RADIAL RESEARCH CORP.

Financial Statements

For the Years Ended May 31, 2024 and 2023
(Expressed in Canadian Dollars)

INDEPENDENT AUDITOR'S REPORT

To the Shareholders of Radial Research Corp.

Opinion

We have audited the financial statements of Radial Research Corp. (the "Company"), which comprise the statement of financial position as at May 31, 2024, and the statements of loss and comprehensive loss, changes and shareholders' equity, and cash flows for the year then ended, and notes to the financial statements, including material accounting policy information.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at May 31, 2024, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards.

Basis for Opinion

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

Material Uncertainty Related to Going Concern

We draw attention to Note 1 of the financial statements, which indicates that the Company has not generated any revenues from operations and incurred a net loss of $145,668 during the year ended May 31, 2024 and, as of that date, has an accumulated deficit of $2,231,513 and a working capital deficit of $323,394. These events or conditions along with other matters, indicate the existence of a material uncertainty that may cast significant doubt on the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements for the year ended May 31, 2024. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. Except for the matter described in the *Material Uncertainty Related to Going Concern* section of our report, we have determined that there are no key audit matters to communicate in our report.

Other Matter

The financial statements of the Company for the year ended May 31, 2023 were audited by another auditor who expressed an unmodified opinion on those financial statements on September 19, 2023.

Other Information

Management is responsible for the other information. The other information comprises the information included in the Management's Discussion and Analysis, but does not include the financial statements and our auditor's report thereon.

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

In connection with our audit of the financial statements, our responsibility is to read the other information, and in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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

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

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

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

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

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

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

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

Saturna Group LLP

Saturna Group Chartered Professional Accountants LLP

Vancouver, Canada

July 29, 2024

RADIAL RESEARCH CORP.
Statements of Financial Position
(Expressed in Canadian Dollars)

As at		**May 31, 2024**		**May 31, 2023**
Assets				
Current				
Cash	$	295,233	$	407,916
Amounts receivable		8,376		15,544
Prepaid expense and deposits		7,500		7,350
Total Current Assets		311,109		430,810
Non-current assets				
Intangible assets (Note 7)		1		1
Total Assets	$	311,110	$	430,811
Liabilities and Shareholders' Deficiency				
Current Liabilities				
Accounts payable and accrued liabilities (Notes 5 and 6)	$	144,548	$	118,343
Convertible debenture (Note 5)		489,955		490,193
Total Liabilities	$	634,503	$	608,536
Shareholders' Deficit				
Common shares (Note 4)	**$**	1,409,734	$	1,409,734
Options reserve (Note 4)		20,000		20,000
Equity portion of convertible debenture (Notes 4 and 5)		478,386		478,386
Deficit		(2,231,513)		(2,085,845)
Total Shareholders' Deficit		(323,393)		(177,725)
Total Liabilities and Shareholders' Deficit	$	311,110	$	430,811

Approved by on behalf of the Board of Directors:

Chris Haill (signed)
Chris Haill, Director

Andrew King(signed)
Andrew King, Director

RADIAL RESEARCH CORP.
Statements of Loss and Comprehensive Loss
(Expressed in Canadian Dollars)

	Year Ended			
		May 31, 2024		**May 31, 2023**
Operating Expenses				
General and administrative (Note 6)	$	83,302	$	72,668
Interest (Note 5)		68,555		68,698
Professional fees (Note 6)		37,533		41,196
Loss Before Other Item		189,390		182,562
Other Item				
Gain on modification of debt (Note 5)		(43,722)		(43,563)
Net Loss and Comprehensive Loss	$	(145,668)	$	(138,999)
Loss Per Share – Basic and Diluted	$	(0.01)	$	(0.00)
Weighted Average Number of Common Shares Outstanding		27,838,189		27,838,189

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

RADIAL RESEARCH CORP.
Statements of Changes in Shareholders' Deficit
(Expressed in Canadian Dollars)

	Number of outstanding common shares	Common shares	Option reserve	Equity portion of convertible debenture	Deficit	Total shareholders' deficit
		$	$	$	$	$
Balance, May 31, 2022	27,838,189	1,409,734	20,000	478,386	(1,946,846)	(38,726)
Net loss for the year	-	-	-	-	(138,999)	(138,999)
Balance, May 31, 2023	27,838,189	1,409,734	20,000	478,386	(2,085,845)	(177,725)
Net loss for the year	-	-	-	-	(145,668)	(145,668)
Balance, May 31, 2024	27,838,189	1,409,734	20,000	478,386	(2,231,513)	(323,393)

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

RADIAL RESEARCH CORP.

Statements of Cash Flows
(Expressed in Canadian Dollars)

		Year ended May 31, 2024		Year ended May 31, 2023
Operating Activities				
Net loss	$	(145,668)	$	(138,999)
Items not affecting cash:				
Gain on modification of convertible debenture		(43,722)		(43,563)
Accretion of convertible debenture		43,484		43,800
Changes in non-cash working capital items:				
Amounts receivable		7,168		(4,304)
Prepaid expenses and deposits		(150)		-
Accounts payable and accrued liabilities		26,205		27,285
Net cash used for operating activities		(112,683)		(115,780)
Change in cash		(112,683)		(115,780)
Cash - beginning of year		407,916		523,696
Cash – end of year	$	295,233	$	407,916
Supplemental disclosure:				
Amounts paid for interest	$	-	$	-
Amounts paid for taxes	$	-	$	-

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

1. NATURE OF OPERATIONS AND GOING CONCERN

Radial Research Corp. (the “Company”) was incorporated under the laws of the Province of British Columbia on June 26, 2017. On October 30, 2018, the Company completed its initial public offering (“IPO”) and is now publicly traded on the Canadian Securities Exchange (“CSE”) under the ticker RAD. The Company is a technology company that develops online and download technologies and services, including software, websites and smartphone applications. The Company is also seeking other opportunities in ecommerce, internet and smartphone-based technologies. The Company’s registered and records office is 890 West Pender Street, Suite 600, Vancouver, British Columbia, V6C 1J9.

These financial statements have been prepared on a going concern basis, which assumes that the Company will be able to realize its assets and discharge its liabilities in the normal course of business. There are material uncertainties that may cast significant doubt about the appropriateness of the going concern assumption as the Company is in the development stage and has not generated any revenues. During the year ended May 31, 2024, the Company had no revenues and incurred a net loss of $145,668. As at May 31, 2024, the Company has an accumulated deficit of $2,231,513 and a working capital deficit of $323,394. The Company’s continuing operations as intended are dependent upon the Company’s ability to obtain the necessary financing to commercialize its technology and administer overhead expenses. Should the Company fail to commercialize its technology, its ability to raise sufficient financing to maintain operations may be impaired and, accordingly, the Company may be unable to realize the carrying value of its net assets. These factors indicate the existence of a material uncertainty that may cast significant doubt upon the Company’s ability to continue as a going concern. These financial statements do not include any adjustments to the recoverability and classification of recorded asset amounts and classification of liabilities that might be necessary should the Company be unable to continue as a going concern. Such adjustments could be material.

2. BASIS OF PRESENTATION

(a) Statement of compliance

These financial statements are prepared in accordance with International Financial Reporting Standards (“IFRS”), as issued by the International Accounting Standards Board (“IASB”).

These financial statements are presented in Canadian dollars, which is the Company’s functional currency.

(b) Basis of presentation

These financial statements have been prepared on a historical cost basis, except for certain financial instruments classified as financial instruments at fair value through profit or loss, which are stated at fair value. In addition, these financial statements have been prepared using the accrual basis of accounting, except for cash flow information.

(c) Approval of the financial statements

These financial statements were authorized for issuance by the Audit Committee and Board of Directors on July 29, 2024.

3. MATERIAL ACCOUNTING POLICIES

(a) Financial instruments

(i) Financial assets

Initial recognition and measurement

A financial asset is measured initially at fair value less, for an item not at fair value through profit or loss, transaction costs that are directly attributable to its acquisition or issue. On initial recognition, a financial asset is classified as measured at amortized cost, fair value through profit or loss or measured at fair value through other comprehensive income.

Subsequent measurement

The subsequent measurement of financial assets depends on their classification as follows:

Financial assets at fair value through profit or loss

Financial assets measured at fair value through profit and loss ("FVTPL") are carried in the statement of financial position at fair value with changes in fair value recognized in the statement of loss. There are no financial assets classified as FVTPL.

Financial assets measured at amortized cost

A financial asset is subsequently measured at amortized cost, using the effective interest method and net of any impairment allowance, if:

- The asset is held within a business whose objective is to hold assets in order to collect contractual cash flows; and
- The contractual terms of the financial asset give rise, on specified dates, to cash flows that are solely payments of principal and interest.

The Company's cash is measured at amortized cost.

Financial assets measured at fair value through other comprehensive income

A financial asset measured at fair value through other comprehensive income ("FVTOCI") is recognized initially at fair value less transaction costs directly attributable to the asset. After initial recognition, the asset is measured at fair value with changes in fair value included as "financial asset at fair value through other comprehensive income" in other comprehensive income. Accumulated gains or losses recognized through other comprehensive income remain within accumulated other comprehensive income when the financial instrument is derecognized or its fair value substantially decreases. There are no financial assets classified as measured as FVTOCI.

3. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

(a) Financial instruments (continued)

(i) Financial assets (continued)

Derecognition

A financial asset or, where applicable, a part of a financial asset or part of a group of similar financial assets is derecognized when:

- The contractual rights to receive cash flows from the asset have expired; or
- The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

(ii) Financial liabilities

Financial liabilities are recognized when the Company becomes a party to the contractual provisions of the financial instrument. A financial liability is derecognized when it is extinguished, discharged, cancelled or when it expires. Financial liabilities are classified as either financial liabilities at fair value through profit or loss or financial liabilities subsequently measured at amortized cost. All interest-related charges are reported in profit or loss within interest expense, if applicable. The Company's financial liabilities include accounts payable and accrued liabilities and convertible debentures, both of which are classified as measured at amortized cost.

(iii) Fair value hierarchy

Fair value measurements of financial instruments are required to be classified using a fair value hierarchy that reflects the significance of inputs used in making the measurements. The levels of the fair value hierarchy are defined as follows:

Level 1 – Quoted prices (unadjusted) in active markets for identical assets or liabilities.
Level 2- Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.
Level 3 – Inputs for assets or liabilities that are not based on observable market data.

The carrying value of cash, and accounts payable and accrued liabilities approximate their fair value due to the short-term maturity of these instruments. The carrying value of the convertible debentures is determined utilizing Level 3 inputs and should not be interpreted as being realizable in an immediate settlement of the financial instrument.

3. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

(b) Common shares

Financial instruments issued by the Company are classified as equity only to the extent that they do not meet the definition of a financial liability or financial asset. The Company's common shares are classified as equity instruments. Common shares issued for consideration other than cash are valued at the fair value of the assets received or the services rendered. If the fair value of the assets received or services rendered cannot be reliably measured, common shares issued for consideration will be valued at their fair value on the date of issuance.

Incremental costs directly attributable to the issue of new shares are shown in equity as a deduction, net of tax, from the proceeds.

(c) Earnings (loss) per share

The Company presents basic and diluted earnings (loss) per share data for its common shares, calculated by dividing the loss attributable to common shareholders of the Company by the weighted average number of shares outstanding during the period. Diluted earnings (loss) per share does not adjust the loss attributable to common shareholders or the weighted average number of common shares outstanding when the effect is anti-dilutive.

Shares held in escrow, other than where their release is subject to the passage of time, are not included in the calculation of the weighted average number of common shares outstanding. As at May 31, 2024 and 2023, the Company has 7,392,857 potentially dilutive common shares outstanding.

(d) Income taxes

Tax provisions are recognized when it is considered probable that there will be a future outflow of funds to a taxing authority. In such cases, a provision is made for the amount that is expected to be settled, where this can be reasonably estimated. This requires the application of judgment as to the ultimate outcome, which can change over time depending on facts and circumstances. A change in estimate of the likelihood of a future outflow and/or in the expected amount to be settled would be recognized in income in the period in which the change occurs.

Deferred income tax assets or liabilities, arising from temporary differences between the tax and accounting values of assets and liabilities, are recorded based on tax rates expected to be enacted when these differences are reversed. Deferred income tax assets are recognized only to the extent it is considered probable that those assets will be recovered. This involves an assessment of when those deferred tax income assets are likely to be realized, and a judgment as to whether there will be sufficient taxable profits available to offset the tax assets when they do reverse. This requires assumptions regarding future profitability and is therefore inherently uncertain. To the extent assumptions regarding future profitability change, there can be an increase or decrease in the amounts recognized in respect of deferred tax assets, as well as in the amounts recognized in the statement of loss in the period in which the change occurs.

Tax provisions are based on enacted or substantively enacted laws. Changes in those laws could affect amounts recognized in the statement of loss both in the period of change, which would include any impact on cumulative provisions, and in future periods.

3. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

(e) Intangible assets

Intangible assets include technology acquired by the Company and have finite useful lives and measured at cost less accumulated amortization and any accumulated impairment losses. Subsequent expenditure is capitalized only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditures are recognized in profit or loss as incurred. Amortization is recorded using the straight-line method and is intended to amortize the cost of the assets over their estimated useful life of 5 years.

(f) Impairment of non-financial assets

At the end of each reporting period, the Company reviews the carrying amounts of long-lived assets to determine whether there is an indication that those assets have suffered an impairment. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment charge (if any).

The recoverable amount used for this purpose is the higher of the 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 pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

If the recoverable amount of an asset is estimated to be less than its recorded amount, the recorded amount of the asset is reduced to its recoverable amount. An impairment charge is recognized immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, to a maximum amount equal to the carrying amount that would have been determined had no impairment loss been recognized for the asset in prior years.

Amortization methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

(g) Compound financial instruments

Compound financial instruments issued by the Company comprise of convertible debentures that can be converted into common shares of the Company. The liability component of a compound financial instrument is recognized initially at the fair value of a similar liability that does not have an equity conversion option. The equity component is recognized initially as the difference between the fair value of the compound financial instrument as whole and the fair value of the liability component. Any directly attributable transaction costs are allocated to the liability and equity components in proportion to their initial carrying amounts.

Subsequent to initial recognition, the liability component of a compound financial instrument is measured at amortized cost using the effective interest method. The equity component of a compound financial instrument is not re-measured subsequent to initial recognition except on conversion or expiry, where this is transferred to common shares or contributed surplus.

3. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

(h) Use of estimates and judgments

The preparation of financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may vary from these estimates.

Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Accounting estimates will, by definition, seldom equal the actual results. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future years affected.

Critical Judgments

Going concern

The assessment of whether the going concern assumption is appropriate requires management to take into account all available information about the future, which is at least, but not limited to, 12 months from the end of the reporting period. The Company is aware that material uncertainties exist related to events or conditions that may cast significant doubt upon the Company's ability to continue as a going concern.

Modification vs. extinguishment of debt

Judgment is required in applying IFRS 9 *Financial Instruments* ("IFRS 9") to determine whether the amended terms of the convertible debentures are a substantial modification of an existing financial liability or whether it should be accounted for as an extinguishment of the original financial liability.

(i) Share-based payments

The Company has a stock option plan that is described in Note 4 and grants share options to acquire common shares of the Company to directors, officers, employees and consultants. Share-based payments to employees are measured at the fair value of the instruments granted. Share-based payments are measured at the fair value of the goods or services received or the fair value of the equity instruments issued as calculated using the Black-Scholes option pricing model. The offset to the recorded expense is to options reserve.

Consideration received on the exercise of stock options is recorded as share capital and the related options reserve is transferred to share capital. For those options that expire, the recorded fair value in options reserve is transferred to deficit.

(j) Recent accounting pronouncements

Certain pronouncements have been issued by the IASB or the IFRS Interpretations Committee that are mandatory for accounting years beginning on or after May 31, 2024 or later years. Management does not believe the adoption of these future standards will have a material impact on the Company's financial statements.

(Expressed in Canadian Dollars)

4. SHARE CAPITAL

(a) Authorized

Unlimited number of common shares without par value.

(b) Issued and outstanding

As of May 31, 2024, the total issued and outstanding share capital consists of 27,838,189 common shares. There were no share issuances during the years ended May 31, 2024 and 2023.

Stock Options

The Company has adopted a stock option plan (the "Plan") pursuant to which it may from time to time, in its discretion, and in accordance with CSE requirements, grant to directors, officers, and consultants to the Company, non-transferable options to purchase common shares of the Company and is the basis for the Company's long-term incentive scheme. The Plan is administered by the Board, or if appointed, by a special committee of directors appointed from time to time by the Board. The maximum number of common shares issuable under the Plan shall not exceed 10% of the number of common shares of the Company issued and outstanding as of each award date, inclusive of all common shares reserved for issuance pursuant to previously granted stock options. The exercise price of options granted under the Plan will not be less than the closing market price of the Company's common shares on the CSE. The options have a maximum term of five years from the date of issuance.

The following is a summary of the changes in the Company's stock options for the years ended May 31, 2024 and 2023:

	2024		2023	
	Number of options	Weighted average exercise price $	Number of options	Weighted average exercise price $
Outstanding, beginning and end of year	250,000	0.11	250,000	0.11

The weighted average remaining life for the outstanding and exercisable options at May 31, 2024 is 1.79 years (2023 – 2.79 years).

5. CONVERTIBLE DEBENTURE

On August 20, 2019, the Company issued a convertible debenture for proceeds of $500,000 to a third party. The principal and interest under the debenture is convertible at the election of the debenture holder at any time at a conversion price of $0.15 per share, subject to conventional anti- dilution adjustments and to certain escrow release conditions. The convertible debenture has a maturity date of August 20, 2024 and bears interest at 5% per annum.

The Company valued the equity component of the debenture using the residual method and prorated the liability and equity portion accordingly. Under this method, the fair value of the liability component was calculated using an estimated market rate, 15%, for similar debt without warrants or a conversion feature. The liability component at inception was calculated to be $418,715 and the equity component was $81,285.

(Expressed in Canadian Dollars)

5. CONVERTIBLE DEBENTURE (continued)

On March 25, 2021, the Company amended the terms of the debenture that extended the maturity date to August 19, 2023 and reduced the conversion price to $0.07 per share. The amendment was determined to be a modification of the existing debenture and a loss of $376,828 was recorded in the fiscal year ended May 31, 2021.

On August 19, 2022, the terms of the debenture were amended to extend the maturity date to August 19, 2023. On August 19, 2023, the debenture was amended to extend the maturity date to August 19, 2024.

	Debenture Issue	Liability Component	Equity Component
	$	$	$
Balance, May 31, 2022	500,000	489,955	478,386
Accretion of debt component	-	43,801	-
Modification of debenture	-	(43,563)	-
Balance, May 31, 2023	500,000	490,193	478,386
Accretion of debt component	-	43,484	-
Modification of debenture	-	(43,722)	-
Balance, May 31, 2024	500,000	489,955	478,386

During the year ended May 31, 2024, the Company incurred $25,068 (2023 - $25,000) of accrued interest which is included in accounts payable and accrued liabilities.

6. RELATED PARTY TRANSACTIONS

Key management personnel include those persons having authority and responsibility for planning, directing and controlling the activities of the Company as a whole. The Company has determined that key management personnel consist of executive and non-executive members of the Company's Board of Directors and Corporate Officers.

The remuneration of key management for the years ended May 31, 2024 and 2023 are as follows:

	2024	2023
	$	$
Consulting	51,870	45,739

As at May 31, 2024, the Company had $9,404 (2023 - $4,500) of amounts due to related parties, which has been included in accounts payable and accrued liabilities. Interest is not charged on outstanding balances and there are no specific terms of repayment.

(Expressed in Canadian Dollars)

7. INTANGIBLE ASSETS

	Zoompages	Chatvertizer	Total
	$	$	$
Balance, May 31, 2022, 2023, and 2024	-	1	1

During the year ended May 31, 2022, the Company recorded an impairment loss on intangible assets of $446,599 as the Company was unable to identify a tangible market for both its Zoompages and Chatvertizer assets. As at May 31, 2024, the Company have continued its efforts in identifying a market for Zoompages and Chatvertizer, and have not been successful. As a results, indicators of impairment continue to exist as at May 31, 2024. As this valuation technique requires management's judgment and estimates of the recoverable amount, it is classified within Level 3 of the fair value hierarchy.

8. RISK MANAGEMENT

(a) Credit Risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. Credit risk for the Company is associated with its cash. The Company limited exposure to credit risk by maintaining its cash in trust with large financial institutions in Canada.

(b) Foreign Exchange Rate Risk

Foreign exchange rate risk is the risk that the fair value of the Company's financial instruments will fluctuate because of changes in foreign currency exchange rates. The Company is not materially exposed to significant foreign currency risks.

(c) Interest Rate Risk

The Company's exposure to interest rate risk is limited, as it does not carry any debts with variable interest rates. The Company's convertible debenture carries a fixed interest rate of 5% per annum.

(d) Liquidity Risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset. As at May 31, 2024, the Company has cash of $295,233 (2023 - $407,916) available to offset against current obligations of $634,503 (2023 - $608,536). The Company's accounts payable and accrued liabilities have contractual maturities of less than 30 days and are subject to normal trade terms. The Company's convertible debenture of $500,000, as well as accrued interest of $119,862 will mature on August 19, 2024. The convertible debenture remains outstanding, accruing 5% interest annually.

(e) Market Risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in market prices. Market risk comprises three types of risk: foreign currency risk, interest rate risk and other price risk. The Company is not exposed to significant market risk.

(Expressed in Canadian Dollars)

9. CAPITAL MANAGEMENT

The Company's primary sources of funds come from the issuance of common shares and a convertible debenture. The Company does not use other sources of financing that require fixed payments of interest and principal due to lack of cash flow from current operations and is not subject to any externally imposed capital requirements.

The Company's objective when managing capital is to safeguard the Company's ability to continue as a going concern and to further develop its technology.

The Company defines its capital as shareholders' equity and convertible debentures. Capital requirements are driven by the Company's general operations. To effectively manage the Company's capital requirements, the Company monitors expenses and overhead to ensure costs and commitments are being paid. There have been no changes to the Company's approach to capital management during the year ended May 31, 2024.

10. SEGMENTED INFORMATION

The Company's business consists of one reportable segment, the development of online and download technologies and services, and all of the Company's assets are located in Canada.

11. INCOME TAXES

The tax effect (computed by applying the Canadian federal and provincial statutory rate) of the significant temporary differences, which comprise deferred income tax assets and liabilities, are as follows:

	2024 **$**	**2023** **$**
Canadian statutory income tax rate	27%	27%
Income tax recovery at statutory rate	(39,330)	(37,529)
Tax effect of:		
True up of prior year differences and other	(116,517)	–
Change in unrecognized deferred income tax assets	155,847	37,529
Income tax provision	–	–

The significant components of deferred income tax assets and liabilities are as follows:

	2024 **$**	**2023** **$**
Deferred income tax assets (liabilities)		
Non-capital losses carried forward	410,699	254,852
Intangible assets	165,780	165,780
Convertible debenture	(2,712)	(2,712)
Total gross deferred income tax assets	573,767	417,920
Unrecognized deferred income tax assets	(573,767)	(417,920)
Net deferred income tax asset	–	–

(Expressed in Canadian Dollars)

11. INCOME TAXES (continued)

As at May 31, 2024, the Company has non-capital losses carried forward of $1,521,107, which are available to offset future years' taxable income. These non-capital losses expire as follows:

	$
2037	10
2038	110,437
2039	129,935
2040	165,379
2041	190,275
2042	192,371
2043	586,794
2044	145,906
	1,521,107