VPN TECHNOLOLGIES INC.

CONSOLIDATED FINANCIAL STATEMENTS

YEARS ENDED JUNE 30, 2022 AND 2021

(EXPRESSED IN CANADIAN DOLLARS)

INDEPENDENT AUDITOR'S REPORT

To the Shareholders of
VPN Technologies Inc.

Opinion

We have audited the accompanying consolidated financial statements of VPN Technologies Inc. (the "Company"), which comprise the consolidated statements of financial position as at June 30, 2022 and 2021, and the consolidated statements of loss and comprehensive loss, changes in equity, and cash flows for the years then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, these consolidated financial statements present fairly, in all material respects, the financial position of the Company as at June 30, 2022 and 2021, and its financial performance and its cash flows for the years then ended in accordance with International Financial Reporting Standards ("IFRS").

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the 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 in our audit is sufficient and appropriate to provide a basis for our opinion.

Material Uncertainty Related to Going Concern

We draw attention to Note 1 of the consolidated financial statements, which indicates that the Company has incurred losses since inception in the amount of $4,795,509 and has not yet achieved profitable operations. As stated in Note 1, these events and conditions 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.

Other Information

Management is responsible for the other information. The other information obtained at the date of this auditor's report includes 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 audit 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 audit, 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, 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, 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.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Company to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

The engagement partner on the audit resulting in this independent auditor's report is Peter Maloff.

Davidson & Company LLP

Vancouver, Canada

Chartered Professional Accountants

October 26, 2022

VPN TECHNOLOGIES INC.
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
(EXPRESSED IN CANADIAN DOLLARS)
AS AT JUNE 30

	Note	2022	2021
ASSETS			
Current assets			
Cash		$ 545,881	$ 1,046,417
Receivables	6	25,255	-
Prepaid expenses		41,672	36,750
Subscription receivable	7	-	15,500
Total assets		$ 612,808	$ 1,098,667
LIABILITIES AND EQUITY			
Current liabilities			
Accounts payables and accrued liabilities	5	$ 54,068	$ 123,499
Amounts due to related parties	6	48,500	27,200
Total liabilities		102,568	150,699
Equity			
Share capital	7	4,048,055	4,048,055
Reserves	8	1,257,694	1,269,563
Deficit		(4,795,509)	(4,369,650)
Total equity		510,240	947,968
Total liabilities and equity		$ 612,808	$ 1,098,667

Nature of operations and going concern (Note 1)

The financial statements were authorized for issue by the board of directors on October 26, 2022 and were signed on its behalf by:

"Paul Dickson" Director *"Connie Hang"* Director

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

VPN TECHNOLOGIES INC.
CONSOLIDATED STATEMENTS OF LOSS AND COMPREHENSIVE LOSS
(EXPRESSED IN CANADIAN DOLLARS)
YEARS ENDED JUNE 30

	Note	2022	2021
REVENUE		$ -	$ 13,765
EXPENSES			
Accounting and audit		41,517	20,000
Consulting fees	6	104,938	430,547
Depreciation		-	51,800
Legal fees		2,210	5,323
Management fees	6	153,800	121,963
Media and news dissemination		13,359	2,485
Office and miscellaneous		6,315	11,030
Professional fees		11,390	-
Research and development		79,232	14,011
Share-based payments	8	-	357,847
Transfer agent and regulatory filing fees		53,451	72,882
		(466,212)	(1,087,888)
		(466,212)	(1,074,123)
Gain on reversal of accrued liabilities		28,484	-
Gain on sale of assets	4	-	27,115
Loss and comprehensive loss for the year		$ (437,728)	$ (1,047,008)
Basic and diluted loss per common share	7	$ (0.01)	$ (0.05)

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

VPN TECHNOLOGIES INC.
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
(EXPRESSED IN CANADIAN DOLLARS)

	Note	Number of Shares	Share capital	Reserves	Deficit	Total equity
Balance, June 30, 2020		10,138,920	$ 2,670,240	$ 577,141	$ (3,322,642)	$ (75,261)
Private placements	7	19,197,430	1,343,820	-	-	1,343,820
Shares issued for debt settlements	7	6,221,430	435,500	-	-	435,500
Exercise of stock options	7	250,000	33,972	(15,222)	-	18,750
Share issuance costs	7	-	(435,477)	349,797	-	(85,680)
Share-based payments	8	-	-	357,847	-	357,847
Loss for the year		-	-	-	(1,047,008)	(1,047,008)
Balance, June 30, 2021		35,807,780	4,048,055	1,269,563	(4,369,650)	947,968
Adjustment on expiration of stock options		-	-	(11,869)	11,869	-
Loss for the year		-	-	-	(437,728)	(437,728)
Balance, June 30, 2022		35,807,780	$ 4,048,055	$ 1,257,694	$ (4,795,509)	$ 510,240

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

VPN TECHNOLOGIES INC.
CONSOLIDATED STATEMENTS OF CASH FLOWS
(EXPRESSED IN CANADIAN DOLLARS)
YEARS ENDED JUNE 30

	2022	2021
CASH FLOWS FROM OPERATING ACTIVITIES		
Net loss for the year	$ (437,728)	$ (1,047,008)
Items not affecting cash:		
Depreciation	-	51,080
Gain on reversal of accrued liabilities	(28,484)	-
Gain on sale of assets	-	(27,115)
Share-based payments	-	357,847
Shares issued for debt settlements	-	435,500
Changes in non-cash working capital items:		
Receivables	(25,255)	-
Prepaid expenses	(4,922)	(36,750)
Accounts payables and accrued liabilities	(40,947)	65,124
Amounts due to related parties	21,300	(11,050)
Net cash used in operating activities	(516,036)	(211,652)
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds on sale of intellectual asset	-	27,115
Investment in intellectual asset	-	(18,800)
Net cash provided by investing activities	-	8,315
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issuance of share capital	15,500	1,328,320
Share issuance costs	-	(85,680)
Proceeds on loan payable	-	15,000
Repayment of loan payable	-	(10,000)
Net cash provided by financing activities	15,500	1,247,640
Change in cash during the year	(500,536)	1,044,303
Cash, beginning of the year	1,046,417	2,114
Cash, end of the year	$ 545,881	$ 1,046,417

Supplemental cash flow information (Note 9)

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

1. NATURE OF OPERATIONS AND GOING CONCERN

VPN Technologies Inc. (the "Company") was incorporated under the Business Corporations Act (*Ontario*) on September 13, 2010 and was continued under the laws of British Columbia on March 21, 2018. The Company's head office and registered office is located at Suite 400, 1681 Chestnut Street, Vancouver BC, V6J 4M6, Canada. The Company is a provider of Virtual Private Network (VPN) services to the retail market and small and medium-sized enterprises. The Company also, through its wholly-owned subsidiary, investigates opportunities in both the science for the purpose of commercialization and the development of products and services addressing the growth in a wide range of long-term hydrogen businesses related to global energy policy objectives and targets. The Company's common shares are listed on the Canadian Securities Exchange (the "CSE") under the symbol "VPN", on the OTCPK under the symbol "SRBBF", and on the Frankfurt Stock Exchange under the symbol "6GQ1".

Going concern of operations

These consolidated financial statements have been prepared on a going concern basis which assumes that the Company will continue in operation for the foreseeable future and will be able to realize its assets and discharge its liabilities and commitments in the normal course of business.

The Company has incurred losses since inception in the amount of $4,795,509 and has not yet achieved profitable operations. The Company's ability to continue as a going concern is dependent on its ability to obtain adequate financing on reasonable terms from lenders, shareholders and other investors and/or to commence profitable operations in the future. While the Company has been successful in securing financing to date, there can be no assurances that it will be able to do so in the future. The aforementioned factors indicate the existence of a material uncertainty which may cast significant doubt about the Company's ability to continue as a going concern.

These consolidated financial statements do not include adjustments that would be required if the going concern assumption is not an appropriate basis for preparation of the financial statements. These adjustments could be material.

In March 2020 the World Health Organization declared coronavirus COVID-19 a global pandemic. This contagious disease outbreak, which has continued to spread, and any related adverse public health developments, has adversely affected workforces, customer demand, economies, and financial markets globally, potentially leading to an economic downturn. It is not possible for the Company to predict the duration or magnitude of the adverse results of the outbreak and its effects on the Company's business or ability to raise funds at this time. The Company is closely monitoring the impact of the pandemic on all aspects of its business and evaluate its impact on the Company's liquidity and future prospects.

2. BASIS OF PREPARATION

Statement of compliance

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

Basis of measurement

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

2. BASIS OF PREPARATION (cont'd…)

Basis of consolidation

These consolidated financial statements include the accounts of the Company and its wholly-owned subsidiaries, Mobilman Management Inc, ("Mobilman") and Greentech Hydrogen Innovators Corp. ("Greentech"). All inter-company transactions, balances, income and expenses are eliminated on consolidation. The Company's subsidiary, Mobilman, was dissolved subsequent to the year ended June 30, 2022.

Functional and presentation currency

These consolidated financial statements are presented in Canadian dollars, which is the functional currency of the Company and its subsidiaries.

Significant estimates and assumptions

The preparation of these consolidated financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and reported amounts of expenses during the period. Actual results could differ from these estimates. The Company's management reviews these estimates and underlying assumptions on an ongoing basis, based on experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Revisions to estimates are adjusted for prospectively in the period in which the estimates are revised. Significant areas requiring the use of management estimates include:

i) The determination of the fair value of stock options and agent's warrants using option pricing models, require the input of highly subjective assumptions, including the expected price volatility. Changes in the subjective input assumptions could materially affect the fair value estimate.

ii) The determination of deferred income tax assets or liabilities requires subjective assumptions regarding future income tax rates and the likelihood of utilizing tax carry-forwards. Changes in these assumptions could materially affect the recorded amounts.

Significant judgments

The preparation of these consolidated financial statements requires management to make judgments, apart from those involving estimates, in applying accounting policies. The most significant judgments applied in the Company's financial statements include the assessment of the Company's ability to continue as a going concern, which involves judgment regarding future funding available for its operations and working capital requirements and whether there are events or conditions that may give rise to significant uncertainty.

3. SIGNIFICANT ACCOUNTING POLICIES

The accounting policies set out below have been consistently applied to all years presented in these consolidated financial statements, unless otherwise indicated.

Cash

Cash consists of cash on hand and at banks and highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash.

Intangible assets

Intangibles acquired separately

Intangibles with finite useful lives that are acquired separately are carried at cost less accumulated amortization and accumulated impairment losses. Amortization is recognized on a straight-line basis over their estimated useful lives. The estimated useful life and amortization rate are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis. Intangibles with indefinite useful lives that are acquired separately are carried at cost less accumulated impairment losses.

Internally-generated intangibles

Expenditure on research activities is recognized as an expense in the period in which it is incurred.

Internally-generated intangible assets arising from development (or from the development phase of an internal project) is recognized if, and only if, all of the following have been demonstrated:

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

The amount initially recognized for internally-generated intangibles is the sum of the expenditure incurred from the date when the intangibles first meets the recognition criteria listed above. Where no internally-generated intangible asset can be recognized, development expenditure is recognized in profit or loss in the period in which it is incurred.

Subsequent to initial recognition, internally-generated intangibles are reported at cost less accumulated amortization and accumulated impairment losses, on the same basis as intangibles that are acquired separately.

Derecognition of intangibles

An intangible is de-recognized on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from derecognition of an intangible, measured as the difference between the net disposal proceeds and the carrying amount of the intangible, is recognized in profit or loss when the asset is derecognized.

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd…)

Intangible assets (cont'd…)

Impairment of tangible and intangible assets other than goodwill

At the end of each reporting period, management reviews the carrying amounts of its assets to determine whether there is any indication of impairment. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). When it is not possible to estimate the recoverable amount of an individual asset, management estimates the recoverable amount of the cash-generating unit to which the asset belongs. When a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Intangibles with indefinite useful lives and intangibles not yet available for use are tested for impairment at least annually, and whenever there is an indication that the asset may be impaired.

Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its' carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognized immediately in profit or loss.

If an impairment loss subsequently reverses, the carrying amount of the asset (or a 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.

Intellectual Assets

The Corporation capitalizes development costs of internally generated assets that meet the criteria for capitalization.

Intangibles are stated at cost, net of accumulated amortization and/or accumulated impairment losses, if any. Amortization on an asset does not begin until the asset is available for usage. Amortization is provided using methods outlined below at rates intended to amortize the cost of intangibles less, their estimated residual values, over their estimated useful lives.

Intangibles	Depreciation method and Rate
Core software	3 years straight line
Computer software	3 years straight line

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd…)

Financial instruments

The Company classifies its' financial assets in the following categories: at fair value through profit or loss ("FVTPL"), at fair value through other comprehensive income ("FVTOCI") or at amortized cost. The classification depends on the purpose for which the financial assets were acquired. Management determines the classification of its financial assets at initial recognition.

Financial assets at FVTPL

Financial assets carried at FVTPL are initially recorded at fair value and transaction costs are expensed in profit or loss. Realized and unrealized gains and losses arising from changes in the fair value of the financial asset held at FVTPL are included in profit or loss in the period in which they arise.

Financial assets at FVTOCI

Investments in equity instruments at FVTOCI are initially recognized at fair value plus transaction costs. Subsequently they are measured at fair value, with gains and losses arising from changes in fair value recognized in other comprehensive income. There is no subsequent reclassification of fair value gains and losses to profit or loss following the derecognition of the investment.

Financial assets at amortized cost

Financial assets at amortized cost are initially recognized at fair value and subsequently carried at amortized cost less any impairment. They are classified as current assets or non-current assets based on their maturity date.

Financial assets are derecognized when they mature or are sold, and substantially all the risks and rewards of ownership have been transferred. Gains and losses on derecognition of financial assets classified as FVTPL or amortized cost are recognized in profit or loss. Gains or losses on financial assets classified as FVTOCI remain within accumulated other comprehensive income.

The following table shows the classification of financial instruments.

	Classification
Cash	FVTPL
Receivables	Amortized cost
Accounts payable and accrued liabilities	Amortized cost
Amounts due to related parties	Amortized cost

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. At each reporting date, the loss allowance for the financial asset is measured at an amount equal to the lifetime expected credit losses if the credit risk on the financial asset has increased significantly since initial recognition. If at the reporting date, the financial asset has not increased significantly since initial recognition, the loss allowance is measured for the financial asset at an amount equal to twelve month expected credit losses. For trade receivables the Company applies the simplified approach to providing for expected credit losses, which allows the use of a lifetime expected loss provision. Impairment losses on financial assets carried at amortized cost are reversed in subsequent periods if the amount of the loss decreases and the decrease can be objectively related to an event occurring after the impairment was recognized.

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd…)

Financial instruments (cont'd…)

De-recognition

Financial assets
The Company derecognizes financial assets only when the contractual rights to cash flows from the financial assets expire, or when it transfers the financial assets and substantially all of the associated risks and rewards of ownership to another entity.

Financial liabilities
The Company derecognizes a financial liability when its contractual obligations are discharged or cancelled, or expired. The Company also derecognizes a financial liability when the terms of the liability are modified such that the terms and / or cash flows of the modified instrument are substantially different, in which case a new financial liability based on the modified terms is recognized at fair value.

Gains and losses on de-recognition are generally recognized in profit or loss.

Revenue

Revenue is recognized at the fair value of consideration received or receivable. Revenue from the sale of goods is recognized in accordance with IFRS 15 Revenue from Contracts with Customers which specifies how and when to recognize revenue and is based on a five-step model as follows:

- Identify the contract(s) with the customer;
- Identify the performance obligations in the contract;
- Determine the transaction price;
- Allocate the transaction price to the performance obligations in the contract;
- Recognize revenue when or as the Company satisfies performance obligations.

Amounts disclosed as revenue are net of allowances, discounts and rebates.

Share capital

The Company records proceeds from the issuance of its common shares as equity. Incremental costs directly attributable to the issue of new common shares are shown in equity as a deduction, net of tax, from the proceeds. Common shares issued for consideration other than cash are valued based on their market value at the date that the shares are issued.

The Company has adopted the residual value method with respect to the measurement of shares and warrants issued as private placement units. The residual value method first allocates value to the more easily measurable component based on fair value and then the residual value, if any, to the less easily measurable component.

Earnings (loss) per share

Basic earnings (loss) per share ("EPS") is calculated by dividing the EPS attributable to common shareholders by the weighted average number of common shares outstanding in the period. The diluted EPS reflects all dilutive potential common shares equivalents, in the weighted average number of common shares outstanding during the period, if dilutive.

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd…)

Share-based payments

Share-based payments to employees and others providing similar services are measured at grant date at the fair value of the instruments issued and amortized over the vesting periods using a graded approach. The amount recognized as an expense is adjusted to reflect the actual number of share options that are expected to vest. Each tranche in an award is considered a separate grant with a different vesting date and fair value and is accounted for on that basis.

Share-based payments to non-employees are measured at the fair value of the goods or services received or the fair value of the equity instruments issued if it is determined the fair value of the goods or services cannot be reliably measured, and are recorded at the date the goods or services are received.

The offset to the recorded cost is to share-based payments reserve. The number of options expected to vest is reviewed and adjusted at the end of each reporting period such that the amount ultimately recognized as an expense is based on the number of options that eventually vest. Consideration received on the exercise of stock options is recorded as share capital and the related share-based payments reserve is transferred to share capital.

The fair value of the stock options is determined using the Black-Scholes Option Pricing Model. Measurement inputs include share price on measurement date, exercise price of the instrument, expected volatility (based on weighted average historic volatility), weighted average expected life of the instruments (based on historical experience), expected dividends, and the risk-free interest rate (based on government bonds).

Income taxes

Current taxes receivable or payable are estimated on taxable income or loss for the current year at the statutory tax rates enacted or substantively enacted at the reporting date.

Deferred income tax is recognized on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred income tax assets and liabilities are measured at the tax rates that have been enacted or substantially enacted at the end of the reporting period and are expected to apply when the related deferred income tax asset is realized or the deferred income tax liability is settled. Deferred income tax assets also result from unused loss carry forwards, resource related pools and other deductions. At the end of each reporting year the Company reassesses unrecognized deferred tax assets. Deferred income tax assets are recognized for unused tax losses, tax credits and deductible temporary differences, only to the extent that it is probable that future taxable profit will be available against which they can be utilized.

Deferred income tax assets and deferred income tax liabilities are offset if a legally enforceable right exists to offset current tax assets against current tax liabilities and the deferred tax assets and liabilities relate to income taxes levied by the same taxation authority.

New or revised accounting standards not yet adopted

There are no other IFRS or IFRIC interpretations that are not yet effective that would be expected to have a material impact on the Company's consolidated financial statements.

(EXPRESSED IN CANADIAN DOLLARS)

4. INVESTMENT IN INTELLECTUAL ASSETS

		2022		2021
Balance, beginning of the year	$	-	$	33,000
Addition		-		18,800
Depreciation		-		(51,800)
Balance, end of the year	$	-	$	-

The Mobilman application was a Software-as-Service cloud-based solution accessible via secured web portals and mobile devices to help manage an organization's mobile workforce and resources. During the year ended June 30, 2021, the Company acquired additional software for its existing operation at a cost of $18,800. The additions were fully amortized in fiscal 2021. The Company sold the VPN network for a net proceed of $27,115.

The Company did not have any intellectual assets as at June 30, 2022 and 2021.

5. ACCOUNTS PAYABLES AND ACCRUED LIABILITIES

		2022		2021
Trade payables	$	34,068	$	53,759
Accrued liabilities		20,000		69,740
	$	54,068	$	123,499

Trade payables of the Company are principally comprised of amounts outstanding for trade purchases relating to inventory purchases and general operating activities. The usual credit period taken for trade purchases is between 30 to 90 days.

6. RELATED PARTY TRANSACTIONS

Amounts due to related parties consisted of the following:

		2022		2021
A company controlled by the CEO	$	-	$	8,000
A company controlled by the former CFO		-		4,200
A director and Chief Technology Officer		48,500		15,000
Total	$	48,500	$	27,200

The amounts due to related parties have no specific terms of repayment, are unsecured, and non-interest bearing.

Included in receivables as of June 30, 2022 is $16,525 (June 30, 2021 - $nil) due from directors.

(EXPRESSED IN CANADIAN DOLLARS)

6. RELATED PARTY TRANSACTIONS (cont'd…)

Key management personnel include directors (executive and non-executive) and officers of the Company. The compensation paid or payable to key management personnel during the years ended June 30 is as follows:

		2022		2021
Management fees	$	153,800	$	121,963
Consulting fees		104,938		72,303
Share-based payments		-		205,762
Total	$	258,738	$	400,028

During the year ended June 30, 2021, the Company issued 6,221,430 units at price of $0.07 per unit, in payment of consulting services provided to the Company totaling $435,500. Each unit consisted of one common share and one common share purchase warrant, each warrant entitling the holder to acquire one additional common share of the Company at a price of $0.10 per warrant share until February 22, 2023. Paul Dickson, President, CEO and a director of the Company received 1,000,000 units through his company, Basic Corporate Services Ltd., and Christopher P. Cherry received 500,000 units through his company, Cherry Consulting Ltd.

7. SHARE CAPITAL

Authorized share capital

The Company has authorized an unlimited number of common shares with no par value.

Issued share capital

At June 30, 2022, the Company had 35,807,780 common shares outstanding (June 30, 2021 - 35,807,780).

Share issuance

There were no common shares issued during the year ended June 30, 2022.

During the year ended June 30, 2021, the Company:

a) Completed a non-brokered private placement of 19,197,430 units at a price of $0.07 per unit, for gross proceeds of $1,343,820, of which $15,500 has not been received as at June 30, 2021 and is included in subscription receivable. The amounts have been received subsequent to June 30, 2021. Each unit consisted of one common share and one common share purchase warrant, each warrant entitling the holder to acquire one additional common share of the Company at a price of $0.10 per warrant share until February 22, 2023. In connection with the financing, the Company paid financing costs of $85,680 and issued 1,224,000 finder's warrants valued at $349,797 exercisable into common shares at a price of $0.10 for a period of two year from the date of issuance based on the Black-Scholes option pricing model of risk-free rate of 0.22% and volatility rate of 243.36% over a period of 2 years.

b) Issued 6,221,430 units valued at $0.07 per unit in settlement of amount owing by the Company totaling $435,500. Each unit consisted of one common share and one common share purchase warrant, each warrant entitling the holder to acquire one additional common share of the Company at a price of $0.10 per warrant share until February 22, 2023. Paul Dickson, CEO and a director of the Company received 1,000,000 units through his company, Basic Corporate Services Ltd., and Christopher P. Cherry received 500,000 units through his company, Cherry Consulting Ltd.

(EXPRESSED IN CANADIAN DOLLARS)

7. SHARE CAPITAL (cont'd…)

Share issuance (cont'd…)

c) Issued 250,000 common shares pursuant to the exercise of stock options, in exchange for accounts payable of $18,750.

Basic and diluted loss per share

The calculation of basic and diluted loss per share for the year ended June 30, 2022 was based on the loss attributable to common shareholders of $437,728 (2021 - $1,047,008) and a weighted average number of common shares outstanding of 35,807,780 (2021 - 19,154,986).

At June 30, 2022, 2,500,000 stock options (2021 – 2,700,000) and 26,642,860 warrants (2021 - 26,662,860) were excluded from the diluted weighted average number of common shares calculation as their effect would have been anti-dilutive.

8. SHARE-BASED PAYMENTS

Stock options

The Company has a rolling stock option plan (the "Plan") in place under which it is authorized to grant options to executive officers and directors, employees and consultants. Pursuant to the Plan, the Company may issue aggregate stock options totaling up to 10% of the issued and outstanding common stock of the Company. Further, the Plan calls for the exercise price of each option to be equal to the market price of the Company's stock as calculated on the date of grant. The options can be granted for a maximum term of 10 years and vest at the discretion of the Board of Directors at the time of grant.

Stock option transactions are summarized as follows:

	Number of options	Weighted Average Exercise Price
Balance, June 30, 2020	950,000	$ 0.08
Granted	2,000,000	0.195
Exercised	(250,000)	0.08
Balance, June 30, 2021	2,700,000	$ 0.16
Expired	(200,000)	0.10
Balance, June 30, 2022	2,500,000	$ 0.17
Exercisable at June 30, 2022	2,500,000	$ 0.17
Weighted average fair value of options granted during the year	$ nil	(2021 - $0.18)

(EXPRESSED IN CANADIAN DOLLARS)

8. SHARE-BASED PAYMENTS (cont'd…)

The fair value calculated for stock options granted during the year ended June 30, 2022 was $ nil (2021 - $357,847) using the Black-Scholes Option Pricing Model. The following weighted average assumptions were used for the Black-Scholes Option Pricing Model valuation of stock options granted:

	2022	2021
Risk-free interest rate	-	0.32%
Expected life of options	-	2 Years
Annualized volatility	-	245.39%
Dividend rate	-	0.00%
Forfeiture rate	-	0.00%

As at June 30, 2022, the following stock options were outstanding:

Number of Options	Exercise Price	Expiry Date
2,000,000	$ 0.195	May 14, 2023
500,000	$ 0.075	February 3, 2025
2,500,000		

Warrants

Warrants are issued as private placement incentives and measured using the residual method. Agents' warrants are measured at fair value on the date of the grant as determined using the Black-Scholes Option Pricing Model.

	Number of Warrants	Weighted Average Exercise Price
Balance, June 30, 2020	1,876,092	$ 0.95
Warrants granted	25,418,860	0.10
Finder's warrants granted	1,224,000	0.10
Expired	(1,856,092)	0.50
Balance, June 30, 2021	26,662,860	$ 0.10
Expired	(20,000)	1.00
Balance, June 30, 2022	26,642,860	$ 0.10

As at June 30, 2022, the following warrants were outstanding:

Number of Warrants	Exercise Price	Expiry Date
26,642,860	$ 0.10	February 22, 2023

9. SUPPLEMENTAL CASH FLOW INFORMATION

There are no significant non-cash transactions during the year ended June 30, 2022.

Significant non-cash transactions during the year ended June 30, 2021 included:

a) Issued 1,224,000 finder's warrants with a value of $349,797 in connection with a private placement financing.

b) Issued 6,221,430 units valued at $0.07 per unit, to certain related parties of the Company, totaling $435,500 in settlement of accounts payable (Note 6).

c) Issued 250,000 common shares pursuant to the exercise of stock options in consideration for settlement of accounts payable of $18,750.

10. SEGMENTED INFORMATION

Operating segments

The Company operates in a single reportable segment being the development of application technology in one geographic region being Canada

11. CAPITAL MANAGEMENT

The Company's objective when managing capital is to safeguard the Company's ability to continue as a going concern in order to pursue its business goals and to maintain a flexible capital structure which optimizes the costs of capital at an acceptable risk. In the management of capital, the Company considers the components of shareholders' equity as capital.

The Company manages the capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. To maintain or adjust the capital structure, the Company may attempt to issue additional shares, issue new debt, acquire or dispose of assets or adjust the amount of cash.

There were no changes in the Company's approach to capital management during the period. The Company is not subject to any externally imposed capital requirements.

(EXPRESSED IN CANADIAN DOLLARS)

12. INCOME TAXES

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

		2022		2021
Loss before income taxes	$	(437,728)	$	(1,047,008)
Expected income tax recovery at statutory rates (27%)	$	(118,000)	$	(283,000)
Change in statutory rates and other		(1,000)		15,000
Permanent differences		-		97,000
Share issuance cost		-		(23,000)
Unrecognized temporary differences		117,000		194,000
Deferred income tax recovery	$	-	$	-

Deferred tax assets have not been recognized in respect of these items because it is not probable that future taxable profit will be available against which the Company can utilize these benefits.

		2022	Expiry Date Range		2021	Expiry Date Range
Temporary differences:						
Equipment	$	155,000	No expiry date	$	532,000	No expiry date
Financing fees	$	66,000	2041 to 2045	$	98,000	2042 to 2045
Non-capital losses available for future periods	$	3,796,000	2026 to 2042	$	3,461,000	2026 to 2040

13. FINANCIAL INSTRUMENTS

The carrying amount of accounts payable and amounts due to related parties carried at amortized cost is a reasonable approximation of fair value due to the relatively short period to maturity of these financial instruments and/or the rate of interest being charged.

Financial risk management

The Company's financial risks arising from its financial instruments are credit risk, liquidity risk, foreign currency exchange risk, and interest rate risk. The Company's exposures to these risks and the policies on how to mitigate these risks are set out below. Management monitors and manages these exposures to ensure appropriate measures are implemented on a timely basis and in an effective manner.

Credit risk

Credit risk is the risk of potential loss to the Company if the counter party to a financial instrument fails to meet its contractual obligations. The credit risk of the Company is associated with cash. The credit risk with respect to its cash is minimal as they are held with high-credit quality financial institutions. Management does not expect these counterparties to fail to meet their obligations.

Liquidity risk

Liquidity risk is the risk that the Company will not meet its obligations associated with its financial liabilities as they fall due. As at June 30, 2022, the Company has current assets of $612,808 and current liabilities of $102,568. The Company's financial liabilities include accrued expenses and trade and other payables and accrued fees due to related parties which have contractual maturities of 30 days or are due on demand.

At present, the Company's operations do not generate positive cash flows. The Company's primary source of funding has been the issuance of equity securities through private placements. Despite previous success in acquiring these financings, there is no guarantee of obtaining future financings. Liquidity risk is assessed as high.

Foreign currency exchange risk

Foreign currency exchange risk is the risk that fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Company does not have any material transactions denominated in foreign currency and is not exposed to material foreign currency risk. The Company does not hedge its foreign exchange risk.

Interest rate risk

The Company is exposed to interest rate risk arising from cash held in Canadian financial institutions. The interest rate risk on cash is not considered significant due to its short-term nature and maturity. The Company has not used any financial instrument to hedge potential fluctuations in interest rates.

14. FAIR VALUE MEASUREMENTS

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value hierarchy establishes three levels to classify the inputs to valuation techniques used to measure fair value. Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities. Level 2 inputs are quoted prices in markets that are not active, quoted prices for similar assets or liabilities in active markets, inputs other than quoted prices that are observable for the asset or liability, or inputs that are derived principally from or corroborated by observable market data or other means. Level 3 inputs are unobservable (supported by little or no market activity). The fair value hierarchy gives the highest priority to Level 1 inputs and the lowest priority to Level 3 inputs.

As at June 30, 2022, the fair value of cash held by the Company was based on level 1 inputs of the fair value hierarchy.