

ICESoft Technologies Canada Corp.  
Condensed Consolidated Interim Financial Statements  
*(\$CDN) (Unaudited)*  
*For the period ended September 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  
(\$CDN)  
As at

	(Unaudited) September 30, 2023	(Audited) December 31, 2022
<b>ASSETS</b>		
<b>Current Assets</b>		
Cash	113,580	320,349
Accounts receivable	144,650	110,029
Prepaid expenses and deposits	14,618	33,960
<b>Total Current Assets</b>	<b>272,848</b>	<b>464,338</b>
Property and equipment	11,140	13,564
<b>TOTAL ASSETS</b>	<b>283,988</b>	<b>477,902</b>
<b>LIABILITIES AND EQUITY</b>		
<b>Liabilities</b>		
<b>Current Liabilities</b>		
Accounts payable and accrued liabilities (note 11)	646,470	1,043,309
Current portion of deferred revenue (note 4)	990,938	827,074
Current portion of convertible notes (note 6)	159,001	121,744
<b>Total Current Liabilities</b>	<b>1,796,409</b>	<b>1,992,127</b>
Deferred revenue (note 4)	42,682	3,785
Severance Liability	231,695	-
Convertible notes (note 6)	853,703	593,181
Term loan (note 5)	30,000	30,000
<b>Total Liabilities</b>	<b>2,954,489</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)	73,670	57,363
Warrants (note 8)	373,830	373,830
Reserves (note 9)	4,648,509	4,649,025
Foreign currency translation reserve	(1,946,571)	(1,946,571)
Deficit	(33,646,636)	(33,101,535)
<b>Total Shareholders' Deficiency</b>	<b>(2,670,501)</b>	<b>(2,141,191)</b>
<b>TOTAL LIABILITIES AND SHAREHOLDERS' DEFICIENCY</b>	<b>283,988</b>	<b>477,902</b>

Going concern (note 1)  
Subsequent events (note 13)

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  
(\$CDN) (Unaudited)  
For the periods ended

	Three months ended		Nine months ended	
	September 30, 2023 \$	September 30, 2022 \$	September 30, 2023 \$	September 30, 2022 \$
<b>Revenues (note 3)</b>				
Subscription income	432,013	377,624	1,289,088	1,070,629
Other	24,585	10,081	39,481	17,218
<b>Total Revenue</b>	<b>456,598</b>	<b>387,705</b>	<b>1,328,569</b>	<b>1,087,847</b>
<b>Cost of Revenue</b>				
Information services & Commission	126,063	114,432	408,500	344,558
<b>Total Cost of Revenue</b>	<b>126,063</b>	<b>114,432</b>	<b>408,500</b>	<b>344,558</b>
<b>Total Gross Profit</b>	<b>330,535</b>	<b>273,273</b>	<b>920,069</b>	<b>743,289</b>
<b>Expenses (note 11)</b>				
Research and development	249,005	262,773	687,316	843,857
General and administrative	22,642	91,261	182,694	297,840
Sales, marketing, and operations	12,423	176,379	208,207	440,411
Share Based Comprehension	-	12,750	-	12,750
One-time Restructuring Expense	-	-	332,881	-
<b>Total Expenses</b>	<b>284,070</b>	<b>543,163</b>	<b>1,411,098</b>	<b>1,594,858</b>
<b>Net Operating Income (Loss)</b>	<b>46,465</b>	<b>(269,890)</b>	<b>(491,029)</b>	<b>(851,569)</b>
<b>Other Income (Expense)</b>				
Government assistance – COVID-19	-	-	-	-
Depreciation, Interest & Foreign Exchange	(11,802)	(8,201)	(54,072)	(20,700)
<b>Total Other Income (Expense)</b>	<b>(11,802)</b>	<b>(8,201)</b>	<b>(54,072)</b>	<b>(20,700)</b>
<b>Net Income (Loss)</b>	<b>34,663</b>	<b>(278,091)</b>	<b>(545,101)</b>	<b>(872,269)</b>
<b>Other Comprehensive Income (Loss)</b>				
<b>Items which may be subsequently reclassified to profit or loss</b>				
Translation of foreign operations	-	(53,914)	-	(83,668)
<b>Comprehensive Income (loss)</b>	<b>34,663</b>	<b>(332,005)</b>	<b>(545,101)</b>	<b>(955,937)</b>
<b>Loss per share - basic and diluted (note 7 (iii))</b>	<b>(0.00)</b>	<b>(0.00)</b>	<b>(0.01)</b>	<b>(0.01)</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' Deficiency  
 (\$CDN) (Unaudited)  
 For the periods ended

	Share Capital \$	Equity component of convertible notes \$	Warrants \$	Reserves \$	Deficit \$	Accumulated Other Comprehensive Loss \$	Total \$
Balance December 31, 2021	27,826,697	6,074	1,253,223	3,756,366	(31,903,245)	(1,852,695)	(913,580)
Issuance of Convertible notes (note 6)	-	51,289	-	-	-	-	51,289
Stock-based compensation (note 9)	-	-	-	12,750	-	-	12,750
Expiration of warrants (notes 8 and 9)	-	-	(879,393)	879,393	-	-	-
Net Income (loss) and comprehensive income (loss)	-	-	-	-	(872,269)	(83,668)	(955,937)
<b>Balance September 30, 2022</b>	<b>27,826,697</b>	<b>57,363</b>	<b>373,830</b>	<b>4,648,509</b>	<b>(32,775,514)</b>	<b>(1,936,363)</b>	<b>(1,805,478)</b>
Balance December 31, 2022	27,826,697	57,363	373,830	4,649,025	(33,101,535)	(1,946,571)	(2,141,191)
Issuance of convertible notes (note 6)	-	16,307	-	-	-	-	16,307
Stock-based compensation (note 9)	-	-	-	-	-	-	-
Expiration of warrants (note 8 and 9)	-	-	-	-	-	-	-
Net loss and comprehensive loss	-	-	-	-	(545,101)	-	(545,101)
<b>Balance September 30, 2023</b>	<b>27,826,697</b>	<b>73,670</b>	<b>373,830</b>	<b>4,649,025</b>	<b>(33,646,636)</b>	<b>(1,946,571)</b>	<b>(2,702,599)</b>

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

**ICESoft Technologies Canada Corp.**  
Condensed Consolidated Interim Statements of Cash Flows  
(\$CDN) (Unaudited)  
For the periods ended

	Three months ended		Nine months ended	
	September 30, 2023	September 30, 2022	September 30, 2023	September 30, 2022
	\$	\$	\$	\$
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
Net Income (loss)	34,663	(278,091)	(545,101)	(872,269)
Add back (deduct) items not involving cash:				
Finance expense (note 10)	37,183	5,161	96,068	11,113
Stock-based compensation	-	12,750	-	12,750
Amortization of property and equipment	808	717	2,424	1,827
Amortization of right of use asset	-	-	-	-
	72,654	(259,463)	(446,609)	(846,579)
Changes in non-cash working capital items:				
Accounts receivable	23,355	55,341	(34,621)	(54,719)
Prepaid expenses and deposits	52,776	19,627	19,343	(5,582)
Accounts payable and accrued liabilities	(142,934)	2,946	(396,839)	(35,851)
Deferred revenue (note 4)	(31,070)	(64,244)	202,761	226,350
Severance Liability	(47,838)	-	231,695	-
<b>Net cash used in operating activities</b>	<b>(73,057)</b>	<b>(245,793)</b>	<b>(424,270)</b>	<b>(716,381)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>				
Proceeds from issuance of convertible notes (note 6)	-	644,471	250,000	644,471
Payment of lease liability	-	-	-	-
<b>Net cash generated by financing activities</b>	<b>-</b>	<b>644,471</b>	<b>250,000</b>	<b>644,471</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
Acquisition of property and equipment	-	-	-	(3,154)
<b>Net cash generated by investing activities</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(3,154)</b>
<b>Effect of change in foreign exchange rates on cash</b>	<b>52,895</b>	<b>18,832</b>	<b>(32,499)</b>	<b>(8,944)</b>
<b>Change in cash for the period</b>	<b>(20,162)</b>	<b>417,510</b>	<b>(206,769)</b>	<b>(84,008)</b>
Cash, beginning of the period	133,742	210,988	320,349	712,506
<b>Cash, end of the period</b>	<b>113,580</b>	<b>628,498</b>	<b>113,580</b>	<b>628,498</b>

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

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

# ICESoft Technologies Canada Corp.

Notes to the Condensed Consolidated Interim Financial Statements

(\$CDN) (Unaudited)

For the period ended September 30, 2022

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## 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 the Clickware products including ICEfaces and ICEpdf, and the SaaS-based Voyent Alert! Notification Service licensed to government and enterprise clients on a subscription basis.

ICESoft's head office is located at Suite 340, 600 Crowfoot Crescent NW, Calgary, AB T3G 0B4.

These condensed consolidated interim financial statements of the Corporation as at September 30, 2023 and December 31, 2022 and for the periods ended September 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 satisfy its liabilities in the normal course of business for the foreseeable future. Management is aware, in making its going concern assessment, of material uncertainties related to events and conditions that may cast significant doubt upon the Corporation's ability to continue as a going concern.

As at September 30, 2023, the Corporation had negative net working capital of \$1,523,561 (December 31, 2022 - \$1,527,789) and an accumulated deficit of \$33,646,636 (December 31, 2022 - \$33,101,535). The Corporation incurred a net profit during the three months ended September 30, 2023 of \$34,663 (3 months ended Sept. 30, 2022 loss of \$278,091) The Corporation incurred a net loss during the nine months ended September 30, 2023 of \$545,101 (nine months ended September 30, 2022 – loss of \$955,937).

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 September 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 will take the necessary measures to preserve cash, such as reducing spending as needed until the Corporation succeeds in gathering sufficient sales volumes to consistently achieve profitable operations and generate positive cash flows from operations.

These 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).

The Financial Statements were approved and authorized for issue by the Board of Directors on November 20, 2023.

(b) Basis of preparation

These Financial Statements have been prepared under the historical cost convention, except for 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) "Clickware" 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		Nine months ended	
	September 30,		September 30,	
	2023	2022	2023	2022
	\$	\$	\$	\$
<b>Revenue by major category</b>				
Clickware				
Subscription income	240,808	246,745	765,733	714,589
Voyent Alert				
Subscription income	191,205	130,879	523,355	356,040
Customizations and upgrades		700		2,950
User fees	24,585	9,381	39,481	14,268
<b>Total</b>	<b>456,598</b>	<b>387,705</b>	<b>1,328,569</b>	<b>1,087,847</b>

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#### 4. DEFERRED REVENUE

Timing differences between invoicing, cash collection, and revenue recognition result in accounts receivable and also result in 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 2022 and 2023 relates to certain subscription agreements. Changes in deferred revenue during the periods consist of:

	September 30, 2023	December 31, 2022
	\$	\$
<b>Deferred revenue</b>		
Opening balance	830,859	674,702
Sales collected	1,497,510	1,602,038
Recognized in revenue		
From opening balances	(813,655)	(673,860)
From additions in the period	(481,084)	(800,572)
Foreign exchange effect	-	28,551
<b>Total deferred revenue</b>	<b>1,033,620</b>	<b>830,859</b>
Less: current portion	(990,938)	(827,074)
<b>Long-term portion</b>	<b>42,682</b>	<b>3,785</b>

As of September 30, 2023, revenues allocated to remaining performance obligations from subscription contracts, which extend through to 2023, total approximately \$1,033,630. Of this amount, approximately \$419,452 is expected to be recognized in the remainder of 2023 and \$601,178 in 2024.

#### 5. TERM LOANS

A summary of the term loans outstanding is as follows:

	September 30, 2022	December 31, 2022
	\$	\$
Canada Emergency Business Account (CEBA) note payable, unsecured and interest free, with 25% debt forgiveness if repaid by December 31, 2023	30,000	30,000
<b>Total debt outstanding</b>	<b>30,000</b>	<b>30,000</b>
Less: current portion	-	-
<b>Long-term portion</b>	<b>30,000</b>	<b>30,000</b>



**ICESoft Technologies Canada Corp.**  
Notes to the Condensed Consolidated Interim Financial Statements  
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## 6. CONVERTIBLE NOTES

The balance of convertible notes as of September 30, 2023 and December 31, 2022 is reconciled as follows:

	September 30, 2023 \$	December 31, 2022 \$
<b>Opening Balance (i)</b>	<b>714,925</b>	<b>94,915</b>
Modification of notes	-	(9,072)
Accretion		3,367
Interested accrued	73,419	38,829
Interest paid	(9,333)	(12,000)
Net Additions	250,000	650,175
Equity conversion feature	(16,307)	(51,289)
<b>Total debt outstanding</b>	<b>1,012,704</b>	<b>714,925</b>
Less: current portion	(159,001)	(121,744)
<b>Long-term portion</b>	<b>853,703</b>	<b>593,181</b>

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

- (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. 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

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from the date of issuance. The warrants were assigned a fair value of \$35,123, 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 and nine months ended September 30, 2023 (three and nine months ended September 30, 2022 – 112,116,026). The Corporation excluded all convertible notes, warrants, and stock options from the calculation of diluted income per share for the three and nine months ended September 30, 2023 and 2022, as they would be anti-dilutive.

## 8. WARRANTS

Warrants are used to recognize the fair value of financial instruments which are granted to agents of the Corporation typically as a form of compensation related to capital raising activities. 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
Expired	(10,932,482)	0.20	June, August, September, November and December 2021
<b>Outstanding at December 31, 2021</b>	<b>55,207,918</b>	<b>0.11</b>	
Expired	(29,939,818)	0.19	March, April and September 2022
<b>Outstanding at December 31, 2022</b>	<b>36,027,917</b>	<b>0.09</b>	
<b>Outstanding at September 30, 2023</b>	<b>36,027,917</b>	<b>0.09</b>	

No warrants were exercised during the nine months ended September 30, 2023 or the year ended December 31, 2022. No new warrants have been issued or expired during the nine months ended September 30, 2023. The weighted average remaining life of all warrants outstanding at September 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:

	Nine months ended September 30, 2023	Year ended December 31, 2021
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%

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**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 TSX Venture Exchange.

A summary of the Plan transactions for the nine months ended September 30, 2023 and for the year ended December 31, 2022 are as follows:

	<b>September 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>5,688,000</b>	<b>0.10</b>	<b>6,180,500</b>	<b>0.10</b>

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

No options were exercised during the nine months ended September 30, 2023.

**10. FINANCE EXPENSE**

	<b>Three months ended</b>		<b>Nine months ended</b>	
	<b>September 30</b>		<b>September 30</b>	
	<b>2023</b>	<b>2022</b>	<b>2023</b>	<b>2022</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
Interest on convertible notes	37,183	5,161	96,068	11,113
Other finance expense	-	2,161	-	5,549
	<b>37,183</b>	<b>7,322</b>	<b>96,068</b>	<b>16,662</b>

In the three and nine months ended September 30, 2023, finance expense includes non-cash interest of \$37,183 and \$96,068 (three and nine months ended September 30, 2021 - \$5,161 and \$11,113) on the 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 and nine months ended September 30, 2023, key management compensation amounted to \$46,609 and \$149,138 (three and nine months ended September 30, 2022 - \$90,533 and \$224,091), split between general and administrative, marketing and customer 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 \$378,000 at September 30, 2023 (December 31, 2022 - \$513,422).

During the three and nine months ended September 30, 2023, the Corporation incurred interest expense of \$34,034 and \$94,931 (three ended September 30, 2022 - \$2,138) on convertible notes held by key management personnel.

There are \$900,175 in convertible notes outstanding with the option to convert to common shares at \$0.05. These convertible notes are held directly or indirectly by Directors of the corporation.

## **12. FAIR VALUE OF FINANCIAL INSTRUMENTS**

Due to the short-term nature of cash, accounts receivable, prepaid expenses and 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 loan and convertible note approximate their fair value due either to the interest rate approximating market rates or because of the short period to maturity.