GCAC

Global Compliance Applications Corp.

CONSOLIDATED FINANCIAL STATEMENTS

For the Years ended June 30, 2024 and 2023

(Stated in Canadian Dollars)

DMCL
DALE MATHESON CARR-HILTON LABONTE LLP
CHARTERED PROFESSIONAL ACCOUNTANTS

dmcl.ca

Independent Auditor's Report

To the Shareholders of Global Compliance Applications Corp.

Opinion

We have audited the consolidated financial statements of Global Compliance Applications Corp. (the "Company"), which comprise the consolidated statements of financial position as at June 30, 2024 and 2023, and the consolidated statements of comprehensive loss, cash flows and changes in shareholders' deficit for the years then ended, and notes to the consolidated financial statements, including the material accounting policy information (collectively referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at June 30, 2024 and 2023, and its financial performance and its cash flows for the years then ended in accordance with International Financial Reporting Standards.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material Uncertainty Related to Going Concern

We draw attention to Note 1 to the financial statements, which describes events or conditions that indicate a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Key Audit Matters

Key audit matters are those matters, that in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Except for the matter described in the Material Uncertainty Related to Going Concern section, we have determined that there are no other key audit matters to communicate in our report.

Other Information

Management is responsible for the other information. The other information comprises the information included in Management's Discussion and Analysis.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

We obtained Management's Discussion and Analysis prior to the date of this auditor's report. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with International Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements. As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management’s use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company’s ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor’s report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor’s report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor’s report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

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

DMCL.

DALE MATHESON CARR-HILTON LABONTE LLP
CHARTERED PROFESSIONAL ACCOUNTANTS
Vancouver, BC

December 13, 2024

GLOBAL COMPLIANCE APPLICATIONS CORP.
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
(Stated in Canadian Dollars)

		June 30, 2024		June 30, 2023
ASSETS				
Current assets				
Cash	$	**13,252**	$	48,929
GST and other receivables		**29,680**		23,778
Prepaid expenses (Note 12)		**1,591**		95,699
		44,523		168,406
Equipment (Note 7)		**-**		696
Digital currencies (Note 6)		**5,816**		14,167
Intangible assets (Note 4)		**1**		1
TOTAL ASSETS	$	**50,340**	$	183,270
LIABILITIES AND SHAREHOLDERS' DEFICIT				
Current liabilities				
Accounts payable (Note 8)	$	**1,913,056**	$	1,261,517
Accrued liabilities (Note 8)		**386,597**		411,895
Deferred revenue (Note 11)		**-**		6,920
Loans payable (Note 9)		**611,735**		535,860
Convertible debenture (Note 10)		**-**		26,646
Advances received (Notes 9, 12)		**-**		50,000
TOTAL LIABILITIES		**2,911,388**		2,292,838
SHAREHOLDERS' DEFICT				
Share capital (Note 12)		**18,552,907**		17,858,554
Subscriptions received (Note 16)		**29,000**		-
Obligation to issue shares (Note 5)		**39,518**		39,518
Share-based payment reserve (Note 12)		**4,039,815**		4,019,148
Accumulated other comprehensive income (loss)		**(3,361)**		427
Deficit		**(25,518,927)**		(24,027,215)
Total deficit		**(2,861,048)**		(2,109,568)
TOTAL LIABILITIES AND SHAREHOLDERS' DEFICT	$	**50,340**	$	183,270

Going concern (Note 1)
Contingencies (Note 15)
Subsequent events (Note 16)

Approved on behalf of the Board:

"Bradley Moore"	*"Alexander Helmel"*
Bradley Moore	Alexander Helmel

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

GLOBAL COMPLIANCE APPLICATIONS CORP.

CONSOLIDATED STATEMENTS OF COMPREHENSIVE LOSS

(Stated in Canadian Dollars)

	Years ended June 30, 2024	2023
Revenue:		
Software licensing revenue (Notes 11)	$ **13,070**	$ 8,332
Expenses:		
Accounting and audit fees	**100,976**	109,264
Amortization of intangible assets (Note 4)	**-**	80,307
Interest charges (Notes 9, 10)	**42,520**	37,067
Consulting fees (Note 8)	**727,515**	986,884
Licenses and permits	**292**	23,171
Depreciation of equipment (Note 7)	**696**	534
Foreign exchange	**10,168**	256
IT costs (Note 12)	**136,050**	464,491
Legal fees	**148,644**	146,314
Marketing	**21,563**	88,219
Office and miscellaneous	**19,715**	26,285
Research and development costs (Note 4)	**95,675**	114,344
Share based compensation (Note 12)	**250,341**	66,566
Transfer agent, listing, and filing fees	**30,731**	51,771
Travel	**1,166**	19,045
Total expenses	**(1,586,052)**	(2,214,518)
Other items:		
Share-based payment on acquisition (Note 5)	**-**	(116,537)
Gain on write-off of subsidiary	**-**	8,862
Gain on write-off of accounts payable and accrued liabilities	**30,594**	329,083
Impairment of digital currencies token (Note 6)	**(9,170)**	(32,804)
Realized gain on investments	**404**	-
Impairment of intangible assets (Note 4)	**-**	(170,276)
Gain on debt settlement (Notes 10, 12)	**59,442**	17,642
Net loss	**(1,491,712)**	(2,170,216)
Foreign currency translation adjustment	**(3,788)**	427
Total comprehensive loss	$ **(1,495,500)**	$ (2,169,789)
Basic and diluted loss per share	$ **(0.01)**	$ (0.01)
Weighted average number of common shares outstanding	**267,405,566**	216,426,576

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

GLOBAL COMPLIANCE APPLICATIONS CORP.
CONSOLIDATED STATEMENTS OF CASH FLOWS
(Stated in Canadian Dollars)

	Years ended June 30, 2024	2023
Operating Activities		
Net loss for the year	$ **(1,491,712)**	$ (2,170,216)
Items not affecting cash:		
Amortization of intangible assets	**-**	80,307
Impairment of intangible asset	**-**	170,276
Gain of write-off of subsidiary	**-**	(8,862)
Share-based payment on acquisition	**-**	116,537
Shares issued for services	**-**	382,700
Depreciation	**696**	534
Accrued interest	**39,886**	37,067
Gain from debt settlement	**(59,442)**	(17,642)
Gain on write-off of accrued liabilities	**(30,594)**	(329,083)
Change in fair value of digital currencies token	**9,170**	32,804
Share based compensation	**250,341**	66,566
Changes in non-cash working capital items:		
GST and other receivables	**(5,902)**	14,557
Prepaid expenses	**94,108**	140,642
Accounts payable and accrued liabilities	**1,089,100**	1,060,596
Deferred revenue	**(6,920)**	(7,360)
Cash used in operating activities	**(111,269)**	**(430,577)**
Financing Activities		
Loans and advances received	**12,698**	76,519
Convertible debenture proceeds	**-**	37,500
Note payable repayment	**(3,355)**	-
Proceeds from issuance of shares, net of costs	**41,856**	320,352
Subscriptions received	**29,000**	-
Cash provided by financing activities	**80,199**	**434,371**
Investing Activities		
Purchase of digital currencies	**(819)**	(2,498)
Cash used in investing activities	**(819)**	**(2,498)**
Effects of exchange rate changes on cash	**(3,788)**	(64)
Increase (decrease) in cash	**(35,677)**	**1,232**
Cash, beginning	**48,929**	**47,697**
Cash, ending	$ **13,252**	$ **48,929**
Other Non-Cash Transactions:		
Shares issued for debt	$ 372,823	$ 184,231
Shares issued for convertible debt	$ **-**	$ 10,000
Shares issued for share-based payment on acquisition	$ **-**	$ 92,404

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

GLOBAL COMPLIANCE APPLICATIONS CORP.
CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' DEFICIT
(Stated in Canadian Dollars)

	Share capital							
	Number of Shares	Amount	Obligation to issue shares	Subscription received	Share-based payment reserve	Accumulated other comprehensive income (loss)	Deficit	Total
		$	$	$	$	$	$	$
Balance, June 30, 2022	**200,252,483**	**16,863,453**	**29,250**	**-**	**3,939,443**	**-**	**(21,856,999)**	**(1,024,853)**
Shares issued for cash, net of costs (Note 12)	12,536,454	276,491	-	-	43,861	-	-	320,352
Shares issued for acquisition (Note 5)	2,310,108	92,404	10,268	-	13,865	-	-	116,537
Shares issued for convertible debt (Note 10, 12)	250,000	10,000	-	-	-	-	-	10,000
Shares issued for debt (Note 12)	8,508,454	184,231	-	-	4,688	-	-	188,919
Shares issued for services (Note 12)	19,135,000	382,700	-	-	-	-	-	382,700
Shares issued for restricted stock units (Note 12)	3,285,000	49,275	-	-	(49,275)	-	-	-
Share based compensation (Note 12)	-	-	-		66,566	-	-	66,566
Net and comprehensive loss	-	-	-	-	-	427	(2,170,216)	(2,169,789)
Balance June 30, 2023	**246,277,499**	**17,858,554**	**39,518**	**-**	**4,019,148**	**427**	**(24,027,215)**	**(2,109,568)**
Shares issued for cash, net of costs (Note 12)	4,133,333	71,189	-		20,667	-	-	91,856
Shares issued for restricted stock units (Note 12)	16,556,061	250,341	-	-	-	-	-	250,341
Shares issued for debt (Note 12)	18,641,166	372,823	-	-	-	-	-	372,823
Subscriptions received (Note 16)	-	-	-	29,000	-	-	-	29,000
Net and comprehensive income loss	-	-	-	-	-	(3,788)	(1,491,712)	(1,495,500)
Balance June 30, 2024	**285,608,059**	**18,552,907**	**39,518**	**29,000**	**4,039,815**	**(3,361)**	**(25,518,927)**	**(2,861,048)**

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

1. Nature and Continuance of Operations

Global Compliance Applications Corp. (the "Company", "Global Compliance", or "GCAC") was incorporated on July 14, 2014, under the *Business Corporations Act* (British Columbia). The Company's shares trade on the Canadian Securities Exchange ("CSE") under the trading symbol "APP". The head office of the Company is Suite 830 - 1100 Melville Street, Vancouver, BC V6E 4A6. The registered and records office of the Company is Suite 1500 - 1055 West Georgia Street, Vancouver, BC V6E 4N7. The Company designs and develops data technologies and applications for the medical cannabis industry.

These consolidated financial statements have been prepared on a going concern basis, which assumes that the Company will be able to realize its assets and discharge its liabilities in the normal course of business. As at June 30, 2024, the Company has not generated significant revenues from operations and has an accumulated deficit of $25,518,927. The continued operations of the Company are dependent on its ability to generate future cash flows from operations or obtain additional financing. These conditions indicate the existence of a material uncertainty that may cast significant doubt on the Company's ability to continue as a going concern. These financial statements do not reflect any adjustments that may be necessary if the Company is unable to continue as a going concern. These adjustments could be material. Management intends to finance operating costs over the next twelve months with private placements of common shares and loans from directors. While management has been successful in obtaining sufficient funding for its operating and capital requirements from the inception of the Company to date, there is no assurance that additional funding will be available to the Company, when required, or on terms which are acceptable to management.

2. Statement of Compliance

These financial statements were authorized for issue on December 13, 2024, by the directors of the Company.

Statement of Compliance

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

3. Material Accounting Policy Information and Basis of Preparation

Basis of Measurement
These consolidated financial statements have been prepared on an accrual basis except for certain financial instruments, and are based on historical costs. These financial statements are presented in Canadian dollars which is also the Company's functional currency.

Consolidation
These consolidated financial statements include the accounts of the Company and its controlled entities. Details of controlled entities are as follows:

	Country of incorporation	Percentage owned*	
		June 30, 2024	June 30, 2023
Antisocial Holdings Ltd. **	Canada	100%	100%
GCAC Europe UAB **	Lithuania	100%	100%
Citizen Green OU **	Estonia	45.8%	45.8%
GCAC Australia Pty Ltd. **	Australia	61%	61%
OPINIT LLC **	USA	100%	100%
GCAC North America Inc.	USA	100%	100%

* Percentage of voting power is in proportion to ownership.
** These companies are dormant.

3. Material Accounting Policy Information and Basis of Preparation (continued)

Consolidation (continued)
Inter-company balances and transactions, including unrealized income and expenses arising from inter-company transactions, are eliminated on consolidation.

Significant Estimates and Assumptions
The preparation of financial statements in accordance with IFRS requires the Company to make estimates and assumptions concerning the future. The Company's management reviews these estimates and underlying assumptions on an ongoing basis, based on experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Revisions to estimates are adjusted for prospectively in the period in which the estimates are revised.

Estimates and assumptions where there is significant risk of material adjustments to assets and liabilities in future accounting periods include the fair value measurements for financial instruments, impairment of intangible assets, expected life of intangible assets, and estimating the fair value for share-based payment transactions. The assumptions and models used for estimating fair value for share-based payment transactions are disclosed in Note 12.

Significant Judgements
The preparation of financial statements in accordance with IFRS requires the Company to make judgments, apart from those involving estimates, in applying accounting policies. The most significant judgments in applying the Company's accounting policies in these financial statements were:

- Evaluating whether or not costs incurred by the Company in developing its data technologies and applications meet the criteria for capitalizing as intangible assets. Management determined that as at June 30, 2024 and 2023, it was not able to demonstrate with sufficient certainty that it is probable the economic benefits will flow to the Company. Accordingly, all research and development costs incurred to date have been expensed.
- Evaluating whether or not there are indicators of impairment relating to the costs capitalized as intangibles by the Company for its data technologies and applications are assessed for indicators of impairment.
- Judgement and estimation is involved with respect to the assessment of whether digital currencies that are not traded in active markets are impaired. Management uses all possible evidence in determining if the digital currencies are impaired. Judgement is also required in determining if a digital currency is traded in an active market.
- Management applies judgment in assessing revenue recognition related to software licenses, subscriptions, support and maintenance, and other services and involves an assessment of whether the deliverable is a distinct performance obligation that provides a benefit to the customer that is not dependent upon other components of the arrangement.

Other significant judgments in applying the Company's accounting policies relate to the assessment of the Company's ability to continue as a going concern (Note 1) and the classification of its financial instruments.

Foreign currency translation
The functional currency of each entity is measured using the currency of the primary economic environment in which that entity operates. The consolidated financial statements are presented in Canadian dollars which is the presentation currency of the Company. The functional currency of the Company's subsidiaries is as follows:

Subsidiary	Functional Currency
Antisocial Holdings Ltd	Canadian dollars
GCAC Europe UAB	Euro
Citizen Green OU	Euro
GCAC Australia Pty	AUD
Opinit LLC	USD
GCAC North America Inc.	USD

3. Material Accounting Policy Information and Basis of Preparation (continued)

Foreign currency translation (continued)
The assets and liabilities of subsidiaries with non-Canadian functional currencies are translated from functional currency to the Company's presentation currency using the exchange rates at period end. Income, expenses, and cash flow items included in these consolidated financial statements are translated from functional currency to the Company's presentation currency using the exchange rate that approximates the exchange rates at the date of the transactions (i.e., the average rate for the period). The differences arising upon translation from the functional currency to the reporting currency are recorded as foreign currency translation adjustment in the other comprehensive income and remain in the other comprehensive income until a subsidiary is partially or fully disposed of, or until the Company determines that it is abandoning all of the non-financial assets which are held by that subsidiary. Upon disposal, the corresponding foreign currency translation adjustment is removed from other comprehensive income as is recognized as realized foreign exchange gain or loss in net income.

Transactions and balances:
Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the date of the transaction. Foreign currency monetary items are translated at the period-end exchange rate. Non-monetary items measured at historical cost continue to be carried at the exchange rate at the date of the transaction. Non-monetary items measured at fair value are reported at the exchange rate at the date when fair values were determined.

Exchange differences arising on the translation of monetary items or on settlement of monetary items are recognized in profit or loss in the statement of comprehensive income in the period in which they arise, except where deferred in equity as a qualifying cash flow or net investment hedge.

Exchange differences arising on the translation of non-monetary items are recognized in other comprehensive income in the statement of comprehensive income to the extent that gains and losses arising on those non-monetary items are also recognized in other comprehensive income. Where the non-monetary gain or loss is recognized in profit or loss, the exchange component is also recognized in profit or loss.

Financial instruments
Classification:

The Company classifies its financial instruments in the following categories: at fair value through profit and loss ("FVTPL"), at fair value through other comprehensive income (loss) ("FVTOCI") or at amortized cost. The Company determines the classification of financial assets at initial recognition. The classification of debt instruments is driven by the Company's business model for managing the financial assets and their contractual cash flow characteristics. Equity instruments that are held for trading are classified as FVTPL. For other equity instruments, on the day of acquisition the Company can make an irrevocable election (on an instrument-by-instrument basis) to designate them as at FVTOCI. Financial liabilities are measured at amortized cost, unless they are required to be measured at FVTPL (such as instruments held for trading or derivatives) or if the Company has opted to measure them at FVTPL.

The following table shows the classification under IFRS 9:

Financial assets/liabilities	Classification
Cash	FVTPL
Accounts payable	Amortized cost
Convertible debenture	FVTPL
Loans payable	Amortized cost

3. Material Accounting Policy Information and Basis of Preparation (continued)

Financial instruments (continued)
Measurement:

Financial assets and liabilities at amortized cost
Financial assets and liabilities at amortized cost are initially recognized at fair value plus or minus transaction costs, respectively, and subsequently carried at amortized cost less any impairment.

Financial assets and liabilities at FVTPL
Financial assets and liabilities carried at FVTPL are initially recorded at fair value and transaction costs are expensed in the consolidated statements of comprehensive income (loss). Realized and unrealized gains and losses arising from changes in the fair value of the financial assets and liabilities held at FVTPL are included in the consolidated statements of comprehensive income (loss) in the period in which they arise.

Financial assets at FVTOCI
Elected investments in equity investments at FVTOCI are initially recognized at fair value plus transaction costs. Subsequently they are measured at fair value, with gains and losses recognized in other comprehensive income (loss).

Derecognition:

Financial assets
The Company derecognizes financial assets only when the contractual rights to cash flows from the financial assets expire, or when it transfers the financial assets and substantially all of the associated risks and rewards of ownership to another entity. Gains and losses on derecognition are generally recognized in the consolidated statements of comprehensive income (loss).

Financial liabilities
The Company derecognizes financial liabilities only when its obligations under the financial liabilities are discharged, cancelled or expired. Generally, the difference between the carrying amount of the financial liability derecognized and the consideration paid and payable, including any non-cash assets transferred or liabilities assumed, is recognized in the statements of comprehensive income (loss)

Cash
Cash includes cash on hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts.

Equipment
Equipment is recorded at cost, less accumulated depreciation and accumulated impairment changes.

Depreciation is calculated based on the depreciable amount, which is the cost of an asset less its residual value. Depreciation is recognized in net earnings over the estimated useful lives of each part of an item of equipment, since this most closely reflects the expected pattern of consumption of the future economic benefits of the asset.

Depreciation is recognized as follows: Computer equipment 20% - 50% declining balance

Intangibles
Separately acquired intellectual property and intellectual property rights, application software, and trademarks are recorded at cost. Intellectual property and intellectual property rights, application software, and trademarks acquired in a business combination are recognized at fair value at the acquisition date. Intellectual property and intellectual property rights, application software, and trademarks have a finite useful life and are carried at cost less accumulated amortization. Amortization is calculated using the straight-line method to allocate the cost of the item over their estimated useful lives of five years.

3. Material Accounting Policy Information and Basis of Preparation (continued)

Digital Currencies
The Company initially records digital currencies at their cost or fair value on the date of acquisition and evaluates the fair value of digital currencies at each reporting period. Based on the market activity of the digital currency, the Company will either maintain the initial cost at acquisition or revalue the digital currency at each reporting period at their then fair value under IAS 38. Under the revaluation model, intangible assets are measured at cost or fair value on initial recognition and subsequently remeasured at fair value at each reporting date. Unrealized revaluation increases above the initial cost or fair value are recognized in other comprehensive income and accumulated in contributed surplus within equity. Revaluation losses, as well as realized gains or losses on the sale of digital currencies are included in the statement of comprehensive income (loss).

Research and development
Research costs are expensed when incurred. Internally-generated software costs, including personnel costs of the Company's development group, are capitalized as intangible assets when the Company can demonstrate that the technical feasibility of the project has been established; the Company intends to complete the asset for use or sale and has the ability to do so; the asset can generate probable future economic benefits; the technical and financial resources are available to complete the development; and the Company can reliably measure the expenditure attributable to the intangible asset during its development. After initial recognition, internally-generated intangible assets are recorded at cost less accumulated amortization and accumulated impairment changes. These costs are amortized on a straight-line basis over the estimated useful life of five years.

Impairment of non-financial assets
At each reporting period, the Company assesses whether there are indicators of impairment for its non-financial assets. If indicators exist, the Company determines if the recoverable amount of the asset or cash generating unit ("CGU") is greater than its carrying amount. A CGU is defined as the smallest identifiable group of assets that generates cash inflows that are largely independent of the cash inflows of other assets or groups of assets.

If the carrying amount exceeds the recoverable amount, the asset or CGU is recorded at its recoverable amount with the reduction recognized in profit or loss. The recoverable amount is the greater of the value in use or fair value less costs to sell. Fair value is the amount the asset could be sold for in an arm's length transaction. The value in use is the present value of the estimated future cash flows of the asset from its continued use. The fair value less costs to sell considers the continued development of a property and market transactions in a valuation model.

Impairments are reversed in subsequent periods when there has been an increase in the recoverable amount of a previously impaired asset or CGU and these reversals are recognized in profit or loss. The recovery is limited to the original carrying amount less amortization, if any, that would have been recorded had the asset not been impaired.

Share-based payments
Share-based payments to employees are measured at the fair value of the instruments issued and amortized over the vesting periods. Share-based payments to non-employees are measured at the fair value of goods or services received or the fair value of the equity instruments issued, if it is determined the fair value of the goods or services cannot be reliably measured, and are recorded at the date the goods or services are received. The corresponding amount is recorded to the option or warrant reserve. The fair value of options is determined using the Black–Scholes Option Pricing Model. The number of shares and options expected to vest is reviewed and adjusted at the end of each reporting period such that the amount recognized for services received as consideration for the equity instruments granted shall be based on the number of equity instruments that eventually vest.

3. Material Accounting Policy Information and Basis of Preparation (continued)

Loss per share
The Company presents basic and diluted loss per share data for its common shares. Basic loss per share is calculated by dividing the loss attributable to common shareholders by the weighted average number of common shares outstanding in the period. For all periods presented, the loss attributable to common shareholders equals the reported loss attributable to owners of the Company. Diluted loss per share is calculated using the treasury stock method. Under the treasury stock method, the weighted average number of common shares outstanding for the calculation of diluted loss per share assumes that the proceeds to be received on the exercise of dilutive share options and warrants are used to repurchase common shares at the average market price during the period. Because the Company has reported a net loss for the periods presented, the effect of options and warrants would be anti-dilutive. Accordingly, diluted loss per share equals basic loss per share.

Revenue recognition
The Company primarily derives revenue from the provision of cloud-based software as well as services associated with customizing its products. Software revenue includes licenses derived from software and software services. The Company generates revenue from several sources:

Software Licenses. Revenue from software licenses is recognized over the term of the license.
contract term, unless otherwise agreed to between the Company and the customer.
Customization services. Revenue from customization services is recognized as earned, based on performance according to specific terms of the contract.
Monthly subscription fees. Revenue from subscriptions to access the Company's software over a period of time is recognized over the contractual period.

Revenue is recognized when the performance obligations have been achieved and the goods or services have been transferred to the customer, which are normally:

- persuasive evidence of a contractual arrangement exists;
- the program is complete;
- the contractual delivery arrangements have been satisfied;
- the customer has access to the license software and has the contractual right to use it as per the contract;
- the fee is fixed or determinable;
- collection of the fee is reasonably assured; and
- the costs incurred or to be incurred in respect of the contractual arrangement can be measured reliably.

Payments received prior to the completion of the performance obligation is recorded as deferred revenue.

Income taxes
Current income tax:

Current income tax assets and liabilities for the current period are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date, in the countries where the Company operates and generates taxable income. Current income tax relating to items recognized directly in other comprehensive income or equity is recognized in other comprehensive income or equity and not in profit or loss. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

(Stated in Canadian Dollars)

3. Material Accounting Policy Information and Basis of Preparation (continued)

Income taxes (continued)
Deferred income tax:

Deferred income tax is provided annually, using the balance sheet method on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes. The carrying amount of deferred income tax assets is reviewed annually, at the end of each reporting period and recognized only to the extent that it is probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilized. Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. Deferred income tax assets and deferred income tax liabilities are offset, if a legally enforceable right exists to set off current tax assets against current income tax liabilities and the deferred income taxes relate to the same taxable entity and the same taxation authority.

New Standards and Interpretations Not Yet Adopted
Other accounting standards or amendments to existing accounting standards that have been issued but have future effective dates are either not applicable or are not expected to have a significant impact on the Company's financial statements.

4. Intangible Assets

TraceLocker

		Tracelocker
Cost:		
Balance June 30, 2022	$	**400,934**
Impairment		(400,933)
Balance June 30, 2023 and 2024	$	**1**
Accumulated amortization:		
Balance June 30, 2022	$	**150,351**
Amortization		80,307
Impairment		(230,658)
Balance, June 30, 2023 and 2024	$	**-**
Carrying amount:		
Balance June 30, 2023	$	1
Balance June 30, 2024	$	**1**

During the year ended June 30, 2024, 2024, costs incurred of $95,675 (2023: $114,344) have been expensed as research and development costs as these costs did not meet the capitalization criteria.

(Stated in Canadian Dollars)

4. Intangible Assets (continued)

On August 30, 2020, the Company entered into a software license and support agreement with Abbey Technology GmbH ("Abbey") to licence the use of the TraceLocker App in Canada, European Union, and Israel. TraceLocker is an Ethereum blockchain powered compliance platform that provides binding attestations of regulated goods' chain of custody. Under the terms of the agreement, the Company agreed to pay a one-time fee of $400,934 (USD$302,500). The initial term of the agreement ended on August 12, 2021, and annual operations and maintenance fees are USD$96,000 thereafter. During the year ended June 30, 2023, the Company determined that the value of the TraceLocker App was impaired under IAS 36 due to lack of revenue generated by the app. As a result, the Company recognized an impairment loss of $170,276 to write down the intangible to its estimated value in use of $1.

5. Acquisition of GCAC North America (formerly WasteTrakr Technologies Inc.)

On July 8, 2022, the Company acquired all of the outstanding share capital of GCAC North America Inc. (formerly WasteTrakr Technologies Inc.) ("GCACNA"). GCACNA focuses on sustainability and how to provide recycling solutions for the waste being generated by the cannabis industry. As consideration for the transaction, the Company:

- Issued an aggregate of 2,310,108 common shares with a fair value of $92,404 to the GCACNA shareholders pro rata in proportion to their holdings of the GCACNA shares. An additional 256,692 consideration shares with fair value of $10,268 (recorded as an obligation to issue shares) are being held back as security for the warranties, representations and covenants of GCACNA and the GCACNA shareholders provided in the definitive agreement. Provided that the Company has not given notice of a claim to GCACNA or the GCACNA shareholders, then the holdback shares will be issued on the date that is 180 business days following the closing of the transaction. As of June 30, 2024, the Company has not released the holdback shares and is in discussions with the vendor regarding timing of the release.

- Granted an aggregate of 499,993 common share purchase warrants to the GCACNA shareholders pro rata in proportion to their holdings of the GCACNA shares. Each consideration warrant is exercisable into one common share in the capital of the Company at a price of $0.09 per warrant share for a period of 24 months from the closing of the transaction. The fair value of the warrants was determined using the Black-Scholes Option Pricing Model to be $13,865 with the following assumptions: Risk-free rate of 3.24%; expected life of 2 years, expected volatility of 175% and dividend rate of 0% (Note 12).

During the year ended June 30, 2023, the Company recognized $116,537 on the statement of loss as share-based compensation as the acquisition did not meet the definition of a business combination and no separately identifiable assets as defined under IFRS arose from the transaction.

6. Digital Currencies

During the years ended June 30, 2024 and 2023, the Company acquired GCAC tokens, an Ethereum ERC-20 token listed on Uniswap.org, as follows:

		GCAC Token
Balance June 30, 2022	$	**44,473**
Digital currencies purchased		2,498
Impairment		(32,804)
Balance June 30, 2023	$	14,167
Digital currencies purchased		819
Impairment		(9,170)
Balance June 30, 2024	$	**5,816**

(Stated in Canadian Dollars)

6. Digital Currencies (continued)

The Company recorded an impairment of $9,170 during the year ended June 30, 2024 (2023: $32,804) due to the illiquidity of the tokens in an active market. The carrying value is based on the amount the Company would expect to receive if all tokens were converted to Ethereum and sold.

7. Equipment

Cost:		
Balance June 30, 2022, 2023 and 2024	$	**8,851**
Accumulated depreciation:		
Balance June 30, 2022	$	7,621
Depreciation		534
Balance June 30, 2023	$	8,155
Depreciation		696
Balance June 30, 2024	$	**8,851**
Carrying amount:		
Balance June 30, 2023		696
Balance June 30, 2024	$	**-**

8. Related Party Transactions

Key management personnel are persons responsible for planning, directing and controlling the activities of an entity, and include certain directors and officers. The Company considers its Chief Executive Officer, Chief Financial Officer, and directors of the Company to be key management. The Company has incurred charges during the year ended June 30, 2024, from directors and senior management, or companies controlled by them, for consulting fees in the amount of $67,760 (2023: $397,151).

During the year ended June 30, 2024, compensation to a director and officer of the Company included share based payment of $75,000 (2023 - $nil) (Note 12).

During the year ended June 30, 2023, the Company entered into a loan agreement with a company controlled by the CFO to borrow $2,500, repayable on demand with no interest (Note 9). The loan was repaid during the year ended June 30, 2024.

During the year ended June 30, 2023, the Company entered into loan agreements with the President of a subsidiary to borrow USD $8,000 (CAD $10,592), repayable on demand with 6% per annum (Note 9). During year ended June 30, 2024, the principal amount of the loan increased by USD $500 (CAD $678) and the Company repaid USD $1,000 (CAD $1,355). As at June 30, 2024, the balance of the principal and interest is USD $7,930 (CAD $10,854) (June 30, 2023: USD $8,144 (CAD $10,745)).

At June 30, 2024, a balance of $414,309 (June 30, 2023: $286,721) was owing to related parties and included in accounts payable and accrued liabilities. These amounts are unsecured, non-interest bearing and due on demand.

9. Loans Payable

The Company has a loan payable of $310,716 which is unsecured and bears interest at 7% per annum. The loan was originally due December 31, 2019, but was subsequently renewed until December 31, 2021. The loan is currently in default and continues to accrue interest under the same terms until repaid. The demand to repay the loan has not been made.

(Stated in Canadian Dollars)

9. Loans Payable (continued)

During the year ended June 30, 2023, the Company entered into a loan agreement to borrow USD $5,000 (CAD $6,767), repayable on demand and bearing 6% interest per annum. During the year ended, 2024, the Company accrued USD $300 (CAD $399) (2023: USD $96 (CAD $135)) of interest on the loan. As at June 30, 2024, the principal of the loan is USD $5,000 (CAD $6,844) (June 30, 2023: USD $5,000 (CAD $6,795)) and the accrued interest is USD $396 (CAD $534) (June 30, 2023: USD $96 (CAD $135)).

During the year ended June 30, 2023, GCACNA entered into a loan agreement to borrow USD $5,000 (CAD $6,660), repayable on demand and bearing 6% interest per annum. During the year ended, 2024, the Company accrued USD $316 (CAD $428) (2023: USD $114 (CAD $153)) of interest on the loan. As at June 30, 2024, the principal of the loan is USD $5,000 (CAD $6,844) (June 30, 2023: USD $5,000 (CAD $6,620)) and the accrued interest is USD $430 (CAD $588) (June 30, 2023: USD $114 (CAD $153)).

During the year ended June 30, 2023, GCACNA entered into two loan agreements with the President of a subsidiary to borrow USD $8,000 (CAD $10,592), repayable on demand and bearing 6% interest per annum (Note 8). During the year ended June 30, 2024, the principal amount of the loan increased by USD $500 (CAD $678) and the Company repaid USD $1,000 (CAD $1,355) against the principal and accrued USD $316 (CAD $428) (2023: USD $114 (CAD $153)) of interest on the loan. As at June 30, 2024, the principal of the loan is USD $7,500 (CAD $10,265) (June 30, 2023: USD $8,000 (CAD $10,592) and the accrued interest is USD $430 (CAD $588) (June 30, 2023: USD $114 (CAD $153)).

During the year ended June 30, 2023, the Company entered into a loan agreement with a company controlled by the CFO to borrow $2,500, repayable on demand with no interest. The loan was repaid during the year ended June 30, 2024 (Note 8).

On December 21, 2023, the Company entered into a loan agreement with a third party to borrow $1,890, repayable in 12 months and bearing 8% interest per annum. During the year ended June 30, 2024, the Company accrued $80 of interest on the loan. As at June 30, 2024, the principal of the loan is $1,890 and the accrued interest is $80.

On February 1, 2024, the Company entered into a loan agreement with a holder of the convertible promissory note (Note 10) for the outstanding balance of the convertible note of $27,385, repayable in 12 months and bearing 8% interest per annum. During the year ended June 30, 2024, the Company accrued $906 of interest on the loan. As at June 30, 2024, the principal of the loan is $27,385 and the accrued interest is $906.

On February 2, 2024, the Company entered into a loan agreement with a third party to borrow $1,870, repayable in 12 months and bearing 8% interest per annum. During the year ended June 30, 2024, the Company accrued $61 of interest on the loan. As at June 30, 2024, the principal of the loan is $1,870 and the accrued interest is $61.

On April 18, 2024, the Company entered into a loan agreement with a third party to borrow $8,260, repayable in 12 months and bearing 8% interest per annum. During the year ended June 30, 2024, the Company accrued $134 of interest on the loan. As at June 30, 2024, the principal of the loan is $8,260 and the accrued interest is $134.

		Principal		**Interest**		**Total**
Balance June 30, 2022	$	310,716		164,654	$	475,370
Addition		26,519		-		26,519
Interest		-		33,971		33,971
Balance June 30, 2023		337,235		198,625		535,860
Addition		40,083		-		40,083
Repayment		(3,355)		-		(3,355)
Interest		-		39,147		39,147
Balance June 30, 2024	$	**373,963**	$	**237,772**	$	**611,735**

(Stated in Canadian Dollars)

9. Loans Payable (continued)

At June 30, 2023, the Company had received $50,000 as advances towards a future private placement closed on December 19, 2023 (Note 12). There were no terms to the advances and they were recorded as a liability at June 30, 2023.

10. Convertible Note

On February 1, 2022, the Company entered into a $1.8-million two-year unsecured convertible promissory note (drawable at the request of the Company) bearing interest at 5% per annum with the principal and interest due and payable at maturity on February 1, 2024. The note automatically terminates when the full amount of outstanding principal and interest is paid prior to the maturity date. The note is convertible into common shares at the volume weighted average trading price of the common shares on the CSE for the 5 trading days ending on the day prior the receipt of a conversion notice, less 25%, subject to the minimum pricing requirements of the CSE.

The Company has designated the convertible note as measured at FVTPL. At inception, the fair value of the instruments was measured at the transaction amounts. There was $nil gain or loss on change in fair value recorded in 2022 as their fair values approximate the carrying amount.

During the year ended June 30, 2022, the Company drew down $82,500 from the Lender. On March 31, 2022, the Lender converted $40,000 of the outstanding loan into 800,000 common shares of the Company at a value of $0.05 per common share. On June 28, 2022, the Lender converted $42,500 of the outstanding loan into 850,000 common shares of the Company at a value of $0.05 per common share. During year ended June 30, 2022, the Company recorded $574 in interest which was outstanding at the maturity of the convertible promissory note.

During the year ended June 30, 2023, the Company drew $37,500 from the Lender. On July 6, 2022, the Lender converted $12,500 of the outstanding loan into 250,000 common shares of the Company at a value of $0.04 per common share resulting in a gain of $2,500.

During the year ended June 30, 2024, at maturity of the convertible promissory note on February 1, 2024, the Company recorded $740 in interest (year ended June 30, 2023: $1,072). There was no change in fair value. As at February 1, 2024, the outstanding principal of the loan was $25,000 (June 30, 2023: $25,000) and accrued interest was $1,811 (June 30, 2023: $1,072). On February 1, 2024, the Company entered into a new loan agreement with the Lender for the aggregate outstanding balance of $27,385, repayable in 12 months and bearing 8% interest per annum (Note 9).

11. Deferred Revenue

		June 30, 2024		June 30, 2023
Deferred revenue, beginning	$	6,920	$	14,280
Revenue recognized in the year		(6,920)		(7,360)
Deferred revenue, ending	$	**-**	$	**6,920**

12. Share Capital

a) Authorized

Unlimited common shares, without par value.

b) Issued and outstanding

As at June 30, 2024: 285,608,059 (June 30, 2023: 246,277,499) common shares are issued and outstanding.

12. Share Capital (continued)

<u>During the year ended June 30, 2024</u>

On July 4, 2023, the Company granted an aggregate of 7,956,061 restricted stock units ("RSUs") to consultants of the Company to acquire 7,956,061 common shares of the Company. The RSUs vested immediately, and 7,956,061 common shares were issued on July 14, 2023 with a fair value of $119,341 allocated to share based compensation.

On August 22, 2023, the Company granted an aggregate of 2,600,000 RSUs to consultants of the Company to acquire 2,600,000 common shares of the Company. The RSUs vested immediately, and 2,600,000 common shares were issued on August 25, 2023 with a fair value of $26,000 allocated to share based compensation.

On September 7, 2023, the Company granted an aggregate of 3,000,000 RSUs to consultants of the Company to acquire 3,000,000 common shares of the Company. The RSUs vested immediately, and 3,000,000 common shares were issued on September 11, 2023 with a fair value of $30,000 allocated to share based compensation.

On December 19, 2023, the Company closed a non-brokered private placement and issued 2,133,333 units at a price of $0.03 per unit for gross proceeds of $64,000. $50,000 of the gross proceeds were received during the year ended June 30, 2023 (Note 9). Each unit consisted of one common share and one half common share purchase warrant, whereby each warrant entitles the holder to purchase one additional common share of the Company for a period of two years from closing at an exercise price of $0.065 per common share. Under the residual method, a value of $10,667 was allocated to the warrants. Issue costs of $6,794 were incurred with respect to this financing.

On December 19, 2023, the Company issued 5,944,166 common shares at a price of $0.03 per common share to settle certain creditors of the Company an aggregate amount of $178,325 in debt. The fair value of the common shares was $118,883 and the Company recorded a gain on debt settlement of $59,442 during the year ended June 30, 2024.

On January 4, 2024, the Company granted 3,000,000 restricted stock units ("RSUs") to a director and an officer of the Company to acquire 3,000,000 common shares of the Company. The RSUs vested immediately and 3,000,000 common shares were issued on January 10, 2024 with a fair value of $75,000 allocated to share based compensation (Note 8).

On March 14, 2024, the Company closed a non-brokered private placement and issued 1,500,000 units at a price of $0.02 per unit for gross proceeds of $30,000 Each unit consisted of one common share and one common share purchase warrant, whereby each warrant entitles the holder to purchase one additional common share of the Company for a period of two years from closing at an exercise price of $0.05 per common share. Under the residual method, a value of $7,500 was allocated to the warrants. Issue costs of $5,350 were incurred with respect to this financing.

On March 14, 2024, the Company issued 4,500,000 units with a fair value of $90,000 to certain creditors to settle an aggregate amount of $90,000 in debt. Each unit consisted of one common share and one common share purchase warrant, whereby each warrant entitles the holder to purchase one additional common share of the Company for a period of two years from closing at an exercise price of $0.05 per common share.

On May 2, 2024, the Company closed a non-brokered private placement and issued 500,000 units at a price of $0.02 per unit for gross proceeds of $10,000 Each unit consisted of one common share and one common share purchase warrant, whereby each warrant entitles the holder to purchase one additional common share of the Company for a period of two years from closing at an exercise price of $0.05 per common share. Under the residual method, a value of $2,500 was allocated to the warrants.

On May 2, 2024, the Company issued 8,197,000 units with a fair value of $163,940 to certain creditors to settle an aggregate amount of $163,940 in debt. Each unit consisted of one common share and one common share purchase warrant, whereby each warrant entitles the holder to purchase one additional common share of the Company for a period of two years from closing at an exercise price of $0.05 per common share.

12. Share Capital (continued)

b) Issued and outstanding (continued)

<u>During the year ended June 30, 2023</u>

On July 6, 2022, the Company issued 250,000 common shares with a fair value of $10,000 to convert $12,500 of the outstanding convertible note (Note 10). The Company recorded a gain of $2,500.

On July 8, 2022, the Company issued 2,310,108 common shares with a fair value of $92,404 as a part consideration for the GCACNA acquisition. An additional 256,692 consideration shares with fair value of $10,268 are being held back as security and have been recorded as an obligation to issue shares (Note 5).

On August 15, 2022, the Company closed a non-brokered private placement and issued 2,475,000 units at a price of $0.04 per unit for gross proceeds of $99,000 and 937,500 units at a price of $0.04 per unit to settle with a creditor of the Company an aggregate amount of $37,500 in debt. Each unit consisted of one common share and one common share purchase warrant, whereby each warrant entitles the holder to purchase one additional common share of the Company for a period of two years from closing at an exercise price of $0.05 per common share. Under the residual method, a value of $17,063 was allocated to the warrants.

On December 30, 2022, the Company closed a non-brokered private placement and issued 7,788,727 units at a price of $0.022 per unit for gross proceeds of $171,352 and 7,570,954 common shares at a price of $0.022 per share to certain creditors to settle an aggregate amount of $166,561 in debt with gain on settlement of $15,142. Each unit consisted of one common share and one common share purchase warrant, whereby each warrant entitles the holder to purchase one additional common share of the Company for a period of two years from closing at an exercise price of $0.05 per common share. Under the residual method, a value of $15,577 was allocated to the warrants.

On April 10, 2023, the Company closed a non-brokered private placement and issued 2,272,727 units at a price of $0.022 per unit for gross proceeds of $50,000 Each unit consisted of one common share and one common share purchase warrant, whereby each warrant entitles the holder to purchase one additional common share of the Company for a period of two years from closing at an exercise price of $0.05 per common share. Under the residual method, a value of $15,909 was allocated to the warrants.

On April 18, 2023, the Company granted an aggregate of 3,285,000 RSUs to an officer and consultants of the Company to acquire 3,285,000 common shares of the Company. The RSUs vested immediately, and 3,285,000 common shares were issued on May 2, 2023 with a fair value of $49,275 allocated to share based compensation.

On May 13, 2023, the Company entered into a debt settlement agreement with Abbey to settle an aggregate of $382,700 for commercial upgrades to the Efixii blockchain platform. Under the terms of the agreement, the Company issued 19,135,000 common shares in the capital of the Company with a fair value of $382,700 on May 23, 2023. As at June 30, 2023, the Company recognized $95,675 as prepaid expense as the services had not been completed and expensed $287,025 as IT costs.

(Stated in Canadian Dollars)

12. Share Capital (continued)

c) Warrants

The continuity schedule of the Company's warrants is as follows:

	Number of warrants	Weighted average exercise price ($)
Balance, June 30, 2022	78,065,719	0.09
Issued	13,973,947	0.05
Expired/forfeited	(42,704,850)	0.07
Balance, June 30, 2023	49,334,816	0.12
Issued	15,763,666	0.05
Expired/forfeited	(8,531,942)	0.21
Balance, June 30, 2024	**56,566,540**	**0.07**

The following table details the warrants outstanding and exercisable at June 30, 2024:

Number of Warrants	Exercise Price	Expiry Date
499,993	$0.09	July 8, 2024*
3,412,500	$0.05	August 15, 2024**
7,788,727	$0.05	December 30, 2024
19,556,819	$0.05	March 25, 2025
2,272,727	$0.05	April 10, 2025
1,066,666	$0.065	December 19, 2025
7,272,108	$0.17	February 22, 2026
6,000,000	$0.05	March 14, 2026
500,000	$0.05	May 2, 2026
8,197,000	$0.05	May 2, 2026
56,566,540	**$0.06**	

* Subsequent to the year ended June 30, 2024, 499,993 share purchase warrants exercisable at $0.09 expired unexercised (Note 16).

** On July 30, 2024, the Company extended the expiry of an aggregate 3,412,500 common share purchase warrants by two years to August 15, 2026. The warrants were originally issued on August 15, 2022 and were set to expire on August 15, 2024 (Note 16).

At June 30, 2024, the weighted average remaining contractual life of all warrants outstanding was 1.19 years.

On September 12, 2023, the Company extended the expiry of an aggregate 19,556,819 common share purchase warrants by six months to March 25, 2024. The warrants were originally issued on September 25, 2020 and were set to expire on September 25, 2023. On March 22, 2024, the Company extended the expiry of an aggregate 19,556,819 common share purchase warrants by additional twelve months to March 25, 2025.

Each warrant entitles the holder thereof to acquire one common share in the capital of the Company at a price of $0.05 per common share.

(Stated in Canadian Dollars)

12. Share Capital (continued)

d) Share-based compensation

The Company has a stock option plan whereby share purchase options are granted in accordance with the policies of regulatory authorities at an exercise price equal to the greater of the market price of the Company's shares on the date of the grant and the date prior thereto and, unless otherwise stated, vest on the grant date. The term of any share purchase option shall not exceed five years. Under the stock option plan, the board of directors may grant up to 10% of the issued number of shares outstanding as at the date of the share purchase option grant.

During the year ended June 30, 2023, the Company granted 500,000 share purchase options to consultants of the Company. The share purchase options are exercisable at $0.05 per share for a period of five years. The fair value of the options was determined to be $17,291 using the Black-Scholes Stock Option Pricing model (expected life: 5 years, bond equivalent yield: 3.2%, volatility: 135%, dividend rate of 0%).

A continuity schedule of the Company's share purchase options is as follows:

	Options	Weighted average exercise price ($)
Balance, June 30, 2022	14,875,000	0.12
Granted	500,000	0.05
Expired/forfeited/cancelled	(750,000)	0.40
Balance, June 30, 2023	14,625,000	0.10
Expired/forfeited/cancelled	(2,690,000)	0.13
Balance, June 30, 2024	**11,935,000**	**0.10**

As at June 30, 2024, the weighted average remaining contractual life of the outstanding options was 1.80 years.

Details of the Company's outstanding and exercisable share purchase options at June 30, 2024, is as follows:

Exercise price	Remaining contractual life (years)	Number of options outstanding	Expiry Dates
$0.10	2.68	300,000	March 7, 2027
$0.10	1.38	7,450,000	November 16, 2025
$0.15	1.86	850,000	May 10, 2026
$0.14	2.02	750,000	July 7, 2026
$0.06	2.59	400,000	February 1, 2027
$0.10	2.61	250,000	February 7, 2027
$0.07	2.71	100,000	March 15, 2027
$0.05	2.84	1,335,000	May 2, 2027
$0.05	3.02	500,000	July 8, 2027
$0.10	**1.80 years**	**11,935,000**	

e) Share based payment reserve

The reserve records items recognized as stock-based compensation expense and other share-based payments until such time that the share purchase options, RSU's or finders' warrants are exercised, at which time the corresponding amount will be transferred to share capital. If the options and warrants expire unexercised, the amount recorded remains in the reserve.

12. Share Capital (continued)

e) Share based payment reserve (continued)

Proceeds from issuances by the Company of units consisting of shares and warrants are allocated based on the residual method, whereby the carrying amount of the warrants is determined based on any difference between gross proceeds and the estimated fair market value of the shares. If the proceeds from the offering are less than or equal to the estimated fair market value of shares issued, a nil carrying amount is assigned to the warrants. During the year ended June 30, 2024, and amount of $84,152 (year ended June 30, 2023 - $48,549) was allocated to warrants under this method.

f) Loss per share

The calculation of basic and diluted loss per share for the year ended June 30, 2024, was based on the loss attributable to common shareholders of $1,491,712 (2023: $2,170,216) and the weighted average number of common shares outstanding of 267,405,566 (2023: 216,426,576).

13. Financial Risk and Capital Management

The Company is exposed in varying degrees to a variety of financial instrument related risks. The Board of Directors approves and monitors the risk management processes, inclusive of documented investment policies, counterparty limits, and controlling and reporting structures. The type of risk exposure and the way in which such exposure is managed is provided as follows:

Credit risk
Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. The Company's primary exposure to credit risk was on its cash. Management believes that the credit risk with respect to cash is minimal as balances are held with a high-credit quality financial institution.

Liquidity risk
Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they become due. The Company has a planning process in place to help determine the funds required to support the Company's normal operating requirements on an ongoing basis. Liquidity risk is assessed as high.

Historically, the Company's sole source of funding has been the issuance of equity securities for cash, primarily through private placements, and loans. The Company's access to financing is always uncertain. There can be no assurance of continued access to significant equity funding or loans.

Interest rate risk
Interest rate risk is the risk the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Management does not believe the Company is exposed to significant interest rate risk as cash is non-interest bearing and liabilities bear interest at a fixed rate as at June 30, 2024.

Foreign exchange risk
Foreign currency risk is the risk that the fair values of future cash flows of a financial instrument will fluctuate because they are denominated in currencies that differ from the respective functional currency. The Company is not exposed to significant foreign exchange risk.

Fair value
The carrying value of cash, accounts payable and loan payable approximate their fair value due to the relatively short-term nature of these instruments.

(Stated in Canadian Dollars)

13. Financial Risk and Capital Management (continued)

Capital Risk Management
The Company defines its capital as shareholders' equity. The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to continue the development of mobile applications. As the Company is in the preliminary stages of operations, its principal source of funds is from the issuance of common shares.

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

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

14. Income Taxes

Income tax expense differs from the amount that would result from applying the Canadian federal and provincial income tax rates to earnings before income taxes. These differences result from the following items:

	June 30, 2024	**June 30, 2023**
Net income (loss) for the year	$ (1,491,712)	$ (2,170,216)
Canadian federal and provincial income tax rates	27%	27%
Expected income tax recovery	(402,762)	(585,958)
Non-deductible items	51,543	47,068
Other	85,535	(1)
Change in valuation allowance	265,684	538,891
	$ -	$ -

The Company has the following tax effected deductible temporary differences for which no deferred tax asset has been recognized:

	June 30, 2024	**June 30, 2023**
Non-capital loss carry-forwards	$ 5,565,237	$ 5,298,430
Share issuance costs	11,045	14,833
Equipment and intangibles	243,871	243,683
Digital currencies	11,333	8,857
Note receivable	971,408	971,408
	$ 6,802,894	$ 6,537,211

(Stated in Canadian Dollars)

14. Income Taxes (continued)

The Company has accumulated tax losses and other tax pools which may be used to reduce future year's taxable income. These amounts expire as follows:

2034	$ 97,474
2035	772,350
2036	1,412,048
2037	1,209,064
2038	3,846,131
2039	4,265,694
2040	1,466,836
2041	2,364,586
2042	2,064,763
2043	1,795,924
2044	1,317,118
	$ 20,611,988

A valuation allowance has been recorded against the deferred income tax assets associated with the tax losses and temporary differences because of the uncertainty of their recovery.

15. Contingencies

The Company, in the normal course of business, is a party to various claims and lawsuits. The Company's accounting policy is to include the estimated net cost of disposition of known claims and lawsuits in its financial statements where it is possible to make such estimates.

16. Subsequent Events

Subsequent to the year ended June 30, 2024, 499,993 share purchase warrants exercisable at $0.09 expired unexercised (Note 12).

On July 26, 2024, the Company closed a non-brokered private placement and issued 1,450,000 units at a price of $0.02 per unit for gross proceeds of $29,000 Each unit consisted of one common share and one common share purchase warrant, whereby each warrant entitles the holder to purchase one additional common share of the Company for a period of two years from closing at an exercise price of $0.05 per common share.

On July 26, 2024, the Company issued 12,497,000 units to certain creditors to settle an aggregate amount of $249,940 in debt. Each unit consisted of one common share and one common share purchase warrant, whereby each warrant entitles the holder to purchase one additional common share of the Company for a period of two years from closing at an exercise price of $0.05 per common share.

On July 24, 2024, the Company extended the expiry of an aggregate 3,412,500 common share purchase warrants by two years to August 15, 2026. The warrants were originally issued on August 15, 2022 and were set to expire on August 15, 2024 (Note 12).

On November 1, 2024, the Company issued 12,550,000 common shares to certain creditors to settle an aggregate of $125,500 in debt.

On December 9, 2024, the Company extended the expiry of an aggregate 7,788,727 common share purchase warrants by one year to December 30, 2025. The warrants were originally issued on December 30, 2022 and were set to expire on December 30, 2024. Each Warrant entitles the holder thereof to acquire one common share in the capital of the Company at a price of $0.05 per common share (Note 12).