SEKUR PRIVATE DATA LTD.

CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023

(Expressed in Canadian Dollars)

Independent Auditor's Report

To the Shareholders of Sekur Private Data Ltd.:

Opinion

We have audited the consolidated financial statements of Sekur Private Data Ltd. and its subsidiaries (the "Company"), which comprise the consolidated statements of financial position as at December 31, 2024 and December 31, 2023, and the consolidated statements of loss and comprehensive loss, changes in shareholders' equity and cash flows for the years 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 consolidated financial position of the Company as at December 31, 2024 and December 31, 2023, and its consolidated financial performance and its consolidated cash flows for the years then ended in accordance with IFRS® Accounting Standards as issued by the International Accounting Standards Board.

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

Material Uncertainty Related to Going Concern

We draw attention to Note 1(b) in the consolidated financial statements, which indicates that the Company incurred a negative operating cash flows during the year ended December 31, 2024 and, as of that date, the Company had an accumulated deficit. As stated in Note 1(b), these events or conditions, along with other matters as set forth in Note 1(b), 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 current period. 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.

Except for the matter described in the Material Uncertainty Related to Going Concern section, we have determined that there are no other key audit matters to communicate in our report.

Other Information

Management is responsible for the other information. The other information comprises Management’s Discussion and Analysis.

Our opinion on the consolidated financial statements does not cover the other information and we do 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 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. We have nothing to report in this regard.

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

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board, 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 is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

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

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

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Company as a basis for forming an opinion on the consolidated financial statements. We are responsible for the direction, supervision and review of the audit work performed for the purposes 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 audits and significant audit findings, including any significant deficiencies in internal control that we identify during our audits.

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 Abhishek Kapoor.

Vancouver, British Columbia

MNP LLP

April 17, 2025

Chartered Professional Accountants

SEKUR PRIVATE DATA LTD.
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
As at December 31, 2024 and 2023
(Expressed in Canadian Dollars)

		December 31, 2024		December 31, 2023
ASSETS				
Current				
Cash and cash equivalents	**$**	**716,746**	$	924,739
Receivables		**24,381**		42,746
Prepaid expenses		**94,847**		39,401
		835,974		1,006,886
Non-current				
Equipment (Note 3)		**316,954**		546,362
Total Assets	**$**	**1,152,928**	$	1,553,248
LIABILITIES AND SHAREHOLDERS' EQUITY				
Current liabilities				
Accounts payable and accrued liabilities	**$**	**390,943**	$	272,080
Royalty fees payable (Note 4)		**23,284**		38,104
Deferred revenue		**89,439**		92,783
		503,666		402,967
Shareholders' equity				
Share capital (Note 5)		**23,557,133**		22,457,126
Reserves (Note 5)		**6,327,479**		6,069,868
Shares subscribed (Note 5)		**118,911**		-
Accumulated other comprehensive income		**9,590**		20,007
Deficit		**(29,363,851)**		(27,396,720)
		649,262		1,150,281
Total Liabilities and Shareholders' Equity	**$**	**1,152,928**	$	1,553,248

Nature of operations and going concern (Note 1)
Subsequent events (Note 12)

Approved on behalf of the Board of Directors:

"Alain Ghiai"	*"Henry Sjöman"*
Director	Director

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

SEKUR PRIVATE DATA LTD.
CONSOLIDATED STATEMENTS OF LOSS AND COMPREHENSIVE LOSS
For the years ended December 31, 2024 and 2023
(Expressed in Canadian Dollars)

	Year ended December 31, 2024	Year ended December 31, 2023
REVENUE (Note 10)	$ **477,702**	$ 543,182
EXPENSES		
Accounting and audit (Notes 5 and 6)	**238,886**	191,865
Consulting fees	**56,931**	471,457
Credit card processing fees	**27,020**	30,436
Data center and hardware maintenance (Note 6)	**375,000**	820,000
Director's fees (Notes 5 and 6)	**60,000**	347,757
Legal	**17,619**	81,391
Marketing (Note 9)	**710,004**	2,038,797
Office and administration	**50,482**	28,995
Research, development and software maintenance (Note 3)	**778,359**	908,279
Rent and virtual office	**29,913**	33,050
Royalty fees (Notes 4 and 6)	**46,031**	51,897
Transfer agent and filing fees	**50,765**	98,512
Travel	**41,621**	72,919
	(2,482,631)	(5,175,355)
OTHER ITEMS		
Interest income	**15,537**	100,866
Loss on settlement of marketing agreement	**-**	(180,000)
Gain (loss) on foreign exchange	**22,261**	(42,796)
	37,798	(121,930)
Net loss and comprehensive loss for the year	**(1,967,131)**	(4,754,103)
Other comprehensive income		
Translation adjustment	**(10,417)**	(966)
Comprehensive loss for the year	$ **(1,977,548)**	$ (4,755,069)
Basic and diluted net loss per share	$ **(0.01)**	$ (0.04)
Weighted average number of common shares outstanding	**129,543,190**	117,763,592

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

SEKUR PRIVATE DATA LTD.
CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY
For the years ended December 31, 2024 and 2023
(Expressed in Canadian Dollars)

	Number of Shares	Share Capital $	Shares Subscribed $	Reserves $	Accumulated Other Comprehensive Income $	Deficit $	Shareholders' Equity $
Balance, December 31, 2022	117,025,441	22,001,842	-	5,221,699	20,973	(22,642,617)	4,601,897
Exercise of options	250,000	72,289	-	(22,289)	-	-	50,000
Share issued for marketing services	1,357,500	202,995	-	-	-	-	202,995
Share issued for settlement of marketing agreement	1,000,000	180,000	-	-	-	-	180,000
Share-based payments	-	-	-	870,458	-	-	870,458
Net loss for the year	-	-	-	-	(966)	(4,754,103)	(4,755,069)
Balance, December 31, 2023	119,632,941	22,457,126	-	6,069,868	20,007	(27,396,720)	1,150,281
Shares issued for cash, net	41,242,733	1,100,007	-	257,611	-	-	1,357,618
Shares subscribed	-	-	118,911	-	-	-	118,911
Net loss for the year	-	-	-	-	(10,417)	(1,967,131)	(1,977,548)
Balance, December 31, 2024	**160,875,674**	**23,557,133**	**118,911**	**6,327,479**	**9,590**	**(29,363,851)**	**649,262**

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

SEKUR PRIVATE DATA LTD.
CONSOLIDATED STATEMENTS OF CASH FLOWS
For the years ended December 31,
(Expressed in Canadian Dollars)

		2024		2023
CASH FLOWS USED IN OPERATING ACTIVITIES				
Net loss for the year	**$**	**(1,967,131)**	$	(4,754,103)
Items not affecting cash:				
Depreciation		**229,408**		228,033
Loss on settlement of marketing agreement		**-**		180,000
Share issued for marketing services		**-**		202,995
Share-based payments		**-**		870,458
Changes in non-cash working capital items:				
Receivables		**18,365**		(8,705)
Prepaid expenses		**(55,446)**		140,664
Accounts payable and accrued liabilities		**118,863**		16,541
Royalty fees payable		**(14,820)**		(651)
Deferred revenue		**(3,344)**		(16,235)
Cash used in operating activities		**(1,674,105)**		(3,141,003)
CASH FLOWS FROM FINANCING ACTIVITIES				
Shares issued for cash, net of share issuance costs		**1,357,618**		-
Shares subscribed		**118,911**		-
Exercise of options		**-**		50,000
Cash provided by financing activities		**1,476,529**		50,000
CASH FLOWS USED IN INVESTING ACTIVITIES				
Equipment acquired		-		(21,996)
Cash used in investing activities		-		(21,996)
Effect of exchange rate on cash		**(10,417)**		(966)
Change in cash and cash equivalents		**(207,993)**		(3,113,965)
Cash and cash equivalents, beginning		**924,739**		4,038,704
Cash and cash equivalents, ending	**$**	**716,746**	$	924,739
Cash and cash equivalents:				
Cash	**$**	**345,062**	$	703,593
Money market mutual funds		**371,684**		221,146
	$	**716,746**	$	924,739
Supplemental cash flow information:				
Cash received for interest	**$**	**15,537**	$	100,866
Transfer to share capital on exercise of stock options	**$**	**-**	$	22,289
Shares issued for marketing services	**$**	**-**	$	202,995
Fair value of warrants in financings	**$**	**257,611**	$	-

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

1. NATURE OF OPERATIONS AND GOING CONCERN

a) Nature of operations

Sekur Private Data Ltd. (the "Company") was incorporated under the Business Corporations Act (British Columbia) on March 1, 2017 and completed its initial public offering ("IPO") during the year ended December 31, 2019. The Company's common shares and tradeable warrants were listed on the Canadian Securities Exchange effective July 22, 2019 under the symbols "SWIS" and "SWIS.WT", respectively. On November 5, 2019, the Company's common shares began trading on the OTCQB Venture Market with the trading symbol SWISF. On April 14, 2022, the Company changed its name to Sekur Private Data Ltd. and the Company's common shares and tradable warrants were listed on the Canadian Securities Exchange under the new symbols "SKUR" and "SKUR.WT", respectively.

The Company is a Cybersecurity and Internet Privacy provider of Swiss-hosted solutions for secure communications and secure data management. The Company's head office and principal address is located at First Canadian Place, 100 King Street West, Suite 5600, Toronto, ON, Canada, M5X 1C9 and the registered and records office is located at 595 Howe Street, Suite 704, Vancouver, BC, Canada, V6C 2T5.

These consolidated financial statements were authorized for issue by the Board of Directors on April 17, 2025.

b) Going concern

As at December 31, 2024, the Company had a deficit of $29,363,851 (2023 - $27,396,720) since inception and incurred negative operating cash flows of $1,674,105 (2023 - $3,141,003). As at December 31, 2024, the Company had a working capital balance of $332,308 (2023 - $603,919). The Company's continued operation as a going concern is dependent upon its ability to generate positive cash flows and/or obtain additional financing sufficient to fund continuing activities and acquisitions. While the Company continues to review operations in order to identify strategies and tactics to increase revenue streams and financing opportunities, there is no assurance that the Company will be successful in such efforts. If the Company is not successful, it may be required to significantly reduce or limit operations, or no longer operate as a going concern. It is also possible that operating expenses could increase in order to grow the business. If the Company does not start generating and significantly increase revenues to meet these increased operating expenses and/or obtain financing until its revenues meet these operating expenses, the Company's business, financial condition and operating results could be materially adversely affected. The Company cannot be sure when or if it will ever achieve profitability and, if the Company does, it may not be able to sustain or increase that profitability. These conditions indicate the existence of material uncertainties that may cause significant doubt about the Company's ability to continue as a going concern.

These consolidated financial statements have been prepared using accounting policies applicable to a going concern, which contemplates the realization of assets and settlement of liabilities in the normal course of business as they become due and do not reflect any adjustments that would be necessary if the going concern basis was not appropriate. If the going concern basis was not appropriate, significant adjustments would be necessary in the carrying value of assets and liabilities, the reported expenses and the classifications used in the consolidated statements of financial position.

2. MATERIAL ACCOUNTING INFORMATION

Statement of compliance to International Financial Reporting Standards

These consolidated financial statements have been prepared in accordance with IFRS® Accounting Standards ("IFRS"), as issued by the International Accounting Standards Board ("IASB") and interpretations of the IFRS Interpretations Committee, effective for the Company's reporting for the year ended December 31, 2024.

2. MATERIAL ACCOUNTING POLICIES (cont'd…)

Basis of presentation

These consolidated financial statements have been prepared on an accrual basis and are based on historical costs, modified where applicable. The consolidated financial statements are presented in Canadian dollars unless otherwise noted.

Significant estimates, judgments and assumptions

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

Certain of the Company's accounting policies and disclosures require key assumptions concerning the future and other estimates that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities or disclosures within the next fiscal year. Where applicable, further information about the assumptions made is disclosed in the notes specific to that asset or liability. The critical accounting estimates and judgments set out below have been applied consistently to all periods presented in these consolidated financial statements.

a) Ability to continue as a going concern – The assessment of the Company's ability to continue as a going concern, achieve positive cash flow from operations and/or obtain necessary equity or other financing to pay for its operating expenditures and meet its liabilities for the next 12 months from issue of the consolidated financial statements, involves significant judgment based on historical experiences and other factors including expectation of future events that are believed to be reasonable under the circumstances.

b) Equipment – equipment is depreciated over the estimated useful life of the asset to the asset's estimated residual value as determined by management. Assessing the reasonableness of the estimated useful life, residual value and the appropriate depreciation methodology requires judgment and is based on management's experience and knowledge of the industry. The Company considers both internal and external sources of information in assessing its equipment for indicators of impairment at least once a year or when events or circumstances indicate the possible impairment.

c) Share-based payments - determining the fair value of stock options requires judgment related to the choice of a pricing model, the estimation of stock price volatility, the expected forfeiture rate and the expected term of the underlying instruments. Any changes in the estimates or inputs utilized to determine fair value could result in a significant impact on the Company's future operating results or on other components of shareholders' equity.

2. MATERIAL ACCOUNTING POLICIES (cont'd…)

d) Income taxes - the estimation of income taxes includes evaluating the recoverability of deferred tax assets based on an assessment of the Company's ability to utilize the underlying future tax deductions against future taxable income prior to expiry of those deductions. Management assesses whether it is probable that some or all of the deferred income tax assets will not be realized. The ultimate realization of deferred tax assets is dependent upon the generation of future taxable income. To the extent that management's assessment of the Company's ability to utilize future tax deductions changes, the Company would be required to recognize more or fewer deferred tax assets, and deferred income tax provisions or recoveries could be affected.

Basis of Consolidation

These consolidated financial statements incorporate the financial statements of the Company and its controlled subsidiary. Control is defined as the exposure, or rights, to variable returns from involvement with an investee and the ability to affect those returns through power over the investee. Power over an investee exists when an investor has existing rights that give it the ability to direct the activities that significantly affect the investee's returns. This control is generally evidenced through owning more than 50% of the voting rights or currently exercisable potential voting rights of a Company's share capital. All intercompany transactions and balances have been eliminated.

These consolidated financial statements include the financial statements of the Company and its wholly-owned subsidiary listed in the following table:

Name of Subsidiary	Country of Incorporation	Ownership Interest	Principal Activity
Sekur Private Data Inc. (formerly GlobeX Data, Inc.)	USA	100%	Secure Data Management and Communications

On March 7, 2024, the Company's subsidiary changed its name from GlobeX Data Inc. to Sekur Private Data Inc.

Cash and cash equivalents

Cash includes cash on hand and demand deposits. Cash equivalents comprise short-term, highly liquid investments that are readily convertible to known amounts of cash which are subject to insignificant risk of change and have maturities of three months or less from the date of acquisition, held for the purpose of meeting short-term cash commitments rather than for investing or other purposes.

Functional and presentation currency

The functional currency of an entity is the currency of the primary economic environment in which the entity operates. The functional currency of the Company is the Canadian dollar. The functional currency of the Company's subsidiary is the US Dollar.

The functional currency determinations were conducted through an analysis of the consideration factors identified in IAS 21, *The Effects of Changes in Foreign Exchange Rates*.

2. MATERIAL ACCOUNTING POLICIES (cont'd…)

Transactions in currencies other than the functional currency are recorded at the rates of exchange prevailing on the dates of the transactions. At each financial position reporting date, monetary assets and liabilities that are denominated in foreign currencies are translated at the rates prevailing at the date of the consolidated statements of financial position. Non-monetary items that are measured in terms of historical cost in a foreign currency are not re-translated. Revenues and expenses are translated at the average rates in effect during applicable accounting periods.

Translation of the subsidiary's assets and liabilities is performed using the rate prevailing at the statement of financial position date. Income and expenses are translated at average exchange rates. Exchange differences arising on translation of monetary items or on settlement of monetary items are recorded in the consolidated statements of loss and comprehensive loss as a translation adjustment in comprehensive loss.

Revenues from contracts with customers

Sekur Private Data Ltd. serves consumers, businesses and governments worldwide and distributes a suite of encrypted e-mails, secure messaging and secure communication, and a suite of cloud-based storage, disaster recovery and document management tools (the "Solutions") developed by GDSA. The Company sells its Solutions through its websites sekur.com and sekursuite.com, and through its approved distributors and telecommunications companies. The Company offers its services on a subscription-based model which are charged either monthly or yearly.

The Company earns revenue from providing Swiss-hosted Cybersecurity and Internet Privacy solutions for secure communications and secure data management worldwide.

The Company recognizes revenue in a manner that depicts the transfer of promised goods or services to a customer at an amount that reflects the consideration expected to be received in exchange for transferring those goods and services, applying the following five steps:

1. Identify the contract with a customer;

2. Identify the performance obligations in the contract;

3. Determine the transaction price;

4. Allocate the transaction price to the performance obligations; and

5. Recognize revenue when, or as, the Company satisfies a performance obligation

Subscription revenue

The Company's Swiss-hosted Cybersecurity and Internet Privacy solutions are subscription SaaS offerings. Performance obligations in the Company's contracts generally consist of access to licensing software as a service provided to customers and customers do not have the right to take possession of the cloud-based software platform. Fees are based on several factors, including the solutions subscribed for by the customer and the number of endpoints purchased by the customer. The monthly subscription fees are typically payable within 30 days after the execution of the arrangement, and thereafter upon renewal or subsequent installment. The Company initially records the subscription fees as deferred revenue and recognizes revenue on a straight-line basis over the term of the agreement. The typical subscription term is monthly or annual. The Company's contracts with customers typically include a fixed amount of consideration and are generally non-cancellable and without any refund-type provisions. Revenue represents cash received from customers, net of rebates and discounts.

2. MATERIAL ACCOUNTING POLICIES (cont'd…)

Deferred revenue

The deferred revenue balance consists of subscription services, which have been invoiced upfront, and are recognized as revenue only when the revenue recognition criteria are met. The Company's subscription contracts are typically invoiced to its customers at the beginning of the term. The Company recognizes subscription revenue rateably over the contract term beginning on the commencement date of each contract, the date that services are made available to customers.

Equipment

Equipment is recorded at cost less accumulated depreciation and impairment losses. Cost includes the purchase price and the directly attributable costs to bring the assets to the location and condition necessary for them to be capable of operating in the manner intended by management.

Depreciation of equipment is calculated on a straight-line basis over the assets' estimated useful lives. Where components of an asset have different useful lives, depreciation is calculated on each component separately. Depreciation commences when an asset is ready for its intended use. Estimate of remaining useful lives and residual values are reviewed annually. Changes in estimates are accounted for prospectively.

The expected useful lives of assets depreciated on a straight-line basis are as follows:

- Solid-state Drives — 4 years
- Servers — 4 years
- Equipment — 4 years

Intangible assets

Intangible assets consist of the Company's Reseller Agreement (see Note 4).

Intangible assets acquired separately are initially recorded at cost. Intangible assets are measured at cost less accumulated amortization and accumulated impairment losses, if any. The accounting for an intangible asset is based on its useful life. Intangible assets with a finite useful life are amortized over their estimated useful life. Intangible assets with an indefinite useful life are not amortized. The amortization method, estimated useful life, carrying value and residual value are reviewed at the end of each reporting period or more frequently, if required, and are adjusted as appropriate. The effect of any changes in estimates are accounted for on a prospective basis.

Intangible assets acquired in a business combination and recognized separately from goodwill are initially recognized at their fair value at the acquisition date (which is regarded as their cost). Subsequent to initial recognition, intangible assets acquired in a business combination are reported at cost less accumulated amortization and accumulated impairment losses, on the same basis as intangible assets that are acquired separately.

The Reseller Agreement was assessed as having an indefinite useful life by management because of its perpetual term. It was measured initially at fair value and is tested for impairment annually, or if there is an indication that the value has declined. The Company also, on at least an annual basis, formally estimates the current recoverable amount to ensure that it remains in excess of its carrying value.

Recoverable amount in this context refers to the higher of an asset's fair value net of costs of disposals and its value in use.

2. MATERIAL ACCOUNTING POLICIES (cont'd…)

To determine the current recoverable amount, an estimate of the asset's "value in use" is necessary. However, such estimates are inherently uncertain and require significant judgments regarding all variables used. This process involves projecting future events and activities, which obviously cannot be established with the level of certainty associated with historical results. Extended periods of time, and related sources of capital, are usually necessary to advance and develop the data required to make for more accurate projections of economic viability. Until that point, the measurement of recoverable amounts remains highly uncertain.

Costs incurred by the Company to create, enhance or develop intangible assets are eligible for capitalization only if specific outcomes have been achieved, generally the achievement of technical feasibility and commercial viability. Prior to that point, such costs are expensed as incurred.

Research and development

Research and development expenditures are included in software maintenance expense and relate to research activities, undertaken with the prospect of gaining new scientific or technical knowledge and understanding, are recognized in profit or loss as incurred. Development activities involve a plan or design for the production of new or substantially improved products and processes. Development expenditures are capitalized only if development costs can be measured reliably, the product or process is technically and commercially feasible, future economic benefits are probable, and the Company intends to and has sufficient resources to complete development and to use or sell the asset. No development expenditures have been deferred to date.

Research and development costs includes fees paid to contract research organizations and other vendors who conduct certain research and development activities on behalf of the Company. The amount of expenses recognized in a period related to research arrangements with third parties is based on estimates of work performed using an accrual basis of accounting. These estimates are based on services provided, contractual terms and experience with similar contracts. The Company monitors these factors and adjusted the estimates accordingly.

Software maintenance

Under the terms of the agreements with GlobeX Data S.A. (see Note 4), the Company is responsible for all costs associated with maintaining the software platform hosting the products, any costs associated with making changes to the products and any work performed in relation to integrations with other resellers and telecommunications operators. These costs are expensed to the consolidated statements of loss and comprehensive loss. The Company is also responsible for any additional infrastructure, such as servers, as it grows its customer base and needs more storage and processing power. These costs are capitalized to equipment on the consolidated statements of financial position. The Company's equipment (Note 3) is located in the data center leased by GlobeX Data S.A.

Share-based payments

The Company grants stock options to acquire common shares of the Company to directors, officers, and consultants.

The fair value of stock options is measured on the date of grant, using the Black-Scholes option pricing model, and is recognized over the vesting period. The fair value of these options are recorded to Reserves. Consideration paid for the shares on the exercise of stock options is credited to share capital.

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

2. MATERIAL ACCOUNTING POLICIES (cont'd…)

Loss per share

The Company presents basic income (loss) per share for its common shares, calculated by dividing the income (loss) attributable to common shareholders of the Company by the weighted average number of common shares outstanding during the period. Diluted income (loss) per share does not adjust the income (loss) attributable to common shareholders or the weighted average number of common shares outstanding when the effect is antidilutive.

Share capital

Common shares are classified as equity. Proceeds from unit placements are allocated between shares and warrants issued using the residual method. Costs directly identifiable with share capital financing are charged against share capital. Share issuance costs incurred in advance of share subscriptions are recorded as deferred financing costs.

Share issuance costs related to uncompleted share subscriptions are charged to operations in the period they are incurred.

Reserves

The reserves is used to recognize the fair value of stock option and warrant grants prior to exercise, expiry or cancellation and the fair value of other share-based consideration paid at the date of payment.

Financial instruments

The Company classifies and measures its financial instruments in accordance with IFRS 9 *Financial Instruments* as set out below:

Financial Instrument	Classification
Cash and cash equivalents	Amortized cost
Receivables (excluding GST)	Amortized cost
Accounts payable and accrued liabilities	Amortized cost
Royalty fees payable	Amortized cost

Financial assets
The Company classifies its financial assets into the following categories, depending on the purpose for which the asset was acquired. Management determines the classification of its financial assets at initial recognition.

Amortized cost - Amortized cost assets are those assets which are held within a business model whose objective is to hold financial assets to collect contractual cash flows and the terms of the financial assets must provide on specified dates cash flows solely through the collection of principal and interest.

Fair value through other comprehensive income ("FVOCI") - FVOCI assets are those assets which are held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial assets give rise on specified dates to cash flows solely through the collection of principal and interest.

Fair value through profit or loss ("FVTPL") - A financial asset shall be measured at fair value through profit or loss unless it is measured at amortized cost or FVOCI. The Company may however make the irrevocable option to classify particular investments as FVTPL.

2. MATERIAL ACCOUNTING POLICIES (cont'd…)

Financial instruments (cont'd…)

Impairment of financial assets at amortized cost: The Company recognizes a loss allowance for expected credit losses on financial assets that are measured at amortized cost.

Financial liabilities
All financial instruments are initially recognized at fair value on the consolidated statements of financial position. Subsequent measurement of financial instruments is based on their classification. Financial assets and liabilities classified at FVTPL are measured at fair value with changes in those fair values recognized in the consolidated statements of loss and comprehensive loss for the year.

Management determines the classification of its financial liabilities at initial recognition.

Amortized cost - The Company classifies all financial liabilities as subsequently measured at amortized cost using the effective interest method, except for financial liabilities carried at FVTPL and certain other exceptions.

Financial liabilities are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities.

Income taxes

Income tax expense comprises current and deferred tax. Income tax expense is recognized in profit or loss except to the extent that it relates to items recognized directly in equity, in which case it is recognized in equity.

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

Deferred tax is recognized by providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognized on the initial recognition of assets or liabilities in a transaction that is not a business combination. In addition, deferred tax is not recognized for taxable temporary differences arising on the initial recognition of goodwill. Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date. Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different taxable entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realized simultaneously.

A deferred tax asset is recognized to the extent that it is probable that future taxable profits will be available against which the temporary difference can be utilized. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

2. MATERIAL ACCOUNTING POLICIES (cont'd…)

New or revised accounting standards adopted

IAS 1 Presentation of Financial Statements was amended to clarify the classification of non-current liabilities with covenants, depending on the rights that exist at the end of the reporting period. Liabilities should be classified as non-current if a company has a substantive right to defer settlement for at least 12 months at the end of the reporting period.

New accounting standards issued but not yet effective

- *IFRS 18 Presentation and Disclosure in Financial Statements (Replacement to IAS 1)*

  Presentation of Financial Statements aims to improve how companies communicate in their financial statements, with a focus on information about financial performance in the statement of profit or loss, in particular additional defined subtotals, disclosures about management-defined performance measures and new principles for aggregation and disaggregation of information. IFRS 18 is accompanied by limited amendments to the requirements in IAS 7 Statement of Cash Flows. IFRS 18 is effective from January 1, 2027. Companies are permitted to apply IFRS 18 before that date.

- *Lack of Exchangeability (Amendments to IAS 21)*

  Amendments to IAS 21 which provide guidance on assessing currency exchangeability and determining the spot exchange rate when exchangeability is lacking. Effective for annual reporting periods beginning on or after January 1, 2025, with early application permitted, the amendments require entities to estimate the exchange rate that reflects on orderly transaction between market participants under prevailing economic conditions when a currency cannot be exchanged through normal mechanisms. Additionally, entities must disclose how a currency's lack of exchangeability impacts their financial performance, position, and cash flows to enhance comparability and transparency in financial statements. The Company is currently assessing the impact on the consolidated financial statements.

(Expressed in Canadian Dollars)

3. EQUIPMENT

		Solid-state Drives		Servers		Equipment		Total
Cost:								
As at December 31, 2022	$	99,172	$	796,465	$	-	$	895,637
Additions during the year		-		-		21,996		21,996
As at December 31, 2023 and December 31, 2024	$	99,172	$	796,465	$	21,996	$	917,633
Accumulated depreciation:								
As at December 31, 2022	$	30,986	$	112,252	$	-	$	143,238
Depreciation for the year, included in research, development and software maintenance expense		24,792		199,117		4,124		228,033
As at December 31, 2023		55,778		311,369		4,124		371,271
Depreciation for the year, included in research, development and software maintenance expense		24,793		199,116		5,499		229,408
As at December 31, 2024	$	80,571	$	510,485	$	9,623	$	600,679
Net book value:								
At December 31, 2023	$	43,394	$	485,096	$	17,872	$	546,362
At December 31, 2024	$	18,601	$	285,980	$	12,373	$	316,954

4. INTANGIBLE ASSET

On March 30, 2018, the Company acquired all of the issued and outstanding shares of Sekur Private Data Inc. (formerly GlobeX Data Inc.) ("SDI"), a company with a common director. As consideration for the acquisition, the Company issued 25 million common shares to SDI, with the license agreement held by SDI being assigned a fair value of $2,552,573.

On April 3, 2017, the Company (as licensee) entered into the *GlobeX Data SA Secure Cloud Services Licensee License Agreement and Program* (the "Reseller Agreement") with GlobeX Data S.A. ("GDSA"), a Swiss corporation with a common director, whereby GDSA granted the Company an exclusive, non-transferrable license to resell the Plan Offerings (as defined) to prospects in the United States and Canada for a perpetual term unless terminated by GDSA. Pursuant to the Reseller Agreement, the Company markets the Plan Offerings to prospects or customers (the "End User") and the End User subscribes to the Plan Offerings by entering into an end user license agreement (the "EULA") with GDSA by signing a contract with the Company. Acceptance of a prospect or customer as an End User is at the sole discretion of GDSA, with GDSA having the right to terminate an EULA. The Company has the absolute right to accept any End User and, if it does, it also assumes the liability of acceptance of the End User. GDSA charges the End User a service fee for the Plan Offerings, with payment received by GDSA being remitted to the Company. The Company also has the option of collecting funds directly from the End User. Gross service fee revenue is split between GDSA (10%, being the royalty fee recorded to the consolidated statement of comprehensive loss) and the Company (90%). The Reseller Agreement can be terminated by GDSA at any time if the Company fails to cure a breach of any part of the Reseller Agreement within 30 days of receiving written notice of the breach.

On May 7, 2017, the Company (as licensee) entered into the *GlobeX Data Secure Cloud Services Licensee Agreement and Program* ("Reseller Agreement 2") with GDSA, whereby GDSA granted to the Company an exclusive, transferrable license to resell the Plan Offerings (as defined) to prospects in all countries except Switzerland, Lichtenstein, the Principality of Monte Carlo, the Vatican City State, Canada and the United States for a perpetual term unless terminated by GDSA. The terms and conditions of Reseller Agreement 2 are the same as for the Reseller Agreement as described, except that the Company has 90 days to cure a breach of any part of Reseller Agreement 2.

On July 21, 2022, the Company entered into an Addendum (the "Addendum") to the Global License Agreement with GDSA. This Addendum allows the Company to market/distribute the Products globally, including Switzerland, Lichtenstein, The Principality of Monte Carlo, The Vatican City State, and The Grand-Duchy of Luxembourg. The Company is permitted to market the Products in Switzerland only through online sales, and is not permitted to enter into a physical Reseller relationship in Switzerland. All other countries globally are now open to market by the Company.

During the year ended December 31, 2022, the Company determined that the carrying value was in excess of its recoverable amount and recorded an impairment of the intangible asset of $2,522,573.

During the year ended December 31, 2024, the Company accrued royalty fees of $46,031 (2023 - $51,897) in respect of the Reseller Agreement.

As at December 31, 2024, $23,284 (2023 - $38,104) was payable to GDSA pursuant to the Reseller Agreement.

5. SHARE CAPITAL

The Company has authorized an unlimited number of common shares and preferred shares. No preferred shares have been issued.

During the year ended December 31, 2024, the Company:

a) Issued 200,000 units at $0.07 per unit for proceeds of $14,000. Each unit consists of one common share and one share purchase warrant exercisable at $0.12 for a period of three years from the date of issuance. The Company allocated a fair value of $3,000 to the warrants in relation to the financing.

b) Completed the first tranche of a financing by issuing 28,290,116 units at $0.034 per unit for proceeds of $961,864. Each unit consists of one common share and one share purchase warrant exercisable at $0.055 for a period of two years from the date of issuance. The Company paid $28,801 of cash share issuance costs and allocated a fair value of $254,611 to the warrants in relation to the financing.

c) Completed the second tranche of a financing by issuing 12,752,617 units at $0.034 per unit for proceeds of $433,589. Each unit consists of one common share and one share purchase warrant exercisable at $0.055 for a period of two years from the date of issuance. The Company paid $23,034 of cash share issuance costs in relation to the financing. The fair value allocated to warrants was $nil based on residual valuation method.

d) Received $118,911 as advances for shares pending issuance for a financing that was closed subsequent to the year ended December 31, 2024 (Note 12).

During the year ended December 31, 2023, the Company:

a) Issued 1,357,500 common shares at a fair value of $202,995 for marketing services.

b) Issued 1,000,000 common shares at a fair value of $180,000 for settlement of a marketing agreement.

c) Received proceeds of $50,000 from the exercise of 250,000 stock options.

(Expressed in Canadian Dollars)

5. SHARE CAPITAL (cont'd…)

Stock Options

The Company adopted a stock option plan on April 30, 2018. The stock option plan provides that, subject to the requirements of the CSE, the aggregate number of securities reserved for issuance will be 15% of the number of the Company's common shares issued and outstanding at the time such options are granted. The exercise price of option grants will be determined by the Board of Directors but will not be less than the closing market price of the common shares on the CSE less allowable discounts at the time of grant. All options granted under the stock option plan will expire not later than the date that is ten years from the date that such options are granted.

	Number of Options	Weighted Average Exercise Price ($)
Outstanding at December 31, 2022	-	-
Granted	11,516,272	0.10
Exercised	(250,000)	0.20
Outstanding at December 31, 2023	11,266,272	0.10
Expired	(100,000)	0.15
Outstanding and exercisable, December 31, 2024	**11,166,272**	**0.10**

The weighted-average remaining contractual life of options at December 31, 2024 was 6.33 years (2023 – 7.27 years).

Additional information regarding stock options outstanding as at December 31, 2024 is as follows:

Number of Options	Exercise Price ($)	Expiry Date
3,000,000	0.20	August 30, 2026
8,166,272	0.06	January 13, 2033
11,166,272		

During the year ended December 31, 2023, the Company granted 11,516,272 stock options with a fair market value of $870,458 or $0.08 per option which was charged to operations in the following accounts: $70,110 to accounting, $416,975 to consulting, $347,757 to director's fees, $7,819 to legal and $27,797 to marketing. There were no stock options issued during the year ended December 31, 2024. The following assumptions were used for the Black-Scholes valuation of the stock options assuming no expected dividends or forfeitures:

	Year ended December 31, 2024	Year ended December 31, 2023
Risk-free interest rate	-	2.89% - 4.69%
Expected life (in years)	-	1-10
Expected volatility	-	116.70% - 155.57%

(Expressed in Canadian Dollars)

5. SHARE CAPITAL (cont'd…)

Warrants

	Number of Warrants	Weighted Average Exercise Price ($)
Outstanding, December 31, 2022	27,438,071	0.49
Expired	(25,116,486)	0.47
Outstanding, December 31, 2023	2,321,585	0.70
Expired	(2,321,585)	0.70
Granted	41,242,733	0.06
Outstanding, December 31, 2024	**41,242,733**	**0.06**

The weighted-average remaining contractual life of warrants at December 31, 2024 was 1.76 years (2023 – 0.30 years).

Additional information regarding warrants outstanding as at December 31, 2024 is as follows:

Exercise price ($)	Number of warrants	Expiry Date
0.055	28,290,116	September 12, 2026
0.055	1,065,000	October 15, 2026
0.055	11,687,617	November 28, 2026
0.12	200,000	May 22, 2027
	41,242,733	

6. RELATED PARTY TRANSACTIONS

Related party transactions were in the normal course of operations and measured at the exchange amount, which is the amount established and agreed to by the related parties. Key management personnel are the persons responsible for planning, directing and controlling the activities of the Company, and include both executive and non-executive directors, and entities controlled by such persons. The Company considers all directors and officers of the Company to be key management personnel.

During the year ended December 31, 2024, the Company incurred $60,000 (2023 - $nil) in director's fees to a director and officer of the Company.

During the year ended December 31, 2024, the Company incurred $41,580 (2023 - $43,940) in accounting fees and corporate services to an accounting firm in which an officer of the Company is a partner. As at December 31, 2024, there was $29,337 (2023 - $4,285) owing to this firm, included in accounts payable and accrued liabilities. This balance is unsecured, non-interest bearing and has no fixed terms of repayment.

During the year ended December 31, 2024, the Company granted nil (2023 – 7,821,272) stock options with a fair value of $nil (2023 - $407,703) to directors and officers of the Company of which $nil (2023 - $59,946) was recorded to accounting expense and $nil (2023 - $347,757) was recorded to director's fees.

During the year ended December 31, 2024, the Company paid or accrued data center and hardware maintenance fees of $375,000 (2023 - $820,000) and royalty fees of $46,031 (2023 - $51,897) to GDSA, a company with common directors (see Note 4). At December 31, 2024, the Company had accrued royalties payable of $23,284 (2023 - $38,104).

7. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

Financial instruments measured at fair value are classified into one of three levels in the fair value hierarchy according to the relative reliability of the inputs used to estimate the fair values. The three levels of the fair value hierarchy are:

- Level 1 – Unadjusted quoted prices in active markets for identical assets or liabilities;
- Level 2 – Inputs other than quoted prices that are observable for the asset or liability either directly or indirectly; and
- Level 3 – Inputs that are not based on observable market data.

The fair value of the Company's cash and cash equivalents, receivables (excluding GST), accounts payable and accrued liabilities and royalty fees payable approximate their carrying value.

The Company is exposed in varying degrees to a variety of financial instrument related risks. The Board of Directors approves and monitors the risk management processes, inclusive of documented investment policies, counterparty limits, and controlling and reporting structures. The type of risk exposure and the way in which such exposure is managed is provided as follows:

a) *Credit risk*

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. The Company's primary exposure to credit risk is on its cash and cash equivalents of $716,746 (2023 - $924,739) held in bank and investment accounts. The Company has deposited the cash with its bank from which management believes the risk of loss is remote.

b) *Liquidity risk*

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they become due. The Company's approach to managing liquidity is to ensure that it will have sufficient liquidity to meet liabilities when due. Accounts payable and accrued liabilities are due within the current operating year. The Company has a sufficient cash balance to settle current liabilities.

c) *Market ri*sk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices will affect the Company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return.

Currency risk

A portion of the Company's financial assets and liabilities are denominated in US dollars. The Company monitors this exposure, but has no hedge positions.

The Company is exposed to currency risk on fluctuations related to cash, accounts payable and accrued liabilities and royalty fees payable that are denominated in US dollars. At December 31, 2024, a 10% change in the value to the US dollar as compared to the Canadian dollar would not have a significant effect on net loss.

7. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (cont'd…)

Interest rate risk

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company is exposed to interest rate risk, from time to time, on its cash balances. Surplus cash, if any, is placed on call with financial institutions and management actively negotiates favorable market related interest rates.

8. CAPITAL DISCLOSURE AND MANAGEMENT

The Company defines its capital as all components of shareholders' equity. The Company's objectives when managing capital are to safeguard its ability to continue as a going concern.

In order to maintain its capital structure, the Company is dependent on equity funding and when necessary, raises capital through the issuance of equity instruments, primarily comprised of common shares. The Company manages its capital structure and makes adjustments to it in light of economic conditions. The Company, upon approval from its Board of Directors, will make changes to its capital structure as deemed appropriate under the specific circumstances.

The Company is not subject to any externally imposed capital requirements or debt covenants, and does not presently utilize any quantitative measures to monitor its capital. There were no changes to the Company's approach to managing capital during the year.

9. CONTRACTUAL OBLIGATIONS

On October 16, 2023, the Company amended the January 25, 2023 agreement with AMI to pay five monthly payments of US$17,500 ($23,182) from November 2023 to March 2024 and issue 1,571,428 common shares as payment for services provided from April to December 2024 (issued subsequent to the year ended December 31, 2024).

(Expressed in Canadian Dollars)

10. SEGMENT INFORMATION

The operating segment is reported in a manner consistent with the internal reporting provided to the key management team that comprises the Chief Executive Officer ("CEO"), the Chief Financial Officer ("CFO") and the Chief Operating Officer ("COO"). The key management team fulfills the role of the chief operating decisionmaker. The key management team is responsible for allocating resources and assessing the performance of the Company's operating segments. The Company manages its business under a single reportable operating segment, being the Swiss-hosted Cybersecurity and Internet Privacy solutions for secure communications and secure data management worldwide.

(a) Total Revenues by Major Product Type

Revenue is recognized at the point in time when the customer obtains control of the service. The following table shows the Company's revenue disaggregated by major solution type:

	Year ended December 31, 2024	Year ended December 31, 2023
Business to Business partners	**$ 10,321**	$ 11,211
Direct customer purchases	**467,381**	531,971
	$ 477,702	$ 543,182

(b) Total Revenues by geographical location

The following table shows the Company's revenue disaggregated by geographical location:

	Year ended December 31, 2024	Year ended December 31, 2023
Latin America	**$ 8,722**	$ 7,975
United States	**468,980**	535,207
	$ 477,702	$ 543,182

(Expressed in Canadian Dollars)

10. SEGMENT INFORMATION (cont'd…)

The Company operates in one reportable operating segment, being a Cybersecurity and Internet Privacy provider for secure communications and data management. Geographical information is as follows:

		Total Current Assets		Equipment		Total
December 31, 2024						
Canada*	**$**	**655,097**	**$**	**316,954**	**$**	**972,051**
United States		**180,877**		**-**		**180,877**
	$	**835,974**	**$**	**316,954**	**$**	**1,152,928**
December 31, 2023						
Canada*	$	515,538	$	546,362	$	1,061,900
United States		491,348		-		491,348
	$	1,006,886	$	546,362	$	1,553,248

* The equipment is owned by Sekur Private Data Ltd. but is located in Switzerland.

11. INCOME TAX

A reconciliation of income taxes at the statutory rate of 27% (2023 – 27%) with the reported taxes is as follows:

		Year ended December 31, 2024		2023
Loss for the year before income taxes	**$**	**(1,967,131)**	$	(4,754,103)
Recovery of income taxes computed at statutory rates		**(531,000)**		(1,284,000)
Non-deductible (non-taxable) permanent differences		**-**		234,000
Differing effective tax rate on loss in foreign jurisdiction		**(39,000)**		(4,000)
Unrecognized deferred tax assets		**644,000**		1,035,000
Impact of foreign exchange and other		**(60,000)**		19,000
Total income tax expense (recovery)	**$**	**-**	$	-

Deferred taxes reflect the tax effects of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and their tax values.

The unrecognized deductible temporary differences at December 31, 2024 and 2023 are comprised of the following:

		As at December 31, 2024		2023
Equipment	**$**	**3,302,000**	$	3,057,000
Non-capital losses		**18,388,000**		16,191,000
Share issue costs		**151,000**		221,000
	$	**21,841,000**	$	19,469,000

At December 31, 2024, the Company has non-capital loss carry forwards in Canada aggregating $15,928,000 (2023 - $13,969,000) which expire over the period between 2027 and 2044, available to offset future taxable income in Canada.

At December 31, 2024, the Company has non-capital loss carry forwards in the United States of America aggregating $2,460,000 (2023 - $2,222,000) which do not expire, available to offset future taxable income in the United States of America. Tax attributes are subject to review, and potential adjustment, by competent authority.

12. SUBSEQUENT EVENTS

Subsequent to the year ended December 31, 2024, the Company:

a) Completed the third and final tranche of a financing by issuing 6,973,705 units at $0.034 per unit for proceeds of $237,106, of which $118,911 was received during the year ended December 31, 2024. Each unit consists of one common share and one share purchase warrant exercisable at $0.055 for a period of two years from the date of issuance. The Company issued 200,000 broker warrants under the same terms as share issuance costs in relation to the financing.

b) Issued 1,571,428 common shares at a fair value of $55,000 for marketing services.

c) Issued 700,000 common shares at a fair value of $24,500 for settlement of a marketing agreement.