

ICESoft Technologies Canada Corp.  
Condensed Consolidated Interim Financial Statements  
*(\$CAD) (Unaudited)*  
*For the period ended June 30, 2023*

**NOTICE OF NO AUDITOR REVIEW OF INTERIM FINANCIAL STATEMENTS**

Under National Instrument 51-102, continuous disclosure obligations, if an auditor has not performed a review of the interim financial statements, they must be accompanied by a notice indicating that the financial statements have not been reviewed by an auditor. The Corporation's independent auditor has not performed a review of these financial statements in accordance with standards established for a review of interim financial statements by an entity's auditor.

The accompanying unaudited condensed interim financial statements of the Corporation have been prepared by and are the responsibility of the ICESoft Management team.

**ICESoft Technologies Canada Corp.**  
Condensed Consolidated Interim Statements of Financial Position  
(\$CAD)  
As at

	<b>(Unaudited)</b> <b>June 30,</b> <b>2023</b>	<b>(Audited)</b> <b>December 31,</b> <b>2022</b>
	<u>\$</u>	<u>\$</u>
<b>ASSETS</b>		
<b>Current Assets</b>		
Cash	133,742	320,349
Accounts receivable	168,005	110,029
Prepaid expenses and deposits	67,394	33,960
<b>Total Current Assets</b>	<b>369,141</b>	<b>464,338</b>
Property and equipment	11,948	13,564
<b>TOTAL ASSETS</b>	<b>381,089</b>	<b>477,902</b>
<b>LIABILITIES AND EQUITY</b>		
<b>Liabilities</b>		
<b>Current Liabilities</b>		
Accounts payable and accrued liabilities (note 11)	818,505	1,043,309
Current portion of deferred revenue (note 4)	794,742	827,074
Current portion of convertible notes (note 6)	159,001	121,744
<b>Total Current Liabilities</b>	<b>1,772,248</b>	<b>1,992,127</b>
Deferred revenue (note 4)	269,948	3,785
Severance Liability	279,533	-
Convertible notes (note 9)	776,928	593,181
Term loans (note 5)	30,000	30,000
<b>Total Liabilities</b>	<b>3,128,657</b>	<b>2,619,093</b>
<b>Shareholders' Deficiency</b>		
Share capital (note 7)	27,826,697	27,826,697
Equity portion of convertible notes (note 6)	79,743	57,363
Warrants (note 7 and 8)	373,830	373,830
Reserves (note 9)	4,649,025	4,649,025
Foreign currency translation reserve	(1,995,176)	(1,946,571)
Deficit	(33,681,687)	(33,101,535)
<b>Total Shareholders' Deficiency</b>	<b>(2,747,568)</b>	<b>(2,141,191)</b>
<b>TOTAL LIABILITIES AND SHAREHOLDERS' DEFICIENCY</b>	<b>381,089</b>	<b>477,902</b>

Going concern (note 1)  
Subsequent events (note 14)

Approved on behalf of the Board of Directors:

'Brian McKinney' \_\_\_\_\_, Director

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

**ICESoft Technologies Canada Corp.**  
Condensed Consolidated Interim Statements of Loss and Comprehensive Loss  
(\$CAD) (Unaudited)  
For the periods ended June 30

	Three months ended		6 Months Ended	
	June 30, 2023 \$	June 30, 2022 \$	June 30, 2023 \$	June 30, 2022 \$
<b>Revenues (note 3)</b>				
Subscription income	435,480	351,117	857,075	693,005
Other	13,897	4,943	14,896	7,137
<b>Total Revenue</b>	<b>449,377</b>	<b>356,060</b>	<b>871,971</b>	<b>700,142</b>
<b>Cost of Revenue</b>				
Information services & Commissions	123,826	114,510	282,437	230,126
<b>Total Cost of Revenue</b>	<b>123,826</b>	<b>114,510</b>	<b>282,437</b>	<b>230,126</b>
<b>Total Gross Profit</b>	<b>325,551</b>	<b>241,550</b>	<b>589,534</b>	<b>470,016</b>
<b>Operating Expenses</b>				
Research and development	189,257	289,313	438,311	581,084
General and Administrative	71,963	117,921	160,052	206,579
Sales, Marketing and Operations	96,224	148,787	195,847	264,032
One-Time Restructuring Expenses	332,881		332,881	
<b>Total Operating Expenses</b>	<b>690,325</b>	<b>556,020</b>	<b>1,127,091</b>	<b>1,051,695</b>
<b>Net Operating Loss</b>	<b>(364,774)</b>	<b>(314,470)</b>	<b>(537,557)</b>	<b>(581,679)</b>
<b>Other Income (Expense)</b>				
Other Income	-	-	1,625	-
Finance expense (note 10)	-	(4,685)	(1,950)	(9,340)
Depreciation, Interest & Foreign exchange	(39,723)	(1,827)	(42,270)	(3,159)
<b>Total Other Income (Expense)</b>	<b>(39,723)</b>	<b>(6,512)</b>	<b>(42,595)</b>	<b>(12,499)</b>
<b>Net Loss</b>	<b>(404,497)</b>	<b>(320,982)</b>	<b>(580,152)</b>	<b>(594,178)</b>
<b>Other Comprehensive Income (Loss)</b>				
<b>Items which may be subsequently reclassified to profit or loss</b>				
Translation of foreign operations	-	(31,443)	-	(29,754)
<b>Comprehensive loss</b>	<b>(404,497)</b>	<b>(352,425)</b>	<b>(580,152)</b>	<b>(623,932)</b>
<b>Loss per share - basic and diluted (note 7 (iii))</b>	<b>(0.00)</b>	<b>(0.00)</b>	<b>(0.00)</b>	<b>(0.00)</b>

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

**ICESoft Technologies Canada Corp.**  
Condensed Consolidated Interim Statements of Changes in Shareholders' Equity (Deficiency)  
(\$CAD) (Unaudited)  
For the periods ended June 30

	Share Capital	Equity component of convertible notes	Warrants	Reserves	Deficit	Accumulated Other Comprehensive Loss	Total
	\$	\$	\$	\$	\$	\$	\$
Balance December 31, 2020	26,861,053	6,074	948,114	3,541,349	(30,813,880)	(1,824,642)	(1,281,932)
Net Loss and Comprehensive Loss	-	-	-	-	(240,526)	13,626	(226,900)
<b>Balance March 31, 2021</b>	<b>26,861,053</b>	<b>6,074</b>	<b>948,114</b>	<b>3,541,349</b>	<b>(31,054,406)</b>	<b>(1,811,016)</b>	<b>(1,508,832)</b>
Balance December 31, 2021	27,826,697	6,074	1,253,223	3,756,366	(31,903,245)	(1,852,695)	(913,580)
Expiration of warrants (note 8 and 9)	-	-	(829,765)	829,765	-	-	-
Net Loss and Comprehensive Loss	-	-	-	-	(273,196)	1,689	(271,506)
<b>Balance March 31, 2022</b>	<b>27,826,697</b>	<b>6,074</b>	<b>423,459</b>	<b>4,586,131</b>	<b>(32,176,441)</b>	<b>(1,851,006)</b>	<b>(1,185,086)</b>
Balance December 31, 2022	27,826,697	57,363	373,830	4,649,025	(33,101,535)	(1,946,571)	(2,141,191)
Convertible Notes Issued	-	16,307	-	-	-	-	16,307
Expiration of Warrants	-	-	(879,393)	879,393	-	-	-
Net Loss and Comprehensive Loss	-	-	-	-	(580,152)	-	(580,152)
<b>Balance March 31, 2023</b>	<b>27,826,697</b>	<b>73,670</b>	<b>373,830</b>	<b>4,649,025</b>	<b>(33,277,190)</b>	<b>(1,946,571)</b>	<b>(2,300,539)</b>
<b>Balance June 30, 2023</b>	<b>27,826,697</b>	<b>73,670</b>	<b>373,830</b>	<b>4,649,025</b>	<b>(33,681,687)</b>	<b>(1,946,571)</b>	<b>(2,300,539)</b>

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

**ICEsoft Technologies Canada Corp.**  
Condensed Consolidated Interim Statements of Cash Flows  
(\$CAD) (Unaudited)  
For the periods ended June 30

	Three months ended		Six months ended June	
	June 30		30	
	2023	2022	2023	2022
	\$	\$	\$	\$
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
Net loss	(404,497)	(320,982)	(580,152)	(594,178)
Add back (deduct) items not involving cash:				
Finance expense (note 10)	-	2,993	1,950	5,952
Amortization of property and equipment	808	601	1616	1,110
	(403,689)	(317,388)	(576,586)	(587,116)
Changes in non-cash working capital items:				
Accounts receivable	33,093	8,317	(57,976)	(110,060)
Prepaid expenses and deposits	(45,416)	(3,517)	(33,434)	(25,209)
Accounts payable and accrued liabilities	11,757	16,613	(224,804)	(38,797)
Deferred revenue (note 4)	18,681	65,067	233,831	290,594
Severance Liability	279,533	-	279,533	
<b>Net cash used in operating activities</b>	<b>(106,041)</b>	<b>(230,908)</b>	<b>(379,436)</b>	<b>(470,588)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>				
Proceeds from Convertible Debt	37,257	-	192,829	-
<b>Net cash generated by financing activities</b>	<b>37,257</b>	<b>-</b>	<b>192,829</b>	<b>-</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
Acquisition of property and equipment	-	(3,154)	-	(3,154)
<b>Net cash generated by investing activities</b>		<b>(3,154)</b>		<b>(3,154)</b>
<b>Effect of change in foreign exchange rates on cash</b>	<b>-</b>	<b>(30,437)</b>	<b>-</b>	<b>(27,776)</b>
<b>Change in cash for the period</b>	<b>(68,784)</b>	<b>(264,499)</b>	<b>(186,607)</b>	<b>(501,518)</b>
Cash, beginning of the period	202,526	475,487	320,349	712,506
<b>Cash, end of the period</b>	<b>133,742</b>	<b>210,988</b>	<b>133,742</b>	<b>210,988</b>

See notes 10 for the details of non-cash transactions.

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

## NATURE OF OPERATIONS

ICESoft Technologies Canada Corp. (the "Corporation" or "ICESoft"), was incorporated on May 10, 2002 under the Canada Business Corporations Act. ICESoft and its subsidiaries develop and license a comprehensive suite of web technologies and Software as a Service (SaaS) solutions for both enterprise and government clients. The Corporation's primary products consist of its Clickware product, ICEfaces, and the SaaS-based Voyent Alert! Notification Service which is licensed to government and enterprise clients on a subscription basis.

ICESoft's head office is located at 340-600 Crowfoot Cres. N.W., Calgary, Alberta, Canada, T3G 0B4.

These condensed consolidated interim financial statements of the Corporation as at June 30, 2023 and December 31, 2022 and for the periods ended June 30, 2023 and 2022 ("Financial Statements") consist of the Corporation and its wholly-owned subsidiaries. ICESoft wholly owns ICESoft Technologies Holdings Ltd, which acts as the Corporation's main Canadian operating entity; and wholly owns ICESoft Technologies Inc., incorporated in the State of Delaware, which acts as the United States operating entity.

### 1. GOING CONCERN

These Financial Statements have been prepared on the basis that the Corporation will continue as a going concern, which assumes that the Corporation will be able to realize its assets and discharge its liabilities for the foreseeable future. Management is aware, in making its going concern assessment, of events and conditions that indicate the existence of a material uncertainty that may cast significant doubt upon the Corporation's ability to continue as a going concern.

As at June 30, 2023, the Corporation had negative net working capital of \$1,449,783 (December 31, 2022 - \$1,527,789) and an accumulated deficit of \$33,681,687 (December 31, 2022 - \$33,101,535). The Corporation incurred a net loss during the three months ended June 30, 2023 of \$404,497 (three months ended June 30, 2022 - \$320,982).

The Corporation has not yet been able to generate the transaction volumes required to create positive cash flows from operations. Whether and when the Corporation can generate sufficient operating cash flows to pay for its expenditures and settle its obligations as they fall due subsequent to June 30, 2023 is uncertain. Until this time, management may have to raise funds by way of debt or equity issuances. The Corporation will closely monitor its cash and has begun taking necessary measures to reduce operating costs to achieve cashflow positive operations, details of which can be found in Note 10.

These consolidated Financial Statements do not reflect the adjustments to the carrying values of assets and liabilities and the reported expenses and statement of financial position classifications that would be necessary were the going concern assumption inappropriate. These adjustments could be material.

### 2. BASIS OF PRESENTATION

- (a) Statement of compliance

These Financial Statements have been prepared in accordance with IAS 34 Interim Financial Reporting and International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB"), and interpretations of the IFRS Interpretations Committee (IFRIC's).

**ICEsoft Technologies Canada Corp.**  
Notes to the Condensed Consolidated Interim Financial Statements  
(\$CAD) (Unaudited)  
For the period ended June 30, 2023

The Financial Statements were approved and authorized for issue by the Board of Directors on August 29, 2023.

(b) Basis of preparation

These Financial Statements have been prepared under the historical cost convention, except for certain financial instruments classified as financial instruments at fair value through profit and loss, which are stated at their fair value, and are expressed in Canadian dollars unless otherwise indicated. Other measurement bases used are detailed in the Corporation's annual consolidated financial statements ("Annual Financial Statements").

Certain comparative figures have been reclassified to conform to the current period's presentation.

The notes presented in these Financial Statements include only significant events and transactions occurring since the Corporation's last fiscal year end and are not fully inclusive of all matters required to be disclosed by IFRS in the Corporation's annual consolidated financial statements. As a result, these Financial Statements should be read in conjunction with the Annual Financial Statements.

These Financial Statements follow the same accounting policies and methods of application as the most recent Annual Financial Statements.

### 3. REVENUE

The Corporation disaggregates revenue by two major service lines: (1) "ICEfaces and Related Legacy Product" and (2) "Voyent Alert" revenue. Both categories include subscription revenue earned on software access licence agreements and support and maintenance revenue earned from providing customer-requested assistance and updates within the reporting period.

	Three months ended		Six months ended	
	June 30,		June 30,	
	2023	2022	2023	2022
	\$	\$	\$	\$
<b>Revenue by major category</b>				
ICEfaces & Related Legacy				
Subscription income	259,869	232,154	523,577	467,844
Voyent Alert				
Subscription income	175,611	118,963	333,499	225,161
Customizations and upgrades		350		2,250
User fees	13,897	4,593	14,895	4,887
<b>Total</b>	<b>449,377</b>	<b>356,060</b>	<b>871,971</b>	<b>700,142</b>

### 4. DEFERRED REVENUE

Timing differences between invoicing, cash collection, and revenue recognition result in accounts receivable and deferred revenue on the consolidated statements of financial position. Amounts are billed in accordance with the terms of each customer contract. For most contracts, the Corporation receives payments for contract subscriptions prior to satisfying contracted obligations and recognizing revenue, resulting in deferred revenue.

All deferred revenue recorded in 2023 and 2022 relates to certain subscription agreements.

**ICESoft Technologies Canada Corp.**  
Notes to the Condensed Consolidated Interim Financial Statements  
(\$CAD) (Unaudited)  
For the period ended June 30, 2023

Changes in deferred revenue during the periods consist of:

	June 30, 2023 \$	March 31, 2023 \$
<b>Deferred revenue</b>		
Opening balance	1,046,009	830,849
Sales collected	455,088	636,746
Recognized in revenue		
From opening balances	(399,569)	(373,302)
From additions in the period	(36,838)	(48,294)
Foreign exchange effect		
<b>Total deferred revenue</b>	<b>1,064,690</b>	<b>1,046,009</b>
Less: current portion	(794,742)	(876,446)
<b>Long-term portion</b>	<b>269,948</b>	<b>169,563</b>

As at June 30, 2023, revenues allocated to remaining performance obligations from subscription contracts, extending through to 2025, total \$1,064,690. Of this amount, approximately \$794,742 is expected to be recognized in the remainder of 2023, \$269,948 is expected to be recognized in 2024 and \$0 is expected to be recognized in 2025.

#### 5. TERM LOANS

A summary of the term loans outstanding is as follows:

	June 30, 2023 \$	December 31, 2022 \$
Canada Emergency Business Account (CEBA) loan	30,000	30,000
<b>Total debt outstanding</b>	<b>30,000</b>	<b>30,000</b>

#### 6. CONVERTIBLE NOTES

The balance of convertible notes as of June 30, 2023 and March 31, 2023 is reconciled as follows:

	June 30, 2023 \$	March 31, 2023 \$
<b>Opening Balance</b>	<b>898,672</b>	<b>714,925</b>
Modification of notes	-	-
Accretion	-	-
Interest accrued	37,257	26,829
Interest paid	-	-
Additions Net of Equity Conversion Feature	-	156,918
<b>Total debt outstanding</b>	<b>935,929</b>	<b>898,672</b>
Less: current portion	(159,001)	(121,744)
<b>Long-term portion</b>	<b>776,928</b>	<b>776,928</b>



# ICEsoft Technologies Canada Corp.

## Notes to the Condensed Consolidated Interim Financial Statements

(\$CAD) (Unaudited)

For the period ended June 30, 2023

- (i) During the year ended December 31, 2020, the Corporation extended the maturity date of the only outstanding convertible note with a face value of \$100,000 by one year to December 11, 2021. On November 15, 2021, the Corporation once again extended the maturity of the convertible note by one year. On December 12, 2022, the Corporation once again extended the maturity of the convertible note by one year. The extended convertible note now expires on December 12, 2023. The convertible note is secured by all assets, including the intellectual property, of the Corporation. As part of the issuance, the note holder was entitled to warrants which can be converted to common shares. There has been no change to the expiry date of the warrants, December 1, 2023, due to this extension. Interest rate was increased to 14.0% per annum.

The note is convertible to common shares at a conversion price of \$0.15 per share. During the year ended December 31, 2022, 300,000 warrants were granted to the lender as compensation for the loan extension. The warrants have an expiry date of December 12, 2025 and are exercisable at \$0.06 per common share.

- (ii) On September 21, 2022, the Corporation concluded a secured convertible note financing transaction raising gross cash proceeds of \$650,175 from various related parties. The issued secured convertible promissory notes bear simple interest at a rate of 15% per annum for a term of 36 months from date of issuance. The notes bear a conversion feature allowing the note holder to convert all or part of the principal balance and accrued interest into common shares of the Corporation at a conversion price of \$0.05 per share. The convertible notes were fair valued using a discount rate of 18%. The resulting calculations allocated \$51,289 as the value of the equity conversion feature.
- (iii) On February 27, 2023, the Corporation concluded a secured convertible note financing transaction raising gross cash proceeds of \$100,000 and conversion of \$150,000 in prior debt from a related party. The issued secured convertible promissory notes bear simple interest at a rate of 15% per annum with for a term of 36 months from date of issuance. The notes bear a conversion feature allowing the note holder to convert all or part of the principal balance and accrued interest into common shares of the Corporation at a conversion price of \$0.05 per share. The convertible notes were fair valued using a discount rate of 18%. The resulting calculations allocated \$16,307 as the value of the equity conversion feature.

## 7. SHARE CAPITAL

The Corporation is authorized to issue an unlimited number of Preferred Shares without nominal or par value and an unlimited number of Common Shares without nominal or par value. No Preferred Shares were issued in the current period or prior year.

The Corporation has the following Common Shares issued and outstanding:

	Number of Shares #	Share Capital \$
<b>Balance, December 31, 2020</b>	<b>80,116,026</b>	<b>26,861,053</b>
Issuance of shares with units for cash (i)	30,000,000	973,149
Issuance of shares with units on settlement of debt (ii)	2,000,000	64,877
Share issuance costs	-	(72,382)
<b>Balance, December 31, 2021 and 2022</b>	<b>112,116,025</b>	<b>27,826,697</b>
<b>Balance, June 30, 2023</b>	<b>112,116,025</b>	<b>27,826,697</b>

**ICESoft Technologies Canada Corp.**  
Notes to the Condensed Consolidated Interim Financial Statements  
(\$CAD) (Unaudited)  
For the period ended June 30, 2023

- (i) During the year ended December 31, 2021, the Corporation issued 30,000,000 units at a price of \$0.05 per unit for gross proceeds of \$1,500,000. Each unit consisted of one common share and one common share purchase warrant. The warrants have an exercise price of \$0.08 per share and expire three years from the date of issuance. The warrants were assigned a fair value of \$526,851, less issuance costs, based on the relative fair value of the shares and warrants.
- (ii) During the year ended December 31, 2021, the Corporation issued 2,000,000 units on the settlement of a term loan, note payable, and deferred wages owed to the President and CEO, at a price of \$0.05 per unit (note 8). Each unit consists of one common share and one common share purchase warrant. The warrants have an exercise price of \$0.08 per share and expire three years from the date of issuance. The warrants were assigned a fair value of \$35,124, less issuance costs, based on the relative fair value of the shares and warrants.
- (iii) The weighted average number of common shares outstanding used to calculate basic and diluted loss per share is 112,116,026 for the three months ended Jun3 30, 2023 (three months ended June 30, 2022 – 112,116,026). The Corporation excluded all convertible notes, warrants, and stock options from the calculation of diluted loss per share for the three months ended June 30, 2023 and 2022, as they would be anti-dilutive.

## 8. WARRANTS

When warrants are subsequently exercised, the fair value of such warrants is credited to the share capital account. When warrants expire, their value is credited to reserves.

A summary of warrant transactions is as follows:

	Number of Warrants	Weighted average exercise price	Expiry Date
<b>Outstanding at December 31, 2020</b>	<b>34,140,400</b>	<b>0.16</b>	
Issued in unit issuance	30,000,000	0.08	September 2024
Issued in unit issuance via settlement of debt	2,000,000	0.08	September 2024 June, August, September, November and December 2021
Expired	(472,666)	0.20	December 2021
<b>Outstanding at December 31, 2021</b>	<b>65,667,734</b>	<b>0.11</b>	
Issued	300,000	.06	Dec. 2025 March, April, September 2022
Expired	(29,939,818)	0.20	September 2022
<b>Outstanding at December 31, 2022</b>	<b>36,027,917</b>	<b>0.09</b>	
Issued	-	-	
Expired	-	-	
<b>Outstanding at June 30, 2023</b>	<b>36,027,917</b>	<b>0.09</b>	

No warrants were exercised during the three or six months ended June 30, 2023. The weighted average remaining life of all warrants outstanding at June 30, 2023 is 1.29 years (December 31, 2022 – 1.81 years).

The fair value of the warrants used in the input into the bifurcation of units and of other warrants issued was estimated on the date of the grant, as determined by using the Black-Scholes option-pricing model with the following weighted average assumptions:

**ICESoft Technologies Canada Corp.**  
Notes to the Condensed Consolidated Interim Financial Statements  
(\$CAD) (Unaudited)  
For the period ended June 30, 2023

	<b>Three months ended March 31, 2023</b>	<b>Year ended December 31, 2022</b>
Exercise Price	\$0.08	\$0.08
Share Price	\$0.055	\$0.055
Dividend Yield	-	-
Forfeiture %	-	-
Risk-free interest rate	1.00%	1.00%
Expected life of warrants	3 years	3 years
Expected volatility	100.00%	100.00%

## 9. RESERVES

Reserves are used to recognize the fair value of stock options granted and the fair market value of expired warrants. When options are subsequently exercised, the fair value of such options in reserves are credited to share capital. Should the options expire unexercised, their fair market value remains in the reserves account.

The Corporation has a stock option plan ("the Plan"). Under the Plan, the Board of Directors of the Corporation may from time to time, in its discretion, grant to directors, officers, employees and consultants of the Corporation non-transferable options to purchase common shares. The maximum number of common shares reserved for issuance under the Plan shall not exceed 15% of the then issued and outstanding common shares of the Corporation. The options will be exercisable for a period of up to ten years. The Board of Directors will determine the price per common share and the number of common shares which may be allocated to each director, officer, employee and consultant and all other terms and conditions of the option, subject to the rules of Canadian Securities Exchange.

A summary of the Plan transactions for the three months ended June 30, 2023 and for the year ended December 31, 2021 are as follows:

	<b>June 30, 2023</b>		<b>December 31, 2022</b>	
	<b>Number of Options</b>	<b>Weighted average exercise price</b>	<b>Number of Options</b>	<b>Weighted average exercise price</b>
<b>Outstanding at beginning of period</b>	6,668,000	0.10	6,018,000	0.11
Options granted	-	-	750,000	0.05
Options expired	290,000	-	(100,000)	0.05
<b>Outstanding at end of period</b>	<b>6,378,000</b>	<b>0.10</b>	<b>6,668,000</b>	<b>0.10</b>
<b>Exercisable at end of period</b>	<b>5,890,500</b>	<b>0.10</b>	<b>6,180,500</b>	<b>0.10</b>

The weighted average remaining life of all options outstanding at June 30, 2023 is 1.65 years (December 31, 2022 – 2.12 years).

No options were exercised during the three months ended June 30, 2023.

**10. FINANCE EXPENSE**

	Three months ended		Six months ended	
	June 30		June 30	
	2023	2022	2023	2022
			\$	\$
Interest on convertible notes	37,257	2,993	68,426	5,952
Interest on lease liability	-	-	-	-
Other finance expense	-	1,692	1,950	3,388
	<b>37,257</b>	<b>4,685</b>	<b>70,376</b>	<b>9,340</b>

Finance expense includes cash and non-cash interest of \$37,257 (2022 - \$2,993) on convertible notes.

**11. RELATED PARTY TRANSACTIONS AND PERSONNEL COSTS**

The Corporation considers its key management personnel to be its Chief Executive Officer; Chief Financial Officer, directors, and close family members of the previously mentioned individuals. Key management compensation is comprised of wages and salaries, stock-based compensation and consulting fees paid to key management and companies controlled by key management. During the three months ended June 30, 2023, key management compensation amounted to \$43,477 (three months ended June 30, 2022 - \$66,772), split between general and administrative, marketing and operations, and research and development expenses based on work performed.

Key management personnel have accounts payable owing from the Corporation, including payroll and vacation accruals, in the amount of \$379,808 at June 30, 2023 (December 31, 2022 - \$565,530).

Total personnel expenses for employees, consultants, directors and management included in expenses in the consolidated statement of loss and comprehensive loss total \$314,020 for the three months ended June, 2023 (three months ended June, 2022 - \$466,430), split between general and administrative, marketing and operations, and research and development expenses, based on work performed.

**12. FAIR VALUE OF FINANCIAL INSTRUMENTS**

Due to the short-term nature of cash, accounts receivable, deposits, and accounts payable and accrued liabilities, the Corporation determined that the carrying amounts of these financial instruments approximate their fair value. The carrying amounts of the term loans and convertible notes approximate their fair value due either to the interest rate approximating market rates or because of the short period to maturity.

**13. CORPORATE RESTRUCTURING / REDUCTION IN FORCE**

In December 2022, the Corporation released its 2.0 upgrade to its Voyent Alert! product, which saw extensive usage and in-service validation throughout Q1 and early Q2. In May 2023, having established confidence in its 2.0 release, the Corporation underwent a restructuring and associated reduction in force resulting in a forecast monthly saving of approximately \$50,000 per month. In association with this action, the Corporation incurred a one-time expense of \$332,902 related severance obligations.

**14. SUBSEQUENT EVENTS**

In August, 2023, they Corporation further reduced headcount by one contract and one full time employee resulting in approximately \$17,000 of additional savings per month.