Scryb Inc.

CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS
FOR THE THREE MONTHS ENDED DECEMBER 31, 2023, AND 2022

INDEX

Scryb Inc.
Management's Responsibility of Financial Reporting
December 31, 2023

Notice of No Auditor Review of Condensed Interim Consolidated Financial Statements

Under National Instrument 51-102, Part 4, subsection 4.3(3) (a), if an auditor has not performed a review of the interim financial statements; they must be accompanied by a notice indicating that the financial statements have not been reviewed by an auditor. The accompanying unaudited condensed interim consolidated financial statements of the Company have been prepared by management and approved by the Audit Committee and Board of Directors of the Company on February 28, 2024. The Company's independent auditor has not performed a review of these financial statements in accordance with the standards established by Chartered Professional Accountants of Canada for a review of interim financial statements by an entity's auditor.

Scryb Inc.
CONSOLIDATED INTERIM STATEMENTS OF FINANCIAL POSITION
(Unaudited - Expressed in Canadian dollars)

As at	December 31, 2023	September 30, 2023
Assets		
Current assets		
Cash	$ **18,727**	$ 369,227
Other receivables (note 5)	**470,006**	660,228
Due from related parties	**533,667**	527,000
Prepaid expenses	**1,842,901**	2,394,191
	2,865,301	3,950,646
Non-current assets		
Reclamation bonds (note 12)	**79,068**	79,068
Property, plant and equipment (note 7)	**10,592**	13,023
Right-of-use asset (note 8)	**174,495**	224,136
Investment in associates (note 6)	**815,323**	1,149,922
Due from related parties	**3,271,885**	3,440,464
Intangible assets (notes 9 and 10)	**3,768,262**	4,114,104
Total assets	**10,984,927**	12,971,363
Current Liabilities		
Current liabilities		
Accounts payable and accrued liabilities	**3,126,762**	3,091,137
Unearned revenue	**362,090**	540,994
Current portion of lease liability (note 11)	**117,984**	154,277
Due to related parties	**2,479,407**	1,432,933
Current portion of government loans (note 13)	**60,000**	60,000
	6,146,242	5,279,341
Non-Current Liabilities		
Government loans (note 13)	**127,059**	124,212
Total liabilities	**6,273,302**	5,403,553
Shareholders' equity		
Capital stock (note 14)	**54,051,851**	53,434,407
Warrant reserve	**8,127,125**	8,127,124
Contributed surplus	**22,702,199**	22,955,348
Deficit	**(78,622,974)**	(75,949,841)
Non controlling interest (note 20)	**(1,546,580)**	(999,228)
Total equity attributable to shareholders of Scryb Inc.	**4,711,626**	7,567,810
Total liabilities and shareholders equity	$ **10,984,927**	$ 12,971,363

APPROVED ON BEHALF OF THE BOARD OF DIRECTORS

"Greg Van Staveren" — Director

"Michael Minder" — Director

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

Scryb Inc.
CONSOLIDATED INTEIRM STATEMENTS OF LOSS AND COMPREHENSIVE LOSS
FOR THE THREE MONTHS ENDED DECEMBER 31, 2023, AND 2022
(Unaudited - Expressed in Canadian dollars)

		Three months ended		
		December 31, 2023		December 31, 2022
Revenues				
Product Sales	**$**	**357,813**	$	32,716
Royalties and management fees		**115,612**		-
Other revenue		**11,755**		-
		485,181		32,716
Expenses				
Advertising and promotion		**434,075**		266,154
Amortization expense		**345,843**		357,844
Consulting and management fees		**29,141**		1,622,838
Depreciation		**52,072**		84,720
Foreign currency loss (gain)		**20,789**		16,638
Insurance expenses		**18,236**		17,474
Interest and accretion		**38,108**		17,981
Unrealized loss on investment in associate		**260,174**		(122,233)
Office, general and administrative		**40,009**		214,401
Product research and development costs		**306,632**		123,451
Professional fees		**41,496**		106,888
Salaries and benefits		**1,783,210**		1,658,018
Sales bonus and commissions		**-**		144,750
Share-based compensation (note 14b)		**-**		4,095,599
Shareholder communications and marketing		**4,901**		21,659
Transfer agent and filing fees		**6,788**		30,746
Net loss from Operations		**(2,896,295)**		(8,624,212)
Other Comprehensive Income				
Gain on equity dilution in Cybeats Technologies Inc.		**-**		757
Net income (loss) and other comprehensive income (loss)	**$**	**(2,896,295)**	$	(8,624,969)
Net income (loss) attributable to non-controlling interest (note 20)	**$**	**(1,157,310)**	**$**	**-**
Net income (loss) attributable to Scryb Inc.	**$**	**(1,738,985)**	**$**	**(8,624,969)**
Income (loss) per share				
Basic and diluted (note 18)	**$**	**(0.01)**	$	(0.04)
Weighted average number of common shares outstanding, basic and diluted		**257,282,672**		240,051,037

Scryb Inc.
CONSOLIDATED INTERIM STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY
FOR THE THREE MONTHS ENDED DECEMBER 31, 2023, AND 2022
(Unaudited - Expressed in Canadian dollars)

	Capital Stock		Warrant reserve	Contributed surplus	Cumulative Translation Gain	Deficit	Total Equity
	Number of shares	Amount					
Balance - October 1, 2022	**239,692,672**	**44,582,532**	**2,836,268**	**20,601,699**	**-**	**(62,279,579)**	**5,740,920**
Opening balances prior to business combination (note 10)	-	2,935,662	915,093	251,990	20,443	(4,356,690)	**(233,501)**
Business combination elimination	-	(3,100,808)	-	-	-	9,547,119	**6,446,311**
Shares issued on settlement of debt	-	170,624	999,530	-	-	-	**1,170,154**
Units issued for cash, net of issuance costs	-	5,779,872	1,485,899	-	-	-	**7,265,771**
Units issued from business combination	-	718,416	2,362,890	-	-	(5,446,833)	**(2,365,528)**
Shares issued from private placement	17,590,000	1,631,610	567,140	-	-	-	**2,198,750**
Shares issued on the exercise of warrants (note 14 (c))	-	563,181	(138,717)	-	-	-	**424,464**
Shares issued on the exercise of options (note 14 (c))	-	247,637	-	(106,947)	-	-	**140,690**
Share-based compensation	-	(322,599)	-	2,938,044	-	-	**2,615,445**
Adjustment	-	59,032	14,114	(598,599)	(2,776)	38,906	**(489,323)**
Expiration of warrants	-	-	(915,093)	-	-	-	**(915,093)**
Cancellation of options	-	-	-	(130,839)	-	-	**(130,839)**
Foreign exchange adjustment	-	200,527	-	-	(17,667)	-	**182,860**
Net loss for the period	-	-	-	-	-	(13,592,926)	**(13,592,926)**
Balance - September 30, 2023	**257,282,672**	**$ 53,465,687**	**$ 8,127,124**	**$ 22,955,348**	**$ -**	**$ (76,090,002)**	**$ 8,458,153**
Non controlling interest in Cybeats Technologies Corp.	-	6,859,305	3,166,507	1,810,097	-	(12,916,785)	(1,080,875)
Balance - September 30, 2023	**257,282,672**	**$ 60,324,992**	**$ 11,293,631**	**$ 24,765,445**	**$ -**	**$ (89,006,786)**	**$ 7,377,278**
Balance - October 1, 2023	**257,282,672**	**60,324,992**	**11,293,631**	**24,765,445**	**-**	**(89,006,786)**	**7,377,278**
Shares issued on the exercise of options (note 14 (c))	-	586,167	-	(253,148)	-	-	**333,019**
Adjustment	-	-	-	-	-	(331,862)	**(331,862)**
Net loss for the period	-	-	-	-	-	(2,201,109)	**(2,201,109)**
Balance - December 31, 2023	**257,282,672**	**$ 60,911,159**	**$ 11,293,631**	**$ 24,512,297**	**$ -**	**$ (91,539,757)**	**$ 5,177,331**
Non controlling interest in Cybeats Technologies Corp.	-	403,923	-	(174,442)	-	(695,186)	(465,705)
Balance - December 31, 2023	**257,282,672**	**$ 61,315,082**	**$ 11,293,631**	**$ 24,337,855**	**$ -**	**$ (92,234,942)**	**$ 4,711,626**

Scryb Inc.
CONSOLIDATED INTERIM STATEMENTS OF CASH FLOWS
FOR THE THREE MONTHS ENDED DECEMBER 31, 2023, AND 2022
(Unaudited - Expressed in Canadian dollars)

	December 31, 2023	December 31, 2022
Cash flows from (used in) operating activities		
Net loss for the period	$ (2,896,295)	$ (8,624,969)
Items not affecting cash from operations:		
Depreciation	52,071	84,720
Amortization	345,843	357,844
Proportionate share of (profit) from FRR	128,349	-
Gain on equity dilution in Cybeats Technoloiges Inc.	-	(757)
Unrealized gain (loss) on investment in associate	123,750	642,857
Share-based compensation	-	4,095,599
Interest and accretion, net	-	51,078
Changes in non-cash working capital items:		
(Increase) in prepaid expenses	551,290	(55,678)
(Increase) in amounts receivable	190,222	(580,847)
Increase in accounts payable and accrued liabilities	35,625	355,498
(Increase) in due from related parties	1,316,851	-
(Increase) in unearned service revenue	(178,904)	-
Pima Zinc Corp. net working capital acquired	(318,875)	-
Advances from Pima Zinc Corp.	-	(3,716,982)
Net cash used in operating activities	(650,071)	(7,391,637)
Cash flows used in investing activities		
Purchase of property, plant and equipment	-	(71,213)
Net cash used in investing activities	-	(71,213)
Cash flows from (used in) financing activities		
Proceeds from private placement, net of issue costs	-	7,603,692
Pima Zinc Corp. net working capital acquired	-	(318,875)
Interest on government loans	2,847	-
Proceeds from warrant exercise	-	120,000
Proceeds from options exercise	333,019	-
Net payments on leases	(36,294)	(28,817)
Net cash from financing activities	299,572	7,376,000
Decrease in cash for the period	(350,499)	(86,851)
Cash - beginning of period	369,227	368,223
Cash - end of period	$ 18,727	$ 281,372

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

1. NATURE OF OPERATIONS

Scryb Inc. (“the Company”) was incorporated in British Columbia and is a technology company that provides its platform to power businesses and technologies with applied intelligence, real-time analytics, and actionable insights headquartered in Toronto, Ontario. On January 31, 2017, the Company filed Articles of Amalgamation under the Business Corporations Act (Ontario), whereby the Company was amalgamated with ChroMedX to form an amalgamated corporation operating under the name of “Relay Medical Corp.” On December 8, 2021, the Company filed articles of amendment to change its name to Scryb Inc. All amounts herein reflect the financial effects of the amalgamation. The principal business address of the Company is 65 International Blvd., Suite 202, Toronto, Ontario, M9W 6L9.

2. BASIS OF PRESENTATION

Statement of Compliance

These consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board (“IASB”). The consolidated financial statements of the Company for the year ended September 30, 2023 were reviewed by the Audit Committee and approved and authorized for issue by the Board of Directors on February 28, 2024.

Principles of Consolidation

These consolidated financial statements include the accounts of the Company and its wholly owned subsidiaries, UX Data Sciences Corp., Osprey Device Networks Corp. and HemoPalm Corp. They also include Cybeats Technologies Corp. (“Cybeats Corp.”) (formerly Pima Zinc Corp.) (note 6 and note 20) a consolidated majority owned public company. All significant intercompany balances and transactions have been eliminated on consolidation.

The financial statements of Scryb have been prepared on a consolidated basis with Cybeats Corp., in accordance with International Financial Reporting Standards (IFRS) 10 - Consolidated Financial Statements. Scryb is deemed to have control over Cybeats Corp as it owns approximately 60% of the outstanding shares of Cybeats Corp. As such, Scryb consolidates the financial results of Cybeats into its own financial statements. The non-controlling portion of Cybeats Technologies Corp. of approximately 40% was adjusted on the balance sheet, Income statement and statement of equity in the NCI accounts.

<u>Subsidiaries</u>.

Subsidiaries are entities over which the Company has control. Control is defined as when the Company is exposed or has rights to the variable returns from the subsidiary and has the ability to affect those returns through its power over the subsidiary. Power is defined as existing rights that give the Company the ability to direct the relevant activities of the subsidiary. Subsidiaries are fully consolidated from the date control is transferred to the Company and are de-consolidated from the date control ceases.

<u>Non-controlling interests</u>

A non-controlling interest is initially recognized as the proportionate share of the identifiable net assets of the subsidiary on the date of its acquisition and is subsequently adjusted for the noncontrolling interest’s share in changes of the acquired subsidiary’s earnings and capital. Effects of transactions with non-controlling interests are recorded in equity if there is no change in control.

Basis of Measurement
These consolidated financial statements have been prepared on the historical cost basis except for certain financial instruments which are measured at fair value. In addition, these consolidated financial statements have been prepared using the accrual basis of accounting, except for cash flow information.

Functional and Presentation Currency
The consolidated financial statements are presented in Canadian dollars, which is also the Company's functional currency.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting polices set out below have been applied consistently to all periods presented in these consolidated 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) Intangible assets

The Company records intangible assets at fair value at the date of acquisition. An intangible asset is capitalized when the economic benefit associated with an asset is probable and when the cost can be measured reliably. Intangible assets are carried at cost less accumulated depreciation and impairment losses. Cost consists of expenditures directly attributable to the acquisition of the assets. Intangible assets with finite lives are tested amortized over the related benefit period. Those with indefinite lives are not amortized and are tested for impairment on an annual basis. The Company’s intangible assets consist of patents, patent applications, software license and research and development costs that are amortized over their five-year estimated useful life.

(c) 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 asset;
- 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.

All research and development costs incurred by the Company were expensed in the year.

(a) Share-based Payments

The Company accounts for share-based payment using the fair value method. Under this method, compensation expense is measured at fair value on the date of grant using the Black-Scholes option pricing model, and is recognized as an expense or capitalized, depending on the nature of the grant, with a corresponding increase in equity, over the period that the employees earn the options. The amount recognized as an expense is adjusted to reflect the number of share options expected to vest. The Black-Scholes option pricing model requires the input of subjective assumptions, including the expected term of the option and stock price volatility.

For transactions with employees and others providing similar services, the Company measures the fair value of the services received by reference to the fair value of the equity instruments granted. For transactions with parties other than employees, the Company measures the goods or services received, and the corresponding increase in equity, directly, at the fair value of the goods or services received, unless that fair value cannot be estimated reliably. When the Company cannot estimate reliably the fair value of the goods or services received, it measures their value, and the corresponding increase in equity, indirectly, by reference to the fair value of the equity instruments granted.

(e) 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.

(f) Financial Instruments

Financial assets and financial liabilities are recognized 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 bases of financial instruments;

Asset or Liability	Measurement
Cash and funds held in trust	Fair value
Other Receivables	Amortized cost
Convertible Debentures	Amortized cost
Reclamation bonds	Amortized cost
Accounts payable and accrued liabilities	Amortized cost
Government loans	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 or FVTOCI. Gains or losses on these items are recognized in profit or loss.

(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".

(iii) Fair Value through other comprehensive income

Investments recorded at fair value through other comprehensive income (FVOCI) On initial recognition of an equity investment that is not held for trading, the Company may irrevocably elect to measure the investment at FVOCI whereby changes in the investment's fair value (realized and unrealized) will be recognized permanently in OCI with no reclassification to profit or loss. The election is made on an investment-by-investment basis.

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.

(ii) Financial liabilities recorded 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 consolidated 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 consolidated 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 and 2022, the fair value of the financial liabilities approximates the carrying value, due to the short-term nature of the instruments.

(g) Cash

Cash consists of deposits in banks.

(h) Revenue Recognition

Product sales revenue is recognized when it is probable that the economic benefits will flow to the Company and the amount of revenue can be measured reliably. Interest income is recognized on a time-proportion basis using the effective interest method.

(i) Funds Held in trust

Funds held in trust consists of cash on hand, deposits in banks and funds held in trust by the Company's external legal counsel. Funds held in trust are not restricted and can be used for working capital purposes.

(j) 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 straight-line basis at the following annual rates:

Laboratory and technical equipment	3 years
Office furniture and equipment	3 years
Computer equipment	2 years

(k) 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.

(l) 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. If these computations prove to be anti-dilutive, diluted income (loss) per share is the same as basic income (loss) per share.

(m) 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 consolidated statements of financial position as a component of common shareholders' equity.

(n) Investment in Associates
Investments in associates are accounted for using the equity method based on the Company's ability to exercise significant influence over the operating and financial policies of the investee.

Investments of this nature are recorded at original cost and adjusted periodically to recognize the Company's proportionate share of the associate's net income or losses after the date of investment, additional contributions made and dividends received. Investments are written down when there has been a significant or prolonged decline in fair value.

(o) 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.

4. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES

The preparation of these consolidated financial statements in conformity with IFRS requires that management make estimates and assumptions about future events that affect the amounts reported in the consolidated financial statements and related notes to the 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:

Share based payments and warrants

The fair value of stock options and warrants issued are subject to the limitation of the Black Scholes option pricing model that incorporates market data and involves uncertainty in estimates used by management in the assumptions. Because the Black Scholes option pricing model requires the input of highly subjective assumptions, including the volatility of share prices, changes in subjective input assumptions can materially affect the fair value estimate.

Useful life of intangible assets

Management has exercised their judgment in determining the useful life of its patents, patent applications, software license 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 consolidated 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 as previously discussed in Note 1.

(Unaudited - Expressed in Canadian dollars)

Impairment of intangible assets
Management has exercised their judgment in determining if the patents are impaired. The judgment is based on the expected future benefit of the intangible assets and intellectual property.

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.

Acquisition of an asset or business combination
In accordance with IFRS 3, management has exercised their judgment in determining the acquisition of Cybeats Technologies Inc. was considered an asset acquisition as it did not meet the definition of a business.

5. OTHER RECEIVABLES

As at December 31, 2023 and, 2022, other receivables were comprised of the following:

	December 31 2023	September 30 2023
Trade receivables	204,769	332,984
HST receivable	74,887	127,772
Other receivables	190,350	199,472
	470,006	**660,228**

6. INVESTMENT IN ASSOCIATES

As at December 31, 2023 and 2022, Investment in Associates was comprised of the following:

	December 31 2023	September 30 2023
Investment in Fionet Rapid Response Group	485,323	613,672
Investment in Glow LifeTech Corp.	330,000	536,250
	815,323	**1,149,922**

Fionet Rapid Response Group:

On August 19, 2020, Scryb established a joint venture ("JV") with Fio Corporation ("Fio") to accelerate adoption and delivery of Fio's proven data-and-device platform, Fionet, as a COVID-19 pandemic testing, data collection and reporting solution. The JV operates under the name "Fionet Rapid Response Group" and is headquartered in Toronto, Canada. Scryb and Fionet Rapid Response Group signed a Memorandum of Understanding for this JV. The Fionet Rapid Response Group enables mass distributed testing and automated aggregation, triage, and tracking to contain COVID-19, for deployment by public health agencies, retail health providers and private sector companies in Canada, the United States, Europe, Africa, and elsewhere.

On December 22, 2020, Fionet Rapid Response Group ("FRR") was incorporated in Ontario for the purposes of establishing the Joint Venture. As part of the Joint Venture agreement Scryb invested $1,500,000 into FRR through the provision of consulting services with another $500,000 given in the form of a repayable loan. In exchange for the investment Scryb owns 33% of FRR with a 33% royalty on all FRR revenue related to individual testing and a 20% royalty on all FRR revenue related to FRR platform solutions and 10% royalty on all FRR revenue related to data revenue. Fio owns the remaining 67% of FRR. The investment in associate has been initially recorded and recognized at its cost of $1,500,000 less the Company's share of markup on certain consulting services provided.

(Unaudited - Expressed in Canadian dollars)

	December 31, 2023	September 30, 2023
Initial Investment	613,672	707,988
Share of equity loss	(128,349)	(94,316)
	485,323	613,672

Glow LifeTech Corp. (formerly Glow LifeTech Ltd.):

During the September 30, 2020 fiscal year, Glow LifeTech Ltd. (Glow Ltd.) completed a series of private placements for gross proceeds of $2,411,115 through the issuance of 12,120,000 common shares at a price of $0.20 per share. In connection with these private placements, as of September 30, 2020, Scryb's ownership in Glow Ltd. was diluted to 22.2% (September 30, 2019 – 39.1%). During this period Glow was operated as a division of Scryb.

On March 3, 2021, Glow Ltd. completed its reverse takeover of Ateba Resources Inc. ("Ateba"), an inactive company, pursuant to the terms of a Business Combination Agreement. The reverse takeover transaction was completed by way of a three-cornered amalgamation between Glow Ltd. and Ateba whereby Ateba acquired all of the issued and outstanding shares of Glow Ltd. in exchange for 47,334,379 common shares of Ateba, resulting in Glow Ltd. becoming a wholly-owned subsidiary of the Ateba.

In connection with the reverse takeover transaction, Glow Ltd. completed a non-brokered private placement financing of 17,138,432 units of Glow Ltd. at a price of $0.30 per unit for gross proceeds of $5,141,530. Each unit was comprised of one common share in the capital of Glow Ltd. and one half of one whole common share purchase warrant, with each warrant exercisable at a price of $0.40 per common share for a period of two years from the date of issuance. In connection with this raise, the Company acquired 2,000,000 units of Glow Ltd. at a price of $0.30 per unit for a total investment of $600,000.

Prior to the completion of the reverse takeover transaction Ateba changed its name to Glow LifeTech Corp. ("Glow Corp."). Upon completion of the reverse takeover transaction the common shares of Glow Corp. became listed on the Canadian Stock Exchange under the symbol "GLOW".

On September 30, 2021, the Company held 8,250,000 commons shares of Glow Corp. or 14.57% of the issued and outstanding common shares.

Prior to March 3, 2021, Scryb valued its investment in Glow Corp. (formerly Glow Ltd.) using the equity method. As a result of the dilution of the Company's holdings of Glow Corp. to 14.57% (September 30, 2020 - 22.2%) and Management's assessment that its significant influence over the operating and financial policy decisions of Glow Corp. ceased on March 3, 2021, the Company recorded a dilution loss of $21,868 and adopted the fair value method of accounting for its investment in Glow Corp. effective March 3, 2021.

(Unaudited - Expressed in Canadian dollars)

Scryb's investment in Glow Corp. has been valued at $0.04 per common which was the listed price per share at December 31, 2023 share (down from $0.07 at September 30, 2023).

	December 31, 2023	**September 30, 2023**
Opening balance	536,250	660,000
Fair value gain (loss)	(206,250)	(123,750)
	330,000	536,250

Cybeats Technologies Corp. (formerly Cybeats Technologies Inc.)

On November 21, 2022, the Company successfully completed the public listing of Cybeats Technologies Corp. (CSE: CYBT) via a reverse takeover transaction with Pima Zinc. And Cybeats Technologies Inc., for which the Company holds 60,000,000 of the issued and outstanding shares with 10,000,000 common share purchase warrants at a strike price of $0.50 expiring on May 11, 2024.

On November 4, 2022, Pima Zinc Corp.(“Pima”) completed a non-brokered private placement financing in the capital of Pima Subco through the issuance of 13,323,800 units (each, a "PP Unit") at a price of $0.50 (the "Issue Price") per PP Unit for gross proceeds of $6,661,900. Each PP Unit consists of one common share in the capital of Pima Subco (each, a "Pima Subco Share") and one Pima Subco Share purchase warrant (each, a "PP Warrant"). Each PP Warrant shall entitle the holder thereof to acquire one Common Share at a price of $0.60 per Common Share for a period of eighteen-(18) months following the completion of the Proposed Transaction.

In addition, Pima Zinc issued 3,411,000 subscription receipts (the "Subscription Receipts") in the capital of Pima Subco at a price of $0.50 per Subscription Receipt for gross proceeds of $1,705,500. Each Subscription Receipt entitles the holder thereof to receive, without payment of additional consideration, one unit (each, a Unit") upon satisfaction of the escrow release conditions ("Escrow Release Conditions"). Each Unit shall be comprised of one Pima Subco Share and PP Warrant.

(Unaudited - Expressed in Canadian dollars)

7. PROPERTY, PLANT AND EQUIPMENT

	Laboratory equipment	Office furniture & equipment	Computer equipment	Total
	$	$	$	$
Cost				
As at September 30, 2022	**41,927**	**207,094**	**14,338**	**263,359**
Additions	2,499	-	-	2,499
As at September 30, 2023	**44,426**	**207,094**	**14,338**	**265,858**
Additions	-	-	-	-
As at December 31, 2023	**44,426**	**207,094**	**14,338**	**265,858**

	Laboratory equipment	Office furniture & equipment	Computer equipment	Total
	$	$	$	$
Amortization for the period				
As at September 30, 2022	**25,426**	**187,301**	**14,338**	**227,065**
Amortization for the period	9,762	16,008	-	25,770
As at September 30, 2023	**35,188**	**203,309**	**14,338**	**252,835**
Amortization for the period	2,204	227	-	2,431
As at December 31, 2023	**37,392**	**203,536**	**14,338**	**255,266**

	Laboratory equipment	Office furniture & equipment	Computer equipment	Total
	$	$	$	$
Net book value				
As at September 30, 2022	**16,501**	**19,793**	**-**	**36,294**
As at September 30, 2023	**9,238**	**3,785**	**-**	**13,023**
As at December 31, 2023	**7,034**	**3,558**	**-**	**10,592**

8. RIGHT-OF-USE ASSET

Right-of-use assets consist of the lease for the Company's office and laboratory and are amortized over a period of 74 months.

	Period ended December 31, 2023	Period ended September 30, 2023
Opening Balance	224,136	410,806
Depreciation	(49,640)	(186,671)
Ending Balance	**174,496**	**224,136**

(Unaudited - Expressed in Canadian dollars)

9. INTANGIBLE ASSETS

The following is a summary of patents as of December 31, 2023:

	Software license	Intellectual Property	Total
Balance September 30, 2022	**27,990**	**5,469,485**	**5,497,475**
Amortization	(16,000)	(1,367,371)	(1,383,371)
Balance September 30, 2023	**11,990**	**4,102,114**	**4,114,104**
Amortization	(4,000)	(341,842)	(345,842)
Balance December 31, 2023	**7,990**	**3,760,272**	**3,768,262**

10. ACQUISITIONS

On March 18, 2021, the Company acquired all the issued and outstanding shares of Cybeats Technologies Inc. (“Cybeats”) pursuant to the Share Exchange Agreement signed March 2, 2021. The acquired business was purchased for $7,180,000, paid by the issuance of 10,950,819 common shares, valued at $0.61 per share and $500,000 in cash. The acquisition has been accounted for as an asset acquisition, whereby Scryb is considered to issue shares in return for the net assets of Cybeats at their fair value as follows;

Net assets acquired	
Receivables and prepaids	331,862
Property, plant and equipment	9,985
Accounts payable	1,296
Intellectual property	6,836,857
	7,180,000

Intellectual property represents technologies developed by Cybeats.

Pursuant to the share exchange agreement dated March 2, 2021 (the "Share Exchange Agreement"), between Scryb, Cybeats Technologies Inc., and the former shareholders of Cybeats with respect to the payment and the issuance of the aggregate performance consideration (the "Aggregate Performance Consideration") upon the closing of the Proposed Transaction. Pima Corp. and Scryb Inc. acknowledge and agree that those persons who are entitled to the payment and issuance of the Aggregate Performance Consideration must agree to receive payment from Pima Corp. In the event that they do not agree, Scryb Inc. will continue its obligations pursuant to the Share Exchange Agreement and complete the Aggregate Performance Consideration for such persons. In the event that the persons who are entitled to the payment and issuance of the Aggregate Performance Consideration do not agree to receive payment from Pima Corp., Pima Corp. shall issue such number of common shares in the capital of Pima Corp. to Scryb Inc. equal in value to the number of common shares in the capital of Scryb Inc. that Scryb Inc. issues pursuant to the Aggregate Performance Consideration.

(Unaudited - Expressed in Canadian dollars)

The net gain arising upon business combination is as follows:

	Amount $
FMV of assets acquired from business combination	6,836,857
Satisfied by:	
Issuance of 60 million common shares at $0.02 per share	(1,200,000)
Issuance of 10 million share warrants at $0.15 per warrant	(1,470,992)
	4,165,865
Pima Zinc Inc.'s investment in Cybeats Technologies inc.	6,836,857
Cybeats Technologies Inc.'s paid up value of common stock	(3,100,807)
	3,736,050
Net gain on business combination	429,815

11. LEASE LIABILITY

On September 1, 2017, the Company entered into a 36-month lease agreement to lease office and laboratory facilities. On July 15, 2019, the Company entered into a sub-lease agreement to lease this space to a third party for the remainder of the original lease term, ending August 30, 2020.

On November 1, 2018, the Company entered into a 60-month lease agreement to lease an office and laboratory facilities. During the three months ended, December 31, 2023, the lease payments were $14,180 per month.

		Office & laboratory lease		Total
Balance, September 30, 2022	**$**	**263,285**	**$**	**263,285**
Interest expense		49,458		49,458
Lease payments		(158,466)		(158,466)
Balance, September 30, 2023	**$**	**154,277**	**$**	**154,277**
Interest expense		5,347		5,347
Lease payments		(41,640)		(41,640)
Balance, December 31, 2023	**$**	**117,983**	**$**	**117,983**

The Company has recorded these leases as right-of-use assets (note 8) and lease liability in the statement of financial position as at December 31, 2023. At the commencement date of the lease, the lease liability was measured at the present value of the lease payments that were not paid at that date. The lease payments are discounted using an interest rate of 15%, which was the Company's incremental borrowing rate.

Maturity Analysis – Contractual Undiscounted Cash Flows **As at**		**December 31, 2023**		**September 30, 2023**
Less than one year	$	117,983	$	154,277
Total undiscounted lease obligation	**$**	**117,983**	**$**	**154,277**

The continuity of the undiscounted lease liability is presented in the table below:

		Under 1 year		Total
Office Lease	$	117,983	$	117,983

(Unaudited - Expressed in Canadian dollars)

12. RECLAMATION BONDS

The Company holds reclamation bonds with the Alberta Energy Regulator as required by section 1.100(2) of the Oil and Gas Conservation Regulations and Directive 006: License Liability Rating Program and License Transfer Process. The reclamation bonds are held for the purposes of the future well abandonment, related to the business of the Company prior to the reverse takeover transaction. The Company has performed all requested remediation work at the site and is currently engaged with the regulator for the return of these funds to the Company.

13. GOVERNMENT LOANS

Canadian Emergency Business Account ("CEBA") Loan:

The Company applied for a received a CEBA loan for amounts totaling $60,000. The CEBA loan was implemented by the Government of Canada to provide relief measures to small businesses adversely effected by COVID-19. Under the terms of the CEBA loan, proceeds received are interest free up until December 31, 2022. If a minimum of 66.7% of the principal balance is repaid on or prior to, December 31, 2022, the remaining 33.3% shall be forgiven. On January 12, 2022, the Government of Canada announced that the repayment deadline of December 31, 2022 for CEBA loans to qualify for the 33.3% forgiveness is being extended to December 31, 2023, for all eligible borrowers in good standing.

The Company has identified that they do not qualify for the CEBA loan and as a result, the Company has not recognized any grant revenue or interest benefit in the statement of loss and comprehensive loss in connection with this loan.

Regional Relief and Recovery Fund ("RRRF") Loan:

On November 27, 2020 the Company applied for and received a RRRF loan for amounts totaling $103,563 (September 30, 2020 - $168,000). The RRRF loan was implemented by the Government of Canada to provide financial relief measures to small businesses in Southern Ontario adversely effected by COVID-19. Under the terms of the RRRF loan, proceeds received are interest free and repayable in sixty (60) equal monthly payments, commencing on January 15, 2022.

In connection with the interest free term on the loan, the interest benefit has been valued at $2,847 (September 30, 2023 - $11,034) based on a fair market interest rate of 16.5% (September 30, 2023 - 16.5%). The continuity of the government loans as at December 31, 2023 is presented as follows:

	December 31, 2023	September 30, 2023
Opening Balance	184,212	173,178
Accretion	2,847	11,034
Closing Balance	**187,059**	**184,212**
Current	60,000	60,000
Non-Current	127,059	124,212
Closing Balance	**187,059**	**184,212**

(Unaudited - Expressed in Canadian dollars)

14. CAPITAL STOCK

(a) Common shares

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

Scryb Inc.

Issued and Outstanding	Number	$
Balance - September 30, 2021	**241,278,673**	**44,913,345**
Shares repurchased under Normal-Course Issuer Bid	(1,586,001)	(330,813)
Balance - September 30, 2022	**239,692,672**	**44,582,532**
Business combination elimination	-	(3,100,808)
Shares issued from private placement	17,590,000	1,631,610
Adjustment	-	119,809
Balance - September 30, 2023	**257,282,672**	**43,233,143**
Balance - December 31, 2023	**257,282,672**	**43,233,143**

i. The Company purchased 1,588,001 common shares under the Normal-Course Issuer Bid (“NCIB”) stock buyback program used by companies listed in Canada for total costs of $330,813. These shares have been returned to treasury and cancelled.

ii. On March 20, 2023, the Company closed a non-brokered private placement financing for gross proceeds of $1,319,375 through the issuance of 10,555,000 Units (each "Unit") at a price of $0.125 per unit; certain eligible persons (the "Finders") were issued 210,000 units representing a cash commission in the amount of $26,250. 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 $0.15 on or before 18 months from the date of issuance.

iii. On May 10, 2023, the Company closed a non-brokered private placement financing for gross proceeds of $845,625 through the issuance of 6,765,000 Units (each "Unit") at a price of $0.125 per unit; certain eligible persons (the "Finders") were issued 60,000 units representing a cash commission in the amount of $7,500. 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 $0.15 on or before 18 months from the date of issuance.

(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.

(Unaudited - Expressed in Canadian dollars)

The following table summarizes activity within the Company's stock option plan during the period:

	Number of Options Outstanding	Black-Scholes Value	Weighted Average Exercise Price
Balance - October 1, 2021	**38,851,500**	**$ 11,713,090**	**$ 0.29**
Granted	2,000,000	212,861	0.20
Expired	(1,100,000)	(164,487)	0.15
Cancelled	(2,152,500)	(402,089)	0.19
Corrections	322,500	-	-
Balance - September 30, 2022	**37,921,500**	**11,359,375**	**$ 0.30**
Expired	(2,155,500)	(601,052)	0.27
Cancelled	(3,525,000)	(739,639)	0.21
Adjustment	(1,000)	(346,609)	-
Balance - September 30, 2023	**32,240,000**	**9,672,075**	**$ 0.31**
Balance - December 31, 2023	**32,240,000**	**9,672,075**	**$ 0.31**

i. On May 17, 2022, the Company granted an aggregate of 2,000,000 options to purchase common shares of the Company with an estimated fair value of $212,861 exercisable at a price of $0.20 per common share, vesting immediately and expiring on May 17, 2027 to certain directors, employees, officers and consultants of the Company.

ii. During the year ended September 30, 2023, 2,155,000 options expired with an average exercise price of $0.27.

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

Date of Grant	Number Of Options Outstanding	Exercise Price	Average Remaining life (years)	Expiry Date	Number Of Options Exercisable
February 18, 2020	5,360,000	0.200	1.14	February 18, 2025	5,360,000
August 18, 2020	3,700,000	0.205	1.63	August 18, 2025	3,700,000
August 26, 2020	650,000	0.230	1.65	August 26, 2025	650,000
December 18, 2020	2,900,000	0.225	1.97	December 18, 2025	2,900,000
January 8, 2021	650,000	0.305	2.02	January 8, 2026	650,000
January 22, 2021	2,550,000	0.335	2.06	January 22, 2026	2,550,000
March 3, 2021	3,875,000	0.740	2.17	March 3, 2026	3,875,000
April 26, 2021	1,165,000	0.500	2.32	April 26, 2026	1,165,000
July 22, 2021	5,490,000	0.250	2.56	July 22, 2026	5,490,000
August 4, 2021	2,500,000	0.250	2.59	August 4, 2026	2,500,000
September 8, 2021	500,000	0.250	2.69	September 8, 2026	500,000
September 17, 2021	400,000	0.250	2.72	September 17, 2026	400,000
September 21, 2021	500,000	0.270	2.73	September 21, 2026	500,000
May 17, 2022	2,000,000	0.200	3.38	May 17, 2027	2,000,000
	32,240,000	**$ 0.307**	**2.10**		**32,240,000**

(Unaudited - Expressed in Canadian dollars)

Share based compensation during the year ended December 31, 2023 was NIL (September 30, 2023 - $762,437).

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

	Dec 7 2022	May 17 2022
Share price	0.16	0.16
Risk-free interest rate	3.24%	2.82%
Expected life of options	5 years	5 years
Annualized volatility	84%	89%
Dividend rate	Nil	Nil
Forfeiture rate	0%	0%

Cybeats Technologies Corp.

Cybeats Corp. 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 Cybeats Corp. 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 following table summarizes activity within the Cybeats Corp. stock option plan during the period:

	Number of Options Outstanding	Black-Scholes Value	Weighted Average Exercise Price
Balance - December 31, 2021	-	-	$ -
Granted	18,450,000	7,012,485	0.50
Balance - December 31, 2022	**18,450,000**	**7,012,485**	**$ 0.50**
Granted	440,000	384,580	1.35
Exercised	1,595,000	606,228	0.50
Cancelled	575,000	218,546	0.50
Balance - December 31, 2023	**16,720,000**	**6,572,291**	**$ 0.52**

On November 11, 2022, Cybeats Technologies Corp. 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 $7,012,485 exercisable at a price of $0.50 per common share, vesting immediately and expiring on November 11, 2027, to certain directors, employees, officers, and consultants of the Company.

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, vesting immediately and expiring on May 16, 2028, to certain directors, employees, officers and consultants of the Company.

(Unaudited - Expressed in Canadian dollars)

During the year ended September 30, 2023, 575,000 options were exercised at an average exercise price of $0.50 per option.

During the year ended September 30, 2023, 575,000 options were cancelled.

As of December 31, 2023 the non-controlling portion of the above contributed surplus from the grant of options represents $2.96 million (40.13%) of the total value $7.4 million (see note 20).

The following common share purchase options are outstanding as 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	16,280,000
May 16, 2023	440,000	1.350	4.38	May 16, 2028	440,000
	16,720,000	**0.522**	**3.88**		**16,720,000**

Share based compensation during the three months ended December 31, 2023, was NIL (September 30, 2023 - $384,580).

The fair value of options granted during the three months 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	3.33%	3.34%
Expected life of options	5 years	5 years
Annualized volatility	82.43%	88.46%
Dividend rate	Nil	Nil
Forfeiture rate	0%	0%

(c) Warrants

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

Scryb Inc.

	Number of Warrants Outstanding		Black-Scholes Value		Weighted Average Exercise Price
Balance - September 30, 2021	**56,223,809**	**$**	**5,452,622**	**$**	**0.29**
Expired	(56,223,809)		(5,452,622)		0.29
Extension	6,105,445		633,847		0.20
Balance - September 30, 2022	**6,105,445**	**$**	**633,847**	**$**	**0.20**
Granted	17,590,000		567,140		0.15
Balance - September 30, 2023	**23,695,445**	**$**	**1,200,987**	**$**	**0.16**
Balance - December 31, 2023	**23,695,445**	**$**	**1,200,987**	**$**	**0.16**

(Unaudited - Expressed in Canadian dollars)

The fair value of warrants granted during each period were estimated at the date of grant using a Black Scholes Option Pricing Model with the following assumptions:

Investor Warrants	May 2023	March 2023	September 2022
Share price	0.15	0.11	0.11
Risk-free interest rate	2.99%	2.89%	3.42%
Time to maturity	1.5 years	1.5 years	1.5 years
Annualized volatility	81%	79%	89%
Dividend yield	Nil	Nil	Nil

On August 15, 2022, the Company extended the expiry date of an aggregate of 6,105,445 previously issued warrants at an exercise price of $0.20 for an additional 18 months, with the expiry date now being March 17, 2024. The exercise price of the warrants remains unchanged. In connection with this modification, an incremental change in the fair value was determined to be $633,847.

On March 17, 2023, the Company granted an aggregate of 10,765,000 warrants to purchase common shares of the Company with an estimated fair value of $342,158 exercisable at a price of $0.15 per common share, expiring on August 17, 2024 .

On May 10, 2023, the Company granted an aggregate of 6,825,000 warrants to purchase common shares of the Company with an estimated fair value of $224,982 exercisable at a price of $0.15 per common share, expiring on November 10, 2024.

As at December 31, 2023, there were 23,695,445 (September 30, 2023 – 23,695,445) warrants outstanding with an average strike price of $0.16.

Cybeats Technologies Corp.

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

	Number of Warrants Outstanding		Black-Scholes Value		Weighted Average Exercise Price
Balance - December 31, 2021	**7,328,153**	**$**	**3,198,077**	**$**	**0.52**
Granted	26,814,800		3,946,835		0.60
Exercised	200,000		29,420		0.60
Expired	203,153		1,528,519		1.00
Balance - December 31, 2022	**33,739,800**	**$**	**5,586,973**	**$**	**0.60**
Granted	6,230,600		2,481,960		1.40
Exercised	1,068,000		202,284		0.55
Adjustment	55,600		23,576		-
Balance - December 31, 2023	**38,958,000**	**$**	**7,890,225**	**$**	**0.71**

On April 21, 2023, the Company granted an aggregate of 2,118,100 warrants to purchase common shares of the Company with an estimated fair value of $738,149 exercisable at a price of $1.40 per common share, expiring on April 6, 2025.

(Unaudited - Expressed in Canadian dollars)

On May 10, 2023, the Company granted an aggregate of 4,168,100 warrants to purchase common shares of the Company with an estimated fair value of $1,767,387 exercisable at a price of $1.40 per common share, expiring on May 10, 2025.

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

	Investor and Broker Warrants May 2023	Investor and Broker Warrants April 2023	Investor and Broker Warrants November 2022	Investor and Broker Warrants April 2022
Share price	$1.20	$1.06	$0.60	$0.50
Risk-free interest rate	3.72%	2.90%	3.83%	3.83%
Time to maturity - years	2.0 years	2.0 years	1.5 years	1.5 years
Annualized volatility	69.7%	73.0%	70.8%	70.8%
Dividend yield	Nil	Nil	Nil	Nil

15. INCOME TAXES

A reconciliation of current income taxes at statutory rates with the reported taxes is as follows:

	September 30, 2023	September 30, 2022
	$	$
Net loss before income taxes	(19,773,561)	(11,144,009)
Combined Canadian federal and provincial tax rate	26.5%	26.5%
Expected income tax recovery at statutory tax rates	(5,239,994)	(2,953,161)
Share-based compensation and non-deductible expenses	1,242,666	212,861
Other	443,523	23,186
Change in unrecognized deferred tax assets	3,553,805	2,717,114
Provision for income tax	-	-

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:

	September 30, 2023	September 30, 2022
	$	$
Exploration and evaluation assets	2,608,354	2,608,354
Share issuance costs	970,447	41,982
Intangible assets	3,257,727	4,609,099
Non-capital losses	56,585,590	33,754,622
	63,422,118	**41,014,057**

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 group can utilize the benefits there from. Non-capital loss carry forwards expire as rated in the table below. Share issue costs will be fully amortized in 2025. The remaining deductible temporary differences may be carried forward indefinitely.

(Unaudited - Expressed in Canadian dollars)

As at year-ended September 30, 2023, the Company has non-capital losses of $56,585,590 (2022 - $33,754,622) that can be used to reduce future taxable income. These losses expire as follows:

	$
2036	5,813
2037	7,420,684
2038	4,114,186
2039	7,918,607
2040	4,714,585
2041	8,155,680
2042	10,428,358
2043	13,827,677
	56,585,590

16. RELATED PARTY TRANSACTIONS

Key management personnel include those persons having authority and responsibility for planning, directing, and controlling the activities of the Company as a whole. The Company has determined that key management personnel consist of executive and non-executive members of the Company's Board of Directors, Corporate Officers and Vice Presidents.

During the three months ended December 31, 2023, $561,080 (period ended December 31, 2022 - $3,184,679) was due to key management and companies controlled by or related to key management. Remuneration of key management of the Company was as follows:

	December 31, 2023	December 31, 2022
Share based compensation	**-**	2,626,356
Consulting and management fees	**561,080**	558,323
	$ 561,080	$ 3,184,679

At December 31, 2023, the following intercompany balances were outstanding:

	December 31 2023	September 30 2023
Advances to Glow LifeTech Corp.	1,106,509	1,098,742
Demand loan receivable Fio Corp	210,284	210,284
Demand loan receivable Fionet Rapid Response Group	500,000	500,000
Advances to Fionet Rapid Response Group (note 6)	1,988,759	1,725,270
Total due from related parties	**3,805,552**	**3,534,296**
Less current portion	533,667	527,000
Total due from related parties	**3,271,885**	**3,007,296**

The demand loan receivable is due from Fio Corp. is non-interest bearing with no fixed terms of repayment.

The demand loan receivable is due from Fionet Rapid Response Group and the demand loan bears interest at the annual rate of 8% with no fixed terms of repayment.

17. 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, other receivables, reclamation bonds, accounts payable and accrued liabilities, government loans. The fair value of the Company’s other receivables, accounts payable and accrued liabilities, and government loans approximate 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's other receivables, reclamation bonds, accounts payable and accrued liabilities, government loans are measured at amortized cost.

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.

a) 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.

b) 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 of $18,727 (September 30, 2023 - $369,227) to settle current liabilities of $6,146,242 (September 30, 2023 - $5,279,341).

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 with Canadian chartered banks.

18. CAPITAL MANAGEMENT

Due to the development stage of the Company the primary form of funding is equity financing of its capital stock. As at December 31, 2023, the Company's capital stock was $61,315,082 (September 30, 2023 - $60,324,992). The Company will need to raise additional funds to support the commercial and development activities.

There were no changes in the Company's approach to capital management during the three months ended December 31, 2023 and the Company is not subject to any externally imposed capital requirements. Management has no expectations that it will raise debt in the coming year.

The Company's objectives when managing capital are:

a) To safeguard the Company's financial capacity and liquidity for future earnings in order to continue to provide an appropriate return to shareholders and other stakeholders;
b) To maintain a flexible capital structure which optimizes the cost of capital at an acceptable risk; and
c) To enable the Company to maximize growth by meeting its capital expenditure budget, to expand its budget to accelerate projects, and to take advantage of acquisition opportunities.

The Company regularly monitors and reviews the amount of capital in proportion to risk and future opportunities. The Company manages the capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets.

19. BASIC AND DILUTED LOSS PER SHARE

Basic loss per share has been calculated by dividing the net loss per the financial statements by the weighted average number of shares outstanding during the year. The fully diluted loss per share would be calculated using a common share balance increased by the number of common shares that could be issued on the exercise of outstanding warrants and options of the Company. As the Company is in a loss position for the periods ended December 31, 2023 and 2022, this would be anti-dilutive.

20. SUBSEQUENT EVENTS

On January 25, 2024, Cybeats Technologies Corp closed its non-brokered private placement through the issuance of 2,025 debenture units (each, a "Debenture Unit") in the capital of the Company at a price of $1,000 per Debenture Unit for gross proceeds of $2,025,000 (the "Offering"), as further detailed below.

Each Debenture Unit was comprised of: (i) a $1,000 in principal amount of unsecured convertible debentures (the "Debentures"); and (ii) 3,333 common share purchase warrants (each, a "Warrant"). Each Warrant shall entitle the holder to purchase one common share (each, a "Warrant Share") in the capital of the Company at an exercise price of $0.40 per Warrant Share for a period of twenty-four (24) months from the date of issuance (the "Issue Date").

The Principal Amount of the Debentures, and any accrued and unpaid interest, will mature and become due and payable in cash on the date that is 24 months from the Issue Date (the "Maturity Date"). The Principal Amount owing under the Debentures will accrue interest from the date of issuance at 12% per annum, payable every twelve (12) months in cash. The first interest payment will be made twelve (12) months from the Issue Date and will consist of interest accrued from and including the Issue Date. The Principal Amount on the Debenture is convertible into common shares in the capital of the Company (each, a "Share") at the option of the holder, in whole or in part, at any time following the Issue Date at the conversion price of $0.30 per Share (the "Conversion Price").