

Mijem Newcomm Tech Inc.

Consolidated Financial Statements

For the years ended July 31, 2023 and 2022

INDEPENDENT AUDITORS' REPORT

To the Shareholders of Mijem Newcomm Tech Inc.

Opinion

We have audited the consolidated financial statements of Mijem Newcomm Tech Inc. and its subsidiary (together, the “Company”), which comprise the consolidated statements of financial position as at July 31, 2023 and 2022, and the consolidated statements of loss and comprehensive loss, changes in shareholders’ equity (deficiency) and cash flows for the years then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Company as at July 31, 2023 and 2022 and its consolidated financial performance and its consolidated cash flows for the years then ended in accordance with International Financial Reporting Standards (“IFRSs”).

Basis of Opinion

We conducted our audits in accordance with Canadian generally accepted auditing standards (“GAAS”). Our responsibilities under those standards are further described in the *Auditors’ Responsibilities for the Audits of the Consolidated Financial Statements* section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audits of the consolidated financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with those requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material Uncertainty Related to Going Concern

We draw attention to Note 1 to the consolidated financial statements which indicates that for the year ended July 31, 2023, the Company incurred a net loss of \$770,588 and had negative cash flows from operations of \$437,452 and, as at that date, had an accumulated deficit of \$7,520,694. As stated in Note 1, these events or conditions, along with other matters as set forth in Note 1, indicate that a material uncertainty exists that may cast significant doubt on the Company’s ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated financial statements as at and for the year ended July 31, 2023. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

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

Other Information

Management is responsible for the other information. The other information comprises the Management’s Discussion and Analysis (“MD&A”), but does not include the consolidated financial statements and our auditors’ report thereon.

Our opinion on the consolidated financial statements does not cover the MD&A and we do not express any form of assurance conclusion thereon.

In connection with our audits of the consolidated financial statements, our responsibility is to read the MD&A, and, in doing so, consider whether the MD&A is materially inconsistent with the consolidated financial statements, or our knowledge obtained in the audits or otherwise appears to be materially misstated.

We obtained the MD&A prior to the date of this auditors' report. If based on the work we have performed on this other information, we conclude that there is a material misstatement of this other information, we are required to report that fact in this auditors' report. We have nothing to report in this regard.

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

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

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

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

Auditors' Responsibilities for the Audits of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with GAAS, we exercise professional judgment and maintain professional skepticism throughout the audits. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audits in order to design audit procedures that are appropriate in the circumstances, but not for the purposes of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.



- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Company to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

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

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

The engagement partner on the audits resulting in this independent auditors' report is Laurence W. Zeifman, CPA, CA.

November 27, 2023
Toronto, Ontario

Zeifmans LLP
Chartered Professional Accountants
Licensed Public Accountants

Mijem Newcomm Tech Inc.
Consolidated Statements of Financial Position
As At July 31, 2023 and 2022
Expressed in Canadian Dollars

As at July 31,	Note	2023	2022
		\$	\$
ASSETS			
Current:			
Cash		21,403	429,883
Short-term investment		5,000	33,000
Government remittances recoverable		17,479	96,482
Prepaid expenses		2,247	77,332
		46,129	636,697
Non-Current			
Equipment	8	-	998
Intangible assets	9	-	43,936
		-	44,934
TOTAL ASSETS		46,129	681,631
LIABILITIES			
Current:			
Accounts payable and accrued liabilities	10	240,245	163,007
TOTAL LIABILITIES		240,245	163,007
SHAREHOLDERS' EQUITY (DEFICIENCY)			
Share capital	11	6,271,777	6,271,777
Warrants reserve	11	117,874	117,874
Options reserve	11	-	377,746
Contributed surplus	11	936,927	501,333
Deficit		(7,520,694)	(6,750,106)
TOTAL SHAREHOLDERS' EQUITY (DEFICIENCY)		(194,116)	518,624
		46,129	681,631

These consolidated financial statements were approved for issue on Nov 27th, 2023 by the board of directors and signed on its behalf by:

"Phuong Dinh"
Director

"Alex Pekurar"
Director

Mijem Newcomm Tech Inc.

Consolidated Statements of Loss and Comprehensive Loss For the Years Ended July 31, 2023 and 2022

Expressed in Canadian Dollars

	Note	2023	2022
		\$	\$
REVENUE		-	6,653
EXPENSES			
Advertising and promotion		94,534	455,299
Corporate management		127,597	359,454
Salaries		126,532	293,789
Research and development		94,892	310,922
Share based compensation	11	57,848	305,519
Interest		2,715	24,148
Professional fees		33,354	144,456
Regulatory fees		28,437	25,721
Communication		28,407	14,909
Amortization of intangible assets	9	7,964	3,990
Office and sundry expense		15,685	9,619
Bank charges		3,072	2,639
Insurance		114,412	57,776
Rent		600	4,074
Depreciation of equipment	8	132	1,380
Listing expense	4, 7	-	783,042
TOTAL EXPENSES		736,181	2,796,737
LOSS BEFORE THE FOLLOWING ITEMS		(736,181)	(2,790,084)
Impairment of intangible assets	9	(35,561)	-
Interest income		2,081	3,345
Gain (loss) on disposal of equipment		106	-
Revaluation of cryptocurrency		(412)	(5,169)
Foreign currency translation loss		(622)	(5,805)
Change in fair value of derivative liability		-	59,041
Accretion expense		-	(37,483)
NET LOSS AND COMPREHENSIVE LOSS		(770,588)	(2,776,155)
Basic and diluted loss per share		(0.0277)	(0.1307)
Weighted average number of basic common shares outstanding		27,787,636	21,232,662

Mijem Newcomm Tech Inc.

Consolidated Statements of Changes in Shareholders' Equity (Deficiency)

For the Years Ended July 31, 2023 and 2022

Expressed in Canadian Dollars

	Note	Number of shares	Share capital capital	Warrant reserve	Option reserve	Contributed surplus surplus	Deficit	Total
			\$	\$	\$	\$	\$	\$
As at July 31, 2021		11,333,989	2,769,487	416,314	76,828	29,615	(3,973,951)	(681,707)
Shares issued on conversion of promissory notes	11	4,124,428	667,278	-	-	-	-	667,278
Shares issued for cash	11	9,946,630	2,344,849	-	-	-	-	2,344,849
Equity issued for amalgamation	7, 11	2,441,624	610,406	86,286	27,065	-	-	723,757
Broker warrants issued	11	-	(65,282)	65,282	-	-	-	-
Exercise of warrants	11	295,168	25,067	(24,984)	-	-	-	83
Redemption of shares	11	(354,203)	(80,028)	-	-	15,028	-	(65,000)
Share based compensation	11	-	-	-	305,519	-	-	305,519
Expiry of warrants	11	-	-	(425,024)	-	425,024	-	-
Expiry of options	11	-	-	-	(31,666)	31,666	-	-
Net loss and comprehensive loss for the year		-	-	-	-	-	(2,776,155)	(2,776,155)
As at July 31, 2022		27,787,636	6,271,777	117,874	377,746	501,333	(6,750,106)	518,624
Share based compensation	11	-	-	-	57,848	-	-	57,848
Cancellation and forfeiture of options and stock options	11	-	-	-	(435,594)	435,594	-	-
Net loss and comprehensive loss for the year		-	-	-	-	-	(770,588)	(770,588)
As at July 31, 2023		27,787,636	6,271,777	117,874	-	936,927	(7,520,694)	(194,116)

Mijem Newcomm Tech Inc.
Consolidated Statements of Cash Flow
For the Years Ended July 31, 2023 and 2022

Expressed in Canadian Dollars

	Note	2023	2022
		\$	\$
CASH FLOW FROM OPERATING ACTIVITIES			
Net loss and comprehensive loss		(770,588)	(2,776,155)
Items not affecting cash			
from operating activities:			
Share based compensation		57,848	305,519
Accretion expense		-	37,483
Depreciation of equipment		132	1,380
Loss (gain) on disposal of equipment		(106)	392
Amortization of intangible assets		7,964	3,990
Impairment of intangible assets		35,561	-
Listing expense		-	783,042
Revaluation of cryptocurrency		412	5,169
Government assistance		-	-
Change in fair value of derivative liability		-	(59,041)
		(668,778)	(1,698,221)
Net changes in non-cash working capital:			
Government remittances recoverable		79,003	(53,532)
Investment tax credit receivable		-	31,789
Prepaid expenses		75,085	(71,817)
Accounts payable and accrued liabilities		77,238	(149,476)
Cash flows for operating activities		(437,452)	(1,941,257)
CASH FLOWS FROM INVESTING ACTIVITIES			
Cash acquired on amalgamation		-	3,290
Purchase of short-term investments		-	(33,000)
Sale of short-term investments		28,000	-
Sale of equipment		972	-
Increase in intangible assets		-	(3,292)
Cash flows from investing activities		28,972	(33,002)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds on the exercise of warrants		-	83
Repayments of long-term loans		-	(239,237)
Shares issued for cash		-	2,344,849
Redemption of shares		-	(65,000)
Cash flows from financing activities		-	2,040,695
NET INCREASE (DECREASE) IN CASH FOR THE YEAR		(408,480)	66,436
CASH, BEGINNING OF THE YEAR		429,883	363,447
CASH, END OF THE YEAR		21,403	429,883

Mijem Newcomm Tech Inc.

Notes to the Consolidated Financial Statements

July 31, 2023 and 2022

(Expressed in Canadian Dollars, except per share amounts)

1. Nature of Operations and Going Concern

Mijem Newcomm Tech Inc. ("MNTI") (together with its subsidiary, the "Company") is a company incorporated under the Canada Business Corporations Act and domiciled in the Province of Ontario. The address of the Company's registered office is 50 Carroll St., Toronto, Ontario M4M 3G3. The Company's primary business is the development and monetization of online and mobile applications.

On January 6, 2022, Mijem Inc., ("MI") completed its reverse takeover transaction ("RTO") with Great Oak Enterprises Ltd., ("GOE"). (see note 4) As part of the RTO, MI and 2845964 Ontario Corp., a wholly owned subsidiary of GOE, ("GOE subco") amalgamated by way of a triangular amalgamation under the Business Corporations Act (Ontario) (the "Amalgamation"). GOE has changed its name to MNTI and continues as the reporting issuer (MJEM:CSE).

The RTO has been accounted for as a reverse takeover by MI, such that these consolidated financial statements reflect the accounts of MI acquiring GOE, and the comparative information is for MI.

These consolidated financial statements have been prepared in accordance with accounting principles that apply to a going concern. This presupposes that the Company will continue its operations in the foreseeable future and that it will be able to realize its assets and discharge its liabilities in the normal course of operations.

The Company has an accumulated deficit of \$7,520,694 as of July 31, 2023 (2022 - \$6,750,106), and for the year then ended incurred a net loss of \$770,588 (2022- \$2,776,155) and negative cash flows from operations of \$437,452 (2022 - \$1,941,257).

The Company's continuation as a going concern is dependent upon successful results from the development and monetization of the Company's online and mobile applications and its ability to attain profitable operations and/or raise capital sufficient to meet current and future obligations, all of which are uncertain. These material uncertainties cast doubt about the ability of the Company to continue as a going concern. Management intends to finance operating costs over the next twelve months with a combination of earned revenue and the issuance of debt and/or common shares.

The carrying amount of assets, liabilities, revenue, and expenses presented in these financial statements have not been adjusted as would be required if the going concern assumption was not appropriate.

2. Basis of Preparation

(a) Statement of compliance

These consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and interpretations of the IFRS Interpretations Committee. The policies in these consolidated financial statements are based on IFRS issued and outstanding as of November 24, 2023 the date these consolidated financial statements were authorized and issued by the board of directors. The board of directors has the power to amend the consolidated financial statements after issue.

(b) Basis of consolidation

The consolidated financial statements comprise the financial statements of the Company, and its wholly owned subsidiary Mijem Inc. Mijem Inc. is domiciled in the Province of Ontario. All intercompany transactions and balances between and among the Company and its subsidiary have been eliminated on consolidation. Where necessary, adjustments are made to assets, liabilities, and results of subsidiary to bring their accounting policies into line with those used by the Company. Subsidiaries are entities controlled by the Company. The financial statements of the subsidiary are included in the consolidated financial statements from the date that control commences until the date that control ceases. The Company controls an entity if it has power to direct the activities of the entity that significantly affects its returns ("the relevant activities"), has exposure or rights to variable returns from its involvement with the entity and has the ability to use its power to affect those returns.

Profit or loss and each component of other comprehensive income ("OCI") are attributed to the equity holders of the Company and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. When necessary, adjustments are made to the financial statements of the subsidiary to bring their accounting policies into line with the Company's accounting policies. All intra-group assets and liabilities, equity, income, expenses, and cash flows relating to transactions between the Company and its subsidiary are eliminated in full on consolidation. A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction.

Mijem Newcomm Tech Inc.

Notes to the Consolidated Financial Statements

July 31, 2023 and 2022

(Expressed in Canadian Dollars, except per share amounts)

(c) Basis of measurement

These consolidated financial statements have been prepared on the historical cost basis except for certain financial instruments which are measured at fair value.

(d) Functional and presentation currency

The consolidated financial statements are presented in Canadian dollars, which is also the functional currency of the Company and its subsidiary. All financial information presented has been rounded to the nearest dollar except where indicated otherwise.

3. Summary of Significant Accounting Policies

(a) Cash and cash equivalents

Cash and cash equivalents include all cash and all highly liquid investments with original maturities of three months or less.

(b) Equipment

Equipment was stated as cost less accumulated depreciation. Equipment is depreciated over their estimated useful life at the following annual rates:

Furniture and fixtures	20%
Computer equipment	55%

Equipment was depreciated from the date the asset is available for use as intended until the date of disposition.

Property and equipment is derecognized upon disposal or when no future economic benefits are expected from its use. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of loss and comprehensive loss when the asset is derecognized. The assets' residual values, useful lives and methods of depreciation were reviewed at each reporting date, and adjusted prospectively if appropriate.

(c) Intangible assets

Intangible assets include cryptocurrency, expenditures related to obtaining patents and technology rights associated with patents and trademarks.

Patents and technology rights

The amortization of patent costs commences when the associated products are available for commercial sale and is amortized on a straight line basis over its respective legal lives or economic life, if shorter. Patents have an estimated useful life of 17 years. Trademarks are considered to have finite useful lives of ten years and, as such, are recorded at cost less accumulated amortization. The amortization of trademarks is on a straight-line basis over ten years. Amortization methods, useful lives, and residual values are reviewed at each reporting date and adjusted if appropriate. Expenditures on research activities, undertaken with the prospect of gaining new scientific or technical knowledge and understanding, are recognized in operations as incurred.

Development activities involve a plan or design for the production of new, or substantially improved, products or processes related to the Company's technology platforms. Development expenditures are capitalized only if the relevant IFRS criteria are met. Capitalized development expenditures are amortized from the beginning of commercial production and sales and are amortized on a straight-line basis over the remaining useful life of the related patent(s). Development expenditures, in relation to the Company's website and app platforms, have not satisfied the above criteria and are recognized in operations as incurred.

Mijem Newcomm Tech Inc.

Notes to the Consolidated Financial Statements

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(Expressed in Canadian Dollars, except per share amounts)

Cryptocurrency

Cryptocurrency meet the definition of intangible assets in IAS 38 Intangible Assets as they are identifiable non-monetary assets without physical substance. They are initially recorded at their fair value at their acquisition date and the revaluation method is used to measure the cryptocurrency subsequently. The Company revalues its cryptocurrency at the end of each of its reporting periods and at its annual financial reporting date. Increases in fair value are recorded in other comprehensive income as revaluation surplus, while decreases are recorded in other comprehensive income to the extent of any credit balance in revaluation surplus in respect of cryptocurrency, with any remaining decrease being recorded in profit or loss.

There is no recycling of gains from other comprehensive income to profit or loss. However, to the extent that an increase in fair value reverses a previous decrease in fair value that has been recorded in profit or loss, that increase is recorded in profit or loss.

The Company's only cryptocurrency is Bitcoin Satoshi Vision ("Bitcoin SV"). Management considers the fair value to be a level two input in the fair value hierarchy under IFRS 13 *Fair Value Measurement* as the price on this source represents an average of quoted prices on multiple cryptocurrency exchanges.

(d) Impairment of long-lived assets

As of the end of each reporting period, the Company reviews the carrying amounts of its equipment and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Long-lived assets with indefinite useful life, or those not yet available for use, are tested for impairment annually. When it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash generating unity ("CGU") to which the asset belongs. When a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual CGUs, or otherwise they are allocated to the smallest group of CGUs for which a reasonable and consistent allocation basis can be identified.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pretax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or CGU) is estimated to be less than its carrying amount, the carrying amount of the asset (or CGU) is reduced to its recoverable amount. An impairment loss is recognized immediately in profit or loss.

When an impairment loss subsequently reverses, the carrying amount of the asset (or a CGU) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset (or CGU) in prior periods. A reversal of an impairment loss is recognized immediately in profit or loss.

(e) Financial instruments

Classification

The Company determines the classification of financial instruments at initial recognition and classifies its financial instruments in the following measurement categories:

- Those to be measured subsequently at fair value (either through profit or loss ("FVTPL") or through other comprehensive income ("FVOCI");
- Those to be measured at amortized cost.

The classification of debt instruments is driven by the Company's business model for managing the financial assets and their contractual cash flow characteristics. Assets that are held to collect contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortized cost. Equity instruments that are held for trading (including all equity derivative instruments) are classified as FVTPL. For other equity instruments, on the day of acquisition the Company can make an irrevocable election (on an instrument-by-instrument basis) to designate them as at FVOCI. Financial liabilities are measured at amortized cost, unless they are required to be measured at FVTPL (such as instruments held for trading or derivatives) or the Company has opted to measure them at FVTPL.

Financial instruments with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest.

Mijem Newcomm Tech Inc.

Notes to the Consolidated Financial Statements

July 31, 2023 and 2022

(Expressed in Canadian Dollars, except per share amounts)

Measurement

Financial instruments at amortized cost

Financial instruments at amortized cost are initially recognized at fair value, and subsequently carried at amortized cost less any impairment.

Currently, the Company classifies accounts payable and accrued as financial liabilities at amortized cost.

Financial instruments at FVTPL

Financial instruments are initially recorded at fair value and transaction costs are expensed in the consolidated statements of loss and comprehensive loss. Financial instruments at FVTPL are subsequently measured at fair value, with gains and loss on disposition and unrealized gains and loss from changes in fair value are recognized in the consolidated statement of loss and comprehensive loss. The effective portion of gains and losses on financial instruments designed as hedges is included in the statements of comprehensive loss in the period in which it arises. When management has opted to recognize a financial liability at FVTPL, any changes associated with the Company's own credit risk will be recognized in other comprehensive income (loss).

Currently, the Company classifies cash and short-term investments as FVTPL.

Financial instruments at FVOCI

Currently, the Company does not have any instruments classified as FVOCI.

Business model assessment

The Company makes an assessment of the objective of a business model in which an asset is held at a portfolio level because this best reflects the way the business is managed, and information is provided to management. The information considered includes:

- the stated policies and objectives for the portfolio and the operation of those policies in practice. In particular, whether management's strategy focuses on earning contractual interest revenue, maintaining a particular interest rate profile, matching the duration of the financial assets to the duration of the liabilities that are funding those assets or realizing cash flows through the sale of assets;
- how the performance of the portfolio is evaluated and reported to the Company's management;
- the risks that affect the performance of the business model (and the financial assets held within that business model) and how those risks are managed;
- how managers of the business are compensated – e.g. whether compensation is based on the fair value of the assets managed or the contractual cash flows collected; and
- the frequency, volume and timing of sales in prior periods, the reasons for such sales and its expectation about future sales activity. However, information about sales activity is not considered in isolation, but as part of an overall assessment of the Company's stated objective for managing the financial assets is achieved and how cash flows are realized.

Assessment whether contractual cash flows are solely payments of principal and interest

For the purposes of this assessment, 'principal' is defined as the fair value of the financial asset on initial recognition. 'Interest' is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs (e.g. liquidity risk and administrative costs), as well as profit margin.

In assessing whether the contractual cash flows are solely payments of principal and interest, the Company considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of the contractual cash flows such that it would not meet this condition. In making the assessment, the Company considers:

- contingent events that would change the amount and timing of cash flows;
- leverage features;
- prepayment and extension terms;
- terms that limit the Company's claim to cash flows from specified assets (e.g. non-recourse asset arrangements); and
- features that modify consideration of the time value of money – e.g. periodical rest of interest

Mijem Newcomm Tech Inc.

Notes to the Consolidated Financial Statements

July 31, 2023 and 2022

(Expressed in Canadian Dollars, except per share amounts)

Reclassifications

The Company would only reclassify a financial asset when the Company changes its business model for managing the financial asset. All reclassifications are recorded at fair value at the date of reclassification, which becomes the new carrying value.

Financial assets are not reclassified subsequent to their initial recognition, except in the period after the Company changes its business model for managing financial assets.

Derecognition

Financial assets

The Company derecognizes a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Company neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

On derecognition of a financial asset, the difference between the carrying amount of the asset (or the carrying amount allocated to the portion of the asset derecognized) and the sum of (i) the consideration received (including any new asset obtained less any new liability assumed) and (ii) cumulative gain or loss that had been recognized in other comprehensive income ("OCI") is recognized in profit or loss.

Financial liabilities

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

Modifications of financial assets and financial liabilities

Financial assets

If the terms of a financial asset are modified, the Company evaluates whether the cash flows of the modified asset are substantially different. If the cash flows are substantially different, then the contractual rights to cash flows from the original financial asset are deemed to have expired. In this case, the original financial asset is derecognized, and a new financial asset is recognized at fair value.

If the cash flows of the modified asset carried at amortized cost are not substantially different, then the modification does not result in derecognition of the financial asset. In this case, the Company recalculates the gross carrying amount of the financial asset and recognizes the amount arising from adjusting the gross carrying amount as a modification gain or loss in profit or loss. If such a modification is carried out because of financial difficulties of the borrower, then the gain or loss is presented together with impairment losses. In other cases, it is presented as interest income.

Financial liabilities

The Company derecognizes a financial liability when its terms are modified, and the cash flows of the modified liability are substantially different. In this case, a new financial liability based on the modified terms is recognized at fair value. The difference between the carrying amount of the financial liability extinguished and the new financial liability with modified terms is recognized in profit or loss.

Offsetting

Financial assets and financial liabilities are offset, and the net amount presented in the statement of financial position when, and only when, the Company currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realize the asset and settle the liability simultaneously.

Income and expenses are presented on a net basis only when permitted under IFRS, or for gains and losses arising from a group of similar transactions.

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(Unaudited)

Fair value measurement

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 in the principal or, in its absence, the most advantageous market to which the Company has access at that date. The fair value of a liability reflects its non-performance risk.

When one is available, the Company measures the fair value of an instrument using the quoted price in an active market for that instrument. A market is regarded as active if transactions for the asset or liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis.

If there is no quoted price in an active market, then the Company uses valuation techniques that maximize the use of relevant observable inputs and minimize the use of unobservable inputs. The chosen valuation technique incorporates all of the factors that market participants would take into account in pricing a transaction.

The best evidence of the fair value of a financial instrument on initial recognition is normally the transaction price – i.e. the fair value of the consideration given or received. If the Company determines that the fair value on initial recognition differs from the transaction price and the fair value is evidenced neither by a quoted price in an active market for an identical asset or liability nor based on a valuation technique for which any observable inputs are judged to be insignificant in relation to the measurement, then the financial instrument is initially measured at fair value, adjusted to defer the difference between the fair value on initial recognition and the transaction price. Subsequently, that difference is recognized in profit or loss on an appropriate basis over the life of the instrument but no later than when the valuation is wholly supported by observable market data or the transaction is closed out.

If an asset or a liability measured at fair value has a bid price and an ask price, then the Company measures assets and long positions at a bid price and liabilities and short positions at an ask price.

Portfolio of financial assets and financial liabilities that are exposed to market risk and credit risk that are managed by the Company on the basis of the net exposure to either market or credit risk are measured on the basis of a price that would be received to sell a net long position (or paid to transfer a net short position) for the particular risk exposure. Portfolio-level adjustment – e.g. bid-ask adjustment or credit risk adjustments that reflect the measurement on the basis of the net exposure – are allocated to the individual assets and liabilities on the basis of the relative risk adjustment of each of the individual instruments in the portfolio.

The fair value of a financial liability with a demand feature is not less than the amount payable on demand, discounted from the first date on which the amount could be required to be paid. The Company recognizes transfers between levels of the fair value hierarchy as of the end of the reporting period during which the change has occurred.

Impairment

Credit-impaired financial assets

At each reporting date, the Company assesses whether financial assets carried at amortized costs and debt financial assets carried at FVOCI are credit-impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Evidence that a financial asset is credit-impaired includes the following observable data:

- Significant financial difficulty of the borrower or issuer;
- A breach of contract such as a default or past due event;
- The restructuring of a loan or advance by the Company on terms that the Company would not consider otherwise;
- It is becoming probable that the borrower will enter bankruptcy or other financial reorganization; or
- The disappearance of an active market for a security because of financial difficulties.

A loan that has been renegotiated due to a deterioration in the borrower's condition is usually considered to be credit-impaired unless there is evidence that the risk of not receiving contractual cash flows has reduced significantly and there are no other indicators of impairment.

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Recognition of allowance of expected credit losses ("ECL") in the statement of financial position

The Company recognizes a loss allowance for ECL on trade receivables that are measured at amortized cost. The Company's applied the simplified approach for trade receivables and recognizes the lifetime ECL for these assets. The ECL on trade receivables is estimated using a provision matrix based on the Company's historical credit loss experience, adjusted for factors that are specific to the customers, general economic conditions and an assessment of both the current as well as the forecast direction of conditions at the reporting date, including time value of money where appropriate.

For all other financial assets measured at amortized cost or FVOCI, the Company recognizes lifetime ECL only when there has been a significant increase in credit risk since initial recognition. If the credit risk on such financial instruments has not increased significantly since initial recognition, the Company measures the loss allowance on those financial instruments at an amount equal to 12-months ECL.

Lifetime ECL represents the ECL that will result from all possible default events over the expected life of a financial asset. In contrast, 12-month ECL represents the portion of lifetime ECL that is expected to result from default events on a financial asset that are possible within 12 months after the reporting date. In assessing whether the credit risk on a financial asset has increased significantly since initial recognition, the Company compares the risk of default occurring on the financial asset at the reporting date with the risk of default occurring at the initial recognition. The Company considers both quantitative and qualitative factors that are supportable, including historical experience and forward-looking information that is available without undue cost or effort.

Irrespective of the above assessment, the Company presumes that the credit risk on a financial asset has increased significantly since initial recognition when contractual payments are more than 30 days past due, unless the Company has reasonable and supportable information that demonstrates otherwise. Despite the foregoing, the Company presumes that the credit risk on a financial asset has not increased significantly since initial recognition if the financial asset is determined to have low credit risk at the reporting date.

The Company regularly monitors the effectiveness of the criteria used to identify whether there has been a significant increase in credit risk and revises them as appropriate to ensure that the criteria are capable of identifying significant increase in credit risk before the amount becomes past due.

Definition of default

For internal credit risk management purposes, the company considers a financial asset not recoverable if the customer balance owing is 120 days past due and information obtained from the customer and other external factors indicate that the customer is unlikely to pay its creditors in full.

Write off policy

Loans and debt securities are written off (either partially or in full) when there is no realistic prospect of recovery. This is generally the case when the Company determines that the borrower does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Company's procedures for recovery of amounts due.

(f) Revenue

Consulting fees are recognized over the period that the performance obligation is delivered.

(g) Income taxes

Income tax is recognized in profit or loss except to the extent that it relates to items recognized directly in equity or other comprehensive income (loss), in which case it is recognized in equity or other comprehensive income (loss).

Current tax expense is the expected tax payable on the taxable income for the period, using tax rates enacted or substantively enacted at period end, adjusted for changes to tax payable with regards to previous periods.

Deferred tax is recognized using the asset and liability method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The following temporary difference do not result in deferred tax assets or liabilities: the initial recognition of assets or liabilities that affect neither accounting nor taxable loss; difference relating to investments in subsidiaries to the extent that they will probably not reverse in the foreseeable future. The amount of deferred tax provided is based on the expected manner of realization or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the statements of financial position date.

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A deferred tax asset is recognized only to the extent that it is probable that future taxable profits will be available against which the asset can be utilized.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Company intends to settle its current tax assets and liabilities on a net basis.

(h) Related party transactions

Parties are considered to be related if one party has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operating decisions. Parties are also considered to be related if they are subject to common control, related parties may be individuals or corporate entities. A transaction is considered to be a related party transaction when there is a transfer of resources or obligations between related parties.

(i) Share capital

Common shares are classified as shareholders' equity. Incremental costs directly attributable to the issue of common shares and share options are recognized as a deduction from equity, net of tax, from the proceeds.

(j) Warrants

The Company follows the relative fair value method with respect to the measurement of common shares and warrants issued as units. The proceeds from the issuance of units are allocated between share capital and warrants. The warrant component is recorded in warrant reserve. Unit proceeds are allocated to common shares and warrants using the Black-Scholes option pricing model and the share price at the time of financing. If and when the warrants are exercised, consideration paid by the warrant holder, together with the amount previously recognized in warrant reserve, is recorded as an increase to share capital. For any warrants that do not vest upon issuance, a forfeiture rate is estimated on the grant date and is adjusted to reflect the actual number of warrants that vest. Upon expiration of warrants, the amount applicable to expired warrants is moved to contributed surplus.

(k) Share-based compensation

Under the Company's stock option plan, all stock options granted have graded vesting periods and are exercisable up to a maximum of 10 years from the date of grant. Each tranche of an award with graded vesting periods is considered a separate grant at each grant date for the calculation of fair value, and the resulting fair value is amortized over the vesting period of the respective tranches. The fair value of the options granted is measured using the Black-Scholes option pricing model taking into account the terms and conditions upon which the options were granted, the estimated volatility, estimated risk-free rate and estimated forfeitures. The value of the options granted is recognized over the vesting period in share-based compensation expense in the statement of loss and comprehensive loss, and in options reserve. Upon exercise, shares are issued from treasury and the amount reflected in options reserve is credited to share capital, along with any consideration paid. Upon expiration of options, the amount applicable to expired options is moved from options reserve to contributed surplus.

If a grant of the share-based payments is cancelled or settled during the vesting period (other than a grant cancelled by forfeiture when the vesting conditions are not satisfied), the Company accounts for the cancellation or settlement as an acceleration of vesting and recognizes immediately the amount that otherwise would have been recognized for services over the remainder of the vesting period.

The amount recognized for goods or services received during the vesting period are based on the best available estimate of the number of equity instruments anticipated to vest. The Company revises that estimate, if necessary, if subsequent information indicates that the number of share options anticipated to vest differs from previous estimates. On vesting date, the Company revises the estimate to equal the number of equity instruments that ultimately vested. After vesting date, the Company makes no subsequent adjustment to total equity for goods or services received if the share options are later forfeited or they expire at the end of the share options' life.

If a grant of the share-based payment is modified during the vesting period (other than a grant cancelled by forfeiture when the vesting conditions are not satisfied) and the fair value of the new instruments is higher than the fair value of the original instrument, the incremental fair value granted is included in the measurement of the amount recognized for services received over the period from modification date until the date when the modified equity instruments vests, in addition to the amount based on the grant date fair value of the original equity instruments, which is recognized over the remainder of the original vesting period of the original instrument.

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(l) Government grants

Government grant funds are recognized in the statement of loss and comprehensive loss when there is reasonable assurance that the Company has complied with the conditions attached to them and that the grant funds will be received. When the grant relates to an expense item, it is recognized as a recovery of the expense item over the period necessary to match the grant on a systematic basis to the costs that it is intended to compensate. Where the grant relates to an asset, it reduces the carrying amount of the asset. The grant is then recognized as income over the useful life of a depreciable asset by way of a reduce depreciation charge. Government grants in the form of forgivable or low interest loans are recognized in income as the difference between the amount received and the present value of anticipated future payments under the loan.

(m) Provisions

Provisions are recorded when a present legal or constructive obligation exists as a result of past events where it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate of the amount of the obligation can be made.

The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at the statement of financial position date, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows. When some or all of the economic benefits required to settle, a provision is expected to be recovered from a third party, the receivable is recognized as an asset if it is virtually certain that the reimbursement will be received and the amount receivable can be measured reliably.

(n) Foreign currency translation

The functional currency of the Company is the currency of the primary economic environment in which the Company operates. The consolidated financial statements are presented in Canadian dollars, which is the Company's functional currency. The functional currency determinations were conducted through an analysis of the consideration factors identified in IAS 21, *The Effects of Changes in Foreign Exchange Rates*.

At the end of each reporting period, monetary assets and liabilities denominated in foreign currencies are translated in Canadian dollars at the period end exchange rate, while non-monetary assets and liabilities are translated at historical rates. Revenue and expenses are translated at the exchange rates approximating those in effect on the date of the transactions. Currency gains and losses arising on translation are included in the consolidated statement of loss and comprehensive loss.

(o) Loss per share

Basic loss per share is calculated by dividing the loss available to common shareholders by the weighted average number of common shares outstanding during the period. Dilutive earnings per share reflect the potential dilution of securities that could share in the earnings of an entity. In periods where a net loss is incurred, potentially dilutive common shares are excluded from the loss per share calculation as the effect would be anti-dilutive and basic and diluted loss per common share is the same. In a profit period, under the treasury stock method, the weighted average number of common shares outstanding used for the calculation of diluted earnings per share assumes that the proceeds to be received on the exercise of diluted stock options and warrants are used to repurchase common shares at the average price during the period.

4. New Standards and Interpretations not yet adopted

IAS 1, Presentation of Financial Statements ("IAS 1") - Classification of Liabilities as Current or Non-Current

In January 2020, the IASB issued amendments to IAS 1. The amendments aim to promote consistency in applying the requirements by helping companies determine whether, in the statements of financial position, debt and other liabilities with an uncertain settlement date should be classified as current (due or potentially due to be settled within one year) or non-current. The amendments include clarifying the classification requirements for debt a company might settle by converting it into equity. The amendments are effective for annual reporting periods beginning on or after January 1, 2024, with earlier application permitted. The Company is still assessing the impact of adopting these amendments on its financial statements.

Amendments to IAS 1 and IFRS Practice Statement 2

In February 2021, the IASB issued amendments to IAS 1 and IFRS Practice Statement 2, Making Materiality Judgements, in

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which it provides guidance and examples to help entities apply materiality judgements to accounting policy disclosures. The amendments aim to help entities provide accounting policies disclosures that are more useful by replacing the requirement for entities to disclose "significant" accounting policies with a requirement to disclose their "material" accounting policies and adding guidance on how entities apply the concept of materiality in making decisions about accounting disclosures. The amendments to IAS 1 are applicable for annual periods beginning on or after January 1, 2023 with earlier application permitted. Since the amendments to IFRS Practice Statement 2 provide non-mandatory guidance on the application of the definition of material to accounting policy information, an effective date for these amendments is not necessary. The amendments are not expected to have a material impact on the Company's financial statements.

IAS 8, Accounting Policies, Changes in Accounting Estimates and Errors ("IAS 8") - Definition of Accounting Estimates

In February 2021, the IASB amendments to IAS 8. The amendment will require the disclosure of material accounting policy information rather than disclosing significant accounting policies and clarifies how to distinguish changes in accounting policies from changes in accounting estimates. Under the new definition, accounting estimates are "monetary amounts in financial statements that are subject to measurement uncertainty". The amendment provides clarification to help entities to distinguish between accounting policies and accounting estimates. The amendments are effective for annual periods beginning on or after January 1, 2023. The Company has determined that adoption of these amendments has no significant effect on the Company's financial statements.

IAS 12, Income Taxes ("IAS 12") - Deferred Tax related to Assets and Liabilities Arising from a Single Transaction

In May 2021, the IASB issued amendments to IAS 12. The amendment narrows the scope of the initial recognition exemption so that it does not apply to transactions that give rise to equal taxable and deductible temporary differences. As a result, companies will need to recognize a deferred tax asset and deferred tax liability for temporary differences arising on initial recognition of transactions such as leases and decommissioning obligations. The amendments are effective for annual reporting periods beginning on or after January 1, 2023 and are to be applied retrospectively. The Company has determined that adoption of these amendments has no significant effect on the Company's financial statements.

All other IFRSs and amendments issued but not yet effective have been assessed by the Company and are not expected to have a material impact on the Company's financial statements.

5. Critical Accounting Estimates and Judgments

The preparation of these consolidated financial statements requires management to make certain estimates, judgments and assumptions that affect the reported amounts of assets and liabilities at the date of the consolidated financial statements and reported amounts of expenses during the reporting period. Actual outcomes could differ from these estimates. These financial statements include estimates which, by their nature, are uncertain. The impacts of such estimates are pervasive throughout the consolidated financial statements and may require accounting adjustments based on future occurrences. Revisions to accounting estimates are recognized in the period in which the estimate is revised and future periods if the revision affects both current and future periods. These estimates are based on historical experience, current and future economic conditions and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Significant judgements, estimates and assumptions that have the most significant effect on the amounts recognized in the financial statements include going concern (thank 1), income taxes (13) and fair value of financial instruments (note 16).

Ability to continue as a going concern

In order to assess whether it is appropriate for the Company to continue as a going concern, management is required to apply judgment and make estimates with respect to future cash flow projections.

In arriving at this judgment, there were a number of assumptions and estimates involved in calculating these future cash flow projections. This includes making estimates regarding the timing and amounts of future expenditures and the ability and timing of raising additional financing.

Estimated useful lives, impairment considerations and amortization of equipment and intangible assets

Amortization of equipment and intangible assets is dependent upon estimates of useful lives based on management's judgment.

Impairment of finite long-lived assets is influenced by judgment in defining a CGU and determining the indicators of impairment, and estimates used to measure impairment losses.

Intangible assets valuation

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The Company's intangible assets valuation requires management to use judgment in estimating the fair value of its patents. The fair value of patents is estimated on the basis of costs incurred.

Share based payments

The fair value of share-based compensation expenses are estimated using the Black-Scholes option pricing model and rely on a number of estimates, such as the expected life of the option, the volatility of the underlying share price, the risk free rate of return, and the estimated rate of forfeiture of options or warrants granted.

6. Government Assistance

The Company recognized \$nil in 2022 (\$39,560 in 2022) in connection with the Northern Ontario Heritage Fund Corporation Grant ("NOHFC Grant") which is recorded in the consolidated statement of loss and comprehensive loss as a reduction of advertising and promotion and research and development expenses.

7. Reverse Takeover Transaction

On January 6, 2022, the Company completed its reverse takeover transaction with GOE. The RTO was completed by way of a share exchange between the shareholders of GOE and the Company. In exchange for their MI shares, MI Shareholders received Resulting Issuer Shares at an exchange ratio of 0.3542 MNTI shares for each one MI share (the "Exchange Ratio").

The RTO constituted a reverse takeover of GOE by MI and has been accounted for as a reverse takeover transaction in accordance with IFRS 2, Share-based payments. The Company did not meet the definition of a business in accordance with IFRS 3, Business combinations, as such, the RTO does not constitute a business combination.

Prior to the Amalgamation the common shares of GOE were consolidated on the basis of 2.8294 pre-consolidation shares of GOE for every one post consolidation share of MNTI.

Prior to the Amalgamation, the subscription receipts held in trust for MI were released and automatically converted to MI shares at \$0.0885 MI share (\$0.25 per MJEM share), The MI shares issued pursuant to the conversion were exchanged alongside other MI shares for MNTI shares in accordance with the terms of the RTO. Upon the release of the subscription receipts, the convertible debentures of MI automatically converted to MI shares at \$0.0668 per MI share, and the MI shares issued pursuant to the conversion were exchanged alongside other MI shares for MNTI shares in accordance with the terms of the RTO.

The effects of the Exchange Ratio and the Share Consolidation have been applied retroactively in these consolidated financial statements.

The purchase results in a share capital increase of \$723,757 which represents the fair value of the resulting issuer shares, options and warrants issued to GOE security-holders to affect the RTO. The difference between the aggregate fair value of the MNTI shares, warrants and options issued to GOE shareholders, option-holders and warrant-holders and the fair value of monetary net assets of GOE acquired of \$(59,285), such difference being \$783,042, has been charged to consolidated deficit and consolidated net loss as a listing expense (see note 11).

Consideration	\$
Fair value of 2,441,624 shares	610,406
Warrant reserve	86,286
Option reserve	27,065
Total consideration	723,757

Net assets acquired (liabilities assumed):

Cash	3,290
Accounts receivable	21,237
Accounts payable and accrued liabilities	(79,297)
Loan	(4,515)
Total net assets acquired (liabilities assumed):	(59,285)

Listing fees	783,042
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8. Equipment

	Furniture and Equipment	Computer Equipment	Total Equipment
	\$	\$	\$
Cost			
Balance, July 31, 2021	1,384	9,006	10,390
Additions	-	-	-
Disposal	(1,384)	(1,763)	(3,147)
Balance, July 31, 2022	-	7,243	7,243
Accumulated Depreciation			
Balance, July 31, 2021	972	6,245	7,217
Change for the period	83	-	83
Disposals	(1,055)	-	(1,055)
Balance, July 31, 2022	-	6,245	6,245
Net book value			
Balance, July 31, 2022	-	998	998
Cost			
Balance, July 31, 2022	-	7,243	7,243
Additions	-	-	-
Disposal	-	(7,243)	(7,243)
Balance, July 31, 2023	-	-	-
Accumulated Depreciation			
Balance, July 31, 2022	-	6,245	6,245
Change for the period	-	132	132
Disposals	-	(6,377)	(6,377)
Balance, July 31, 2023	-	-	-
Net book value			
Balance, July 31, 2023	-	-	-

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9. Intangible assets

	Patents	Trademarks	Crypto currency	Total Intangible
	\$	\$	\$	\$
Cost				
Balance, July 31, 2021	30,887	39,901	10,000	80,788
Additions	3,292	-	-	3,292
Disposals	-	-	-	-
Balance, July 31, 2022	34,179	39,901	10,000	84,080
Accumulated amortization				
Balance, July 31, 2021	-	27,122	3,863	30,985
Change for the year	-	3,990	-	3,990
Loss on revaluation	-	-	5,169	5,169
Balance, July 31, 2022	-	31,112	9,032	40,145
Net book value				
Balance, July 31, 2022	34,179	8,789	968	43,936
Cost				
Balance, July 31, 2022	34,179	39,901	10,000	84,080
Additions	-	-	-	-
Disposals	-	-	-	-
Balance, July 31, 2023	34,179	39,901	10,000	84,080
Accumulated amortization				
Balance, July 31, 2022	-	31,112	9,032	40,145
Change for the year	-	7,964	-	7,964
Loss on revaluation	-	-	412	412
Impairment loss	34,179	826	556	35,561
Balance, July 31, 2023	34,179	39,901	10,000	84,081
Net book value				
Balance, July 31, 2023	0	0	0	0

10. Accounts Payable and Accrued Liabilities

Accounts payable and accrued liabilities consist of the following:

As at July 31,	2023	2022
	\$	\$
Audit fees	79,116	54,500
Research and development	65,950	55,304
Corporate Management	43,542	23,704
Advertising and promotion	21,581	21,313
Other	11,662	5,566
Legal fees	9,259	1,397
Regulatory fees	9,135	1,223
Accounts payable and accrued liabilities	240,245	163,007

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11. Share Capital

Authorized

The Company is authorized to issue an unlimited number of common shares, an unlimited number of Classes A, B and C common shares, and an unlimited number of preferred shares issuable in series by the directors. The common shares are without nominal or par value and may carry rights, privileges, priorities, limitations, conditions, and restrictions according to the class they are issued at including receiving dividends and voting rights.

The Class A common shares have all rights and privileges of common shares with the exception that Class A common shares cannot be traded on any public exchange and automatically convert to common shares on a share-for-share basis four months after an RTO. These shares were automatically converted to common shares on May 6, 2022, and there are no Class A shares outstanding.

The Class B common shares have all rights and privileges of common shares with the exception that Class B common shares cannot be traded on any public exchange and automatically convert to common shares on a share-for-share basis eight months after an RTO. These shares were automatically converted to common shares on September 6, 2022, and there are no Class B shares outstanding.

The Class C common shares have all rights and privileges of common shares with the exception that Class C common shares cannot be traded on any public exchange and automatically convert to common shares on a share-for-share basis twelve months after an RTO. These shares were automatically converted to common shares on January 6, 2023, and there are no Class C shares outstanding.

The preferred shares shall be entitled to preference over the common shares of the Company and over any other shares of the Company with respect to payment of dividends and return of capital and in the distribution of assets in the event of liquidation, dissolution, or wind-up of the Company. There are currently no preferred shares issued and outstanding.

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Issued

The continuity of the outstanding share capital is as follows:

	Shares	Proceeds	Share issuance costs	Total
		\$	\$	\$
Common shares				
As at July 31, 2021	1,452,172	444,237	(13,934)	430,303
Shares issued for cash	9,946,630	2,486,658	(141,809)	2,344,849
Issuance of broker warrants	-	-	(65,282)	(65,282)
Shares issued on conversion of promissory note	412,438	66,728		66,728
Shares issued on amalgamation	244,163	61,041		61,041
Exercise of warrants	29,515	2,507		2,507
Shares issued on conversion of Class A shares	5,352,307	1,195,803	(25,250)	1,170,553
Cancellation of Shares	(354,203)	(80,028)		(80,028)
As at July 31, 2022	17,083,022	4,176,946	(246,275)	3,930,671
Shares issued on conversion of Class B shares	5,352,307	1,195,803	(25,250)	1,170,553
Shares issued on conversion of Class C shares	5,352,307	1,195,803	(25,250)	1,170,553
Exercise of warrants	-	-	-	-
Redemptions of shares	-	-	-	-
As at July 31, 2023	27,787,636	6,568,552	(296,775)	6,271,777
Class A shares				
As at July 31, 2021	3,293,939	804,978	(25,250)	779,728
Shares issued on conversion of promissory note	1,237,330	200,183	-	200,183
Shares issued on amalgamation	732,487	183,122	-	183,122
Exercise of warrants	88,551	7,520	-	7,520
Conversion to common shares	(5,352,307)	(1,195,803)	25,250	(1,170,553)
As at July 31, 2022 and 2023	-	-	-	-
Class B shares				
As at July 31, 2021	3,293,939	804,978	(25,250)	779,728
Shares issued on conversion of promissory note	1,237,330	200,183	-	200,183
Shares issued on amalgamation	732,487	183,122	-	183,122
Exercise of warrants	88,551	7,520	-	7,520
As at July 31, 2022	5,352,307	1,195,803	(25,250)	1,170,553
Conversion to Common shares	(5,352,307)	(1,195,803)	25,250	(1,170,553)
As at July 31, 2023	-	-	-	-
Class C shares				
As at July 31, 2021	3,293,939	804,978	(25,250)	779,728
Shares issued on conversion of promissory note	1,237,330	200,183	-	200,183
Shares issued on amalgamation	732,487	183,122	-	183,122
Exercise of warrants	88,551	7,520	-	7,520
As at July 31, 2022	5,352,307	1,195,803	(25,250)	1,170,553
Conversion to Common shares	(5,352,307)	(1,195,803)	25,250	(1,170,553)
As at July 31, 2023	-	-	-	-
	27,787,636	6,568,552	(296,775)	6,271,777

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Warrants

The following is a summary of the change in warrants for the year ended July 31, 2023 and 2022:

	2023		2022	
	Number of warrants Outstanding	Weighted average exercise price	Number of warrants Outstanding	Weighted average exercise price
<u>Share purchase warrants</u>				
Opening balance	845,080	0.2328	424,180	0.3477
Granted on amalgamation	-	-	742,210	0.1415
Granted	-	-	496,800	0.2500
Expired	-	-	(818,110)	0.2200
Ending balance	845,080	0.2328	845,080	0.2328
<u>Liquidity warrants (a)</u>				
Opening balance	-	-	3,480,936	0.0003
Exercised	-	-	(295,168)	0.0003
Expired	-	-	(3,185,768)	0.0003
Ending balance	-	-	-	-
Total	845,080	0.2328	845,080	0.2328

The following summarizes information about the share purchase warrants outstanding as at July 31, 2023:

Expiry Date	Number of warrants outstanding	Exercise Price \$	Estimated grant date fair Value \$	Weighted average remaining contractual life (in years)
January 6, 2024	496,800	0.2500	65,282	0.436
April 1, 2024	64,920	0.1925	8,722	0.671
May 30, 2025	283,360	0.2117	43,870	1.833
	845,080		117,874	0.922

The Company estimated the aggregate fair value of the warrants issued during the prior year using the Black-Scholes option pricing model with the following assumptions:

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	December 22, 2021		January 6, 2022	
Number of warrants issued		742,210		496,800
Weighted average inputs:				
Stock price	\$	0.25	\$	0.25
Exercise price	\$	0.1415	\$	0.2500
Expected life (years)		0.28		2
Expected volatility		100%		100%
Discount rate		1.07%		1.07%
Expected dividends		Nil		Nil
Fair Value	\$	86,286	\$	65,282

The company recognized share-based payments expense related to the issuance of warrants for the year ended July 31, 2023 of \$nil (2022 - \$nil).

Options

The Company had a stock option plan which is administered by the Board of Directors of the Company with stock options granted to directors, management, employees, and consultants as a form of compensation. The number of common shares reserved for issuance of stock options is limited to a maximum of 10% of the issued and outstanding shares of the Company at any one time.

The following is a summary of changes in options for the year ended July 31, 2023 and 2022:

Year Ended, July 31	2023		2022	
	Number of options Outstanding	Weighted average exercise price	Number of options Outstanding	Weighted average exercise price
Opening balance	2,763,182	0.2346	690,690	0.2528
Granted on amalgamation	-	-	176,716	0.1415
Granted	-	-	2,072,876	0.2500
Expired	(910,000)	0.2500	(177,100)	0.3388
Canceled	(1,853,182)	(0.2322)	-	-
Ending balance	-	-	2,763,182	0.2328

The Company estimated the aggregate fair value of the options issued during the prior year using the Black-Scholes option pricing model with the following assumptions:

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	Issued on Amalgamation	January 14, 2022	April 14, 2022
Number of warrants issued	176,716	1,892,876	180,000
Weighted average inputs:			
Stock price	\$ 0.25	\$ 0.25	\$ 0.25
Exercise price	\$ 0.25	\$ 0.25	\$ 0.25
Expected life (years)	1.49	5	5
Expected volatility	100%	100%	100%
Discount rate	1.07%	1.56%	2.59%
Expected dividends	Nil	Nil	Nil
Fair Value	\$ 27,065	\$ 344,457	\$ 11,209

During the financial year 910,000 options were forfeited by different employees, after leaving the company. On June 21, 2023, the company cancelled 1,853,182 incentive stock options (the "options") pursuant to its Stock option plan. All of these remaining options of the Company had been granted between May 2020 and March 2022 to several of the Company's directors, officers and consultants.

The Company recognized share-based compensation expense related to the issuance of stock options for the year ended July 31, 2023 of \$57,848 (2022 - \$305,519)

The outstanding options and warrants disclosed above were anti-dilutive for the current year and did not impact the calculation of the loss per share.

12. Related Party Transactions

Key management personnel are those persons having authority and responsibility for planning, directing, and controlling the activities of the Company.

Year Ended July 31,	2023	2022
	\$	\$
Consulting fees, payroll and other benefits	101,357	383,803
Share-based compensation	57,848	224,704
	159,205	608,507

For the year ended July 31, 2023, rent expense incurred with an officer of the Company was \$nil (2022 - \$1,274).

Included in consulting fees and share-based compensation above, in the month of January 2023, \$4,196 (2022 - \$nil) was paid to a company related to one of the directors for services in connection with the annual shareholders meeting. For events subsequent to year end, see Note 17.

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13. Income Taxes

The income tax recovery differs from the amount obtained by applying the statutory income tax rate of 26.50% (2022 26.50%) to the loss before income taxes for the year and is reconciled as follows:

	<u>2023</u>	<u>2022</u>
	\$	\$
Loss before income taxes	<u>(770,588)</u>	<u>(2,776,155)</u>
Expected income tax recovery	(204,206)	(735,681)
Share issuance costs	(11,824)	(41,876)
Share based compensation	15,330	79,744
Non-cash listing expense	-	213,008
Other	2,170	(5,106)
Change in unrecognized deferred tax assets	<u>198,530</u>	<u>489,911</u>
Effective tax expense	<u>-</u>	<u>-</u>

The significant components of the Company's deferred tax assets that have not been included in the consolidated statements of financial position are as follows:

	<u>2023</u>	<u>2022</u>
	\$	\$
Non-capital loss carryforwards	1,761,785	1,547,624
Share issuance costs	26,838	38,661
Other	<u>10,095</u>	<u>13,903</u>
	1,798,718	1,600,188
Valuation allowance	<u>(1,798,718)</u>	<u>(1,600,188)</u>
	<u>-</u>	<u>-</u>

Net deferred tax assets have not been recognized in respect of these items because it is not probable that future taxable income will be available against which the Company will be able to use these benefits.

As at July 31, 2023 the Company had non-capital losses which under certain circumstances can be used to reduce taxable income of future years. The non-capital losses expire as follows:

	\$
In the year ending July 31,	
2035	969,754
2036	212,797
2037	277,640
2038	579,845
2039	1,123,856
2040	405,520
2041	526,507
2042	1,744,173
2043	<u>808,152</u>
	<u>6,648,244</u>

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14. Capital Disclosures

The Company's objectives when managing capital are to ensure its ability to continue as a going concern in order to pursue investments and opportunities which contribute to the success of the Company while providing shareholder returns. The company attempts to maximize returns to shareholders by also minimizing shareholder dilution and, when possible, utilizing non-dilutive funding arrangements.

The Company includes equity comprised of share capital, contributed surplus, warrant reserve, options reserve and accumulated deficit in its definition of capital. The Company has financed its operations and capital requirements primarily through the issuance of shares and recently on secured and convertible notes since inception.

The Company manages its capital structure and adjusts it in light of economic conditions and risk characteristics of its underlying assets. The Company may issue new shares or raise debt. The Company is not subject to any externally imposed capital requirements.

15. Contingencies

From time to time the Company may become subject to legal proceedings, claims, and litigation arising in the ordinary course of business. While the outcome of these matters is currently not determinable, the Company does not expect that the ultimate costs to resolve these matters will have a material adverse effect on its consolidated financial position, results of operations, or cash flow.

16. Financial Instruments and Risk Management:

The Company has classified its financial instruments as follows:

As at July 31,	2023	2022
	\$	\$
FVTPL, measured at fair value:		
Cash	21,403	429,883
Short-term Investments	5,000	33,000
Financial liabilities, measured at amortized cost:		
Accounts payable and accrued liabilities	240,245	163,007

The carrying value of the Company's financial instruments approximate their fair value.

Fair values of financial assets and financial liabilities

The Company categorized its financial instruments that are carried at fair value into a three-level fair value hierarchy as follows:

Level 1: Fair value is based on unadjusted quoted prices for identical assets or liabilities in an active market. The types of assets and liabilities classified as Level 1 include cash balances in the Company's bank account of \$21,403 (2022 - \$429,833) and short-term investments \$5,000 (2022- \$33,000).

Level 2: Fair value is based on quoted prices for inactive markets for similar instruments; quoted prices for identical or similar instruments in markets that are not active; and model-derived valuations in which all significant inputs and significant value drivers are observable in active markets. Currently the Company has no level 2 instruments.

Level 3: Valuations derived from valuation techniques in which one or more significant inputs or significant value drivers are unobservable. Currently the Company has no level 3 instruments.

Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its obligations. The Company's maximum exposure to credit risk at July 31, 2023 under its financial instruments is approximately \$26,403 all of which was held by a major financial institution in Canada. Management believes the exposure to credit risk with respect to such institutions is not significant.

Interest rate risk

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Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate due to changes in market interest rates. The Company has cash balances and interest-bearing debt. The Company's current policy is to invest excess cash in investment-grade short-term deposit certificates issued by banking institutions. The Company periodically monitors the investments it makes and is satisfied with credit ratings of its banks. Management believes the exposure to interest rate risk is not significant.

Liquidity risk

Liquidity risk arises through the excess of financial obligations over available financial assets due at any point in time. The Company's objective in managing liquidity risk is to maintain sufficient readily available capital in order to meet its liquidity requirements.

As at July 31, 2023, the Company had cash and cash equivalents and short-term investments of \$26,403 in order to meet current liabilities.

The following obligations existed as at July 31, 2023 and July 31, 2022:

	July 31, 2023	
	less than 1 Year	1-5 years
	\$	\$
Accounts payable and accrued liabilities	<u>240,245</u>	<u>-</u>

	July 31, 2022	
	less than 1 Year	1-5 years
	\$	\$
Accounts payable and accrued liabilities	<u>163,007</u>	<u>-</u>

Currency risk

The Company is not currently subject to significant foreign currency risk.

17. Subsequent Events

On August 2, 2023 the Company granted 2,475,000 stock options pursuant to its Stock Option Plan, to directors of the Company. Each option entitles the holder to purchase one common share of the Company at an exercise price of \$0.05 for a period of five years from the date of grant until August 2, 2028.