APARTMENTLOVE INC.

CONDENSED INTERIM FINANCIAL STATEMENTS

THREE AND NINE MONTHS ENDED SEPTEMBER 30, 2023 AND 2022

(EXPRESSED IN CANADIAN DOLLARS) (UNAUDITED)

NOTICE TO READER

The accompanying unaudited condensed interim financial statements of ApartmentLove Inc. (the "Company") have been prepared by and are the responsibility of management. The unaudited condensed interim financial statements have not been reviewed by the Company's auditors.

ApartmentLove Inc.
Condensed Interim Statements of Financial Position
(Expressed in Canadian Dollars)
(Unaudited)

	As at September 30, 2023	As at December 31, 2022
ASSETS		
Current assets		
Cash and cash equivalents (note 4)	**$ 222,857**	$ 844,000
Accounts receivable (note 5)	**127,773**	138,886
Prepaid expenses and deposits	**139,238**	227,844
	489,868	1,210,730
Non-current assets		
Equipment (note 6)	**3,000**	896
Intangible assets (note 7)	**1,554,804**	1,547,698
Deferred financing costs (note 13)	**2,181,690**	-
Total assets	**$ 4,229,362**	$ 2,759,324
LIABILITIES AND SHAREHOLDERS' EQUITY (DEFICIENCY)		
Current liabilities		
Accounts payable and accrued liabilities (note 9)	**$ 454,563**	$ 767,111
Deferred revenue	**25,798**	11,199
Current portion of term loans (note 10)	**40,000**	40,000
	520,361	818,310
Non-current liabilities		
Term loans (note 10)	**2,674,662**	2,062,810
Total liabilities	**3,195,023**	2,881,120
Shareholders' equity (deficiency)		
Share capital (note 13)	**6,596,270**	4,093,096
Equity portion of convertible debentures (note 10)	**351,692**	315,141
Contributed surplus	**399,100**	440,516
Warrants (note 15)	**1,263,554**	524,290
Deficit	**(7,576,277)**	(5,494,839)
Total shareholders' equity (deficiency)	**1,034,339**	(121,796)
Total liabilities and shareholders' equity (deficiency)	**$ 4,229,362**	$ 2,759,324

Going concern (note 1)

Approved by the Board of Directors:

"George Davidson" — **Director**

"Mackenzie Regent" — **Director**

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

ApartmentLove Inc.
Condensed Interim Statements of Loss and Comprehensive Loss
(Expressed in Canadian Dollars)
(Unaudited)

	Three Months Ended September 30, 2023	Three Months Ended September 30, 2022	Nine Months Ended September 30, 2023	Nine Months Ended September 30, 2022
Revenue (note 11)	**$ 122,111**	$ 182,397	**$ 584,024**	$ 186,131
Cost of sales (note 7)	**31,148**	1,594	**106,838**	2,890
Gross profit	**90,963**	180,803	**477,186**	183,241
Expenses				
Selling, general and administrative expenses (notes 12 & 17)	**455,466**	503,026	**1,594,041**	1,071,095
Stock-based compensation (notes 14 & 17)	**37,560**	-	**57,824**	33,800
Amortization and depreciation (notes 6 & 7)	**73,119**	67,781	**201,324**	138,013
Finance cost	**223,192**	21,592	**621,610**	77,935
Total expenses	**(789,337)**	(592,399)	**(2,474,799)**	(1,320,843)
Net loss before other income	**(698,374)**	(411,596)	**(1,997,613)**	(1,137,602)
Other income (expenses)				
Loss on settlement of payables	**-**	-	**(93,750)**	-
Other income (expenses)	**(696)**	(587)	**9,925**	110,609
Other income (expenses)	**(696)**	(587)	**(83,825)**	110,609
Net loss and comprehensive loss for the period	**$ (699,070)**	$ (412,183)	**$ (2,081,438)**	$ (1,026,993)
Net loss per share - basic and diluted	**$ (0.01)**	$ (0.01)	**$ (0.04)**	$ (0.02)
Weighted average number of common shares outstanding - basic and diluted (note 16)	**52,780,633**	46,587,591	**51,110,159**	42,092,595

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

ApartmentLove Inc.
Condensed Interim Statements of Changes in Shareholders' Equity (Deficiency)
(Expressed in Canadian Dollars)
(Unaudited)

	Share Capital	Equity Portion of Convertible Debentures	Warrants	Contributed Surplus	Deficit	Shareholders' Equity (Deficiency)
Balance, December 31, 2021	**$ 2,939,464**	**$ 55,678**	**$ 44,444**	**$ 443,466**	**$ (3,471,277)**	**$ 11,775**
Private placements, net of issuance costs	926,753		357,255			1,284,008
Equity component of convertible debentures	-	35,397	-	-	-	35,397
Stock-based compensation	-	-	-	33,800	-	33,800
Stock options exercised	114,350	-	-	(39,350)	-	75,000
Net loss for the period	-	-	-	-	(1,026,993)	(1,026,993)
Balance, September 30, 2022	**$ 3,980,567**	**$ 91,075**	**$ 401,699**	**$ 437,916**	**$ (4,498,270)**	**$ 412,987**
Balance, December 31, 2022	**$ 4,093,096**	**$ 315,141**	**$ 524,290**	**$ 440,516**	**$ (5,494,839)**	**$ (121,796)**
Private placements, net of issuance costs	352,652	-	69,463	-	-	422,115
Equity component of convertible debentures	-	43,325	-	-	-	43,325
Warrants issued on convertible debentures	-	-	43,520	-	-	43,520
Shares issued for settlement of payables	1,687,700	-	-	-	-	1,687,700
Warrants issued as share issuance costs	-	-	668,125	-	-	668,125
Shares issued for conversion of convertible debentures	84,338	(6,774)	-	-	-	77,564
Stock-based compensation	-	-	-	57,824	-	57,824
Stock options exercised	277,240	-	-	(99,240)	-	178,000
Warrants exercised	101,244	-	(41,844)	-	-	59,400
Net loss for the period	-	-	-	-	(2,081,438)	(2,081,438)
Balance, September 30, 2023	**$ 6,596,270**	**$ 351,692**	**$ 1,263,554**	**$ 399,100**	**$ (7,576,277)**	**$ 1,034,339**

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

ApartmentLove Inc.
Condensed Interim Statements of Cash Flows
(Expressed in Canadian Dollars)
(Unaudited)

	Nine Months Ended September 30, 2023	Nine Months Ended September 30, 2022
Operating activities		
Net loss for the period	**$(2,081,438)**	$(1,026,993)
Items not affecting cash:		
Amortization and depreciation	**262,450**	138,013
Stock-based compensation	**57,824**	33,800
Loss on settlement of payables	**93,750**	-
Accrued interest and accretion	**621,610**	77,860
Changes in non-cash working capital items:		
Accounts receivable	**11,113**	(82,478)
Deferred revenue	**14,599**	-
Prepaid expenses and deposits	**88,606**	(242,817)
Accounts payable and accrued liabilities	**(232,163)**	(150,067)
Net cash used in operating activities	**(1,163,649)**	(1,252,682)
Investing activities		
Purchase of equipment	**(3,235)**	-
Purchase of intangible assets	**(268,425)**	(133,986)
Cash paid for acquisition of Owner Direct	**-**	(348,162)
Net cash used in investing activities	**(271,660)**	(482,148)
Financing activities		
Private placement, net of issuance costs	**422,115**	1,284,008
Interest paid on convertible debentures	**(199,712)**	-
Proceeds from stock options exercised	**178,000**	75,000
Proceeds from warrants exercised	**59,400**	-
Proceeds from convertible debentures, net of transaction costs	**354,363**	311,880
Net cash provided by financing activities	**814,166**	1,670,888
Net change in cash	**(621,143)**	(63,942)
Cash and cash equivalents, beginning of period	**844,000**	552,733
Cash and cash equivalents, end of period	**$ 222,857**	$ 488,791
Non-cash items not included in cash flows:		
Common shares issued for settlement of payables	**$ 1,687,700**	$ -
Warrant issued as share issuance costs	**$ 668,125**	-

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

1. NATURE OF OPERATIONS AND GOING CONCERN

ApartmentLove Inc. (the "Company") was federally incorporated under the laws of Canada on January 19, 2015, with operations commencing July 15, 2015. The Company provides an interactive real estate website (www.apartmentlove.com) which promotes housing, apartments and other rental properties online by offering prospective tenants photographs, property descriptions, text, price, location, maps and other information that could be considered beneficial to a prospective tenant when making a rental decision.

During the year ended December 31, 2022, the Company acquired the assets of Owner Direct Rentals Inc. and GottaRent.com, which were accounted for as business combinations (note 8).

The Company listed on the Canadian Securities Exchange (the "CSE") and began trading on August 30, 2021 under the ticker symbol "APLV". The Company listed on the OTCQB Venture Market and began trading on November 16, 2022 under the ticker symbol "APMLF".

The Company's head office is located at 1600, 421 – 7th Avenue SW, Calgary, Alberta, Canada, T2P 4K9.

These unaudited condensed interim financial statements have been prepared on the basis that the Company will continue as a going concern, which assumes that the Company will be able to realize its assets and satisfy its liabilities in the normal course of business for the foreseeable future. Management is aware, in making its going concern assessment, of material uncertainties related to events and conditions that may cast significant doubt upon the Company’s ability to continue as a going concern. As at September 30, 2023, the Company had a negative working capital of $30,493 (December 31, 2022 - positive working capital of $392,420). The Company had an accumulated deficit of $7,576,277 (December 31, 2022 - $5,494,839) as at September 30, 2023 and incurred a net loss during the nine months ended September 30, 2023 of $2,081,438 (nine months ended September 30, 2022 - $1,026,993). The Company has not yet been able to generate the transaction volumes required to create positive cash flows from operations. Whether and when the Company can generate sufficient operating cash flows to pay for its expenditures and settle its obligations as they fall due subsequent to September 30, 2023 is uncertain, however the Company's revenue continue to grow as forecast. Until that time, management may have to raise funds by way of debt or equity issuances. The Company will closely monitor its cash and will take the necessary measures to preserve cash, such as reducing spending as required until the Company succeeds in gathering sufficient sales volumes to consistently achieve profitable operations and generate positive cash flows from operations.

These unaudited condensed interim financial statements do not reflect the adjustments to the carrying values of assets and liabilities and the reported expenses and statement of financial position classifications that would be necessary were the going concern assumption be inappropriate. These adjustments could be material.

2. BASIS OF PREPARATION

Statement of compliance

The Company applies International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board (“IASB”). These unaudited condensed interim financial statements have been prepared in accordance with International Accounting Standard 34, Interim Financial Reporting. Accordingly, they do not include all of the information required for full annual financial statements required by IFRS as issued by the IASB.

The policies applied in these unaudited condensed interim financial statements are based on IFRS issued and outstanding as of November 24, 2023, the date the Board of Directors approved the statements. The same accounting policies and methods of computation are followed in these unaudited condensed interim financial statements as compared with the most recent annual financial statements as at and for the year ended December 31, 2022. These unaudited condensed interim financial statements should be read in conjunction with the Company’s financial statements for the year ended December 31, 2022.

2. BASIS OF PREPARATION (continued)

Any subsequent changes to IFRS that are given effect in the Company's annual financial statements for the year ending December 31, 2023 could result in restatement of these unaudited condensed interim financial statements.

3. USE OF ESTIMATES AND JUDGMENTS

The timely preparation of the financial statements requires that management make estimates and use judgment regarding the reported amounts of assets, liabilities, revenues and expenses and disclosures of contingent assets and liabilities as at the date of the financial statements. Such estimates primarily relate to unsettled transactions and events as at the date of the financial statements. Accordingly, actual results may differ from estimated amounts as future events occur.

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 actual results. Revisions to accounting estimates are recognized in the period in which estimates are revised and in any future years affected.

(a) Significant judgments in applying accounting policies

The following significant judgments have been made by management in the process of applying the Company's accounting policies and that have the most significant effect on the amounts recognized in these financial statements:

i. Intangible assets - Impairment

Judgments are required to assess when impairment indicators, or reversal indicators exist, and impairment testing is required. These indicators include, but are not limited to, significant changes in markets for the Company's products or services, declining projected economic performance, or management's intended use of the asset.

ii. Intangible assets - Recognition

Judgments are required to assess whether the expenditures on intangible assets meets the criteria for capitalization. These judgments include assessing control over the asset and the future economic benefit.

iii. Income taxes

Judgment is required in the calculation of current and deferred taxes in applying tax laws and regulations, estimating the timing of the reversals of temporary differences and estimating the realizability of deferred tax assets.

iv. Substantial and non-substantial debt modification

Judgments are required in applying IFRS 9 Financial Instruments 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.

v. Business combinations

Judgments are required in applying IFRS 3 Business Combinations to determine the classification of an acquisition as a business combination or an asset acquisition, which depends on whether the acquiree constitute a business. Whether an acquisition is classified as a business combination or asset acquisition can have a significant impact on the entries made on and after acquisition.

(Expressed in Canadian Dollars)

3. USE OF ESTIMATES AND JUDGMENTS (continued)

(b) Key sources of estimation uncertainty

The following key estimates and related assumptions concerning the sources of estimation uncertainty that have a significant risk of causing adjustments to the carrying amounts of assets and liabilities have been made by management:

i. *Intangible assets*

Management uses its best estimates to choose depreciation and amortization methods and makes related assumptions of residual values and useful lives when preparing the related calculations, including forecasted revenue and gross margins, long-term growth rate, royalty rate, attrition rate and discount rate. The Company considers historical trends, conditions under which assets are to be used and other industry related factors in determining estimated useful lives of the assets.

ii. *Income taxes*

Tax interpretations, regulations and legislation in the various jurisdictions in which the Company operates are subject to change. As such, income taxes are subject to measurement uncertainty. 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 management to make some assumptions 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 the statement of income in the period in which the change occurs.

iii. *Stock-based compensation*

In estimating the fair value of stock options and warrants using the Black-Scholes option pricing model, the Company uses assumptions related to the risk-free interest rate, expected lives of options and warrants, estimated forfeitures, estimated market price of the Company's shares and estimated future volatility of the Company's share price.

iv. *Compound financial instruments*

Certain financial instruments are comprised of a liability and an equity component. The determination of the amount allocated to the liability and equity components requires management to estimate various components and characteristics of present value calculations, including market interest rate, used in determining the fair value of the financial liability component, and assumptions used in Black-Scholes option pricing model as described under note 4(b)(iii) in the Company's financial statements for the year ended December 31, 2022 to estimate the fair value of the equity components.

4. CASH AND CASH EQUIVALENTS

	As at September 30, 2023	As at December 31, 2022
Cash	**$ 154,227**	$ 813,414
Cash held in trust	**68,630**	30,586
	$ 222,857	$ 844,000

(Expressed in Canadian Dollars)

5. ACCOUNTS RECEIVABLE

	As at September 30, 2023	As at December 31, 2022
Trade receivables	**$ 125,152**	$ 98,212
Goods and services tax recoverable	**2,621**	40,674
	$ 127,773	$ 138,886

6. EQUIPMENT

Cost	Computers	Furniture and Fixtures	Total
Balance, December 31, 2021 and December 31, 2022	**$ 3,567**	**$ 5,349**	**$ 8,916**
Additions	3,235	-	3,235
Balance, September 30, 2023	**$ 6,802**	**$ 5,349**	**$ 12,151**
Accumulated depreciation			
Balance, December 31, 2021	**$ 1,955**	**$ 5,349**	**$ 7,304**
Charge for the year	716	-	716
Balance, December 31, 2022	**$ 2,671**	**$ 5,349**	**$ 8,020**
Charge for the period	1,131	-	1,131
Balance, September 30, 2023	**$ 3,802**	**$ 5,349**	**$ 9,151**
Net book value			
Balance, December 31, 2022	**$ 896**	**$ -**	**$ 896**
Balance, September 30, 2023	**$ 3,000**	**$ -**	**$ 3,000**

7. INTANGIBLE ASSETS

Cost	Website Development Costs	Technology Asset	Brand	Listing Relationships	Domains	Total
Balance, December 31, 2021	**$ 488,582**	**$ -**	**$ -**	**$ -**	**$ 114,771**	**$ 603,353**
Additions	136,822	-	-	-	-	136,822
Acquired in business combination (note 8)	-	326,008	209,369	779,623	-	1,315,000
Balance, December 31, 2022	**$ 625,404**	**$ 326,008**	**$ 209,369**	**$ 779,623**	**$ 114,771**	**$ 2,055,175**
Additions	268,425	-	-	-	-	268,425
Balance, September 30, 2023	**$ 893,829**	**$ 326,008**	**$ 209,369**	**$ 779,623**	**$ 114,771**	**$ 2,323,600**

(Expressed in Canadian Dollars)

7. INTANGIBLE ASSETS (continued)

Accumulated amortization	Website Development Costs	Technology Asset	Brand	Listing Relationships	Domains	Total
Balance, December 31, 2021	**$ 222,244**	**$ -**	**$ -**	**$ -**	**$ 113,973**	**$ 336,217**
Charge for the year	138,237	21,506	-	10,719	798	171,260
Balance, December 31, 2022	**$ 360,481**	**$ 21,506**	**$ -**	**$ 10,719**	**$ 114,771**	**$ 507,477**
Charge for the period	141,721	61,126	-	58,472	-	261,319
Balance, September 30, 2023	**$ 502,202**	**$ 82,632**	**$ -**	**$ 69,191**	**$ 114,771**	**$ 768,796**
Net book value						
Balance, December 31, 2022	**$ 264,923**	**$ 304,502**	**$ 209,369**	**$ 768,904**	**$ -**	**$ 1,547,698**
Balance, September 30, 2023	**$ 391,627**	**$ 243,376**	**$ 209,369**	**$ 710,432**	**$ -**	**$ 1,554,804**

During the three and nine months ended September 30, 2023, the Company had amortization expense of $20,375 and $61,126, respectively, included in cost of sales (three and nine months ended September 30, 2022 - $nil).

8. ACQUISITIONS

Owner Direct Rentals Inc.

On July 14, 2022, the Company completed a transaction to acquire identifiable intangible assets of Owner Direct Rentals Inc. ("Owner Direct"), including brand, listing relationships, and Technology Asset. The Company paid $337,500 in cash with a holdback of $37,500 released in March 2023 as consideration for the acquired assets, and $10,662 for working capital adjustments. The Company completed the acquisition in order to gain access to the short term listings market.

The Company recognized revenues of $225,722 related to Owner Direct from the acquisition date through December 31, 2022. It is impracticable for the Company to disclose the profit or loss related to Owner Direct since the acquisition date, as Owner Direct was immediately integrated into the Company's operation upon acquisition. It is impracticable for the Company to disclose the impact on its revenues and profit or loss had Owner Direct's financial results been included from January 1, 2022 due to the lack of detailed historical information.

The acquisition has been accounted for as a business combination with the Company as the acquirer. The net assets acquired and allocation of the purchase consideration was as follows:

Trade receivable (i)	$ 12,652
Intangible assets - Technology Asset	165,830
Intangible assets - Brand	32,653
Intangible assets - Listing relationships	176,517
Accounts payable	(1,990)
Net assets acquired	**$ 385,662**
Acquisition-date fair value of the total consideration transferred	**$ 385,662**
Representing:	
Cash - purchase price	**337,500**
Cash - working capital adjustment	**10,662**
Accounts payable - purchase price	**$ 37,500**

(Expressed in Canadian Dollars)

8. ACQUISITIONS (continued)

Owner Direct Rentals Inc. (continued)

Cash used to acquire the business		
Acquisition-date fair value of the total consideration transferred	$	385,662
Less: accounts payable		37,500
Net cash used in the business combination	**$**	**348,162**

(i) The fair value of trade receivables and gross contractual amount receivable is $12,652. There is no provision for uncollectable trade receivables as of the acquisition date.

GottaRent.com

On December 15, 2022, the Company completed a transaction to acquire tangible assets in the form of working capital, as well as intangible assets, including brand, listing relationships, and Technology Asset from Metroland Media Group Ltd. in an all-cash takeover. The Company paid $940,000 in cash as consideration for the acquired assets, and $54,414 for working capital adjustments. The Company completed the acquisition to expand its listings in the Greater Toronto Area.

The Company recognized revenues of $13,587 related to GottaRent.com from the acquisition date through December 31, 2022. It is impracticable for the Company to disclose the profit or loss related to GottaRent.com since the acquisition date, as GottaRent.com was immediately integrated into the Company's operation upon acquisition. It is impracticable for the Company to disclose the impact on its revenues and profit or loss had GottaRent.com's financial results been included from January 1, 2022 due to the lack of detailed historical information.

The acquisition has been accounted for as a business combination with the Company as the acquirer. The net assets acquired and allocation of the purchase consideration was as follows:

Accounts receivable (ii)	$	65,943
Intangible assets - Technology Asset		160,178
Intangible assets - Brand		176,716
Intangible assets - Listing relationships		603,106
Accounts payable		(330)
Deferred revenue		(11,199)
Net assets acquired	**$**	**994,414**
Acquisition-date fair value of the total consideration transferred	**$**	**994,414**
Representing:		
Cash - purchase price		**940,000**
Cash - working capital adjustment	**$**	**54,414**
Cash used to acquire the business		
Net cash used in the business combination	**$**	**994,414**

(ii) The fair value of trade receivables and gross contractual amount receivable is $65,943. There is no provision for uncollectable trade receivables as of the acquisition date.

(Expressed in Canadian Dollars)

9. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	As at September 30, 2023	As at December 31, 2022
Trade payables	**$ 439,349**	$ 596,595
Accrued liabilities	**4,209**	166,607
Payroll liabilities	**11,005**	3,909
	$ 454,563	$ 767,111

All of the accounts payable and accrued liabilities at September 30, 2023 are due on standard credit terms and are expected to be settled within one year. Trade payables include amounts due to related parties amounting to $127,518 (December 31, 2022 - $201,255). These payables are unsecured, non-interest bearing and due on demand.

10. TERM LOANS

	As at September 30, 2023	As at December 31, 2022
CEBA Loan (i)	**$ 40,000**	$ 40,000
Convertible debentures (ii)	**2,674,662**	2,062,810
	$ 2,714,662	$ 2,102,810

(i) The Company applied for and received a $60,000 CEBA loan in the 2020 fiscal year. The loan was provided by the Government of Canada to provide capital to companies to see them through the current challenges related to the COVID-19 pandemic and better position them to return to providing services and creating employment. The loan is unsecured and is interest free to January 18, 2024. If $40,000 of the loan is paid back by January 18, 2024, the remaining $20,000 of the loan will be forgiven (the "partial loan forgiveness"). If the loan is not paid back by January 18, 2024, the full $60,000 loan will be converted to a term loan with a 5% interest rate, due on December 31, 2026. If the Company applies for refinancing with the financial institution that provided the loan by January 18, 2024, the Company may still qualify for the partial loan forgiveness if $40,000 of the loan and any outstanding interest is paid back by March 28, 2024. To estimate the fair value, the debt component was estimated first at $26,094, considering the forgiveness and interest free aspects. An effective rate of 20% was used which corresponds to a rate that the Company would have obtained for a similar loan. The $20,000 residual value was attributed to a government subsidy that was presented in the statement of loss in other income during the 2020 fiscal year. The balance as at September 30, 2023 includes $13,906 (December 31, 2022 - $13,906) of accretion which was calculated using effective interest rates of 20%.

(ii) On October 13, 2020, the Board approved the issuance of convertible debentures with a two year term and an interest rate to accrue at the rate of 10% compound annually, convertible into common shares at $0.10 to $0.25 per common share.

On January 11, 2022, the Company closed a non-brokered private placement of convertible debentures ("Debenture Financing") totaling $200,000, with a further $100,000 closing on January 24, 2022, $20,000 closing on January 25, 2022, and $8,000 closing on February 8, 2022. In connection with the Debenture Financing, the Company paid transaction costs of $13,600, of which $12,065 was recorded as a reduction to the liability component of convertible debentures and $1,535 was recorded as a reduction to the equity component of convertible debentures. The fair value of the loans was determined to be $290,970 using an effective interest rate of 16.79% and $37,030 being allocated to equity component of convertible debentures.

10. TERM LOANS (continued)

(ii) (continued)

On December 13, 2022, the Company closed a Debenture Financing and concurrent non-brokered private placement (the "Offering") of 10% unsecured debenture units (the "Debenture Unit") for total gross proceeds of $2,896,000 with interest to be paid quarterly. Each Debenture Unit comprises of one $1,000 principal amount unsecured convertible debenture (a "Convertible Debenture") and 5,000 common share purchase warrants (each, a "Warrant"). The Company calculated the fair values of the conversion feature and warrants, and re-allocated the convertible debentures into three components, with the debentures carried at amortized cost, and the residual amount allocated to the conversion feature and warrants based on their relative fair values. The fair value of the loans was determined to be $2,260,012 using an effective interest rate of 26.45%, with $362,024 being allocated to the conversion features and $273,964 being allocated to the warrant component of convertible debenture. $825,000 of Convertible Debentures, which were exchanged for the previously issued convertible debentures of $753,000, net of equity component of $181,178 are accreted using an effective interest rate of 26.45% over their term, such that the carrying amount will equal the total face value at maturity. $2,071,000 of Convertible Debentures, net of equity component of $454,811 are accreted using an effective interest rate of 47.03% over their term, such that the carrying amount will equal the total face value at maturity.

The Convertible Debentures are convertible at the option of the holder into common shares of the Company "the Common Shares") at a price of $0.20 per Common Share. Upon a change on control of the Company, the holders of the Convertible Debentures have the right to require the Company to repurchase their Convertible Debentures, in whole or in part, on the date that is 30 days following notice of the change of control at a price equal to 105% of the principal amount of the Convertible Debentures then outstanding plus accrued and unpaid interest thereon. Management determined the impact of such right was not material. Each Warrant is exercisable to acquire one Common Share at an exercise price of $0.30 per Common Share until December 13, 2024 (the "Expiry Date"), provided that if, at any time following the date that is four months and one day from the last closing date of the Offering, the daily volume weighted average trading price of the Common Shares on the Canadian Securities Exchange is greater than $0.75 per Common Share for the preceding five consecutive trading days, the Company shall have the right, within three trading days, to accelerate the Expiry Date to a date that is at least 30 days following the date of such written notice. Management determined that the impact of such right was not material. All securities issued pursuant to the Offering are subject to a statutory four month hold period from their date of issuance.

In connection with the Offering, the Company paid the agent a cash commission of $124,260, advisory fee of $12,000, issued 62 Debenture Units as payment of corporate finance fee, issued non-transferable broker warrants (the "Broker Warrants") to purchase 561,300 units of the Company, and issued non-transferable advisory warrants (the "Advisory Warrants") to purchase 60,000 units of the Company. Each Broker Warrant and Advisory Warrant (together the "Compensation Warrants") will be exercisable to acquire one unit (a "Compensation Unit") consisting of one Common Share and one Warrant (each, a "Compensation Unit Warrant"), at an exercise price of $0.20 per Common Share until December 13, 2024. Each Compensation Unit Warrant shall be exercisable to purchase one Common Share on the same terms and conditions applicable to the Warrants. The fair value of the loans on the 62 Debenture Units was determined to be $48,384 using an effective interest rate of 26.45%, with $7,751 being allocated to the equity component and $5,865 being allocated to the warrant component of convertible debenture. The fair value of the 621,300 Compensation Warrants was determined to be $40,384, of which $31,516 was recorded as a reduction to the liability component of convertible debentures, $5,048 was recorded as a reduction to the equity component of convertible debentures, and $3,820 was recorded as a reduction to the warrant component of convertible debentures.

10. TERM LOANS (continued)

(ii) (continued)

In connection with the Offering, the Company paid legal fees and other transaction costs including the cash commission, finder's fees in Debenture Units and warrants of $470,676, of which $346,830 was recorded as a reduction to the liability component of convertible debentures, $55,557 was recorded as a reduction to the equity component of convertible debentures, $42,043 was recorded as a reduction to the warrant component of convertible debentures, and $26,246 was expensed in profit or loss as the transaction costs were related to the extinguishment as described in the next paragraph.

As part of the Offering, the Company's board of directors passed a resolution allowing each of the Company's current $753,000 principal amount plus accrued interest $0.25 convertible debenture holders to swap their current debentures in exchange for the new $0.20 convertible debentures. As a result, the Company extinguished these convertible debentures and treated them as new convertible debentures with a maturity date of December 13, 2024. The Company recorded a loss on the extinguishment of $3,664 which was included in gain on modifications of convertible debentures, net on the statement of loss and comprehensive loss. Additionally, the term of the outstanding $60,000 debenture has been extended for a period of one year, which was determined as non-substantial modification. The Company recorded a gain on modification of convertible debentures of $4,139 during the year ended December 31, 2022.

On January 31, 2023, the Company closed a Debenture Financing (the "2023 Offering") of 10% Debenture Units for total gross proceeds of $415,000 with interest to be paid quarterly. Each Debenture Unit comprises one $1,000 principal amount unsecured Convertible Debenture and 5,000 common share purchase Warrants. The Company calculated the fair values of the conversion feature and warrants, and re-allocated the convertible debentures into three components, with the debentures carried at amortized cost, and the residual amount allocated to the conversion feature and warrants based on their relative fair values. The fair value of the loans was determined to be $322,706 using an effective interest rate of 26.7%, with $52,263 being allocated to the conversion features and $40,031 being allocated to the warrant component of convertible debenture. $415,000 of Convertible Debentures, net of equity component of $92,294 are accreted using an effective interest rate of 43.44% over their term, such that the carrying amount will equal the total face value at maturity.

Each Warrant is exercisable to acquire one Common Share at an exercise price of $0.30 per Common Share until January 31, 2025 (the "Expiry Date"), provided that if, at any time following the date that is four months and one day from the last closing date of the 2023 Offering, the daily volume weighted average trading price of the Common Shares on the Canadian Securities Exchange is greater than $0.75 per Common Share for the preceding five consecutive trading days, the Company shall have the right, within three trading days, to accelerate the Expiry Date to a date that is at least 30 days following the date of such written notice. Management determined that the impact of such right was not material.

In connection with the 2023 Offering, the Company paid the agent a cash commission of $24,900, issued 12 Debenture Units as payment of corporate finance fee, and issued Broker Warrants to purchase 124,500 units of the Company. Each Broker Warrant will be exercisable to acquire one Compensation Unit consisting of one Common Share and one Warrant (each, a "Compensation Unit Warrant"), at an exercise price of $0.20 per Common Share until January 31, 2025. Each Compensation Unit Warrant shall be exercisable to purchase one Common Share on the same terms and conditions applicable to the Warrants. The fair value of the loans on the 12 Debenture Units was determined to be $9,331 using an effective interest rate of 26.7%, with $1,511 being allocated to the equity component and $1,158 being allocated to the warrant component of convertible debenture. The fair value of the 124,500 Compensation Warrants was determined to be $10,334 (note 15(i)), of which $8,036 was recorded as a reduction to the liability component of convertible debentures, $1,301 was recorded as a reduction to the equity component of convertible debentures, and $997 was recorded as a reduction to the warrant component of convertible debentures.

(Expressed in Canadian Dollars)

10. TERM LOANS (continued)

(ii) (continued)

In connection with the 2023 Offering, the Company paid legal fees and other transaction costs including the cash commission, finder's fees in Debenture Units and warrants of $82,971, of which $64,519 was recorded as a reduction to the liability component of convertible debentures, $10,449 was recorded as a reduction to the equity component of convertible debentures, and $8,003 was recorded as a reduction to the warrant component of convertible debentures.

The balance for the debentures as at September 30, 2023 includes $152,658 (December 31, 2022 - $92,959) of interest payable. During the three and nine months ended September 30, 2023, the Company paid $37,144 and $199,712, respectively (three and nine months ended September 30, 2022 - $nil) of interest on the debentures.

Convertible debentures	**Liability Component**	**Equity Component**	**Warrant Component**	**Total**
Balance, December 31, 2021	**$ 418,461**	**$ 55,678**	**$ -**	**$ 474,139**
Convertible debentures issued for cash	1,907,159	295,923	195,918	2,399,000
Convertible debentures issued for broker fee	48,384	7,751	5,865	62,000
Replacing convertible debentures	643,822	103,132	78,046	825,000
Gain on debt modification	(4,139)	-	-	(4,139)
Warrants issued for finder's fee	-	-	40,384	40,384
Convertible debentures replaced	(757,331)	(90,250)	-	(847,581)
Transaction costs	(358,894)	(57,093)	(42,043)	(458,030)
Accretion and interest expense	165,348	-	-	165,348
Balance, December 31, 2022	**$ 2,062,810**	**$ 315,141**	**$ 278,170**	**$ 2,656,121**
Conversion into common shares (note 13)	(77,564)	(6,774)	-	(84,338)
Convertible debentures issued for cash	322,706	52,263	40,031	415,000
Convertible debentures issued for broker fee	9,331	1,511	1,158	12,000
Warrants issued for finder's fee	-	-	10,334	10,334
Transaction costs	(64,519)	(10,449)	(8,003)	(82,971)
Accretion and interest expense	621,610	-	-	621,610
Interest paid	(199,712)	-	-	(199,712)
Balance, September 30, 2023	**$ 2,674,662**	**$ 351,692**	**$ 321,690**	**$ 3,348,044**

Allocated as:	
Current	$ -
Non-current	2,674,662
Balance, September 30, 2023	**$ 2,674,662**

The maturity analysis of the undiscounted contractual balances of the term loans is as follows:

As at September 30, 2023	
Less than one year	$ 40,000
One to two years	3,385,000
Total undiscounted term loans	3,425,000
Amount representing implicit interest	(710,338)
Term loans	**$ 2,714,662**

(Expressed in Canadian Dollars)

11. REVENUES

(a) Disaggregation of revenue

The Company disaggregates revenue by five major categories: (1) Revenues earned on individual listings, (2) annual billings, (3) matching fees, (4) contract programming, and (5) insurance. Revenues on individual listings relate to customers directly posting their listing to the Company's Website. During the three and nine months ended September 30, 2022, as a result of the COVID-19 pandemic, the Company provided free listings to its contract customers.

	Three Months Ended September 30, 2023	Three Months Ended September 30, 2022	Nine Months Ended September 30, 2023	Nine Months Ended September 30, 2022
Revenue by major category				
Annual billing revenue	**$ -**	$ 62,096	**$ 608**	$ 62,096
Matching fees	**17,622**	108,274	**243,690**	108,274
Contract programming revenue	**-**	9,750	**-**	9,750
Insurance revenue	**-**	1,538	**5,751**	1,538
Listing fees	**104,489**	739	**333,975**	4,473
	$ 122,111	$ 182,397	**$ 584,024**	$ 186,131

(b) Trade receivable and contract balances

Timing differences between invoicing, cash collection, and revenue recognition results in accounts receivable and also results in customer deposits and deferred revenue on the balance sheet. Amounts are billed in accordance with the terms of each customer contract, generally subsequent to completion of the performance obligations and related revenue recognition, resulting in accounts receivable.

12. SELLING, GENERAL AND ADMINISTRATIVE EXPENSES

Selling, general and administrative expenses are comprised of the following:

	Three Months Ended September 30, 2023	Three Months Ended September 30, 2022	Nine Months Ended September 30, 2023	Nine Months Ended September 30, 2022
Bank charges	**$ 1,003**	$ 1,535	**$ 8,271**	$ 3,415
Hosting and security	**18,317**	70	**57,623**	1,073
Insurance	**15,102**	1,425	**30,146**	3,325
Marketing	**23,693**	69,145	**125,559**	100,445
Meals and entertainment	**666**	1,160	**2,759**	4,082
Office	**41,616**	90,303	**117,466**	127,623
Professional fees	**133,780**	197,260	**515,365**	559,265
Salaries and commissions	**219,983**	124,664	**708,931**	222,101
Travel	**1,306**	17,464	**27,921**	49,766
	$ 455,466	$ 503,026	**$ 1,594,041**	$ 1,071,095

13. SHARE CAPITAL

(a) Authorized share capital

The authorized share capital consisted of an unlimited number of voting common shares.

(Expressed in Canadian Dollars)

13. SHARE CAPITAL (continued)

(b) Common shares issued

As at September 30, 2023, the total number of shares outstanding was 65,007,311 (December 31, 2022 - 48,707,008). The change in issued share capital for the periods presented were as follows:

	Number of Shares	Share Capital
Balance, December 31, 2021	**38,575,350**	**$ 2,939,464**
Private placements (vi)	9,356,659	1,036,227
Share issuance costs (vi)	-	(109,474)
Common shares issued for option exercise (iv)	774,999	114,350
Balance, September 30, 2022	**48,707,008**	**$ 3,980,567**
Balance, December 31, 2022	**48,707,008**	**$ 4,093,096**
Private placements (i)	2,983,329	376,000
Share issuance costs (i)(ii)	-	(23,348)
Common shares issued for payables (ii)	10,001,333	1,687,700
Common shares issued for warrant exercise (iii)	660,000	101,244
Common shares issued for option exercise (iv)	1,879,999	277,240
Common shares issued for debentures (v)	775,642	84,338
Balance, September 30, 2023	**65,007,311**	**$ 6,596,270**

(i) On August 2, 2023, the Company closed the first tranche of its non-brokered private placement of Units (the "2023 Private Placement"). Each Unit is comprised of one common share and one-half of one common share purchase warrant. Each full warrant can be exercised to purchase one common share at a price of $0.25 per share for a period of 2 years from the issuance date. The Company issued 1,166,667 Units at a price of $0.15 per Unit for gross proceeds of $175,000. In connection with the 2023 Private Placement, the Company issued 81,667 warrants as payment for finder's fee. The gross proceeds of $175,000 were allocated between share capital (in the amount of $147,000) and warrant reserves (in the amount of $28,000) based on the pro rata fair value of common shares and warrants. The Company incurred share issuance costs of $14,319, including $12,368 in cash and $1,951 in finders' warrants, out of which $12,028 related to the common share portion was recorded as a reduction to share capital and $2,291 related to the warrant portion was recorded as a reduction to warrant reserves.

On August 31, 2023, the Company closed the second tranche of the 2023 Private Placement. The Company issued 816,664 Units at a price of $0.15 per Unit for gross proceeds of $122,500. In connection with the 2023 Private Placement, the Company issued 18,667 warrants as finder's fee. The gross proceeds of $122,500 were allocated between share capital (in the amount of $103,000) and warrant reserves (in the amount of $19,500) based on the pro rata fair value of common shares and warrants. The Company incurred share issuance costs of $13,463, including $13,017 in cash and $446 in finders' warrants, out of which $11,320 related to the common share portion was recorded as a reduction to share capital and $2,143 related to the warrant portion was recorded as a reduction to warrant reserves.

On September 27, 2023, the Company closed the third tranche of the 2023 Private Placement. The Company issued 999,998 Units at a price of $0.15 per Unit for gross proceeds of $150,000, allocated between share capital (in the amount of $126,000) and warrant reserves (in the amount of $24,000) based on the pro rata fair value of common shares and warrants.

13. SHARE CAPITAL (continued)

(ii) On February 10, 2023, the Company issued 626,333 common shares at $0.15 per share to settle amounts payable of $93,950 with two of the Company's vendors.

On September 28, 2023, the Company entered into a share subscription agreement (the "Share Subscription Agreement") with GEM Global Yield LLC SCS ("GGY") which provides the Company the ability to draw multiple tranches (each, a "Draw Down") of common shares over the three year term of the Share Subscription Agreement. Pursuant to the terms of the Share Subscription Agreement, the Company may deliver an unlimited number of Draw Down notices to GGY, which may require GGY to subscribe for additional common shares funding the Draw Down notices received from the Company. The Company may place and receive up to four initial Draw Downs notices (each such Draw Down notice an “Initial Draw Down Notice”) for an aggregate subscription amount for all Initial Draw Downs not to exceed $2,500,000, and each such Initial Draw Down Notice to be for an amount not less than $500,000 or greater than $1,000,000. The maximum number of common shares that may be subject to a subsequent Draw Down following the Initial Draw Downs (each such Draw Down a “Subsequent Draw Down”) is that number of common shares that does not exceed 700% of the average daily trading volume of the common shares on the Canadian Securities Exchange (“CSE”) during the 15 trading days immediately preceding the date of each respective Subsequent Draw Down notice and, when combined with all prior Draw Downs, would not result in aggregate subscription proceeds received by the Company from GGY to exceed the $20,000,000 commitment amount. The purchase price payable by GGY for Common Shares subject to a Draw Down notice is the greater of: (a) a minimum price stated by the Company in the applicable Draw Down notice; or (b) 90% of the average closing price of the Common Shares on the CSE for the 15 trading days immediately preceding the closing date for the subscription pursuant to such Draw Down notice.

In connection with the execution of the Share Subscription Agreement, the Company has agreed to pay a fee to GGY in an amount equal to 7.5% of the total commitment amount, which was recorded as deferred financing costs as at September 30, 2023. On September 28, 2023, the Company issued 9,375,000 common shares at $0.17 per share to settle the fee payable to GGY of $1,500,000 and recorded a loss on settlement of payables of $93,750 during the nine months ended September 30, 2023. The Company also incurred share issuance costs of $681,690, including $13,565 in cash and $688,125 in warrants, which were recorded as deferred financing costs as at September 30, 2023.

(iii) During the nine months ended September 30, 2023, 660,000 warrants were exercised at a price of $0.08 - $0.10 per share for total proceeds of $59,400. The warrants exercised had an original fair value of $41,844 previously recognized in the warrants reserve which was transferred to share capital upon exercise of the warrants.

(iv) During the nine months ended September 30, 2023, 1,879,999 (nine months ended September 30, 2022 - 774,999) stock options were exercised at a price of $0.08 - $0.10 (nine months ended September 30, 2022 - $0.08 - $0.10) per share for total proceeds of $178,000 (nine months ended September 30, 2022 - $75,000). The options exercised had an original fair value of $99,240 (September 30, 2022 - $39,350) previously recognized in contributed surplus which was transferred to share capital upon exercise of the options. The fair value of the Company's shares were $0.14 - $0.18 (September 30, 2022 - $0.16 - $0.22) per share on the exercise dates.

(v) During the nine months ended September 30, 2023, the Company issued $775,642 common shares in exchange for convertible debentures in the total principal amount of $60,000 plus $17,564 in accrued interest. The debentures converted had an original fair value of $6,774 previously recognized in the equity portion of convertible debentures which was transferred to share capital upon conversion of the debentures.

(Expressed in Canadian Dollars)

13. SHARE CAPITAL (continued)

(vi) On May 24, 2022, the Company closed the first tranche of its non-brokered private placement of Units (the "Private Placement"). Each Unit is comprised of one common share and one-half of one common share purchase warrant. Each full warrant can be exercised to purchase one common share at a price of $0.25 per share for a period of 2 years from the grant date. The Company issued 4,633,333 Units at a price of $0.15 per Unit for gross proceeds of $695,000. In connection with the Private Placement, the Company issued 25,000 warrants as payment for finder's fee. The gross proceeds of $695,000 were allocated between share capital (in the amount of $512,705) and warrant reserves (in the amount of $182,295) based on the pro rata fair value of common shares and warrants. The Company incurred share issuance costs of $45,342, out of which $33,449 related to the common share portion was recorded as a reduction to share capital and $11,893 related to the warrant portion was recorded as a reduction to warrant reserves.

On June 16, 2022, the Company closed the second tranche of the Private Placement. The Company issued 1,676,664 Units at a price of $0.15 per Unit for gross proceeds of $251,500. In connection with the Private Placement, the Company issued 60,000 warrants as finder's fee. The gross proceeds of $251,500 were allocated between share capital (in the amount of $187,494) and warrant reserves (in the amount of $64,006) based on the pro rata fair value of common shares and warrants. The Company incurred share issuance costs of $23,660, out of which $17,639 related to the common share portion was recorded as a reduction to share capital and $6,021 related to the warrant portion was recorded as a reduction to warrant reserves.

On September 2, 2022, the Company closed the third tranche of the Private Placement. The Company issued 3,046,662 Units at a price of $0.15 per Unit for gross proceeds of $456,999. In connection with the Private Placement, the Company issued 137,333 warrants as finder's fee. The gross proceeds of $456,999 were allocated between share capital (in the amount of $336,028) and warrant reserves (in the amount of $120,971) based on the pro rata fair value of common shares and warrants. The Company incurred share issuance costs of $79,405, out of which $58,386 related to the common share portion was recorded as a reduction to share capital and $21,019 related to the warrant portion was recorded as a reduction to warrant reserves.

14. STOCK OPTIONS

At the discretion of the Board of Directors, the Company may grant options and warrants to directors, officers, employees and key consultants.

The following table reflects the continuity of stock options for the nine months ended September 30, 2023 and 2022:

	Number of Stock Options	Weighted Average Exercise Price
Balance, December 31, 2021	**3,655,000**	**$ 0.138**
Granted (ii)	400,000	0.25
Expired (iii)	(270,000)	0.25
Exercised (note 13(b)(iv))	(774,999)	0.097
Balance, September 30, 2022	**3,010,001**	**$ 0.153**
Balance, December 31, 2022	**3,010,001**	**$ 0.153**
Granted (i)	3,000,000	0.25
Expired (iii)	(25,002)	0.25
Exercised (note 13(b)(iv))	(1,879,999)	0.095
Balance, September 30, 2023	**4,105,000**	**$ 0.25**

(Expressed in Canadian Dollars)

14. STOCK OPTIONS (continued)

(i) On May 12, 2023, the Company granted 3,000,000 stock options to certain directors, officers, managers and employees of the Company, exercisable at a price of $0.25 per share and expiring on May 12, 2028. The options vest 1/3 on each of May 12, 2024, May 12, 2025 and May 12, 2026. The fair value was determined to be $247,500 using the Black-Scholes option pricing model with the following assumptions: stock price of $0.125, dividend yield of 0%, expected volatility of 100%, risk free interest rate of 3.00% and expected life of 5 years.

(ii) On March 16, 2022, the Company granted 400,000 stock options to members of the board of directors of the Company, exercisable at a price of $0.25 per share. The options vested immediately and expire on March 16, 2024. The fair value was determined to be $33,800 using the Black-Scholes option pricing model with the following assumptions: stock price of $0.185, dividend yield of 0%, expected volatility of 100%, risk free interest rate of 1.83% and expected life of 2 years.

(iii) During the nine months ended September 30, 2023, a total of 25,002 (nine months ended September 30, 2022 - 270,000) stock options with an exercise price of $0.10 - $0.25 (nine months ended September 30, 2022 - $0.25) per share which were not exercised by option holders lapsed and they were cancelled.

(iv) A forfeiture rate of nil% was used when recording stock-based compensation as it was expected that all officers, directors, and employees would continue with the Company over the vesting period. Any forfeitures will be accounted for as they happen. The Company's shares became publicly traded on August 30, 2021 however, the Company does not yet have the necessary trading history to compute its expected volatility using historical volatility; therefore, the Company has used the historical volatilities of certain members of its peer group for input into the Black-Scholes option pricing model.

During the three and nine months ended September 30, 2023, the Company recorded share-based compensation expense of $37,560 and $57,824, respectively (three and nine months ended September 30, 2022 - $nil and $33,800, respectively) related to the vesting of stock options.

The following table reflects the actual stock options issued and outstanding as at September 30, 2023:

Expiry Date	Exercise Price ($)	Remaining Contractual Life (years)	Number of Options Outstanding	Number of Options Vested (exercisable)
December 31, 2023	0.25	0.25	730,000	730,000
December 31, 2024	0.25	1.25	400,000	400,000
May 12, 2028	0.25	4.62	2,975,000	-
	0.25	**3.51**	**4,105,000**	**1,130,000**

15. WARRANTS

The following table reflects the continuity of warrants for the nine months ended September 30, 2023 and 2022:

	Number of Warrants	Warrants	Weighted Average Exercise Price
Balance, December 31, 2021	**710,000**	**$ 44,444**	**$ 0.091**
Granted (vi)(vii)(viii)	4,900,663	357,255	0.25
Balance, September 30, 2022	**5,610,663**	**401,699**	**$ 0.230**

(Expressed in Canadian Dollars)

15. WARRANTS (continued)

	Number of Warrants		Warrants		Weighted Average Exercise Price
Balance, December 31, 2022	**21,137,388**	**$**	**524,290**	**$**	**0.279**
Granted (i)(ii)(iii)(iv)(v)	10,101,499		781,108		0.231
Exercised (note 13(b)(iii))	(660,000)		(41,844)		0.09
Balance, September 30, 2023	**30,578,887**	**$**	**1,263,554**	**$**	**0.268**

(i) On January 31, 2023, as part of the closing of the 2023 Offering, the Company issued 2,075,000 warrants, exercisable into one additional common share at a price of $0.30 per share for a period of 2 years from the grant date. The Company issued an additional 60,000 warrants as payment for finder's fee and 124,500 broker warrants in connection with the closing of the 2023 Offering (note 10(ii)).

The value allocated to 2,135,000 warrants was determined to be $33,186 based on the relative fair value between the fair value of the conversion feature and fair value of the warrants issued in Offering, net of allocated issuance costs of $8,003. The fair value of the warrants was determined using the Black-Scholes option pricing model with the following assumptions: stock price of $0.115, exercise price of $0.30 per common share, dividend yield of 0%, expected volatility of 100%, risk free interest rate of 3.76% and expected life of 2 years.

The fair value of 124,500 broker warrants for units was determined to be $10,334 using the Black-Scholes option pricing model with the following assumptions: stock price of $0.115, exercise price of $0.20 per unit, dividend yield of 0%, expected volatility of 100%, risk free interest rate of 3.76% and expected life of 2 years.

(ii) On August 2, 2023, as part of the closing of the first tranche of the 2023 Private Placement, the Company issued 583,334 warrants, exercisable into one additional common share at a price of $0.25 per share for a period of 2 years from the grant date. The Company issued an additional 81,667 warrants as payment for finder's fee in connection with the closing of the first tranche of the 2023 Private Placement.

The value allocated to 583,334 warrants was determined to be $25,709 based on the relative fair value between the fair value of the common shares and the fair value of the warrants issued in the first tranche of the 2023 Private Placement, net of allocated issuance costs of $2,291. The fair value of the warrants was determined using the Black-Scholes option pricing model with the following assumptions: stock price of $0.16, dividend yield of 0%, expected volatility of 100%, risk free interest rate of 4.69% and expected life of 2 years.

The fair value of 81,667 warrants was determined to be $3,246 based on the allocated value of the warrants issued in the Private Placement. Out of $1,951, $1,639 related to the common share portion is recorded as a reduction to share capital and $312 related to the warrant portion is recorded as a reduction to warrant reserves.

(iii) On August 31, 2023, as part of the closing of the second tranche of the 2023 Private Placement, the Company issued 408,332 warrants, exercisable into one additional common share at a price of $0.25 per share for a period of 2 years from the grant date. The Company issued an additional 18,667 warrants as payment for finder's fee in connection with the closing of the second tranche of the 2023 Private Placement.

The value allocated to 408,332 warrants was determined to be $17,357 based on the relative fair value between the fair value of the common shares and the fair value of the warrants issued in the second tranche of the 2023 Private Placement, net of allocated issuance costs of $2,143. The fair value of the warrants was determined using the Black-Scholes option pricing model with the following assumptions: stock price of $0.17, dividend yield of 0%, expected volatility of 100%, risk free interest rate of 4.64% and expected life of 2 years.

15. WARRANTS (continued)

(iii) (continued)

The fair value of 18,667 warrants was determined to be $446 based on the allocated value of the warrants issued in the Private Placement. Out of $446, $375 related to the common share portion is recorded as a reduction to share capital and $71 related to the warrant portion is recorded as a reduction to warrant reserves.

(iv) On September 27, 2023, as part of the closing of the third tranche of the 2023 Private Placement, the Company issued 499,999 warrants, exercisable into one additional common share at a price of $0.25 per share for a period of 2 years from the grant date.

The value allocated to 499,999 warrants was determined to be $24,000 based on the relative fair value between the fair value of the common shares and the fair value of the warrants issued in the third tranche of the 2023 Private Placement. The fair value of the warrants was determined using the Black-Scholes option pricing model with the following assumptions: stock price of $0.16, dividend yield of 0%, expected volatility of 100%, risk free interest rate of 4.96% and expected life of 2 years.

(v) On September 28, 2023, the Company issued 6,250,000 warrants to an investor of the Company in connection with the Share Subscription Agreement with GGY, exercisable into one additional common share at a price of $0.204 per share for a period of 3 years from the vesting date. The warrants vest 120 days from the grant date. The fair value was determined to be $668,125 using the Black-Scholes option pricing model with the following assumptions: stock price of $0.17, dividend yield of 0%, expected volatility of 100%, risk free interest rate of 4.36% and expected life of 3.3 years.

(vi) On May 24, 2022, as part of the closing of the first tranche of the Private Placement, the Company issued 2,316,667 warrants, exercisable into one additional common share at a price of $0.25 for a period of 2 years from the grant date. The Company issued an additional 25,000 warrants as payment for finder's fee in connection with the closing of the first tranche of the Private Placement.

The value allocated to 2,316,667 warrants was determined to be $182,295 based on the relative fair value between the fair value of the common shares and the fair value of the warrants issued in the first tranche of the Private Placement. The fair value of the warrants was determined using the Black-Scholes option pricing model with the following assumptions: stock price of $0.18, dividend yield of 0%, expected volatility of 162%, risk free interest rate of 2.57% and expected life of 2 years.

The fair value of 25,000 warrants was determined to be $3,200 using the Black-Scholes option pricing model with the following assumptions: stock price of $0.18, dividend yield of 0%, expected volatility of 162%, risk free interest rate of 2.57% and expected life of 2 years. Out of $3,200, $2,361 related to the common share portion is recorded as a reduction to share capital and $839 related to the warrant portion is recorded as a reduction to warrant reserves.

(vii) On June 16, 2022, as part of the closing of the second tranche of the Private Placement, the Company issued 838,332 warrants, exercisable into one additional common share at a price of $0.25 for a period of 2 years from the grant date. The Company issued an additional 60,000 warrants as payment for finder's fee in connection with the closing of the second tranche of the Private Placement.

The value allocated to 838,332 warrants was determined to be $64,006 based on the relative fair value between the fair value of the common shares and the fair value of the warrants issued in the second tranche of the Private Placement. The fair value of the warrants was determined using the Black-Scholes option pricing model with the following assumptions: stock price of $0.145, dividend yield of 0%, expected volatility of 162%, risk free interest rate of 3.24% and expected life of 2 years.

(Expressed in Canadian Dollars)

15. WARRANTS (continued)

(vii) (continued)

The fair value of 60,000 warrants was determined to be $5,940 using the Black-Scholes option pricing model with the following assumptions: stock price of $0.145, dividend yield of 0%, expected volatility of 162%, risk free interest rate of 3.24% and expected life of 2 years. Out of $5,940, $4,428 related to the common share portion is recorded as a reduction to share capital and $1,512 related to the warrant portion is recorded as a reduction to warrant reserves.

(viii) On September 2, 2022, as part of the closing of the third tranche of the Private Placement, the Company issued 1,523,331 warrants, exercisable into one additional common share at a price of $0.25 for a period of 2 years from the grant date. The Company issued an additional 137,333 warrants as payment for finder's fee in connection with the closing of the Private Placement.

The value allocated to 1,523,331 warrants was determined to be $120,971 based on the relative fair value between the fair value of the common shares and the fair value of the warrants issued in the Private Placement. The fair value of the warrants was determined using the Black-Scholes option pricing model with the following assumptions: stock price of $0.145, dividend yield of 0%, expected volatility of 162%, risk free interest rate of 3.24% and expected life of 2 years.

The fair value of 137,333 warrants was determined to be $19,776 using the Black-Scholes option pricing model with the following assumptions: stock price of $0.145, dividend yield of 0%, expected volatility of 162%, risk free interest rate of 3.24% and expected life of 2 years. Out of $19,776, $14,541 related to the common share portion is recorded as a reduction to share capital and $5,235 related to the warrant portion is recorded as a reduction to warrant reserves.

The following table reflects the actual warrants issued and outstanding as at September 30, 2023:

Expiry Date	Exercise Price ($)	Remaining Contractual Life (years)	Number of Warrants Outstanding
May 24, 2024	0.25	0.65	2,341,667
June 16, 2024	0.25	0.71	898,332
September 2, 2024	0.25	0.93	1,660,664
October 31, 2024	0.35	1.09	165,425
December 13, 2024 (ix)	0.20	1.21	621,300
December 13, 2024 (ix)	0.30	1.21	14,790,000
January 31, 2025 (ix)	0.20	1.34	124,500
January 31, 2025 (ix)	0.30	1.34	2,135,000
August 2, 2025	0.25	1.84	665,001
August 31, 2025	0.25	1.92	426,999
September 27, 2025	0.25	1.99	499,999
January 26, 2027	0.204	3.33	6,250,000
	0.268	**1.61**	**30,578,887**

(ix) The warrants provide that if, at any time following the date that is four months and one day from the last closing date of the Offering, the daily volume weighted average trading price of the common shares on the CSE is greater than $0.75 per share for the preceding 5 consecutive trading days, the Company shall have the right, within 3 trading days, to accelerate the expiry date of the warrants to a date that is at least 30 days following the date of such written notice.

(Expressed in Canadian Dollars)

16. LOSS PER SHARE

The calculation of basic and diluted loss per share for the three and nine months ended September 30, 2023 was based on the net loss attributable to common shares of $699,070 and $2,081,438, respectively (three and nine months ended September 30, 2022 - $412,183 and $1,026,993, respectively), and the weighted average number of common shares outstanding for the three and nine months ended September 30, 2023 of 52,780,633 and 51,110,159, respectively (three and nine months ended September 30, 2022 - 46,587,591 and 42,092,595, respectively). Diluted loss per share for the three and nine months ended September 30, 2023 and 2022 did not include the effect of stock options, warrants and convertible debentures as they are anti-dilutive.

17. RELATED PARTY TRANSACTIONS

The Company considers its key management personnel to be its executive officers and directors. During the three and nine months ended September 30, 2023, the Company provided service period stock-based compensation and was charged management fees and commissions for the services provided by its executive officers, directors and companies controlled by members of directors. The total compensation relating to key management is as follows:

	Three Months Ended September 30, 2023	Three Months Ended September 30, 2022	Nine Months Ended September 30, 2023	Nine Months Ended September 30, 2022
Management fees (i)	**$ 62,500**	$ 28,125	**$ 186,667**	$ 82,813
Stock-based compensation (ii)	**33,608**	-	**51,508**	33,800
	$ 96,108	$ 28,125	**$ 238,175**	$ 116,613

(i) During the three and nine months ended September 30, 2023 the Company incurred $62,500 and $186,667, respectively (three and nine months ended September 30, 2022 - $28,125 and $82,813, respectively) in management fees paid to an officer and a corporation controlled by an officer of the Company, and are recorded as salaries and commissions within selling, general and administrative expenses in profit or loss. As at September 30, 2023, included in accounts payable and accrued liabilities are $17,379 (December 31, 2022 - $nil) owing to a corporation controlled by an officer of the Company.

(ii) During the nine months ended September 30, 2023, the Company issued 2,650,000 (nine months ended September 30, 2022 - 400,000) stock options to certain directors and officers of the Company that entitled the option holder to purchase one common share at a price of $0.25 (nine months ended September 30, 2022 - $0.25) per share. The options vests and expires as described in note 14. During the three and nine months ended September 30, 2023, stock-based compensation expense recognized related to these options amounted to $33,608 and $51,508, respectively (three and nine months ended - $nil and $33,800, respectively) recorded in profit or loss.

(iii) During the three and nine months ended September 30, 2023, the Company incurred $15,000 and $45,000, respectively (three and nine months ended September 30, 2022 - $15,000) in management fees paid to an individual that is related to a director of the Company, and are recorded as salaries and commissions within selling, general and administrative expenses in profit or loss.

(iv) During the three and nine months ended September 30, 2023, the Company incurred $nil and $63,750, respectively (three and nine months ended September 30, 2022 - $nil) for search engine optimization services from a corporation controlled by a director of the Company, and are recorded as marketing fees within selling, general and administrative expenses in profit or loss. As at September 30, 2023, included in accounts payable and accrued liabilities are $3,938 (December 31, 2022 - $24,308) owing to this related party.

17. RELATED PARTY TRANSACTIONS (continued)

(v) During the three and nine months ended September 30, 2023, the Company incurred $52,052 and $89,792 (three and nine months ended September 30, 2022 - $nil) in legal fees paid to a law firm in which a partner is a director of the Company. Of these amounts, $33,317 and $35,320, respectively (three and nine months ended September 30, 2022 - $nil) are recorded as professional fees within selling, general and administrative expenses in profit or loss, $3,000 and $10,948, respectively (three and nine months ended September 30, 2022 - $nil) are recorded as a reduction to equity, and $15,735 and $43,524, respectively (three and nine months ended September 30, 2022 - $nil) are recorded as a reduction to term loans. As at September 30, 2023, included in accounts payable and accrued liabilities are $106,201 (December 31, 2022 - $151,947) owing to this related party.

(vi) During three and nine months ended September 30, 2023, the Company incurred $6,600 (three and nine months ended September 30, 2022 -$nil) in management fees, $nil (three and nine months ended September 30, 2022 - $nil and $8,120, respectively) in debt financing fees, and $30,000 and $90,000, respectively (three and nine months ended September 30, 2022 - $22,500 and $65,250, respectively) in CFO services fees paid to a corporation controlled by an officer of the Company. The management fees are recorded as a reduction of warrant reserves, the debt financing fees are recorded as a reduction to convertible debentures, and the CFO services fees are recorded as salaries and commissions within selling, general and administrative expenses in profit or loss.

(vii) As at September 30, 2023, included in accounts payable and accrued liabilities are $nil (December 31, 2022 - $25,000) owing to a corporation controlled by a director of the Company.