



**ANONYMOUS INTELLIGENCE COMPANY INC.**

**Consolidated Financial Statements**

Three and nine months ended June 30, 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 June 30, 2024 and September 30, 2023  
(In Canadian dollars)

	Notes	June 30, 2024	September 30, 2023
		\$	\$
<b>Assets</b>			
Current			
Cash and cash equivalents		91,690	133,735
GST recoverable		17,475	27,189
Prepays expenses		17,767	40,354
		126,932	201,278
Intangible assets	3	3,140,063	3,542,591
<b>Total assets</b>		<b>3,266,995</b>	<b>3,743,869</b>
<b>Liabilities</b>			
Current liabilities			
Accounts payable and accrued liabilities	4(b)	326,945	231,224
Loans and borrowings	4(b)	112,000	100,000
		438,945	331,224
Contingent consideration payable	3(a)	-	968,065
<b>Total liabilities</b>		<b>438,945</b>	<b>1,299,289</b>
<b>Shareholders' equity</b>			
Share capital	5	21,668,997	20,264,173
Reserves	6,7,8	(18,308)	1,537,286
Deficit		(18,822,639)	(19,356,879)
<b>Total equity</b>		<b>2,828,050</b>	<b>2,444,580</b>
<b>Total liabilities and equity</b>		<b>3,266,995</b>	<b>3,743,869</b>

Nature of operations and going concern 1

Approved on behalf of the Board of Directors:

(Signed) "Denis Franks"  
\_\_\_\_\_  
Director

(Signed) "Allan Larmour"  
\_\_\_\_\_  
Director

**Anonymous Intelligence Company Inc.**  
**Consolidated Statements of Comprehensive Loss**  
Three and nine months ended June 30, 2024 and 2023  
(In Canadian dollars)

	Notes	Three months ended June 30,		Nine months ended June 30,	
		2024	2023	2024	2023
		\$	\$	\$	\$
<b>Expenses</b>					
Amortization and depreciation	3	144,638	134,355	435,504	424,071
Consulting		-	53,355	-	53,355
Insurance		13,713	20,398	54,646	60,288
Investor and public relations		-	279,519	70,237	353,545
Marketing		-	197,897	-	208,646
Office and administration		4,379	24,367	22,197	59,551
Professional fees		(5,463)	28,947	19,360	98,295
Regulatory and transfer agent fees		12,273	30,735	45,282	60,552
Research and development		-	-	26,100	-
Salaries and benefits	4(a)	55,421	64,782	163,631	249,356
Share-based compensation	7, 8	38,869	99,541	55,122	243,645
<b>Loss before other items</b>		<b>(263,830)</b>	<b>(933,896)</b>	<b>(892,079)</b>	<b>(1,811,304)</b>
<b>Other items</b>					
Finance costs		(325)	(726)	(1,102)	(2,867)
Foreign exchange gain (loss)		-	655	464	(1,234)
Government grant		-	-	-	20,000
Interest income		-	6,130	-	6,130
Gain on write-off of loan	4(b)	100,000	-	100,000	-
Loss on change in fair value of contingent consideration	3(a)	-	-	(156,408)	-
Unrealized loss on derivative		-	(31,000)	-	(61,000)
		99,675	(24,941)	(57,046)	(38,971)
<b>Net loss</b>		<b>(164,155)</b>	<b>(958,837)</b>	<b>(949,125)</b>	<b>(1,850,275)</b>
<b>Other comprehensive income</b>					
Unrealized (loss) gain on investment		-	(19,000)	-	(30,000)
<b>Comprehensive loss</b>		<b>(164,155)</b>	<b>(977,837)</b>	<b>(949,125)</b>	<b>(1,880,275)</b>
<b>Net loss per share - basic and diluted</b>		<b>(0.01)</b>	<b>(0.12)</b>	<b>(0.09)</b>	<b>(0.26)</b>
<b>Weighted average number of shares outstanding</b>		<b>10,978,776</b>	<b>7,911,828</b>	<b>10,956,453</b>	<b>7,093,735</b>

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

# Anonymous Intelligence Company Inc.

## Consolidated Statements of Changes in Shareholders' Equity

Nine months ended June 30, 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
Shares issued for equity financing	5	1,000,000	50,000	(50,000)	-	-	-	-	-	-	-
Share subscriptions		-	-	50,000	-	-	-	-	-	-	50,000
Bonus shares	5	350,000	21,000	-	-	-	-	-	-	-	21,000
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	58,750	123,463	-	-	(123,463)	-	-	(123,463)	-	-
Forfeited RSUs		-	-	-	-	(8,211)	-	-	(8,211)	8,211	-
Cancelled and forfeited options	7	-	-	-	(979,040)	-	-	-	(979,040)	979,040	-
Share-based compensation	7, 8	-	-	-	44,527	10,595	-	-	55,122	-	55,122
Net loss		-	-	-	-	-	-	-	-	(949,125)	(949,125)
<b>Balance, June 30, 2024</b>		<b>12,362,375</b>	<b>21,668,997</b>	<b>-</b>	<b>29,348</b>	<b>6,558</b>	<b>199,786</b>	<b>(254,000)</b>	<b>(18,308)</b>	<b>(18,822,639)</b>	<b>2,828,050</b>
Balance, September 30, 2022		68,122,653	16,817,468	-	1,298,211	-	790,135	649,000	2,737,346	(13,033,246)	6,521,568
Shares issued for equity financing		13,215,600	660,780	-	-	-	-	-	-	-	660,780
Exercise of warrants		1,623,000	136,877	-	-	-	(32,767)	-	(32,767)	-	104,110
Modification of warrants		-	-	-	-	-	813,895	-	813,895	(813,895)	-
Expired warrants		-	-	-	-	-	(200,141)	-	(200,141)	200,141	-
Vested RSUs		625,000	49,000	-	(49,000)	-	-	-	(49,000)	-	-
Exercise of options		100,000	33,934	-	(24,434)	-	-	-	(24,434)	-	9,500
Cancelled and forfeited options		-	-	-	(112,490)	-	-	-	(112,490)	112,490	-
Share-based compensation		-	-	-	243,645	-	-	-	243,645	-	243,645
Comprehensive loss for the period		-	-	-	-	-	-	(30,000)	(30,000)	(1,850,275)	(1,880,275)
<b>Balance, June 30, 2023</b>		<b>83,686,253</b>	<b>17,698,059</b>	<b>-</b>	<b>1,355,932</b>	<b>-</b>	<b>1,371,122</b>	<b>619,000</b>	<b>3,346,054</b>	<b>(15,384,785)</b>	<b>5,659,328</b>

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

## Anonymous Intelligence Company Inc.

### Consolidated Statements of Cash Flows

Nine months ended June 30, 2024 and 2023

(In Canadian dollars)

	2024	2023
	\$	\$
Operating activities		
Net loss	(949,125)	(1,850,275)
Items not affecting cash		
Amortization and depreciation	435,504	424,071
Accretion expense	-	1,585
Shares issued for signing bonus	21,000	-
Share-based compensation	55,122	243,645
Gain on write-off of loan	(100,000)	-
Government grant	-	(20,000)
Unrealized loss on derivative	-	61,000
Unrealized loss on fair value changes of contingent consideration payable	156,408	-
Changes in non-cash working capital items		
GST recoverable	9,714	(18,890)
Prepays and other assets	22,587	21,365
Accounts payable and accrued liabilities	95,721	(72,206)
	(253,069)	(1,209,705)
Investing activities		
Intangible assets development costs	(32,976)	(174,483)
Financing activities		
Shares issued for cash, net of share issue costs	50,000	774,389
Proceeds from (Repayment of) loans and borrowings	112,000	(40,000)
Exercise of warrants	82,000	-
	244,000	734,389
Decrease in cash and cash equivalents	(42,045)	(649,799)
Cash and cash equivalents, beginning of period	133,735	1,104,535
Cash and cash equivalents, end of period	91,690	454,736
Supplemental cash flow information		
Intangible assets in accounts payable	47,467	10,928

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

# **Anonymous Intelligence Company Inc.**

## **Notes to Consolidated Financial Statements**

Three and nine months ended June 30, 2024 and 2023

(In Canadian dollars)

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### **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 nine months ended June 30, 2024, the Company recorded a net loss of \$949,125 (2023 – \$1,880,275) and as of June 30, 2024, had an accumulated deficit of \$18,822,639 (September 30, 2023 – \$19,356,879) and working capital deficiency of \$312,013 (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.

# Anonymous Intelligence Company Inc.

## Notes to Consolidated Financial Statements

Three and nine months ended June 30, 2024 and 2023

(In Canadian dollars)

### 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”).

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 August 27, 2024.

### 3. Intangible assets

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

	Haller (a)	Limitless VPN	Total
	\$	\$	\$
<b>Cost</b>			
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, June 30, 2024	3,297,692	5,492,066	8,789,758



## Anonymous Intelligence Company Inc.

### Notes to Consolidated Financial Statements

Three and nine months ended June 30, 2024 and 2023

(In Canadian dollars)

### 3. Intangible assets (continued)

	Haller (a)	Limitless VPN	Total
<b>Accumulated amortization</b>			
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	23,447	412,057	435,504
Balance, June 30, 2024	3,071,139	2,578,556	5,649,695
<b>Net book value</b>			
September 30, 2023	250,000	3,292,591	3,542,591
June 30, 2024	226,553	2,913,510	3,140,063

#### (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
	3,241,672

<sup>(1)</sup> Represent the discounted amounts of the fair value gross consideration of the shares of \$420,236 and warrants of \$704,237 which were released on the achievement of revenue targets. The warrants are exercisable at \$0.25 per share expiring July 11, 2028 (Note 6). During the nine months ended June 30, 2024, the Company recorded a loss of \$156,408 (2023 - \$Nil) on the change in fair value of contingent consideration.

# Anonymous Intelligence Company Inc.

## Notes to Consolidated Financial Statements

Three and nine months ended June 30, 2024 and 2023

(In Canadian dollars)

### 3. Intangible assets (continued)

#### (a) Acquisition of Haller (continued)

- (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 nine months ended June 30, 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	3,297,692
	3,319,175
Accounts payable and accrued liabilities	(77,503)
	3,241,672

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.

### 4. Related party transactions

Key management compensation for the three and nine months ended June 30, 2024 and 2023 consisted of the following:

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

	Three months ended June 30,		Nine months ended June 30,	
	2024	2023	2024	2023
			\$	\$
CEO fee <sup>(1)</sup>	28,000	-	28,000	-
Former CEO management fee <sup>(2)</sup>	-	30,000	30,000	90,000
CFO salary	22,420	34,708	62,000	145,068
Director fee	5,000	-	5,000	-
Share-based compensation <sup>(3)</sup>	19,158	23,847	48,461	122,858

**Anonymous Intelligence Company Inc.**  
**Notes to Consolidated Financial Statements**  
 Three and nine months ended June 30, 2024 and 2023  
 (In Canadian dollars)

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**4. Related party transactions**

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

- (1) Of this amount, \$21,000 relates to the fair value of 350,000 common shares issued to the CEO as a signing bonus. Note 5(b)(ii)
- (2) Former CEO management fee was paid to Walrus Enterprises, a company controlled by Lucas Russell, CEO.
- (3) 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 June 30, 2024 and September 30, 2023:

	June 30, 2024	September 30, 2023
	\$	\$
(i) Loan from a former director <sup>(1)</sup>	-	100,000
(ii) Due to a director, an officer and a former officer	86,800	50,000

- (1) 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. During the nine months ended June 30, 2024, the Company wrote-off the loan.
- (2) The amounts due are unsecured, non-interest-bearing and without fixed terms of repayment.

**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 June 30, 2024, the Company's outstanding share capital consisted of 12,362,373 (September 30, 2023 – 10,883,625) issued and fully paid common shares.

## **Anonymous Intelligence Company Inc.**

### **Notes to Consolidated Financial Statements**

Three and nine months ended June 30, 2024 and 2023

(In Canadian dollars)

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#### **5. Share capital (continued)**

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

The following shares were issued during the nine months ended June 30, 2024:

- (i) On April 22, 2024, the Company completed a non-brokered private placement of 1,000,000 units at a price of \$0.05 per unit for gross proceeds of \$50,000. Each unit consisted of one common share and one warrant exercisable at \$0.10 per share expiring April 22, 2026.
- (ii) On June 24, 2024, the Company issued a signing bonus of 350,000 shares to the new CEO of the Company with a fair value of \$21,000.
- (iii) An aggregate of 58,750 common shares were issued for vested RSUs. The fair value of the RSUs of \$123,463 was reclassified from reserves to share capital on the issuance of these shares.
- (iv) 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 three and nine months ended June 30, 2023:

- (v) On April 24, 2023, the Company completed a non-brokered private placement of 13,215,600 units at a price of \$0.05 per unit for gross proceeds of \$660,780. Each unit consisted of one common share and one warrant exercisable at \$0.06 per share expiring April 24, 2028.
- (vi) An aggregate of 625,000 common shares were issued for vested RSUs and \$49,000 was reclassified from reserves to share capital on the issuance of these shares.
- (vii) An aggregate of 100,000 common shares were issued for gross proceeds of \$9,500 pursuant to option exercises.
- (viii) An aggregate of 1,623,000 common shares were issued for gross proceeds of \$104,110 pursuant to warrant exercises.

## Anonymous Intelligence Company Inc.

### Notes to Consolidated Financial Statements

Three and nine months ended June 30, 2024 and 2023

(In Canadian dollars)

#### 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)	0.68
Expired <sup>(3)</sup>	(472,365)	4.00
Balance, June 30, 2024	3,485,893	1.19

<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 nine months ended June 30, 2024, the weighted average price of the shares on the dates of exercises of the warrants was \$0.50.

<sup>(3)</sup> During the nine months ended June 30, 2024, the aggregate fair value of expired warrants of \$589,994 was transferred from reserves to deficit.

The following table summarizes the warrants outstanding as at June 30, 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

<sup>(1)</sup> 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.

## Anonymous Intelligence Company Inc.

### Notes to Consolidated Financial Statements

Three and nine months ended June 30, 2024 and 2023

(In Canadian dollars)

#### 6. Share purchase warrants (continued)

- (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 nine months ended June 30, 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 June 30, 2024, the weighted average contractual life of the warrants was 3.15 years (2023 – 2.15 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.

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	725,000	0.14
Cancelled and forfeited <sup>(2)</sup>	(462,500)	0.79
Balance, June 30, 2024	595,000	0.06

- (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 nine months ended June 30, 2024, the aggregate fair value of \$Nil and \$979,040, respectively, were transferred from reserves to deficit related to 25,000 forfeited options and 437,500 cancelled options.

## Anonymous Intelligence Company Inc.

### Notes to Consolidated Financial Statements

Three and nine months ended June 30, 2024 and 2023

(In Canadian dollars)

#### 7. Stock options (continued)

During the three and nine months ended June 30, 2024, the Company recorded share-based compensation of \$29,348 and \$44,527, respectively, (three and nine months ended June 30, 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:

	Nine months ended June 30,	
	2024	2023
Risk-free annual interest rate	3.51%	3.73%
Expected annual dividend yield	-	-
Expected stock price volatility	188%	162%
Expected life of options (years)	5	3
Forfeiture rate	15%	15%

The weighted average fair value of stock options granted during nine months ended June 30, 2024 was \$0.07 (2023 - \$Nil) per option.

#### 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	493,750	0.12
Released	(58,750)	2.67
Forfeited <sup>(1)</sup>	(30,000)	0.66
Balance, June 30, 2024	471,250	0.12

<sup>(1)</sup> During the three and nine months ended June 30, 2024, the fair value of forfeited RSUs of \$5,026 and \$8,211, respectively, was transferred from reserves to deficit.

## Anonymous Intelligence Company Inc.

### Notes to Consolidated Financial Statements

Three and nine months ended June 30, 2024 and 2023

(In Canadian dollars)

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

The following table summarizes the RSUs outstanding as at June 30, 2024:

Issue Price	Expiry date	RSUs outstanding
\$		#
0.85	August 30, 2024	1,250
0.15	November 21, 2025	41,250
0.12	June 11, 2026	428,750
		471,250

As at June 30, 2024, the weighted average remaining contractual life of RSUs was 1.17 years (2023 – 0.81 years).

During the three and nine months ended June 30, 2024, the Company recorded share-based compensation of \$9,521 and \$10,595, respectively, (three and nine months ended June 30, 2024 - \$99,541 and \$232,823, respectively) for RSUs granted and vested during the period.

The weighted average fair value of RSUs granted during the nine months ended June 30, 2024 was \$0.12 per share (2023 - \$0.16).

#### 9. Fair value of financial instruments

At June 30, 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.



## **Anonymous Intelligence Company Inc.**

### **Notes to Consolidated Financial Statements**

Three and nine months ended June 30, 2024 and 2023

(In Canadian dollars)

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#### **10. Financial instruments risk (continued)**

As at June 30, 2024, the Company had working capital deficiency of \$312,013 (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.