BEE VECTORING TECHNOLOGIES INTERNATIONAL INC.

UNAUDITED CONDENSED INERIM CONSOLIDATED FINANCIAL STATEMENTS

For the three months ended December 31, 2023

(expressed in Canadian Dollars)

NOTICE OF NO AUDITOR REVIEW OF CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

The accompanying unaudited condensed interim consolidated financial statements of the Company have been prepared by and are the responsibility of the Company s management. The Company's independent auditor has not performed a review of these condensed interim consolidated financial statements in accordance with standards established by the CPA Canada for a review of interim financial statements by an entity's auditor.

Bee Vectoring Technologies International Inc.

Unaudited Condensed Interim Consolidated Statements of Financial Position

(expressed in Canadian Dollars)

As at

		December 31, 2023		September 30, 2023
ASSETS				
Current assets				
Cash	**$**	**19,301**	$	133,541
Financial asset at fair value through profit and loss *(note 4)*		**404,245**		536,505
Accounts receivable		**24,256**		12,421
Sales tax receivable		**72,021**		62,956
Inventory *(note 5)*		**73,165**		69,221
Prepaid expense and deposits		**105,940**		163,016
		698,928		977,660
Long-term assets				
Right of use asset (*note 6*)		**318,759**		339,547
Intangible assets *(note 8)*		**2,006,587**		2,022,842
Equipment *(note 7)*		**271,370**		277,850
	$	**3,295,644**	$	3,617,899
LIABILITIES				
Current liabilities				
Accounts payable and accrued liabilities	**$**	**2,542,485**	$	1,590,687
Deferred revenue		**6,760**		16,825
Lease liability *(note 10)*		**74,242**		71,973
		2,623,487		1,679,485
Long-term liabilities				
Lease liability *(note 10)*		**265,575**		285,106
Loans payable *(note 11)*		**60,000**		60,000
Convertible debentures *(note 12)*		**241,040**		241,040
		3,190,102		2,265,631
Shareholders' equity				
Share capital *(note 12)*		**27,305,680**		27,067,022
Notes *(note 12)*		**202,680**		202,680
Warrants *(note 12, 13)*		**688,790**		688,790
Contributed surplus *(note 14)*		**9,222,476**		9,054,841
Accumulated other comprehensive loss		**(8,758)**		(8,781)
Accumulated deficit		**(37,205,326)**		(35,652,284)
		105,542		1,352,268
	$	**3,295,644**	$	3,617,899

NATURE OF OPERATIONS AND GOING CONCERN (Note 1)

COMMITMENT (Note 20)

SUBSEQUENT EVENTS (Note 22)

Bee Vectoring Technologies International Inc.
Unaudited Condensed Interim Consolidated Statements of Loss and Comprehensive Loss
For the three months ended December 31, 2023 and December 31, 2022
(expressed in Canadian Dollars)

		2023		2022
Sales *(note 18)*	**$**	**16,965**	$	44,503
Cost of sales		**1,977**		20,877
Gross profit		**14,988**		23,626
Expenses				
Office and general (*note 19*)		**325,119**		455,504
Investor and public relations		**1,076,873**		9,102
Sales, advertising and marketing		**6,638**		84,348
Share based payments (*note 9 and 14*)		**240,385**		679,329
Trials, research and development		**18,300**		341,655
Royalty payments		**-**		1,569
		1,667,315		1,571,507
Loss before other items		**(1,652,227)**		(1,546,312)
Loss on foreign exchange		**(715)**		29,120
Interest and other income		**-**		**40,289**
Net loss	**$**	**(1,653,042)**	$	(1,476,903)
Weighted average number of common shares outstanding – basic and diluted		**145,091,578**		132,922,713
Basic and diluted loss per common share (note 15)	**$**	**(0.01)**	$	(0.01)

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

Bee Vectoring Technologies International Inc.
Unaudited Condensed interim Consolidated Statements of Loss and Comprehensive Loss (continued)
For the three months ended December 31, 2023 and December 31, 2022
(expressed in Canadian Dollars)

	2023	2022
Net loss	**$ (1,653,042)**	$ (1,476,903)
Other comprehensive income		
Items that may be subsequently reclassified to earnings:		
Exchange differences on translating foreign operations	**23**	(821)
Comprehensive loss	**$ (1,653,019)**	$ (1,477,724)

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

Bee Vectoring Technologies International Inc.

Unaudited Condensed interim Consolidated Statements of Cash Flows

For the three months ended December 31, 2023 and December 2022

(expressed in Canadian Dollars)

	2023	2022
Cash used in operating activities		
Net loss	**$ (1,653,042)**	$(1,476,903)
Items not affecting cash		
Share based payments	**240,385**	679,329
Loss on write-off of abandoned patents	**-**	
Lease interest	**7,352**	5,763
Depreciation and amortization	**43,523**	49,006
Net changes in non-cash working capital items		
Sales tax and other receivables	**(20,900)**	108,960
Prepaid expenses and deposits	**57,076**	(24,688)
Inventory	**(3,944)**	(36,480)
Deferred revenue	**(10,065)**	43,280
Accounts payable and accrued liabilities	**1,117,706**	526,435
	(221,909)	(125,298)
Cash used in investing activities		
Additions to intangible assets	**-**	(55,042)
Additions to property, plant and equipment	**-**	(50,301)
	-	(105,343)
Cash flow from financing activities		
Proceeds from swap settlements	**132,260**	321,545
Lease payments	**(24,614)**	(22,954)
	107,646	298,591
(Decrease) Increase in cash	**(114,263)**	67,950
Effect of foreign exchange of on cash	**23**	(606)
Cash, beginning of period	**133,541**	210,301
Cash, end of period	**$ 19,301**	$ 277,645

Supplemental cash flow information

	2023	**2022**
Cash paid for interest	$ -	$ -
Cash paid for income taxes	$ -	$ -
Non-cash transactions		
Stock option and RSU grants for compensation	$ 240,385	$ 679,329

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

Bee Vectoring Technologies International Inc.

Condensed Interim Consolidated Statements of Changes in Shareholders' Equity (unaudited)

For the three months ended December 31, 2023 and 2022

(expressed in Canadian Dollars)

	Share Capital					Accumulated other		
	Number of shares	Amount	Convertible debentures	Warrants	Contributed Surplus	Comprehensive Income	Deficit	Total
Balance, September 30, 2022	132,829,563	$ 25,858,204	$ 202,680	$ 1,943,056	$ 6,750,523	$ (15,971)	$ (30,977,545)	$ 3,760,947
Share based compensation	-	-	-	-	679,329	-	-	679,329
Exercise of RSUs	400,000	124,000	-	-	(124,000)	-	-	-
Expiry of warrants	-	-	-	(259,907)	259,907	-	-	-
Net loss	-	-	-	-	-	(821)	(1,476,903)	(1,477,724)
Balance,December 31, 2022	**133,229,563**	**$ 25,982,204**	**$ 202,680**	**$ 1,683,149**	**$ 7,565,759**	**$ (16,792)**	**$ (32,454,448)**	**$ 2,962,552**
Balance, September 30, 2023	**143,353,445**	**$ 27,067,022**	**$ 202,680**	**$ 688,790**	**$ 9,054,841**	**$ (8,781)**	**$ (35,652,284)**	**$ 1,352,268**
RSU grants	-	-	-	-	240,385	-	-	240,385
Shares issued to settle debt	2,765,138.00	165,908	-	-	-	-	-	165,908
Exercise of RSUs	735,000	72,750	-	-	(72,750)	-	-	-
Net loss	-	-	-	-	-	23	(1,653,042)	(1,653,019)
Balance, December 31, 2023	**146,853,583**	**$ 27,305,680**	**$ 202,680**	**$ 688,790**	**$ 9,222,476**	**$ (8,758)**	**$ (37,305,326)**	**$ 105,542**

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

1. Nature of operations and going concern

Bee Vectoring Technologies International Inc. (the "Company") was incorporated under the laws of the province of British Columbia, Canada on May 20, 2011. The Company is focused on the control of pests and enhancement of crops and ornamentals through the use of biological controls in a variety of application processes.

The Company commenced trading on the TSX Venture Exchange under the symbol BEE on July 7, 2015. The address of the Company's registered and records office is 4160 Sladeview Cres. #7, Mississauga, Ontario. The Company's trade on the Canadian Stock Exchange (CSE) under the symbol "BEE.C".

These consolidated financial statements were approved for issuance by the Board of Directors on February 29, 2024.

Going concern assumption

These consolidated financial statements are prepared on the basis of accounting principles applicable to a going concern, 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 in the normal course of business for the foreseeable future.

The Company's ability to continue as a going concern is dependent upon, but not limited to, its ability to raise financing necessary to discharge its liabilities as they become due and generate positive cash flows from operations. On August 28, 2019 the Company received approval from the Environmental Protection Agency to sell its BioControl in the United States. To date the Company has not yet obtained regulatory approval to sell its BioControl from other regulatory bodies outside the US. The Company is currently also seeking regulatory approval in Mexico and Switzerland. During the three months ended December 31, 2023, the Company incurred a net loss of $1,653,042 (year ended September 30, 2023 – $4,674,739), and as of that date, the Company's deficit was $37,305,326 (September 30, 2023 – $35,652,284). At December 31, 2023, the Company has current assets of $698,928 (September 30, 2023 - $977,660) and current liabilities of $2,633,552 (September 30, 2023 – $1,679,485) resulting in working capital deficit of $1,924,559 (September 30, 2023 – working capital deficit of $701,825).

These conditions have resulted in material uncertainties that may cast significant doubt about the Company's ability continue as a going concern in the foreseeable future. The consolidated financial statements do not give effect to adjustments that may be necessary, should the Company be unable to continue as a going concern. If the going concern assumption is not used then the adjustments required to report the Company's assets and liabilities at liquidation values could be material to these consolidated financial statements.

2. Basis of presentation

a) Statement of compliance

These condensed interim consolidated financial statements are prepared and reported in Canadian dollars and have been prepared in accordance with International Financial Reporting Standards ("IFRS") applicable to the presentation of interim financial statements and International Accounting Standards ("IAS") 34, Interim Financial Reporting, as the accounting policies applied in these condensed interim consolidated financial statements are based on IFRS as issued, outstanding and effective on December 31, 2023.

b) Basis of measurement

The consolidated financial statements have been prepared on an accrual basis, except for cash flow information, and are based on historical costs, modified, where applicable, by the measurement at fair value of selected financial assets and financial liabilities. The consolidated financial statements are presented in Canadian dollars, which is also the Company's functional currency.

c) Significant accounting estimates and judgments

The preparation of these consolidated financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the consolidated financial statements and reported amounts of expenses during the reporting period. Actual outcomes could differ from these judgments and estimates. The consolidated financial statements include judgments and estimates which, by their nature, are uncertain.

The estimates and underlying assumptions are reviewed on an ongoing basis. The impacts of such judgments and estimates are pervasive throughout the consolidated financial statements, and may require accounting adjustments based on future occurrences.

Revisions to accounting estimates are recognized in the period in which the estimate is revised and also in future periods when the revision affects both current and future periods.

Significant assumptions about the future and other sources of judgments and estimates that management has made at the end of the reporting period, that could result in a material adjustment to the carrying amounts of assets and liabilities, in the event that actual results differ from assumptions made, relate to, but are not limited to, the following:

Estimates

Useful life of equipment, right-of-use asset and intangible assets
Depreciation and amortization of equipment, right-of-use asset and intangible assets with finite lives are dependent upon estimates of useful lives and when the asset is available for use, which are determined through the exercise of judgment and are dependent upon estimates that take into account factors such as economic and market conditions, frequency of use, anticipated changes in laws and technological improvements.

Valuation of share-based payments
The Company uses the Black-Scholes Option Pricing Model to calculate the fair value of stock options and of common share purchase warrants issued. The model requires the input of subjective assumptions including the expected price volatility. Changes in the subjective input assumptions can materially affect the fair value estimate. Estimates are used for valuing RSUs granted for determining vesting dates when RSU's are granted with vesting conditions that are based on non-market performance conditions and milestones.

2. Basis of presentation (continued)

Embedded derivatives
As part of assessing whether an instrument is a hybrid financial instrument and contains an embedded derivative, significant judgment is required in evaluating whether the host contract is more akin to debt or equity and whether the embedded derivative is clearly and closely related to the underlying host contract. The Company concludes that the host instrument of the convertible debentures is a debt host due to the holder's right to redeem the instrument for cash at a point in time in the future. The Company determines that the conversion option is not closely related to the debt host, and that the conversion option is required to be separated from the host instrument and accounted for as an embedded derivative due to the variability in the number of shares issuable under the convertible debentures. In applying its judgment, the Company relies primarily on the economic characteristics and risks of the instrument as well as the substance of the contractual arrangements.

The initial fair values of the embedded derivative conversion options and subsequent re-measurements at fair value at each reporting date are determined by using the Black-Scholes pricing model which requires exercise of judgment in relation to variables such as expected volatilities in share price and foreign exchange rates.

Judgments

Capitalization of development costs
Initial capitalization of development costs is based on management's judgment that technological and economic feasibility is confirmed, usually when the product development project has reached a defined milestone according to an established project management model.

Capitalization of regulatory costs
Initial capitalization of regulatory costs is based on management's judgment that future economic benefits attributable to the Companies assets will flow to the Company.

Functional currency
In concluding on the functional currency of the parent and its subsidiary companies, management considered the currency that mainly influences sales and the cost of providing goods and services in each jurisdiction in which the Company operates. The Company also considered secondary indicators including the currency in which funds from financing activities are denominated, the currency in which funds are retained and whether the activities of the subsidiaries are carried out as an extension of the Company or if they are carried out with a degree of autonomy.

Income taxes and recoverability of potential deferred tax assets

Income taxes and tax exposures recognized in the consolidated financial statements reflect management's best estimate based on facts known at the reporting date. When the Company anticipates a future income tax payment based on its estimates, it recognizes a liability. The difference between the expected amount and the final tax outcome has an impact on current and deferred taxes when the Company becomes aware of this difference. In addition, when the Company incurs losses for income tax purposes, it assesses the probability of taxable income being available in the future based on its budgeted forecasts. These forecasts are adjusted to take into account certain non-taxable income and expenses and specific rules on the use of unused credits and tax losses. When the forecasts indicate that sufficient future taxable income will be available to deduct the temporary differences, a deferred tax asset is recognized for all deductible temporary differences.

Going concern
The Company applies judgment in assessing whether material uncertainties exist that would cause doubt as to whether the Company could continue as a going concern.

Convertible debentures
Judgement is required in determining the classification of financial instruments issued in the financing transaction as liabilities or equity.

(expressed in Canadian dollars)

2. Basis of presentation (continued)

d) Basis of consolidation

Control exists when the Company has the power, directly or indirectly, to govern the financial and operating policies of an entity to obtain benefits from its activities. The financial statements of the Company's subsidiaries, including entities which the Company controls, are included in the consolidated financial statements from the date that control commences until the date that control ceases. All intercompany transactions and balances have been eliminated.

These consolidated financial statements include the accounts of the Company and those of its wholly-owned subsidiaries Bee Vectoring Technology Inc. (Canadian), and Bee Vectoring Technology USA Corp (United States) ("BVT USA").

The functional currency of the Company and its Canadian subsidiary is the Canadian Dollar, which is the presentation currency of the consolidated financial statements. The functional currency of BVT USA is the United States dollar.

All intercompany transactions and balances have been eliminated in preparing the consolidated financial statements.

3. Significant accounting policies

The same accounting policies and methods of computation were followed in the preparation of these condensed interim consolidated financial statements as were followed in the preparation and described in Note 3 of the annual consolidated financial statements as at and for the year ended September 30, 2023, with the exception of new and revised standards along with any consequential amendments, effective October 1, 2023. Accordingly, these condensed interim consolidated financial statements for the three months ended December 31, 2023 and 2022 should be read together with the annual consolidated financial statements as at and for the year ended September 30, 2023.

4. Financial asset at fair value through profit and loss

	2023	**2022**
Opening balance	$ 536,505	$ 2,519,612
Cash received on monthly swap settlements to date	(132,260)	(942,499)
Realized loss on settlement received to date	-	(857,501)
Unrealized loss – financial assets at fair value	-	(183,107)
Total	$ 404,245	$ 536,505

Effective July 11, 2022, the Company entered into a series of agreements with a third party; Sorbie Bornholm LP ("Sorbie"), whereby the following transactions resulted (see note 12 for more details):

i. The Company issued 1,900 unsecured convertible debentures of $1,000 each that totaled $1,900,000, convertible at maturity in three years into common shares at $0.195 per share.
ii. The Company issued 11,176,471 units, at a price of $0.17 per unit, consisting of one common share and one common share purchase warrant, with each warrant entitling the holder to purchase one additional common share (the "Units").
iii. In connection with the convertible debentures and the units, the Company issued a total of 20,919,671 warrants exercisable at a price of $0.27 per share for 36 months.

(expressed in Canadian dollars)

4. Financial assets at fair value through profit and loss (continued)

iv. Equity sharing agreements (equity swaps) whereby the net proceeds of the transaction and the 20 million shares were put into an escrow account, are to be released based on a predetermined schedule. The equity swaps settle on a monthly basis over 24 months, and commenced August 2022, with one swap settling each month. The monthly settlement amount payable to the Company by the counter-party is determined by an independent settlement agent with the amount due calculated via reference to the average of the volume weighted average price of the Company's shares as traded on the Canadian Securities Exchange for the twenty days preceding the settlement date ("VWAP"), compared to the benchmark price of $0.21. Each one cent difference between the VWAP and the benchmark price results in a monthly premium or discount to the amount to be received by the Company for the swap at settlement. If the Company's share price is to exceed the base price of $0.21, the payments will increase to reflect the increase in share price, however, if the share prices fall below the based prices, the proceeds are adjusted for the decline and Sorbie retains the difference of the scheduled payments and the calculated payments. During the year the Company received $466,959 of the cash held in escrow and realized a loss of $53,041 based on the terms of the agreement and the Company's share price.

v. On July 11, 2022, the total 11,176,471 common shares were issued by the Company and released in line with the schedule.

The above transactions resulted in the following assets and liabilities:

a. Financial asset at fair value through profit and loss which is the value of the subscriptions or cash proceeds expected to be received under the terms of the arrangements. This was recognized at relative fair value at the inception date and subsequently remeasured at each reporting period to fair value. As at September 30, 2023, the Company recorded an unrealized loss of $183,107 (2022 – 500,115) as a result of the measurement of the asset. As at September 30, 2023, the Company also recorded a realized loss on settlement received to date at amount of $857,501 (2022 – 53,041) as difference between the scheduled settlement to be received and actual cash received on monthly swap settlements to date. This is a Level 3 financial instrument.
b. Convertible debenture which is recognized at relative fair value at the inception date and subsequently remeasured each reporting period to fair value as a fair value through profit and loss liability. At the year end the Company recorded an unrealized gain as a result of the measurement. This is a Level 3 financial instrument.

The financial asset at fair value through profit and loss, convertible debentures and notes were valued using the Monte Carlo simulation with 250 steps for each instrument, where the share price was projected at various points in the model. The method was chosen because the variation of terms with key inputs at the year-end included the historical volatility and discount rate.

5. Inventory

	December 31, 2023	**September 30, 2023**
Raw materials	$ 57,225	$ 64,693
Finished goods	15,940	4,528
Total	$ 73,165	$ 69,221

During the three months ended December 31, 2023 $1,977 (2022 - $20,877) of inventory was recognized as cost of sales. There was no inventory write downs in 2023 and 2022. No inventory was pledged as collateral.

(expressed in Canadian dollars)

6. Right of use asset

	Office Lease
Balance, September 30, 2022	$ 422,088
Depreciation	(82,541)
Balance, September 30, 2023	339,547
Depreciation	(20,788)
Balance, December 31, 2023	$ 318,759

Leases are depreciated over their term, being 5 years.

In August 2020, the Company entered into a five-year extension on the lease of its office and production facility. The lease commenced on November 1, 2020 for a period of two years until October 31, 2022, with no further options to renew at the current terms. Under the lease, the Company is required to pay a monthly base rent of $6,901. At the commencement of the lease, the right of use asset 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 8.62%, which is the Company's incremental borrowing rate in Canada.

7. Equipment

	Equipment	Computer	Furniture	Site equipment	Telehpone Equipment	Dispensers	Total
Cost							
As at September 30, 2022	$ 15,909	$ 31,108	$ 12,467	$ 432,442	$ 24,931	$ 197,442	$ 714,299
Additions	-	-	-	855	-	52,877	53,732
As at September 30, 2023	15,909	31,108	12,467	433,297	24,931	250,319	768,032
Additions	-	-	-	-	-	-	-
As at December 31, 2023	$ 15,909	$ 31,108	$ 12,467	$ 433,297	$ 24,931	$ 250,319	$ 768,032
Accumulated depreciation							
As at September 30, 2022	$ 4,160	$ 23,893	$ 9,850	$ 324,284	$ 18,984	$ 20,204	$ 401,375
Additions	795	5,199	523	21,804	1,189	59,465	88,975
Foreign currency adjustment	-	(168)	-	-	-	-	(168)
As at September 30, 2023	4,955	28,924	10,373	346,088	20,173	79,669	490,182
Additions	199	963	105	4,359	238	616	6,480
As at December 31, 2023	$ 5,154	$ 29,887	$ 10,478	$ 350,447	$ 20,411	$ 80,285	$ 496,662
				-			
Net book value							
As at September 30, 2023	$ 10,954	$ 2,184	$ 2,094	$ 87,210	$ 4,758	$ 170,650	$ 277,850
As at December 31, 2023	$ 10,755	$ 1,221	$ 1,989	$ 82,851	$ 4,520	$ 170,034	$ 271,370

(expressed in Canadian dollars)

8. Intangible assets

	Available-for-use			Work-in-process		Total
	Patents	Regulatory cost	Development	Patents	Regulatory cost	
Cost						
As at September 30, 2022	$ 724,817	$ 404,047	$ 316,325	$ 587,922	$ 186,295	$ 2,219,406
Additions	-	-	-	8,303	322,075	330,378
Write-off of abandoned patents	(208,520)	-	-	-	-	(208,520)
Foreign currency adjustment	-	-	-	-	(116)	(116)
As at September 30, 2023	516,297	404,047	316,325	596,225	508,254	2,341,148
Foreign currency adjustment	-	-	-	-	58	58
As at December 31, 2023	$ 516,297	$ 404,047	$ 316,325	$ 596,225	$ 508,312	$ 2,341,206
Accumulated amortization						
As at September 30, 2022	$ 184,876	$ 61,321	$ 54,640	$ -	$ -	$ 300,837
Additions	37,783	20,202	15,816	$ -	$ -	73,801
Write-off of abandoned patents	(56,332)	-	-	-	-	(56,332)
As at September 30, 2023	184,876	61,321	54,640	-	-	318,306
Additions	7,308	5,051	3,954	-	-	16,313
As at December 31, 2023	$ 192,184	$ 66,372	$ 58,594	$ -	$ -	$ 334,619
Net book value						
As at September 30, 2023	$ 331,421	$ 342,726	$ 261,685	$ 596,225	$ 508,254	$ 2,022,842
As at December 31, 2023	$ 324,113	$ 337,675	$ 257,731	$ 596,225	$ 508,312	$ 2,006,587

9. Related party balances and transactions

Key management includes members of the board, the Chief Executive Officer and the Chief Financial Officer. The aggregate value of transactions relating to key management personnel and entities over which they have control or significant influence were as follows for the three months ended December 31, 2023 and December 31, 2022:

	2023	2022
*CEO fees (i)	**$ 84,287**	$ 84,650
*CFO fees (ii)	**7,500**	7,500
*Consulting fees charged by a Chelsian Sales & Service (iii)	**15,000**	15,000
Shares based payments - Options	**-**	390,377
Share based payments – RSUs (i)	**93,800**	-
	$ 200,587	$ 497,537

**represents key management remuneration*

(i) Represents salary and/or consulting fees charged by the CEO for services rendered. As at September 30, 2023, $225,333 (September 30, 2023 - $140,833) is owed to the CEO for past fees and health benefits. On December 21, 2023, the CEO also received 2,680,000 RSUs with a value of $93,800. In 2022, the CEO also received share-based compensation with a fair value of $146,391 which are included in share based payments. On August 16, 2022, $101,333 of amounts owing to the CEO was settled with the issuance of 596,078 common shares.

(ii) Consulting fees charged by CFO Advantage Inc, a corporation owed by the CFO of the Company, for services of the Chief Financial Officer. As at December 31, 2023 $7,500 (September 30, 2023 –$nil) was owed to CFO Advantage Inc. On August 16, 2022, $16,950 of amounts owing to the CFO was settled with the issuance of 99,706 common shares.

(iii) Consulting fees charged by Chelsian Sales & Service Inc ("Chelsian"), a corporation owned by a director, for assisting with day-to-day operations. As at December 31, 2023 $40,850 (September 30, 2023 –$31,835) was owed to Chelsian. The director also received stock options with a fair value of $97,594 which are included in share based payments. On August 16, 2022, $39,550 of amounts owing to Chelsian was settled with the issuance of 232,647 common shares.

(expressed in Canadian dollars)

9. Related party balances and transactions (continued)

(iv) The Company employs a relative of a director of the Company as sales manager. During the three months ended December 31, 2023, the employee earned a salary and benefits of $33,380 (2023 - $29,150).

10. Lease liability

Balance, September 30, 2022	$ 422,618
Interest expense	29,924
Lease payments	(95,463)
Balance, September 30, 2023	357,079
Interest expense	7,352
Lease payments	(24,614)
Balance, December 31, 2023	$ 339,817

Allocated as:	**December 31, 2023**
Current	$ 74,242
Long Term	$ 265,575

In August 2020, the Company entered into a five-year extension on the lease of its office and production facility. The lease commenced on November 1, 2020 for a period of two years until October 31, 2022, with no further options to renew at the current terms. Under the lease, the Company is required to pay a monthly base rent of $6,901. At the commencement 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 8.62%, which is the Company's incremental borrowing rate in Canada.

On March 18, 2022, the Company entered into a five-year extension on the lease of its office and production facility. The lease extension will commence on November 1, 2022 for a period of five years until October 31, 2027, with no further options to renew at the current terms. Under the lease, the Company is required to pay a monthly base rent of $8,051 increasing annually to $9,058 in the final term. At the extension 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 8.62%, which is the Company's incremental borrowing rate in Canada.

11. Loans payable

(i) On May 1, 2020, the Company received a $40,000 Canada Emergency Business Account loan. Up to $10,000 of that amount will be eligible for loan forgiveness if $30,000 is fully repaid on or before December 31, 2023. As at September 30, 2022, none of the loan has been repaid. If the loan is not repaid by December 31, 2023, it will be extended for an additional 3-year term bearing an interest rate of 5% per annum. The loan can be repaid at any time without penalty and no principal payments are required until December 31, 2025 when the full amount of the loan is due. Monthly interest must be paid during the additional 3-year term. An additional, $20,000 was received in January, 2021 under the same terms and conditions.

12. Share capital

Authorized - Unlimited number of common shares without par value
Issued and outstanding

(i) On July 11, 2022, the Company closed a non-brokered private placement (the "Sorbie Private Placement") of units ("Units") and unsecured convertible notes ("Notes") to Sorbie Bornholm LP ("Sorbie"), an institutional investor, for gross proceeds of $3.8 million. The proceeds of the Sorbie Private Placement were used to acquire government bonds in connection with the Company and Sorbie entering into the Sharing Agreement (as defined below), which is described in more detail below. The Company issued the following securities to Sorbie in connection with the Sorbie Private Placement:

- 11,176,471 Units issued at a price of $0.17 per Unit. Each Unit consists of one common share of the Company (each, a "Share") and one Share purchase warrant (each, a "Warrant"), with each Warrant entitling the holder thereof to purchase one additional Share of the Company at an exercise price of $0.27 for a period of 36 months from issuance, unless such exercise period is accelerated or extended in accordance with the terms of the warrant instrument. The Warrants were valued at $286,398 using the Black-Scholes option pricing model using the following assumptions: Term – 3 years; Volatility – 90.68%; Interest rate – 3.18%.

- 1,900 Notes in the principal amount of $1,000 per Note. The Notes bear an interest rate of 7% per annum for a period of three years. Interest on the Notes is to be paid semi-annually in advance (on June 30 and December 31) and may be satisfied, at the option of the Company, in cash or Shares, with such Shares being issued using the maximum allowable discount to the market price at the time. Each Note is convertible into 5,128 Shares, which represents a conversion price of $0.195, for a period of three years from the date of issuance, provided that conversion of the Notes is permitted only when the Shares issuable upon conversion, combined with the shareholdings of Sorbie immediately before the time of such conversion, does not take Sorbie's ownership interest in the Company above 9.9%. Each Note is issued together with 5,128 detachable Warrants (the "Detachable Warrants") which have the same terms as the Warrants, with the result that the Company issued 9,743,200 Detachable Warrants in connection with issuing the 1,900 Notes. The Warrants were valued at $249,670 using the Black-Scholes option pricing model and the following assumptions: Term – 3 years; Volatility – 90.68%; Interest rate – 3.18%. Since the Notes are to be settled in shares, they are treated as equity.

- In addition, 798 convertible notes (the "Payment Notes") were issued to Sorbie with 275 Payment Notes being issued in satisfaction of the $275,000 value payment that was payable by the Company in connection with Sorbie entering into the Sharing Agreement, and 523 Payment Notes being issued to Sorbie in satisfaction of the Benchmark Payment (as defined below). The Payment Notes have the same terms as the Notes, except they do not bear interest and do not provide for Detachable Warrants.

  Sorbie first proposed the initial Benchmark Price be $0.23 but agreed to reduce it to $0.21 as a result of the Company making an additional payment of $523,000, which the Company satisfied by issuing to Sorbie an additional 523 Payment Notes (the "Benchmark Payment").

  The Payment Notes and Benchmark Payment were valued at $202,680 using the Monte Carlo simulation as disclosed in note 4.

- The first interest payment for the 1,900 Notes issued to Sorbie was paid concurrently with closing of the Sorbie Private Placement by the issuance of 431,770 common shares.

(expressed in Canadian dollars)

12. Share capital (continued)

Concurrently with closing the Private Placement, the Company entered into certain hedging arrangements with Sorbie governed by an ISDA Master Agreement dated July 11, 2022, and a sharing agreement dated July 11, 2022 (the "Sharing Agreement"). Pursuant to the terms of the Sharing Agreement, the gross proceeds of the Sorbie Private Placement (being $3,800,000) (the "Posted Support") were used to acquire UK government bonds as credit support to secure the Company's maximum potential exposure under the Sharing Agreement, with Sorbie retaining control and direction of such proceeds (including both the economic benefit and the risk resulting from fluctuations in the bond pricing and foreign exchange) until they are released back to the Company in accordance with the terms of the Sharing Agreement.

The hedging transactions governed by the Sharing Agreement will be determined and payable in 24 monthly settlement tranches based on the volume weighted average price of the Shares for the 20 trading days prior to each monthly settlement date measured against the Benchmark Price. On each such settlement date, Sorbie will release a portion of the Posted Support determined in reference to such volume rated average (with $250,000 to be received the first two months and $150,000 for each of the remaining 22 months). If the measured Share price is equal to the Benchmark Price for each of the 24 monthly settlement tranches, the Company will receive cash payments totaling $3.8 million. If the measured Share price exceeds the Benchmark Price, the Company will receive more than 100% of the settlement payable that month on a *pro rata* basis. Similarly, if the measured Share price is below the Benchmark Price, the Company will receive less than 100% of the settlement payable that month on a *pro rata* basis.

The Sharing Agreement permits the Company to retain much of the economic interest of the securities issued to Sorbie, including the potential upside to the extent the Shares trade above an initial price of $0.21 (the "Benchmark Price").

Summary of convertible debentures issued during the three months ended December 31, 2023 and the year ended September 30, 2023:

	December 31, 2023	September 30, 2023
Opening balance	$ 489,948	$ 489,948
Change in fair value of convertible debentures	-	(248,908)
Closing balance	$ 489,948	$ 241,040

(ii) On August 18, 2022, the Company settled debt in the amount of $360,441 with the issuance of 2,120,241 common shares. On the date of issuance, the shares had a fair market value of $413,447 resulting in a loss on settlement of $53,006. $157,833 of the debt was settled with related parties.

(iii) On March 6, 2023, the Company settled debt in the amount of $157,180 with the issuance of 1,310,000 common shares. On the date of issuance, the shares had a fair market value of $157,180.

(iv) On March 6, 2023, the Company closed a non-brokered private placement of 1,491,667 units (the "Units") issued at a price of $0.12 per Unit for gross aggregate proceeds of $179,000 (the "Private Placement"). Each Unit is comprised of one common share (each a "Share") and one common share purchase warrant (each a "Warrant"). Each Warrant is exercisable to acquire one additional Share of the Company for a period of 36 months from closing at a price of $0.20. The Company paid $840.00 in cash and issued 7,000 broker warrants on the same terms noted above to qualified parties in connection with the Private Placement. The warrants were valued at $46,241 using relative fair value method with the warrants fair value determined by using the Black-Scholes option pricing model using the following assumptions: Term – 3 years; Volatility – 78%; Interest rate – 4.00%. The broker warrants were valued at $357 using the same assumptions.

(expressed in Canadian dollars)

12. Share capital (continued)

(v) On May 11, 2023, the Company closed a non-brokered private placement of 2,250,000 units (the "Units") issued at a price of $0.12 per Unit for gross aggregate proceeds of $270,000 (the "PP #2"). Each Unit is comprised of one common share (each a "Share") and one common share purchase warrant (each a "Warrant"). Each Warrant is exercisable to acquire one additional Share of the Company for a period of 36 months from closing at a price of $0.20. The Company paid no finders fees. The warrants were valued at $69,750 using relative fair value method with the warrants fair value determined by using the Black-Scholes option pricing model using the following assumptions: Term – 3 years; Volatility – 78%; Interest rate – 4.00%.

(vi) On May 11, 2023, the Company issued 771,014 common shares for the semi annual interest payment on the Sorbie Notes, and another 1,111,370 shares on July 1, 2023 for another interest payment totaling $133,182.

(vii) During the year ended September 30, 2023, 3,589,831 RSUs were exercised. The RSUs had a fair value of $586,645.

(viii) On November 24, 2023, the Company settled debt in the amount of $165,908 with the issuance of 2,765,138 common shares. On the date of issuance, the shares had a fair market value of $165,908.

(ix) During the three months ended December 31, 2023, 735,000 RSUs were exercised. The RSUs had a fair value of $72,750.

13. Warrants

The warrants issued and outstanding as at December 31, 2023 and September 30, 2023 are as follows:

	Number of warrants	Weighted average strike price
Balance, September 30, 2022	36,938,424	$ 0.36
Expired	(14,462,283)	$ (0.48)
Issued with Concurrent Private Placement	3,748,667	$ 0.20
Balance, September 30, 2023 and December 31, 2023	26,224,808	$ 0.26

The warrants entitle the holders to purchase the stated number of common shares at the exercise price on or before the expiry date.

At December 31, 2023, the following warrants were outstanding and exercisable:

Strike price	Number	Weighted average remaining contractual life (in years)	Expiry date
$ 0.27	22,476,141	1.53	07/11/2025
$ 0.20	1,498,667	2.18	03/06/2026
$ 0.20	2,250,000	2.36	05/11/2026
	26,224,808	1.64	

14. Stock options and restricted share units

In 2020 the Board of Directors approved a restricted share unit plan (the "RSU Plan") and a 20% rolling stock option plan (the "Option Plan") to grant restricted share units ("RSU's") and incentive stock options ("Options") to directors, officers, key employees and consultants of the Company. Pursuant to the RSU Plan and the Option Plan, the Company may reserve up to a maximum of 20% of the issued and outstanding common shares pursuant to awards granted under the plans. The vesting of the options and RSU's are determined by the board when granted, and can have a maximum term of 10 years. The plans were approved by the shareholders on October 23, 2020.

(expressed in Canadian dollars)

14. Stock options and restricted share units (continued)

Options

Below is a summary of transactions for the three months ended December 31, 2023 and the year ended September 30, 2023:

Transaction	# Options	Weighted Average Strike Price
Balance, September 30, 2022	10,733,300	$0.276
Granted	5,850,000	$0.120
Expired	(725,000)	$0.250
Balance, September 30, 2023	15,858,300	$0.223
Balance, December 31, 2023	15,858,300	$0.223

As at December 31, 2023 the Company had the following stock options outstanding:

Grant date	Expiry date	Exercise price	# of options outstanding	# of options exercisable
06/30/2015	06/20/2025	$ 0.29	50,000	50,000
07/06/2015	07/06/2025	$ 0.29	1,260,000	1,260,000
08/30/2016	08/30/2026	$ 0.32	1,000,000	1,000,000
02/27/2019	02/27/2024	$ 0.16	25,000	25,000
03/22/2019	03/22/2024	$ 0.20	1,193,300	1,193,300
09/16/2019	09/16/2024	$ 0.24	50,000	50,000
10/30/2019	10/30/2024	$ 0.31	3,375,000	3,375,000
11/24/2020	11/24/2025	$ 0.29	75,000	75,000
02/05/2021	02/05/2026	$ 0.41	155,000	155,000
03/11/2021	03/11/2026	$ 0.42	150,000	150,000
04/29/2021	04/29/2026	$ 0.37	100,000	100,000
10/05/2021	10/05/2026	$ 0.27	900,000	900,000
02/08/2022	02/08/2032	$ 0.28	1,675,000	1,675,000
12/23/2022	12/23/2032	$ 0.12	5,350,000	5,350,000
05/01/2023	05/01/2028	$ 0.085	500,000	500,000
			15,858,300	15,858,300

The fair values of the stock options granted were calculated using the Black-Scholes Option Pricing Model using the weighted average assumptions below. The weighted average expiry date of the options is 4.73 years. The weighted average exercise price of the options is $0.22.

	Three months ended December 31, 2023	Year ended September 30, 2023
Risk-free interest rate	n/a	3.17%
Expected life of options	n/a	5-10 years
Annualized volatility	n/a	86%
Share price	n/a	$0.08-$0.12
Forfeiture rate	n/a	0%
Dividend rate	n/a	0%
Weighted average fair value per options	n/a	$0.06-$0.10

(expressed in Canadian dollars)

14. Stock options and restricted share units (continued)

Restricted share units (“RSU’s”)

Below is a summary of transactions for the three months ended December 31, 2023 and the year ended September 30, 2023:

Transaction	**# RSUs**
Balance, September 30, 2022	2,919,806
Granted	8,998,440
Exercised	(3,589,831)
Balance, September 30, 2023	8,328,415
Granted	6,868,155
Exercised	(735,000)
Balance, December 31, 2023	14,461,570

As at December 31, 2023, the Company had the following RSUs outstanding:

Date Issued	# RSUs	# Vested	Value per RSU
04/24/2020	778,000	778,000	$0.31
02/08/2022	645,000	-	$0.275
12/23/2022	208,696	208,696	$0.110
05/01/2023	3,816,875	3,816,875	$0.100
06/27/2023	841,172	841,172	$0.080
09/15/2023	1,303,172	651,836	$0.075
12/21/2023	6,868,155	6,868,155	$0.035
	14,461,570	13,164,734	

The grant date fair value of the RSU equals the fair market value of the corresponding shares at the grant date. The fair value of these equity-settled awards is recognized as compensation expense with a corresponding increase in equity. The total amount expensed is recognized over the vesting period, which is the period over which all the specified vesting conditions should be satisfied.

Option and RSU expense reconciliation for the three months ended December 31, 2023 and 2022:
As per the statement of changes in shareholders’ equity

	2023	2022
Share based compensation	$ -	$ 522,128
RSU grants	240,385	157,201
Total	$ 240,385	$ 679,329
As per the statement of loss		
Share based compensation – options portion	$ 240,385	$ 522,128
Investor and public relations	-	92,969
Research and development	-	11,478
Sales and marketing	-	52,754
Total	$ 240,385	$ 679,329

15. Loss per share

The warrants and options outstanding were excluded from the computation of diluted loss per share for the three months ended December 31, 2023 and 2022 because their impact was anti-dilutive.

16. Financial instruments

Fair Value
Financial instruments of the Company as at December 31, 2023 and September 30, 2023 consist of cash, accounts receivables, financial asset at fair value through profit and loss, accounts payable and accrued liabilities, convertible debentures and loans payable. There are no significant differences between the carrying amounts of the cash, accounts receivables and accounts payables and accrued liabilities reported on the consolidated statements of financial position and their estimated fair values because of the short-term maturities of these items. Loans payables are recognized initially and subsequently at amortized cost and approximate fair value due to the market rate of interest applied. Financial asset at fair value through profit and loss and convertible debentures are revalued at each reporting date based on level 3 inputs in the fair value hierarchy as disclosed in Note 4 and 12.

Fair value hierarchy
The fair value measurements use a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The level in the hierarchy within which the fair value measurement is categorized is determined on the basis of the lowest level input that is significant to the fair value measurement in its entirety. The fair value hierarchy has the following levels:

(i) Quoted prices (unadjusted) in active markets for identical assets or liabilities (Level 1).

(ii) Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) (Level 2).

(iii) Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (Level 3).

The Company’s risk exposures and their impact on the Company’s financial instruments are summarized below.

Market risk
Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market prices comprise four types of risk: interest rate risk, foreign exchange risk, commodity price risk and other price risk, such as equity risk. Financial instruments affected by market risk include cash deposits.

Foreign currency risk
Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate as a result of a change in foreign exchange rates. The Company is exposed to foreign currency risk on cash, other receivables and accounts payable and loans denominated in U.S. dollars. The Company does not use derivative instruments to reduce its exposure to foreign currency risk. As at December 31, 2023, the Company had $(282,102) of net financial instruments denominated in U.S. dollars. The effect on comprehensive loss before income tax of a 10% change in the foreign currency against the Canadian dollar on the above-mentioned net monetary assets and liabilities of the Company is estimated to be an increase/decrease of $28,200, assuming that all other variables remained constant.

Interest rate risk
The Company is exposed to insignificant interest rate risk. Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in market interest rates. Fluctuations in market interest rates do not have a significant impact on the Company's results of operations due to the short-term nature of interest-bearing cash. The Company does not have any debt that bears variable interest rates.

16. Financial instruments (continued)

Credit risk
Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its obligations. The Company's maximum exposure to credit risk at the end of the reporting period is the carrying value of its cash and accounts receivable and the face value of its asset carried at fair value through profit and loss, being $519,823. Cash is held with both financial institutions in Canada and the United States, and management believes that exposure to credit risk is not significant. The Company manages its credit risk related to trade and other receivables by establishing procedures to establish payment terms and approval policies of customers. In the opinion of management, the credit risk is moderate, and no credit losses are expected.

Price risk
The Company is exposed to price risk. Price risk is the risk that the commodity prices that the Company charges are significantly influenced by its competitors and the commodity prices that the Company must charge to meet its competitors may not be sufficient to meet its expenses. The Company reduces the price risk by ensuring that it obtains information regarding the prices set by its competitors to ensure that its prices are appropriate to the unique attributes of its product and services. In the opinion of management, the price risk is low and is not material.

Liquidity risk
Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company currently settles its financial obligations out of cash. The ability to do this relies on the Company raising financing in a timely manner and by maintaining sufficient cash in excess of anticipated needs. See note 1 for further disclosure on the going concern assumption.

The Company's accounts payable and accrued liabilities are subject to normal trade terms and have contractual maturities payable within 30 days for 2023 and 2022.

At December 31, 2023, the Company has current assets of $698,928 (September 30, 2022- $3,268,686) and current liabilities of $2,623,487 (September 30, 2022 – $1,254,293) resulting in working capital deficit of $(1,924,559) (September 30, 2023 – working capital deficit $(701,825)).

17. Capital management

The Company's objectives when managing capital are: to safeguard the Company's ability to continue as a going concern; to maintain an optimal capital structure, while ensuring the Company's strategic objectives are met and to provide an appropriate return to shareholders relative to the risk of the Company's underlying assets. The capital structure of the Company consists of equity attributable to common shareholders, comprised of issued capital, stock options, warrants, contributed surplus and deficit. The Company maintains and adjusts its capital structure based on changes in economic conditions and the Company's planned requirements. The Company may adjust its capital structure by issuing new equity, selling and/or acquiring assets, and controlling its capital expenditures program.

The Company is operating at a loss. As such, the Company is dependent on external financing to fund its activities. In order to pay for its operating expenses, the Company will spend its existing working capital and raise additional amounts as needed and if available.

As at December 31, 2023, managed capital was $105,542 (September 30, 2023 - $1,352,268). Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company, is reasonable. There were no changes to the Company's approach to capital management during the three months ended December 31, 2023. The Company is not exposed to externally imposed capital requirements.

(expressed in Canadian dollars)

18. Sales

Revenue from contracts with customers	**2023**	2022
Rendering of services over time	**$ 16,965**	$ 44,503
Sales of goods	**-**	-
	$ 16,965	$ 44,503

All revenue was earned in the United States.

19. Office and general

For the three months ended December 31,	**2023**	2022
Accounting and audit	**$ 8,037**	$ 7,825
Amortization and depreciation	**42,480**	50,001
Consulting	**45,813**	40,067
Insurance	**7,853**	11,873
Legal and regulatory	**11,042**	11,389
Occupancy costs	**11,271**	12,267
Office and general	**33,300**	46,759
Salaries and benefits	**156,755**	229,645
Warehouse supplies	**1,001**	5,296
Transfer agent	**5,780**	9,927
Travel	**1,787**	30,455
	$ 325,119	$ 455,504

20. Commitment

Effective November 1, 2015, the Company has a lease commitment for premises, requiring the following approximate annual payments:

Year	**Minimum lease payment ($'s)**
2024	99,144
2025	102,221
2026	105,327
2027	108,432

(expressed in Canadian dollars)

21. Segmented information

The Company's business consists of a single reportable segment. Details on a geographic basis are as follows:

Total long term assets	2023	September 30, 2023
Canada	$ 2,588,105	$ 2,631,628
United States of America	8,611	8,611
	$ 2,596,716	$ 2,640,239

Revenues for the three months ended December 31,	2023	2022
United States of America	$ 16,965	$ 44,503
	$ 16,965	$ 44,503

22. Subsequent events

The Company entered into a secured loan agreement dated December 11, 2023 (the "Loan Agreement") with two capital firms (the "Lenders"), whereby it will secure a loan of up to CAD $1 million (the "Loan") on a credit facility basis.

The Loan will be funded in tranches of $100,000 (each, a "Tranche") at the Company's discretion. Each Tranche will be secured and evidenced by promissory notes (each, a "Note"). The Company reserves the right to choose the method of settlement for each Note within a two-year period, either through cash repayment or issuing common shares ("Shares"). Each Tranche must be repaid (in cash or Shares) in advance of the Lenders making a subsequent Tranche of funding available to the Company. It will be the Company's intention to issue Shares equivalent to the principal amount of each Note to repay each Tranche. The price for these Shares will be determined based on the 20-day volume-weighted average price (VWAP), subject to a minimum price of CAD $0.05, with up to a maximum of 20,000,000 Shares being issued pursuant to the Loan.

Outstanding debt on each Note carries an annualized interest rate of 15% which starts after the 5th day from when the Company closes a Tranche. The Company can also pay any accrued interest through Shares based of a 20-day VWAP as noted above.

As security for the payment of the Company's obligations and fulfilment and satisfaction of all covenants and agreements made under the Loan Agreement, and any Notes thereunder, the Company will enter into a general security agreement ("GSA") with the Lenders for each Tranche, pursuant to which the Company has granted a security interest in product inventory and equipment of the Company up to the amount of each Tranche.

On January 10, 2024, the Company closed the debt settlement agreements (the "Settlement Agreement") with certain creditors. Pursuant to the Settlement Agreements, the Company issued an aggregate of 18,833,334 Common shares at a deemed price of $0.06 per Common share to the creditors in full satisfaction of outstanding cash payments due in the amount of $1,130,000.

On January 25, 2024, the Company converted the first tranche of $100,000 in promissory notes (the "Notes"), into 2,600,000 Common shares at a price of $0.05 per Common share. The conversion of the Notes into Common shares included a 10% repayment penalty fee and a 20% facilitation fee payable to the noteholders.