



**ANONYMOUS INTELLIGENCE COMPANY INC.**

**Consolidated Financial Statements**

Three and six months ended March 31, 2024 and 2023  
(In Canadian dollars)

## **NOTICE OF NO AUDITOR REVIEW OF**

### **UNAUDITED CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS**

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

# Anonymous Intelligence Company Inc.

## Consolidated Statements of Financial Position

As at March 31, 2024 and September 30, 2023

(In Canadian dollars)

	Notes	March 31, 2024	September 30, 2023
		\$	\$
<b>Assets</b>			
Current			
Cash and cash equivalents		23,632	133,735
GST recoverable		14,728	27,189
Prepays and other assets		39,906	40,354
		78,266	201,278
Intangible assets	3	3,284,702	3,542,591
<b>Total assets</b>		<b>3,362,968</b>	<b>3,743,869</b>
<b>Liabilities</b>			
Current liabilities			
Accounts payable and accrued liabilities	(4)(b)	318,633	231,224
Loans and borrowings	4(b)	112,000	100,000
		430,633	331,224
Contingent consideration payable	3(a)	-	968,065
<b>Total liabilities</b>		<b>430,633</b>	<b>1,299,289</b>
<b>Shareholders' equity</b>			
Share capital	5	21,596,038	20,264,173
Obligation to issue shares		50,000	-
Reserves	6,7,8	(50,192)	1,537,286
Deficit		(18,663,511)	(19,356,879)
<b>Total equity</b>		<b>2,932,335</b>	<b>2,444,580</b>
<b>Total liabilities and equity</b>		<b>3,362,968</b>	<b>3,743,869</b>

Nature of operations and going concern 1

Approved on behalf of the Board of Directors:

(Signed) "John Bean"

Director

(Signed) "Allan Larmour"

Director

**Anonymous Intelligence Company Inc.**  
**Consolidated Statements of Comprehensive Loss**  
Three and six months ended March 31, 2024 and 2023  
(In Canadian dollars)

	Notes	Three months ended March 31,		Six months ended March 31,	
		2024	2023	2024	2023
		\$	\$	\$	\$
<b>Expenses</b>					
Amortization and depreciation	3	152,511	142,610	290,866	289,716
Insurance		20,740	19,726	40,933	39,890
Investor and public relations		3,334	44,374	70,237	84,775
Office and administration		3,708	13,623	17,818	35,184
Professional fees		7,845	38,344	24,824	69,348
Regulatory and transfer agent fees		23,477	19,986	33,009	29,817
Research and development		-	-	26,100	-
Salaries and benefits	4(a)	14,755	91,999	108,210	184,574
Share-based compensation	7, 8	2,724	77,590	16,253	144,104
<b>Loss before other items</b>		<b>(229,094)</b>	<b>(448,252)</b>	<b>(628,250)</b>	<b>(877,408)</b>
<b>Other items</b>					
Finance costs		(366)	(199)	(777)	(2,141)
Foreign exchange gain (loss)		507	(177)	464	(1,889)
Government grant		-	-	-	20,000
Unrealized gain (loss) on changes in fair value of contingent consideration	3(a)	76,432	-	(156,408)	-
Unrealized loss on derivative		-	(14,000)	-	(30,000)
		<b>76,573</b>	<b>(14,376)</b>	<b>(156,721)</b>	<b>(14,030)</b>
<b>Net loss</b>		<b>(152,521)</b>	<b>(462,628)</b>	<b>(784,971)</b>	<b>(891,438)</b>
<b>Other comprehensive income</b>					
Unrealized (loss) gain on investment		-	(1,000)	-	(11,000)
<b>Comprehensive loss</b>		<b>(152,521)</b>	<b>(463,628)</b>	<b>(784,971)</b>	<b>(902,438)</b>
<b>Net loss per share - basic and diluted</b>					
		(0.01)	(0.07)	(0.07)	(0.13)
<b>Weighted average number of shares outstanding</b>		<b>10,978,776</b>	<b>6,843,557</b>	<b>10,956,453</b>	<b>6,813,364</b>

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

## Anonymous Intelligence Company Inc.

### Consolidated Statements of Changes in Shareholders' Equity

Six months ended March 31, 2024 and 2023

(In Canadian dollars)

	Notes	Share capital		Obligation to Issue Shares	Reserves						
		Number #	Amount \$		Stock Options	RSUs	Warrants	Accumulated Comprehensive Income	Total Reserves	Deficit	Total
Balance, September 30, 2023		10,833,625	20,264,173	-	963,861	127,637	699,788	(254,000)	1,537,286	(19,356,879)	2,444,580
Shares released on settlement of contingent consideration	3(a)	-	1,124,473	-	-	-	-	-	-	-	1,124,473
Share subscriptions		-	-	50,000	-	-	-	-	-	-	50,000
Exercise of warrants	6	120,000	85,888	-	-	-	(3,888)	-	(3,888)	-	82,000
Modification of warrants	6	-	-	-	-	-	93,880	-	93,880	(93,880)	-
Expired warrants	6	-	-	-	-	-	(589,994)	-	(589,994)	589,994	-
Vested RSUs	8	45,000	121,504	-	-	(121,504)	-	-	(121,504)	-	-
Forfeited RSUs		-	-	-	-	(3,185)	-	-	(3,185)	3,185	-
Cancelled and forfeited options	7	-	-	-	(979,040)	-	-	-	(979,040)	979,040	-
Share-based compensation	7, 8	-	-	-	15,179	1,074	-	-	16,253	-	16,253
Net loss		-	-	-	-	-	-	-	-	(784,971)	(784,971)
<b>Balance, March 31, 2024</b>		<b>10,998,625</b>	<b>21,596,038</b>	<b>50,000</b>	<b>-</b>	<b>4,022</b>	<b>199,786</b>	<b>(254,000)</b>	<b>(50,192)</b>	<b>(18,663,511)</b>	<b>2,932,335</b>
Balance, September 30, 2022		6,812,265	16,817,468	-	1,298,211	790,135	-	649,000	2,737,346	(13,033,246)	6,521,568
Vested RSUs	8	56,250	37,125	-	(37,125)	-	-	-	(37,125)	-	-
Share-based compensation	7, 8	-	-	-	144,104	-	-	-	144,104	-	144,104
Cancelled and forfeited options	7	-	-	-	(112,490)	-	-	-	(112,490)	112,490	-
Net loss		-	-	-	-	-	-	(11,000)	(11,000)	(891,438)	(902,438)
<b>Balance, March 31, 2023</b>		<b>6,868,515</b>	<b>16,854,593</b>	<b>-</b>	<b>1,292,700</b>	<b>790,135</b>	<b>-</b>	<b>638,000</b>	<b>2,720,835</b>	<b>(13,812,194)</b>	<b>5,763,234</b>

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

# Anonymous Intelligence Company Inc.

## Consolidated Statements of Cash Flows

Six months ended March 31, 2024 and 2023

(In Canadian dollars)

	2024	2023
	\$	\$
Operating activities		
Net loss	(784,971)	(891,438)
Items not affecting cash		
Amortization	290,866	289,716
Share-based compensation	16,253	144,104
Accretion expense	-	1,585
Government grant	-	(20,000)
Unrealized loss on derivative	-	30,000
Unrealized loss on fair value changes of contingent consideration payable	156,408	-
Changes in non-cash working capital items		
GST recoverable	12,461	(2,065)
Prepays and other assets	448	178,829
Accounts payable and accrued liabilities	87,408	(60,101)
	(221,127)	(329,370)
Investing activities		
Intangible assets development costs	(32,976)	(91,241)
Financing activities		
Proceeds from (Repayment of) loans and borrowings	12,000	(40,000)
Shares subscription	50,000	-
Exercise of warrants	82,000	-
	144,000	(40,000)
Decrease in cash and cash equivalents	(110,103)	(460,611)
Cash and cash equivalents, beginning of period	133,735	1,104,535
Cash and cash equivalents, end of period	23,632	643,924
Cash and cash equivalents consist of		
Cash	23,632	143,924
GIC	-	500,000
Supplemental cash flow information		
Intangible assets in accounts payable	-	10,928

# Anonymous Intelligence Company Inc.

## Notes to Consolidated Financial Statements

Three and six months ended March 31, 2024 and 2023  
(In Canadian dollars)

---

### 1. Nature of operations and going concern

#### (a) Nature of operations

Anonymous Intelligence Company Inc. (the “Company” or “ANON”) was incorporated in the Province of British Columbia on April 14, 2015, under the Business Corporations Act of British Columbia. The Company’s registered office is located at 900 – 885 West Georgia Street, Vancouver, BC, V6C 3H1.

The Company is a computational intelligence, decentralized network and data technology company, focused on leveraging its proprietary suite of Artificial Intelligence (AI) and privacy enabled products to increase confidence in technology for consumers and businesses. Its primary product and service offerings include the Limitless VPN, Turminal.ai and Haller.ai.

On March 5, 2024, the Company completed a consolidation of all of its issued and outstanding common shares on the basis of one (1) post-consolidated common share for every ten (10) pre-consolidated common shares (the “Share Consolidation”). All share and per share data presented in the consolidated financial statements have been retroactively adjusted to reflect the Share Consolidation unless otherwise noted.

#### (b) Going concern

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

The Company has incurred losses and negative operating cash flows since inception. During the six months ended March 31, 2024, the Company recorded a net loss of \$784,971 (2023 – \$891,438) and as of March 31, 2024, had an accumulated deficit of \$18,663,511 (September 30, 2023 – \$19,356,879) and working capital deficiency of \$352,367 (September 30, 2023 – working capital deficiency of \$129,946). The continued operations of the Company are dependent on future profitable operations, management’s ability to manage costs and the availability of equity and debt financings. Management is committed to raising additional capital to meet its financial obligations and commitments, fund its growth initiatives, capital expenditures and sustain its operations in the normal course of business. Although the Company has raised funds in the past, there can be no assurance that the Company will be able to secure additional adequate financing. These factors indicate the existence of material uncertainties that may cast significant doubt regarding the Company’s ability to continue as a going concern. These consolidated financial statements do not include adjustments to amounts and classifications of assets and liabilities that may be necessary should the Company be unable to continue as a going concern. Such adjustments could be material.

### 2. Significant accounting policies

#### Basis of presentation and consolidation

These condensed interim consolidated financial statements (the “Financial Statements”) have been prepared in accordance with International Accounting Standards 34, Interim Financial Reporting (“IAS 34”) using accounting policies consistent with International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board (“IASB”).

# Anonymous Intelligence Company Inc.

## Notes to Consolidated Financial Statements

Three and six months ended March 31, 2024 and 2023  
(In Canadian dollars)

### 2. Significant accounting policies (continued)

#### Basis of presentation and consolidation (continued)

The Financial Statements should be read in conjunction with the Company's annual financial statements as at and for the year ended September 30, 2023 (the "Annual Financial Statements"). The accounting policies and critical estimates applied by the Company in the Financial Statements are the same as those applied in the Annual Financial Statements. The Financial Statements do not include all the information required for full annual financial statements, however, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Company's financial position and performance since the most recent Annual Financial Statements.

The Financial Statements include the accounts of the Company and its wholly-owned subsidiaries, Haller.ai Technologies Inc. ("Haller") and BHR Capital Corp. ("BHR").

The Financial Statements were approved and authorized for issue by the Board of Directors of the Company on May 22, 2024.

### 3. Intangible assets

The changes in the carrying amount of intangible assets are as follows:

	Haller (a)	Limitless VPN	Total
	\$	\$	\$
Cost			
Balance, September 30, 2022	-	5,406,109	5,406,109
Acquisition (a)	3,297,692	-	3,297,692
Development costs	-	52,981	52,981
Balance, September 30, 2023	3,297,692	5,459,090	8,756,782
Development costs	-	32,976	32,976
Balance, March 31, 2024	3,297,692	5,492,066	8,789,758
Accumulated amortization			
Balance, September 30, 2022	-	1,622,431	1,622,431
Amortization	-	544,068	544,068
Impairment (a)	3,047,692	-	3,047,692
Balance, September 30, 2023	3,047,692	2,166,499	5,214,191
Amortization	-	290,866	290,866
Balance, March 31, 2024	3,047,692	2,457,365	5,505,057
<b>Net book value</b>			
September 30, 2023	250,000	3,292,591	3,542,591
March 31, 2024	250,000	3,034,701	3,284,701



# Anonymous Intelligence Company Inc.

## Notes to Consolidated Financial Statements

Three and six months ended March 31, 2024 and 2023

(In Canadian dollars)

### 3. Intangible assets (continued)

#### (a) Acquisition of Haller

Pursuant to a share purchase agreement dated July 11, 2023 (the "Agreement"), the Company acquired Haller.ai Technologies Inc. ("Haller"), a private technology company focused on the development of an artificial-intelligence powered document generation platform (the "AI Platform"). The transaction was accounted for as an asset acquisition. The Company acquired all of the issued and outstanding shares of Haller for aggregate consideration of \$3,241,672 as follows:

	\$
Consideration	
1,500,000 common shares	1,904,179
Acquisition cost – 200,000 common shares	290,000
Acquisition cost – legal fees	5,891
Loan settlement	100,000
Contingent consideration – 500,000 common shares <sup>(1) (2)</sup>	378,213
Contingent consideration – 1,000,000 warrants <sup>(1) (2)</sup>	563,389
	<u>3,241,672</u>

(1) Represent the discounted amounts of the fair value gross consideration of the shares of \$420,236 and warrants of \$704,237 to be released upon achievement of revenue targets. The warrants are exercisable at \$0.25 per share expiring July 11, 2028 (Note 6).

(2) Pursuant to the Agreement, the Company was obligated to secure a \$1,000,000 financing by February 28, 2024, for Haller's working capital requirements, and if not fulfilled, all milestones would be considered achieved. The financing was not completed, and as a result, during the six months ended March 31, 2024, the 500,000 shares and 1,000,000 warrants were released from voluntary escrow and the aggregate gross contingent consideration of \$1,124,473 was reclassified to share capital.

The purchase price consideration was allocated as follows:

	\$
Net identifiable assets acquired (liabilities assumed)	
Cash	21,483
Intangible assets	<u>3,297,692</u>
	3,319,175
Accounts payable and accrued liabilities	<u>(77,503)</u>
	<u>3,241,672</u>

As at September 30, 2023, there were events and changes in circumstances that affected the fair value of the AI Platform including a significant increase in competition in the AI market and a change in strategic plans of the Company whereby it has decided to defer enhancements and further development of the AI Platform in order to focus on the Limitless VPN. As a result, as at September 30, 2023, the Company determined the carrying value of the AI Platform at \$250,000 and recognized an impairment charge of \$3,047,692 during the year ended September 30, 2023.

**Anonymous Intelligence Company Inc.**  
**Notes to Consolidated Financial Statements**  
Three and six months ended March 31, 2024 and 2023  
(In Canadian dollars)

**4. Related party transactions**

Key management compensation for the three and six months ended March 31, 2024 and 2023 consisted of the following:

**(a) Compensation of key management personnel**

	Three months ended March 31,		Six months ended March 31,	
	2024	2023	2024	2023
			\$	\$
Former CEO management fee	-	30,000	30,000	60,000
Interim CEO and CFO salary	14,679	51,785	39,602	110,360
Share-based compensation <sup>(1)</sup>	1,250	57,804	11,218	99,011

<sup>(1)</sup> CEO management fee is paid to Walrus Enterprises, a company controlled by Lucas Russell, CEO.

<sup>(2)</sup> Share-based compensation represents the fair value of options granted and RSUs vested to directors and officers of the Company.

**(b) Related party balances**

The following related party amounts were included in (i) loans and borrowings and (ii) accounts payable and accrued liabilities as at March 31, 2024 and September 30, 2023:

	March 31, 2024	September 30, 2023
	\$	\$
(i) Loan from a former director <sup>(1)</sup>	100,000	100,000
(ii) Due to a director, officer and former officer	73,833	50,000

<sup>(1)</sup> Pursuant to a promissory note dated September 30, 2014 with Tom Musial, a former director of the Company. The loan is unsecured, non-interest bearing and due on September 30, 2015. The loan was extended to December 1, 2016, for a one-time interest charge of \$20,000.

**5. Share capital**

**(a) Authorized**

The authorized share capital of the Company is an unlimited number of common shares without par value.

**(b) Issued and outstanding**

As at March 31, 2024, the Company's outstanding share capital consisted of 10,998,625 (September 30 2023 – 10,883,625) issued and fully paid common shares.

**Anonymous Intelligence Company Inc.**  
**Notes to Consolidated Financial Statements**  
Three and six months ended March 31, 2024 and 2023  
(In Canadian dollars)

**5. Share capital (continued)**

**(b) Issued and outstanding (continued)**

The following shares were issued during the six months ended March 31, 2024:

- (i) 45,000 common shares were issued for vested RSUs. The fair value of the RSUs of \$121,504 was reclassified from reserves to share capital on the issuance of these shares.
- (ii) An aggregate of 120,000 common shares were issued for gross proceeds of \$82,000 pursuant to warrant exercises. The fair value of the warrants of \$3,888 was reclassified from reserves to share capital on the issuance of these shares.

The following shares were issued during the six months ended March 31, 2023:

- (iii) An aggregate of 56,250 common shares were issued for vested RSUs. The fair value of the RSUs of \$37,125 was reclassified from reserves to share capital on the issuance of these shares.

**6. Share purchase warrants**

Each whole warrant entitles the holder to purchase one common share of the Company.

	Warrants	Weighted average exercise price
	#	\$
Balance, September 30, 2022	2,199,807	1.50
Issued	2,321,560	1.40
Exercised <sup>(1)</sup>	(387,300)	0.70
Expired	(55,808)	4.00
Balance, September 30, 2023	4,078,259	1.50
Exercised <sup>(2)</sup>	(120,000)	0.70
Expired <sup>(3)</sup>	(472,365)	4.00
Balance, March 31, 2024	3,485,893	1.20

<sup>(1)</sup> During the year ended September 30, 2023, the weighted average price of the shares on the dates of exercises of the warrants was \$1.50.

<sup>(2)</sup> During the six months ended March 31, 2024, the weighted average price of the shares on the dates of exercises of the warrants was \$0.50.

<sup>(3)</sup> During the six months ended March 31, 2024, the aggregate fair value of expired warrants of \$589,994 was transferred from reserves to deficit.

# Anonymous Intelligence Company Inc.

## Notes to Consolidated Financial Statements

Three and six months ended March 31, 2024 and 2023

(In Canadian dollars)

### 6. Share purchase warrants (continued)

The following table summarizes the warrants outstanding as at March 31, 2024:

Exercise Price	Expiry date	Warrants
\$		#
0.60	April 24, 2028	1,131,560
0.70	January 31, 2026 <sup>(1)(2)</sup>	1,354,333
2.50	July 11, 2028	1,000,000
		3,485,893

(1) On February 16, 2023, the Company extended the expiry date of these warrants to January 31, 2024 from the original expiry dates of between February 18, 2023 and January 18, 2024. During the year ended September 30, 2023, the Company recorded a fair value incremental change of \$119,988 on the modification of the warrants. The value of the warrant modification was estimated using the Black-Scholes option pricing model based on the following weighted average assumptions at the time of modification: risk free rate of 4.80%; dividend yield of 0%; stock price volatility of 119.64%; and an expected life of 0.96 years.

(2) On December 8, 2023, the Company extended the expiry date of these warrants from January 31, 2024 to January 31, 2026. During the three and six months ended March 31, 2024, the Company recorded a fair value incremental change of \$nil and \$93,880 on the modification of the warrants, respectively. The value of the warrant modification was estimated using the Black-Scholes option pricing model based on the following weighted average assumptions at the time of modification: risk free rate of 4.16%; dividend yield of 0%; stock price volatility of 153%; and an expected life of 2.15 years.

As at March 31, 2024, the weighted average contractual life of the warrants was 3.40 years (2023 – 0.98 years).

### 7. Stock options

The Company has an Omnibus Equity Incentive Plan (the “Plan”) which provides that the Board of Directors of the Company may from time to time, at its discretion, and in accordance with the Canadian Securities Exchange (the “Exchange”) requirements, grant to directors, officers, employees and consultants of the Company, equity-based incentive awards in the form of stock options (“Options”), restricted share units (“RSUs”), performance share units (“PSUs”) and deferred share units (“DSUs”). The Plan is a rolling plan which provides that the aggregate maximum number of common shares that may be issued upon the exercise or settlement of awards granted under the Plan shall not exceed 10% of the Company’s issued and outstanding common shares from time to time.

## Anonymous Intelligence Company Inc.

### Notes to Consolidated Financial Statements

Three and six months ended March 31, 2024 and 2023  
(In Canadian dollars)

#### 7. Stock options (continued)

A summary of the status of the options outstanding is as follows:

	Stock options	Weighted average exercise price
	#	\$
Balance, September 30, 2022	347,500	1.00
Granted	40,000	0.70
Exercised	(10,000)	1.00
Cancelled and expired <sup>(1)</sup>	(45,000)	1.40
Balance, September 30, 2023	332,500	0.90
Granted	130,000	0.50
Cancelled and forfeited <sup>(2)</sup>	(462,500)	0.80
Balance, March 31, 2024	-	-

(1) During the year ended September 30, 2023, an aggregate fair value of \$134,985 was transferred from reserves to deficit related to 10,000 expired options and 35,000 cancelled options.

(2) During the three and six months ended March 31, 2024, the aggregate fair value of \$931,528 and \$979,040, respectively, were transferred from reserves to deficit related to 25,000 forfeited options and 437,500 cancelled options.

During the three and six months ended March 31, 2024, the Company recorded share-based compensation of \$Nil and \$15,179, respectively, (three and six months ended March 31, 2023 – \$Nil and \$10,822, respectively) for stock options granted and vested during the period. The fair value of stock options granted was determined using the Black-Scholes option pricing model based on the following weighted average assumptions at the time of grant:

	2024	Six months ended March 31, 2023
Risk-free annual interest rate	3.83%	3.73%
Expected annual dividend yield	-	-
Expected stock price volatility	174%	162%
Expected life of options (years)	5	3
Forfeiture rate	15%	15%

The weighted average fair value of stock options granted during six months ended March 31, 2024 was \$0.01 (2023 - \$0.04) per option.

## Anonymous Intelligence Company Inc.

### Notes to Consolidated Financial Statements

Three and six months ended March 31, 2024 and 2023  
(In Canadian dollars)

#### 8. Restricted share units (“RSUs”)

Under the terms of the Plan, RSUs may be awarded to directors, officers, employees and consultants of the Company which will be released as common shares at the end of each vesting period. Each RSU gives the participant the right to receive one common share of the Company.

A summary of the status of the RSUs outstanding is as follows:

	RSUs	Weighted average issue price
	#	\$
Balance, September 30, 2022	166,250	3.90
Granted	30,000	0.70
Released	(102,500)	3.70
Cancelled	(27,500)	4.10
Balance, September 30, 2023	66,250	2.60
Granted	65,000	0.15
Released	(45,000)	3.62
Forfeited <sup>(1)</sup>	(30,000)	1.19
Balance, March 31, 2024	56,250	0.20

<sup>(1)</sup> During the six months ended March 31, 2024, the fair value of forfeited RSUs of \$3,185 was transferred from reserves to deficit.

The following table summarizes the RSUs outstanding as at March 31, 2024:

Issue Price	Expiry date	RSUs outstanding
\$		#
0.85	August 30, 2024	1,250
0.15	November 21, 2025	55,000
		56,250

As at March 31, 2024, the weighted average remaining contractual life of RSUs was 1.03 years (2023 – 1.09 years).

During the three and six months ended March 31, 2024, the Company recorded share-based compensation of \$2,724 and \$1,074, respectively, (three and six months ended March 31, 2023 - \$77,590 and \$133,282, respectively) for RSUs granted and vested during the period.

The weighted average fair value of RSUs granted during the six months ended March 31, 2024 was \$0.02 per share (2023 - \$0.06).

# **Anonymous Intelligence Company Inc.**

## **Notes to Consolidated Financial Statements**

Three and six months ended March 31, 2024 and 2023  
(In Canadian dollars)

---

### **9. Fair value of financial instruments**

At March 31, 2024, the Company's financial instruments consist of cash and cash equivalents, other assets, accounts payable and accrued liabilities and loans and borrowings. The carrying amounts of these financial instruments approximate fair value due to their immediate or short-term maturity.

### **10. Financial instruments risk**

The Company is exposed to a variety of financial instrument related risks. The Board mitigates these risks by assessing, monitoring and approving the Company's risk management processes.

The Company employs risk management strategies and policies to ensure that any exposures to risk are in compliance with the Company's business objectives and risk tolerance levels.

Liquidity risk is the risk that the Company will not be able to meet its financial obligations associated with its financial liabilities as they come due. The Company's approach to managing liquidity risk is to ensure that it has sufficient liquidity to settle obligations and liabilities when they are due. As at March 31, 2024, the Company had working capital deficiency of \$352,367 (September 30, 2023 – working capital deficiency of \$129,946). The Company is pursuing additional sources of financing to ensure that it can meet its ongoing operating requirements and planned capital expenditures. There is no assurance that the Company will be successful in these initiatives. The Company's capital expenditures mainly consist of the development of its technology platforms. Accounts payable and accrued liabilities are due within 90 days and loans and borrowings mature within 1 to 3 years.