**(104,706)**
Adjusted - December 31, 2022		**92,451,939**	**$ 15,865,831**	**$ 2,711,084**	**$ 3,537,434**	**$ -**	**$ (24,168,871)**	**$ (2,054,523)**

Consolidated Annual Statement of Changes in Shareholders' Equity Adjustments:
A - Cybeats Technologies Inc. income dating January 1 to November 10, 2022 - prior to RTO.

A.1 - Adjustments to net income (per restated Statement of Comprehensive Loss).

B - To reclass share issuance costs from Contributed Surplus to Capital Stock.

C - To adjust Stock-Based Compensation based on vesting schedule.

D - To expense subcontractor fees not related to Contributed Surplus.

E - To correct recording of Reverse-Takeover costs.

F - To eliminate Pima Zinc Equity Balances upon consolidation.

G - To reverse incorrect entry made to equity.

H - Eliminate Cybeats P&L up to November 10, 2022 upon consolidation.

I - To correct recording of Lawyer trust transactions.

J - To correct recording of Reverse-Takeover transaction.

K - To record shares issued to subcontractors.

L - To remove HST refund incorrectly recorded to capital stock.

M - To record cost of issuance of capital shares.

N - To record expenses incurred in 2021 to opening deficit.

Cybeats Technologies Corp. Consolidated Annual Statement of Cash Flow Adjustments Twelve months ended December 31, 2022		Original	Adjustments	Adjusted
Cash flows from (used in) operating activities				
Net loss and comprehensive loss for the period	A	$ (7,149,419)	(13,026,718)	$ (20,176,137)
Items not affecting cash from operations:				
Depreciation	B	28,750	81,139	109,889
Deficit arising from business combination	C	(9,098,076)	9,098,076	-
Reverse takeover	D	-	7,523,240	7,523,240
Share based compensation	E	-	3,537,434	3,537,434
Changes in non-cash working capital items:				
(Increase) in amounts receivable	F	(388,878)	(10,000)	(398,878)
(Increase) in prepaid expenses	G	(99,022)	34,449	(64,573)
(Increase) in HST receivable	H	(302,323)	183,257	(119,066)
(Increase) in due from related parties	I	(8,497)	8,497	-
Increase in accounts payable and accrued liabilities	J	930,444	881,246	1,811,690
Increase (decrease) in deferred revenue	K	469,231	21,923	491,154
Increase in lease payable	L	192,511	(192,511)	-
Net cash used in operating activities		(15,425,279)	8,140,032	(7,285,247)
Cash flows from (used in) investing activities				
Purchase of right-of-use asset	M	(181,454)	181,454	-
Purchase of property, plant and equipment	N	(48,066)	27,032	(21,034)
Cash obtained on reverse takeover	O	-	40,463	40,463
Payments made on behalf of Pima Zinc Corp. in reverse takeover	D	-	(338,832)	(338,832)
(Increase) in due from related parties	I	-	(8,497)	(8,497)
Net cash from (used in) investing activities		(229,520)	(98,380)	(327,900)
Cash flows from (used in) financing activities				
Repayment on due to Scryb Inc.	P	-	(459,473)	(459,473)
Advances from related parties	I	558,119	(558,119)	-
Capital contributed through share issuance	Q	7,336,243	(7,336,243)	-
Increase in reserve for share-based payments	R	4,102,048	(564,614)	-
	E		(3,537,434)	
Increase to warrant reserve	S	4,058,454	(4,058,454)	-
Effect of foreign exchange translation	T	(34,147)	34,147	-
Proceeds from warrant exercise	U	-	120,000	120,000
Net payment on leases	L	-	(91,169)	(91,169)
Proceeds from private placement, net of issue costs	V	-	8,224,974	8,224,974
Net cash from financing activities		16,020,717	(8,226,385)	7,794,332
Increase in cash for the year		365,918	(184,733)	181,185
Cash - beginning of period		13,436	(1,363)	12,073
Cash - end of period		**$ 379,354**	**$ (186,096)**	**$ 193,258**

Consolidated Annual Statement of Cash Flow Adjustments:

A - See adjustments A-K on the restatement of the Statement of Comprehensive Loss for changes to Net Loss for the period.

B - Depreciation for January 1 to November 10, 2022 no previously consolidated.

C - Defecit arising from business combination is removed as is forms part of the consolidating entries.

D - Reverse Takeover Costs associated with the RTO Transaction added.

E - Stock-Based Compensation reclassed from Cash Flows from financing activities to non-cash working capital items.

F - Adjustment for share subscription receivable outstanding at December 31, 2022.

G - Prepaid expenses corrected to reflect change for cash flow purposes.

H - See adjustment D on the restatement of the Statement of Financial Position for detailed breakdown of changes made to HST Receivable.

I - Due from Related Parties reclassed from non-cash working capital items to cash flows from investing activities.

J - See adjustments A,C, and E on the restatement of the Statement of Financial Position for detailed breakdown of changes made to Accounts Payable and Accrued Liabilities.

K - See adjustment F on the restatement of the Statement of Financial Position for detailed breakdown of changes made to Deferred Revenue.

L - Lease Payable reclassed from non-cash working capital items to cash flows from financing activites.

M - Purchase of Right-of-Use asset corrected to reflect change for cash flow purposes.

N - Purchase of Property, Plant, and Equipment corrected to reflect change for cash flow purposes.

O - Adjustment to record lawyer trust activity of Pima Zinc Corp to December 31, 2022.

P - Transactions related to Pima Zinc that formed part of the consolidation.

Q - Reverse Capital contributed through share issuance as part of correcting entries for the condolidation.

R - Share-based payment reserve changed with share issuance in consideration of consutling fees, coupled with adjustment to stock based compensation.

S - Reverse warrant reserve as part of correcting entries for the condolidation.

T - Removed effect of foreign exchange translation as it forms part of profit and loss.

U - Proceeds from the exercise of warrants added as these were completed during the period.

V - Proceeds from private placement form part of the entries to correctly record the business combination.