PERK LABS INC.

Condensed Consolidated Interim Financial Statements

For the Three Months Ended February 28, 2023 and 2022

(Unaudited)

(Expressed in Canadian Dollars)

PERK LABS INC.

Condensed Consolidated Interim Financial Statements

PERK LABS INC.

Condensed Consolidated Interim Statements of Financial Position
(Unaudited)
(Expressed in Canadian Dollars)

As at	**(Unaudited) February 28 2023**	(Audited) November 30 2022
ASSETS		
Current		
Cash and cash equivalents	**77,930**	315,117
Amounts receivable	**11,598**	9,977
Marketable securities (note 5)	**2,745**	11,041
Inventory	**1,706**	1,519
Prepaid expenses and deposits (note 7)	**71,197**	99,875
	165,176	437,529
Property and equipment (note 6)	**16,337**	40,079
Intangible assets	**234**	234
Total assets	**181,747**	477,842
LIABILITIES		
Current		
Accounts payable and accrued liabilities (note 7)	**254,268**	190,133
Deferred revenue	**3,171**	2,571
Current portion of lease liabilities (note 17)	**49,063**	56,964
	306,502	249,668
Lease liabilities (note 17)	**–**	–
Total liabilities	**306,502**	249,668
SHAREHOLDERS' EQUITY		
Share capital (note 8)	**37,284,695**	37,046,054
Reserves	**5,639,096**	6,078,268
Deficit	**(43,048,546)**	(42,896,148)
Total shareholders' equity	**(124,755)**	228,174
Total liabilities and shareholders' equity	**181,747**	477,842

Going concern (note 2)
Commitments (note 17)
Subsequent events (note 19)

Authorized for issuance by the Board of Directors on April 26, 2023.

/s/ *Patrick Power* Director /s/ *Ryan Hardy* Director

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

PERK LABS INC.

Condensed Consolidated Interim Statements of Operations and Comprehensive Income (Loss)
(Unaudited)
(Expressed in Canadian Dollars)

	Three Months Ended	
	February 28 2023	February 28 2022
Revenue (note 15)	**2,708**	8,982
Cost of sales	**1,500**	3,030
Gross margin (loss)	**1,208**	5,952
Expenses		
Depreciation and amortization (note 6)	**23,742**	23,825
General and administration (note 10)	**199,451**	277,387
Research and development (note 11)	**105,022**	202,954
Sales and marketing (note 12)	**42,683**	105,787
Share-based compensation (notes 8, 9 and 16)	**(226,198)**	66,888
Total operating expenses	**144,700**	676,841
Loss from operations	**(143,492)**	(670,889)
Other income (expense)		
Foreign exchange gain (loss)	**162**	(2,875)
Gain on sale of property and equipment	**790**	2,400
Gain on sale of marketable securities	**–**	–
Gain on settlement of debt	**–**	–
Government subsidies and grants	**–**	–
Interest expense	**(2,046)**	–
Interest income	**462**	722
Impairment of invesment in joint venture	–	–
Other Income	**22**	–
Unrealized gain (loss) on marketable securities (note 5)	**(8,296)**	–
	(8,906)	247
Net and comprehensive income (loss) for the period	**(152,398)**	(670,642)
Net income (loss) per share		
Basic	**(0.00)**	(0.00)
Diluted	**(0.00)**	(0.00)
Weighted average number of shares outstanding (basic)	**205,596,480**	183,480,976
Weighted average number of shares outstanding (diluted)	**205,596,480**	192,946,373

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

Condensed Consolidated Interim Statements of Changes in Equity
(Unaudited)
(Expressed in Canadian Dollars)

	Number of Shares		Share Capital		Reserves		Deficit		(Unaudited) Total Equity
Balance, November 30, 2022	202,694,664	$	37,046,054	$	6,078,268	$	(42,896,148)	$	228,174
Shares issued for cash	–		–		–		–		–
Share issuance costs	–		–		–		–		–
Shares issued for service	2,265,384		25,667		–		–		25,667
Shares issued under RSU plan	2,930,116		212,974		(212,974)		–		–
Share-based compensation	–		–		(226,198)		–		(226,198)
Net income for the period	–		–		–		(152,398)		(152,398)
Balance, February 28, 2023	**207,890,164**	**$**	**37,284,695**	**$**	**5,639,096**	**$**	**(43,048,546)**	**$**	**(124,755)**

	Number of Shares		Share Capital		Reserves		Deficit		Total Equity
Balance, November 30, 2021	182,313,919	$	36,359,451	$	5,883,976	$	(39,517,679)	$	2,725,748
Shares issued for cash	1,028,000		51,400		–		–		51,400
Share issuance costs	–		(1,542)		–		–		(1,542)
Shared issued for services	650,542		31,233		–		–		31,233
Shares issued under RSU plan	61,250		6,925		(6,925)		–		–
Share-based compensation	–		–		66,888		–		66,888
Net loss for the period	–		–		–		(405,720)		(405,720)
Balance, February 28, 2022	**184,053,711**	**$**	**36,447,467**	**$**	**5,943,939**	**$**	**(39,923,399)**	**$**	**2,468,007**

Condensed Consolidated Interim Statements of Cash Flows
(Unaudited)
(Expressed in Canadian Dollars)

	Three Months Ended	
	February 28 2023	February 28 2022
Cash and cash equivalents provided by (used in)		
Operating activities		
Net income (loss)	**(152,398)**	(405,720)
Items not affecting cash		
Depreciation and amortization	**23,742**	23,825
Gain on sale of marketable securities	**–**	(79,350)
Gain on sale of property and equipment	**–**	(2,400)
Increase in note receivable	**–**	(5,650)
Interest expense on lease liability	**2,046**	5,978
Shares issued for service	**25,667**	31,233
Share-based compensation	**(226,198)**	66,888
Unrealized (gain) loss on marketable securities	**8,296**	(176,275)
	(318,845)	(541,472)
Net change in non-cash working capital	**91,605**	(84,859)
	(227,240)	(626,330)
Investing activities		
Acquisition of intangible assets	**–**	(234)
Proceeds from sale of property and equipment	**–**	2,400
Proceeds from sale of marketable securities	**–**	104,166
	–	106,332
Financing activities		
Proceeds from share issuances	**–**	51,400
Share issuance costs	**–**	(1,542)
Repayment of lease liabilities	**(9,947)**	(29,148)
	(9,947)	20,710
Net increase (decrease) in cash	**(237,187)**	(499,289)
Cash and cash equivalents, beginning of year	**315,117**	1,287,468
Cash and cash equivalents, end of year	**77,930**	788,179

Supplemental cash flow information (note 14)

1. NATURE OF OPERATIONS

Perk Labs Inc. ("Perk Labs" or the "Company") was incorporated under the laws of the Province of British Columbia on October 24, 2014. The Company's office is located at Suite 1755, 555 Burrard Street, Vancouver, British Columbia, V7X 1M9.

The Company's common shares trade on the Canadian Securities Exchange ("CSE") under the symbol PERK (formerly GET) and began trading on September 7, 2016; on the OTCQB under the symbol GLNNF; and on the Frankfurt Stock Exchange under the symbol GJT.

These condensed consolidated interim financial statements include the accounts of Perk Labs Inc. and its three wholly owned subsidiaries: Perk Hero Software Inc.; Perk Hero USA Inc (formerly Glance Pay USA Inc.); and Perks Technologies Inc. (formerly Glance Coin Inc.).

The Company's principal business is operating a digital franchisor in which franchisees can sell restaurant ordering software coupled with digital rewards on every purchase made. It also operates an online marketplace and mobile ordering and payment service with digital rewards on every purchase made. The Company launched its *Glance Pay* application during August 2016 and officially launched *Perk Hero* on April 2, 2020. *Perk Hero* is a digital loyalty management platform that enables merchants to provide their customers with digital rewards and a more engaging and convenient customer experience.

2. GOING CONCERN

These consolidated financial statements have been prepared on the basis that the Company will continue as a going concern, which assumes that the Company will be able to realize its assets and satisfy its liabilities in the normal course of business for the foreseeable future. Management is aware, in making its going concern assessment, of material uncertainties related to events and conditions that may cast significant doubt upon the Company's ability to continue as a going concern. During the three months ended February 28, 2023, the Company incurred a net loss from operations of $152,398 and used cash of $227,240 for operating activities. As of that date, the Company had an accumulated deficit of $43,048,546.

The Company is continuing to enhance its mobile and online ordering platform. The continued operations of the Company are dependent on future profitable operations, management's ability to manage costs, and the future availability of equity or debt financing. Whether and when the Company can generate sufficient operating cash flows to pay for its expenditures and settle its obligations as they fall due subsequent to February 28, 2023 is uncertain. These consolidated financial statements do not reflect the adjustments to the carrying values of assets and liabilities and the reported expenses and statement of financial position classifications that would be necessary were the going concern assumption inappropriate and the impact of those adjustments could be material.

The outbreak of the novel coronavirus COVID-19, which was declared a pandemic by the World Health Organization on March 11, 2020, led to adverse impacts on the Canadian and global economies, disruptions of financial markets, and created uncertainty regarding potential impacts to the Company's supply chain and operations. The COVID-19 pandemic has impacted and could further impact the Company's operations and the operations of the Company's suppliers and vendors as a result of quarantines, facility closures, and travel and logistics restrictions.

The extent to which the COVID-19 pandemic impacts the Company's business, results of operations and financial condition will depend on future developments, which are highly uncertain and cannot be predicted, and to what extent normal economic and operating conditions can resume.

2. GOING CONCERN (continued)

The war in Ukraine, which started in February 2022, has generated globally a significant negative impact on consumption and GDP, driving inflation to historical highs. As a measure of managing inflation, the government of Canada has increased interest rates through 2022 and it may continue to do so in the remainder of 2023. These negative economic factors in the market could further impact operations and the ability to obtain funding to support growth.

Even after the COVID-19 pandemic has subsided and due to the uncertainty in the events over the war in Ukraine and the inflation, the Company may experience adverse impacts to its business as a result of any economic recession or depression that has occurred or may occur in the future; therefore, the Company cannot reasonably estimate the impact at this time on our business, liquidity, capital resources, and financial results.

3. BASIS OF PREPARATION

a) Statement of compliance

These condensed consolidated interim financial statements have been prepared in accordance with International Financial Reporting Standards 34, "*Interim Financial Reporting*" ("IAS 34") as issued by the International Accounting Standards Board ("IASB") using accounting policies consistent with International Financial Reporting Standards "("IFRS"). Certain information and note disclosures normally included in annual financial statements prepared in accordance with IFRS have been omitted or condensed.

The unaudited condensed consolidated interim financial statements were prepared using the same accounting policies and methods as those used in the annual audited consolidated financial statements for the year ended November 30, 2022, and should be read in conjunction with those consolidated financial statements.

b) Basis of measurement

These condensed consolidated interim financial statements have been prepared on a historical cost basis except for financial instruments that are measured at fair value. In addition, these condensed consolidated interim financial statements have been prepared using the accrual basis of accounting except for cash flow information.

c) Basis of consolidation

These condensed consolidated interim financial statements include the accounts of the Company and its wholly owned subsidiaries on a consolidated basis after elimination of intercompany transactions and balances. Subsidiaries are entities the Company controls where it is exposed, or has rights, to variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the relevant activities of the entity.

3. BASIS OF PREPARATION (continued)

d) Critical accounting judgments and estimates

The preparation of condensed consolidated interim financial statements in accordance with IFRS requires management to make judgments, estimates, and assumptions that affect the application of policies and reported amounts of assets and liabilities, income, and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgments about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

Significant areas requiring the use of estimates include the carrying values of marketable securities and investments, the collectability of amounts receivable, useful lives and carrying values of property and equipment, useful lives, carrying values, and the incremental borrowing rate used for the right-of-use assets and lease liabilities, and the fair value of share-based compensation.

Judgments made by management in the application of IFRS that have significant effect on the condensed consolidated interim financial statements include the factors that are used in determining the fair value of privately held investments, the discount rates applied on marketable securities held in escrow and for the lack of liquidity in the trading volume of the Company's investment in certain marketable securities, the incremental borrowing rate used in the valuation of right-of-use assets and lease liabilities, and the application of the going concern assumption which requires management to take into account all available information about the future, at least but not limited to twelve months from the reporting period.

e) Government Grants

The Company recognizes government grants when there is a reasonable assurance that the Company will comply with the conditions of the grant and the grant will be received. Government grants receivable are recorded in the amounts receivable on the condensed consolidated interim statement of financial position. The Company recognizes government grants in the condensed consolidated interim statement of income/loss in the same period as the expenses for which the grant is intended to compensate. In cases where a grant becomes receivable as compensation for expenses already incurred in period periods, the grant is recognized in the statement of operations in the period in which it becomes receivable.

4. ADOPTION OF NEW STANDARDS

Amendment to IAS 1, Classification of Liabilities as Current or Non-Current

On January 23, 2020, and amended on July 15, 2020, the IASB issued an amendment to IAS 1, Classification of Liabilities as Current or Non-Current ("IAS 1") and has been revised to: i) clarify that the classification of liabilities as current or non-current should be based on rights that are in existence at the end of the reporting period; (ii) clarify that classification is unaffected by expectations about whether an entity will exercise its right to defer settlement of a liability; and (iii) make clear that settlement refers to the transfer to the counterparty of cash, equity instruments, other assets, or services.

The amendment to IAS 1 is effective for annual reporting periods on or after January 1, 2023 and is applied retrospectively. Early adoption of this amendment is permitted. The Company is currently evaluating the impact of this amendment to its consolidated financial statements.

Amendment to IAS 8, Accounting Policies, Changes in Accounting Estimates and Errors

On February 12, 2021, the IASB issued an amendment to IAS 8, Accounting Policies, Changes in Accounting Estimates and Errors ("IAS 8") to introduce the definition of an accounting estimate and include other amendments to help entities to distinguish changes in accounting estimates from changes in accounting policies.

The amendment to IAS 8 is effective for annual reporting periods on or after January 1, 2023 and early adoption is permitted. The Company is currently evaluating the impact of this amendment on its consolidated financial statements.

Other new standards and amendments to standards and interpretations are not effective for the period ended February 28, 2022 and have not been early adopted by the Company and are not expected to have a material impact on the Company's consolidated financial statements.

(Expressed in Canadian Dollars)

5. MARKETABLE SECURITIES

		February 28 2023		November 30 2022
		Fair Value		
Current				
Better Plant Sciences Inc. (shares)	**$**	**2,745**	$	11,038
Better Plant Sciences Inc. (warrants)		**0**		3
	$	**2,745**	$	11,041
	$	**2,745**	$	11,041

Better Plant Sciences Inc. (formerly Yield Growth Corp.) ("BPS")

BPS announced on February 14, 2022 a reverse merger transaction between BPS, FreedomX Metaversive Networks Inc. and 1233392 B.C. Ltd. The trading of BPS common shares is currently halted until the transaction is finalized and permission to resume has been obtained from the Canadian Securities Exchange.

At February 28, 2023, the Company held 61,000 (November 30, 2022 – 61,000) BPS common shares with a fair value of $2,745 (November 30, 2022 - $11,038). For the three months ended February 28, 2023, the Company recognized an unrealized loss of $8,293 (November 30, 2022 – loss of $33,962) on the BPS common shares.

At February 28, 2023, the Company held 546,000 (November 30, 2022 – 546,000) BPS warrants with a fair value of $0 (November 30, 2022 - $3). For the three months ended February 28, 2023, the Company recognized an unrealized loss of $3 (November 30, 2022 – loss of $31,192) on the BPS warrants.

(Expressed in Canadian Dollars)

6. PROPERTY AND EQUIPMENT

	November 30 2021	Additions	November 30 2022	Additions	**February 28 2023**
Cost					
Computer equipment	$ 175,948	$ (46,862)	$ 129,086	$ -	**$ 129,086**
Furniture and fixtures	20,787	(9,599)	11,188	-	**11,188**
Leasehold improvements	220,474	–	220,474	-	**220,474**
Right of use lease asset	274,710	–	274,710	-	**274,710**
	$ 691,919	$ (56,461)	$ 635,458	$ -	**$ 635,458**

	November 30 2021	Depreciation/ Amortization	November 30 2022	Depreciation/ Amortization	**February 28 2023**
Accumulated Depreciation/Amortization					
Computer equipment	$ 174,157	$ (45,905)	$ 128,252	$ 195	**$ 128,447**
Furniture and fixtures	20,787	(9,599)	11,188		**11,188**
Leasehold improvements	220,474	–	220,474		**220,474**
Right of use lease asset	141,280	94,185	235,465	23,547	**259,012**
	$ 556,698	$ 38,681	$ 595,379	$ 23,742	**$ 619,121**
Carrying Amounts	$ 135,221		$ 40,079		**16,337**

7. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

Accounts payable are $203,956 (November 30, 2022 - $151,692). Accrued liabilities are $20,000 (November 30, 2022 - $9,802). Accrued payroll liabilities are $22,312 (November 30, 2022 - $20,639). There are payments due to officers, directors and other related parties of $8,000 (November 30, 2022 - $80,000) for various consulting, management, and director fees.

(Expressed in Canadian Dollars)

8. SHARE CAPITAL

a) Common shares

Authorized:

Unlimited number of common shares without par value.

Issued:

On July 17, 2020, the Company filed a Short Form Base Shelf Prospectus with the British Columbia Securities Commission and using Multilateral Instrument 11-102 Passport System, filed the prospectus in all the provinces and territories of Canada. On July 29, 2020, the Company announced that it established an at-the-marketing equity program that allows the Company to issue and sell up to $2,000,000 of common shares in the capital of the Company from treasury to the public, from time to time, at the Company's discretion. On February 17, 2021, the Company announced the renewal of its at-the-marketing equity program that allows the Company to issue and sell up to $4,000,000 of common shares in the capital of the Company from treasury to the public, from time to time, at the Company's discretion.

(i) Shares issued for services

During the three months ended February 28, 2022, the Company issued an aggregate of 2,265,384 (February 28, 2022 – 650,542) common shares with a fair value of $25,667 (February 28, 2022 - $31,233) for services. The fair value of common shares issued was based on the end of day trading price of the Company's common shares on the date of issuance.

(ii) Shares issued for equity financing

For the quarter ended February 28, 2023, the Company did not issue any common shares through its at-the-market offering.

For the quarter ended February 28, 2022, the Company issued 1,028,000 common shares through its at-the-market offering announced February 17, 2021, at an average price of $0.05 for gross proceeds of $51,400 less commissions of $1,542 for net proceeds of $49,858.

b) Warrants

	Number of Warrants	Weighted Average Exercise Price
Balance, November 30, 2022	7,672,138	$ 0.05
Granted	-	$ -
Expired	-	$ -
Balance, February 28, 2023	**7,672,138**	**$ 0.05**
Exercisable as at February 28, 2023	**7,672,138**	**$ 0.05**

(Expressed in Canadian Dollars)

8. SHARE CAPITAL (continued)

c) Restricted share units

The Company has established a long-term Restricted Share Unit ("RSU") incentive plan for executives and certain employees. This plan was finalized and approved at the Company's Annual General Meeting held on June 10, 2020. Awards generally vest over a three-year period (100% cliff vesting on the third anniversary date). The Board or Compensation Committee may, in its sole, discretion, determine vesting conditions for RSUs and the method of vesting. The Company's policy is to issue common shares for RSUs in the same month in which they vest.

The fair value of the RSUs granted was estimated on grant date using the fair value of the Company's common shares on the date of grant. For RSUs issued prior to June 10, 2020, the closing share price of the Company's common shares on the day that the RSU plan was finalized and approved was used to determine the fair value of the RSUs.

	Number of Units		Weighted average issue price of RSU
Balance, November 30, 2022	20,228,435	$	0.04
Granted	2,425,331		0.01
Vested, issued and released	(2,923,866)		0.07
Forfeited	(7,039,345)		0.04
Balance, February 28, 2023	**12,690,555**	**$**	**0.04**

Expiration Dates	**Outstanding RSUs**		**Weighted Average Issue Price**
March 1, 2023 to November 30, 2023	1,350,337	$	0.07
December 1, 2023 to November 30, 2024	2,027,215		0.08
December 1, 2024 to November 30, 2025	8,054,339		0.03
December 1, 2025 to November 30, 2026	1,258,664		0.00
	12,690,555	**$**	**0.04**

For the three months ended February 28, 2023, the Company recognized RSU share-based compensation gain of $223,871 (February 28, 2022 – expense of $67,021). This was represented by $24,920 of RSU compensation expense and a recovery of $248,791 of previously issued RSUs that were forfeited. Of the RSUs granted, $24,920 (February 28, 2022 - $56,204) were granted to officers and directors of the Company.

(Expressed in Canadian Dollars)

9. STOCK OPTIONS

The Company is authorized to grant options to directors, officers, employees, and consultants to acquire common shares under the 2016 Incentive Stock Option Plan (the "Plan"). The essential elements of the Plan provide that the aggregate number of shares of the Company's common shares issuable pursuant to options granted under the Plan may not exceed 10% of the issued common shares of the Company from time to time. Options granted under the Plan may have a maximum term of five (5) years. The exercise price of options granted under the Plan will not be less $0.10. Stock options granted under the Plan vest immediately subject to vesting terms which may be imposed at the discretion of the Directors. Stock options granted under the Plan are to be settled with the issuance of equity instruments.

For the quarter ended February 28, 2023, the Company recognized share-based compensation recovery of $2,327 (February 28, 2022 – recovery of $134) related to stock options granted of which a cost of $368 (February 28, 2022 – recovery of $1,307) was related to options granted to officers and directors of the Company.

The following summarizes the stock options outstanding.

	Number of Options	Weighted Average Exercise Price	
Balance, November 30, 2022	5,420,000	$	0.20
Granted	-	$	-
Forfeited	-	$	-
Expired	(650,000)	$	0.81
Exercised	-	$	-
Balance, February 28, 2023	**4,770,000**	**$**	**0.12**

Exercise Price	Weighted Average Remaining Life	Options Outstanding (#)	Options Exercisable (#)
0.05	3.43	1,150,000	679,166
0.10	1.75	620,000	620,000
0.11	1.32	350,000	350,000
0.14	1.19	200,000	200,000
0.15	1.18	1,245,000	1,245,000
0.16	1.15	1,155,000	1,155,000
0.18	2.01	50,000	50,000
0.20	**1.95**	**4,770,000**	**4,299,166**

(Expressed in Canadian Dollars)

9. STOCK OPTIONS (continued)

The fair value of options granted was estimated on the date of grant using the Black-Scholes option pricing model assuming no expected dividends, and the following weighted-average assumptions in the twelve months to February 28, 2023.

	February 28 2023	February 28 2022
Risk-free interest rate	**3.05%**	1.45%
Expected volatility	**177%**	155%
Expected option life (in years)	**5.0**	5.0
Expected forfeiture rate	**5%**	5%

The average fair value of stock options granted in the twelve months ending February 28, 2022 was $0.01 (February 28, 2022 - $0.04).

10. GENERAL AND ADMINISTRATION EXPENSES

	Three Months Ended	
	February 28 2023	February 28 2022
Bank charges and interest	**614**	17,785
Consulting fees	**–**	1,425
Directors' fees (note 19)	**3,333**	18,333
Insurance	**3,320**	3,551
Investor relations	**41,128**	457
Legal, accounting, and auditing	**16,454**	35,347
Office	**2,034**	9,261
Rent	**6,188**	18,322
Transfer agent and filing fees	**28,242**	36,410
Travel	**302**	245
Wages and benefits (note 18)	**97,836**	136,251
	199,451	277,387

(Expressed in Canadian Dollars)

11. RESEARCH AND DEVELOPMENT EXPENSES

	Three Months Ended	
	February 28 2023	February 28 2022
Consulting	**48,167**	73,840
Information technology	**15,778**	21,823
Wages and benefits (note 18)	**41,077**	107,291
	105,022	202,954

12. SALES AND MARKETING EXPENSES

	Three Months Ended	
	February 28 2023	February 28 2022
Consulting fees	**12,345**	28,450
Promotions and events	**32**	3,874
Sales and marketing	**2,212**	36,144
Travel	**2**	20
Wages and benefits (note 18)	**28,092**	37,299
	42,683	105,787

13. SEGMENTED INFORMATION

The Company has one operating segment with assets located in Canada and the USA. The USA operating segment does not exceed 10% of reported revenue or 10% of the combined assets of the Company. The geographic segments have been aggregated into a single operating segment based on similar economic characteristics.

(Expressed in Canadian Dollars)

14. SUPPLEMENTAL CASH FLOW INFORMATION

	Three Months Ended	
	February 28 2023	February 28 2022
Non-cash investing and financing activities		
Common shares issued for services	**25,667**	31,233
Transfer of reserves upon vesting of RSUs	**212,974**	–
Transfer of reserves upon exercise of stock options	**–**	–
Supplementary disclosures		
Income taxes paid	**–**	–
Interest paid on lease liabilities	**(2,046)**	(5,978)
Interest received	**462**	722

15. REVENUE

The breakdown of revenue for the three months ended February 28, 2023 and 2022 is as follows:

	Three Months Ended	
	February 28 2023	February 28 2022
Licensing revenue	**–**	7,000
Transaction revenue	**1,492**	1,982
Subscription revenue	**1,216**	-
	2,708	8,982

(Expressed in Canadian Dollars)

16. RELATED PARTY TRANSACTIONS

Key management personnel are those persons having the authority and responsibility for planning, directing, and controlling activities of the entity, directly or indirectly. The key management personnel of the Company are the members of the Company's executive management team and Board of Directors. Compensation provided to key management personnel is as follows:

	February 28 2023	February 28 2022
Directors' fees	**3,333**	18,333
Remuneration and fees	**84,000**	142,035
Share-based compensation	**49,288**	54,897
	136,621	215,265

At February 28, 2023, the Company owed $Nil (November 30, 2022 - $6,667) to directors of the Company.

At February 28, 2022, the Company owed $8,000 (November 30, 2022 - $16,800) to the Chief Technology Officer of the Company which is included in accounts payable and accrued liabilities.

Amounts due to or from related parties are unsecured, do not bear interest, and are classified as a current asset or liability due to their nature and expected time of repayment.

17. COMMITMENTS AND LEASE LIABILITIES

On June 1, 2020, the Company commenced a three-year lease for its office premises. It is a triple net lease with a base rent of $9,485 per month in Year 1; $9,716 per month in Year 2; and $9,947 per month in Year 3. Upon commencement of the lease, the Company recognized a right-of-use asset and a lease liability. The incremental borrowing rate used to determine the lease liability was 17.5%, which is the Company's estimated cost of external financing.

The following is a continuity schedule of lease liabilities for the three months ended February 28, 2022.

	$
Balance at November 30, 2022	**56,964**
Lease payments	(9,947)
Interest expenses on lease liabilities	2,046
Balance at February 28, 2023	**49,063**
Current portion	49,063
Long term portion	–

18. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

a) Fair value of financial assets and liabilities that are measured at fair value on a recurring basis

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether the price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Company takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date.

Under IFRS 13, Fair Value Measurement establishes a fair value hierarchy that prioritizes the input to valuation techniques used to measure fair value as follows:

Level 1 – quoted prices (unadjusted) in active markets for identical assets or liabilities;
Level 2 – inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
Level 3 – inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The fair value hierarchy requires the use of observable market inputs whenever such inputs exist.

	Fair value measurements using			
	Quoted prices in active markets for identical instruments (Level 1) $	**Significant other observable inputs (Level 2) $**	**Significant unobservable inputs (Level 3) $**	**Balance, February 28, 2022 $**
Marketable securities	2,745	-	-	2,745

The fair values of other financial instruments, including cash and cash equivalents, notes receivable, accounts payable and accrued liabilities, and lease liabilities approximate their fair values due the short-term nature of the financial instrument.

18. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (continued)

b) Market risk

Market risk is the risk of loss that the fair value of future cash flows of a financial instrument held by the Company will fluctuate because of changes in market prices. The Company faces market risk from changes in market factors such as interest rates, foreign exchange rates, and commodity and equity prices.

(i) Interest rate risk

Interest rate risk consists of two components: to the extent that payments made or received on the Company's monetary assets and liabilities are affected by changes in the prevailing market interest rates, the Company is exposed to interest rate cash flow risk; and to the extent that changes in prevailing market rates differ from the interest rate in the Company's monetary assets and liabilities, the Company is exposed to fair value interest rate risk.

Current financial assets and financial liabilities are generally not exposed to significant cash flow interest rate risk because of their short-term nature, fixed interest rates, and maturity.

The Company may be exposed to fair value interest rate risk if the prevailing market rates increase or decrease compared to the interest rates associated with its financial assets. Management does not believe this risk is significant.

(ii) Foreign currency risk

Foreign currency risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate due to changes in foreign exchange rates. The Company is exposed to foreign currency risk to the extent that monetary assets and liabilities are denominated in a foreign currency.

The Company is exposed to foreign currency risk with respect to its US denominated bank account. At February 28, 2023, financial instruments were converted at a rate of $1 US dollar to $1.3609 (November 30, 2022 – $1.3508) Canadian. A 10% change in foreign exchange rates is not expected to have a material impact on the condensed consolidated interim financial statements.

The Company has not entered into any foreign currency contracts to mitigate foreign currency risk.

(iii) 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. Financial instruments that potentially subject the Company to credit risk consist primarily of cash and cash equivalents. The Company limits its exposure to credit risk by placing its cash and cash equivalents with a high credit quality financial institution in Canada. For amounts receivable, the Company limits its exposure to credit risk by dealing with what management believes to be financially sound counterparties.

The Company's financial assets are not subject to material credit risk as it does not anticipate significant loss for non-performance.

18. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (continued)

(iv) Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in raising funds to meet commitments associated with financial instruments, or the proposed transaction. The Company manages liquidity risk by maintaining adequate cash balances when possible.

The Company's expected source of cash flow in the upcoming year will be through sales and debt or equity financing. Cash and cash equivalents at February 28, 2023 and expected cash flows for the next 12 months are not sufficient to fund the Company's ongoing operational and expansion needs. The Company will need funding through equity or debt financing, entering into joint venture agreements, or a combination thereof. On July 29, 2020, the Company announced an at-the-market equity program that allows the Company to issue and sell up to $2,000,000 of common shares in the capital of the Company from treasury to the public, from time to time, at the Company's discretion.

On February 17, 2022, the Company announced the renewal of its at-the-market equity program that allows the Company to issue and sell up to $4,000,000 of common shares in the capital of the Company from treasury to the public, from time to time, at the Company's discretion. On July 14, 2022, the Company announced the end of its at-the-market equity program.

(v) Capital risk management

The Company manages its capital to ensure that it will be able to continue as a going concern while maximizing the return to stakeholders through a suitable debt and equity balance appropriate for an entity of the Company's size and status. The Company's overall strategy remains unchanged from last year.

The capital structure of the Company consists of equity attributable to common shareholders, comprised of issued capital, reserves, and deficit. The availability of new capital will depend on many factors including positive stock market conditions, the Company's track record, and the experience of management. The Company is not subject to any external covenants on its capital and there was no material change from the prior year.

(vi) Price risk

Price risk is the risk that the fair value of investments will decline below the cost of the underlying investments. The Company's marketable securities are exposed to price risk.

19. SUBSEQUENT EVENTS

- **Completion of Merger with Getit**: On March 2, 2023, the Company announced it had completed its merger with Getit. The acquisition was completed through a share exchange, with the Company issuing an equivalent value of $4.655M in common shares of the company in exchange for all of the issued and outstanding shares of Getit. As part of the merger, Steve Cadigan and James Topham stepped down from the Board of Directors of the Company. Ben Lacroix and Ryan Hardy, the co-founders of Getit, were appointed to the Board of Directors and Ryan Hardy became the new CEO with Jonathan Hoyles transitioning to the role of Chief Legal Officer. Patrick Power assumed the position of Audit Committee Chair, succeeding James Topham. The company further announced it planned to change its name and ticker symbol to reflect the combined entity. In connection with the merger, the four largest shareholders of Getit agreed not to sell, assign, or otherwise transfer the common shares of the Company received, with the lock-up period expiring on February 28, 2024.

- **Private Placement**: On April 25, 2023, the Company announced that it had closed a private placement of 11,609,909 units ("Units"), for proceeds of ~$190,000 and settled a debt of ~$85,900 with a creditor by issuing 5,238,414 Units. Each Unit included one Common Share and one Common Share purchase warrant. The net proceeds of the private placement are to be used for sales, marketing, and working capital. The Company also announced that Gary Zhang was transitioning from his role as Chief Technology Officer to an advisory role.