



ALPHAGEN INTELLIGENCE CORP.

CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

FOR THE THREE MONTHS ENDED SEPTEMBER 30, 2023

*In Canadian Dollars, unless noted
(Unaudited)*

NOTICE TO READER

Under National Instrument 51-102, Part 4, subsection 4.3(3)(a), if an auditor has not performed a review of the condensed consolidated interim financial statements, they must be accompanied by a notice indicating that the condensed consolidated interim financial statements have not been reviewed by an auditor.

The accompanying unaudited condensed consolidated interim financial statements of AlphaGen Intelligence Corp. have been prepared by and are the responsibility of management. These condensed consolidated interim financial statements for the three months ended September 30, 2023, have not been reviewed or audited by the Company's independent auditors.

AlphaGen Intelligence Corp.
Condensed Consolidated Interim Statements of Financial Position

Unaudited - In Canadian Dollars, unless noted

As at	Notes	September 30, 2023	June 30, 2023
ASSETS			
Current Assets			
Cash		\$ 671,813	\$ 154,356
Accounts receivable		4,522	465,027
GST receivable		9,100	19,549
Other receivable		140,899	140,899
		826,334	779,831
Non-current Assets			
Goodwill	4	2,425,425	2,425,425
TOTAL ASSETS		3,251,759	3,205,256
LIABILITIES			
Current Liabilities			
Accounts payable and accrued liabilities	8	492,426	428,713
Deferred Revenues		41,413	
Acquisition payable		-	65,000
		533,839	493,713
Non-current Liabilities			
Government loan	5	60,000	60,000
TOTAL LIABILITIES		593,839	553,713
EQUITY			
Share capital	6	15,950,678	15,950,678
Reserves	6	4,633,115	4,541,337
Accumulated other comprehensive income		(37,858)	(37,858)
Deficit		(17,888,015)	(17,802,614)
TOTAL EQUITY		2,657,920	2,651,543
TOTAL LIABILITIES AND EQUITY		\$ 3,251,759	\$ 3,205,256

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

Nature of operations (Note 1) and going concern (Note 2)

Approved on behalf of the Board of Directors:

"Brian Wilneff", Director

"Jonathan Anastas", Director

AlphaGen Intelligence Corp.
Condensed Consolidated Interim Statements of Comprehensive Loss

For the Three Months Ended September 30, 2023 and 2022

Unaudited - In Canadian Dollars, unless noted

For the three months ended September 30,	2023	2022
REVENUES (Note 9)	\$ 389,682	\$ 108,574
Cost of Sales	(132,006)	(31,007)
GROSS MARGIN	257,676	77,567
EXPENSES		
Advertising and marketing	2,032	3,381
Consulting and payroll	145,316	246,962
Management fees (Note 8)	84,935	77,066
Office and miscellaneous	17,927	33,179
Professional fees	-	27,518
Share-based payments (Note 8)	91,778	-
Tournament prizes	-	4,513
Transfer agent and filing fees	5,592	21,066
OPERATING EXPENSES	(347,580)	(413,685)
TOTAL OPERATING LOSS	(89,904)	(336,118)
Foreign exchange gain (loss)	4,503	(2,346)
NET AND COMPREHENSIVE LOSS	(85,401)	(338,464)
Loss per share, basic and diluted	\$ (0.00)	\$ (0.00)
Weighted average number of common shares outstanding – Basic and diluted	91,223,380	90,823,380

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

AlphaGen Intelligence Corp.
Condensed Consolidated Interim Statements of Changes in Equity

For the three months ended September 30, 2023 and 2022

Unaudited - In Canadian Dollars, unless noted

	Common Shares	Share Capital	Reserves	Accumulated OCI	Deficit	Total Equity
	#	\$	\$	\$	\$	\$
Balance, June 30, 2022	90,823,380	15,886,678	3,504,756	(37,858)	(16,753,036)	2,600,540
Loss for the period	-	-	-	-	(338,464)	(338,464)
Balance, September 30, 2022	90,823,380	15,886,678	3,504,756	(37,858)	(17,091,500)	2,262,076
Balance, June 30, 2023	91,223,380	15,950,678	4,541,337	(37,858)	(17,802,614)	2,651,543
Share-based payment pursuant to options granted	-	-	70,091	-	-	70,091
Share-based payment pursuant to RSRs granted	-	-	21,687	-	-	21,687
Loss for the period	-	-	-	-	(85,401)	(57,594)
Balance, September 30, 2023	91,223,380	15,950,678	4,633,115	(37,858)	(17,888,015)	2,685,727

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

AlphaGen Intelligence Corp.
Condensed Consolidated Interim Statements of Cash Flow

For the Three Months Ended September 30, 2023 and 2022

Unaudited - In Canadian Dollars, unless noted

For the Three Months Ended September 30,	2023	2022
OPERATING ACTIVITIES		
Net loss for the period	\$ (85,401)	\$ (338,464)
Items not affecting cash:		
Foreign exchange	(4,503)	2,347
Share-based payments (Note 6)	91,778	-
Change in non-cash working capital items:		
Accounts receivable	460,505	(24,932)
GST receivable	10,449	(6,044)
Deferred revenue	41,413	-
Accounts payable and accrued liabilities	68,216	(116,435)
Cash provided by (used in) operating activities	582,457	(483,528)
INVESTING ACTIVITY		
Acquisition of Shape	(65,000)	-
Cash used in investing activity	(65,000)	-
Net change in cash	517,457	(483,528)
Cash, beginning of period	154,356	1,207,860
Cash, end of period	671,813	724,332

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

No interest paid during the three months ended September 30, 2023 and 2022.

AlphaGen Intelligence Corp.

Notes to the Condensed Consolidated Interim Financial Statements

For the Three Months Ended September 30, 2023 and 2022

Unaudited - In Canadian Dollars, unless noted

1. NATURE OF OPERATIONS

AlphaGen Intelligence Corp. (Formerly: Alpha Metaverse Technologies Inc.) (the "Company" or "Alpha") was incorporated under the laws of British Columbia on March 1, 2019. The Company's registered office is 2200-885 West Georgia Street, Vancouver, British Columbia V6C 3E8.

On April 13, 2020, the Company completed the Share Exchange Agreement ("Agreement") with Esports Enterprises Inc. ("Esports"), a private company. Pursuant to the terms of the Agreement, the shareholders of Esports transferred all of their issued and outstanding shares to the Company in exchange for a pro-rated number of shares of the Company. Consequently, the transaction constitutes control of Esports by the Company, with Esports representing a wholly-owned subsidiary of the Company for accounting and reporting purposes.

On May 14, 2021, the Company's shares began trading on the Canadian Securities Exchange ("CSE") and now trade under the symbol, "AIC".

The Company is a technology-driven organization specializing in the creation of immersive content for the metaverse and augmented reality landscapes. Our expertise extends to various domains, including gaming and gaming-as-a-service (GaaS) applications, as well as the implementation of generative artificial intelligence (AI). We are dedicated to metaverse development and offer services aimed at enhancing the profitability and engagement within esports and gaming ecosystems.

These condensed consolidated interim financial statements (the "financial statements") were approved by the Board of Directors on November 29, 2023.

2. GOING CONCERN

These financial statements have been prepared on the basis of accounting principles applicable to a going concern, which assumes that the Company will continue in operation for the foreseeable future and will be able to realize its assets and discharge its liabilities in the normal course of operations as they come due. During the three months ended September 30, 2023, the Company realized a net loss of \$85,401 (2022 - \$338,464), and as of September 30, 2023, has an accumulated deficit of \$17,888,015 (June 30, 2023 - \$17,802,614) and working capital of \$292,495 (June 30, 2023 - \$286,118). In assessing whether the going concern assumption is appropriate, management takes into account all available information about the future, which is at least, but is not limited to, twelve months from the end of the reporting period. Although the Company has increased its revenues and net income during the year ended June 30, 2023, and three months ended September 30, 2023, there is no assurance that the Company will continue to do so as the Company remains in the start-up phase on its business cycle. If for any reason, the Company is unable to continue as a going concern, this could result in adjustments to the amounts and classifications of assets and liabilities in the Company's financial statements and such adjustments could be material. Furthermore, these conditions indicate the existence of a material uncertainty that raises substantial doubt as to the Company's ability to continue as a going concern.

The Company's business may be affected by changes in political and market conditions, such as interest rates, availability of credit, inflation rates, changes in laws, and national and international circumstances. Recent geopolitical events, including, the outbreaks of the coronavirus (COVID-19) pandemic, relations between NATO and Russian Federation regarding the situation in Ukraine, and potential economic global challenges such as the risk of the higher inflation and energy crises, may create further uncertainty and risk with respect to the prospects of the Company's business.

AlphaGen Intelligence Corp.

Notes to the Condensed Consolidated Interim Financial Statements

For the Three Months Ended September 30, 2023 and 2022

Unaudited - In Canadian Dollars, unless noted

3. BASIS OF PRESENTATION

a) Basis of preparation

These financial statements have been prepared using International Financial Reporting Standards (“IFRS”), as issued by the International Accounting Standards Board (“IASB”) and interpretations of the IFRS Interpretations Committee. These financial statements have been prepared on a historical cost basis. In addition, these financial statements have been prepared using the accrual basis of accounting, except for cash flow information.

These financial statements are condensed as they do not include all of the information required by IFRS for annual financial statements and therefore should be read in conjunction with the Company’s audited financial statements for the year ended June 30, 2023.

b) Basis of consolidation

These financial statements include the operations of the Company and its subsidiaries, as follows:

Subsidiary	Country	Ownership Percentage
Esports Enterprises Inc.	USA – Delaware	100%
GamerzArena LLC	USA – Delaware	100%
Shape Immersive Entertainment Inc. (“Shape”)	Canada – British Columbia	100%

Consolidation of an investee begins when the Company obtains control over the subsidiary and ceases when the Company loses control of the subsidiary. Control is achieved when the Company is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. All significant intercompany transactions and balances have been eliminated.

c) Foreign currencies

The Company’s functional and presentation currency is the Canadian dollar.

Monetary assets and liabilities are translated into Canadian dollars using the exchange rate in effect at the date of the statement of financial position.

Non-monetary assets and liabilities that are measured at historical cost are translated into Canadian dollars using the exchange rate in effect at the date of the initial transaction and are not subsequently restated. Non-monetary assets and liabilities that are measured at fair value or a revalued amount are translated into Canadian dollars by using the exchange rate in effect at the date the value is determined, and the related translation differences are recognized in net income or other comprehensive loss consistent with where the gain or loss on the underlying non-monetary asset or liability has been recognized.

d) Significant accounting judgements and estimates

The timely preparation of these financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts of assets, liabilities and expenses, and disclosures. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to estimates are recognized prospectively. As at September 30, 2023, management has identified the following material estimates:

AlphaGen Intelligence Corp.

Notes to the Condensed Consolidated Interim Financial Statements

For the Three Months Ended September 30, 2023 and 2022

Unaudited - In Canadian Dollars, unless noted

i) Share-based payments

Management determines fair value for share-based payments using market-based valuation techniques. The fair value of the market-based and performance-based share awards are determined at the date of grant using generally accepted valuation techniques. Assumptions are made and judgment used in applying valuation techniques. These assumptions and judgments include estimating the future volatility of the stock price, expected dividend yield, future employee turnover rates and future employee stock option exercise behaviors and corporate performance. Similar calculations are made to value warrants. Such judgments and assumptions are inherently uncertain. Changes in these assumptions affect the fair value estimates.

ii) Estimated lives – tangible and intangible assets

Amortization of tangible assets is dependent upon estimates of useful lives based on management's judgment. Determination must be made by management whether the gaming platform or gaming license has an indefinite life or if not, management determines its lifespan. In management's view, the gaming platform and gaming license will have a finite life.

iii) Impairment considerations

Goodwill impairment testing requires management to make critical estimates within the impairment testing model. On an annual basis, the Company tests whether goodwill is impaired.

Determining whether any charge to impairment against the Company's tangible and finite lived intangible assets requires management to estimate the recoverable amount, which is defined as the higher of fair value less the cost of disposal or value in use. Many factors used in assessing recoverable amounts are outside of the control of management and it is reasonably likely that assumptions and estimates will change from period to period. Impairment is reviewed on an annual basis or as events and conditions change.

The recoverable value of goodwill and tangible and intangible assets is determined using discounted cash flow models, which incorporate assumptions about future events including future cash flows, growth rates and discount rates.

In the preparation of these financial statements, management has made judgments, aside from those that involve estimates, in the process of applying the accounting policies. The following critical judgments can have an effect on the amounts recognized in the financial statements:

i) Business combinations

Judgment is used when determining whether an acquisition is a business combination or an asset acquisition. Judgment is also used in measuring the fair value of equity instruments issued as consideration for a business combination, and in allocating the fair value of consideration paid to the assets acquired and liabilities assumed.

The Company measures all assets acquired and liabilities assumed at their acquisition-date fair values. The excess of the aggregate of the consideration transferred over the net assets of the acquisition-date amounts of the identifiable assets acquired and the liabilities assumed is recognized as goodwill as of the acquisition date.

ii) Functional currency

Determination of an entity's functional currency involves judgment taking into account the transactions, events, and conditions relevant to each individual entity. Determination of functional currency involves evaluating evidence about the primary economic environment in which each entity operates and is re-evaluated when facts and circumstances indicate that conditions have changed.

iii) Reversal of liabilities

In determining whether to reverse certain liabilities, management is required to make judgements about whether a sufficient period of time has passed since the specified vendors have requested payment. After a sufficient amount of time has passed without contact, the Company elects to reverse the associated liabilities and record a recovery on the statement of comprehensive loss.

AlphaGen Intelligence Corp.

Notes to the Condensed Consolidated Interim Financial Statements

For the Three Months Ended September 30, 2023 and 2022

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iv) Revenue recognition – performance obligations

Performance obligations promised in a contract are identified based on the goods and services that will be transferred to the customer that are both capable of being distinct, (i.e., the customer can benefit from the goods or services either on its own or together with other resources that are readily available), and are distinct in the context of the contract (i.e., it is separately identifiable from other goods or services in the contract). To the extent a contract includes multiple promises, we must apply judgment to determine whether those promises are separate and distinct performance obligations. If these criteria are not met, the promises are accounted for as a combined performance obligation.

4. GOODWILL

As of September 30, 2023 and June 30, 2023, goodwill of \$2,425,425 arose on the acquisition of Shape due to the benefit of expected revenue growth and future market developments. These benefits were not recognized separately from goodwill because they do not meet the recognition criteria for identifiable intangible assets.

5. GOVERNMENT LOAN

Prior to its acquisition by the Company, Shape entered into an agreement with Western Economic Diversification Canada to receive a term loan of \$60,000 under the Regional Relief and Recovery Fund program (the “Government Loan”). The Government Loan was used to pay for operating costs during a period where the Company’s revenues were temporarily reduced due to economic impacts of the COVID-19 virus. Under the terms of the agreement, provided that 67% (\$40,000) of the Government Loan is repaid on or before December 31, 2023, the remaining 33% (\$20,000) will be forgiven. The outstanding amount of the Government Loan that is not repaid by December 31, 2023 becomes immediately repayable in 24 consecutive monthly instalments beginning January 1, 2024.

6. SHARE CAPITAL

a) Authorized and Issued Share Capital

The authorized capital of the Company consists of an unlimited number of voting Class A common shares (without par value) and an unlimited number of non-voting Class B common shares (without par value).

During the three months ended September 30, 2023, the Company had had no common shares transactions.

b) Share Purchase Warrants

A summary of the changes in the Company’s share purchase warrants is as follows:

	Number of Warrants	Weighted Average Exercise Price (\$)
Balance, September 30 and June 30, 2023	11,910,140	0.39

Expiry Date	Exercise Price (\$)	Number of Warrants
March 7, 2024	0.40	11,020,500
March 7, 2024	0.25	889,640
Balance, September 30, 2023	0.39	11,910,140

As at September 30, 2023, the weighted average remaining life of these outstanding warrants was 0.44 years (June 30, 2023 – 0.69 years).

AlphaGen Intelligence Corp.

Notes to the Condensed Consolidated Interim Financial Statements

For the Three Months Ended September 30, 2023 and 2022

Unaudited - In Canadian Dollars, unless noted

c) Performance Warrants

On September 1, 2020, the Company granted an aggregate of 7,000,000 performance warrants to certain consultants as consideration for the performance of ongoing services. These warrants were to become exercisable subject to the Company achieving certain milestones.

During the year ended June 30, 2022, 50% of the performance warrants (3,500,000 performance warrants) vested and became exercisable. As a result, the Company recognized the fair value of the performance warrants in share-based payments, which was measured at \$317,144 using the Black-Scholes pricing model based on the following assumptions: risk-free interest rate of 2.61%, expected stock price volatility of 100%, expected life of 1.33 years, and expected dividend yield of \$nil.

On September 1, 2023, the 3,500,000 unvested performance warrants expired unexercised.

d) Options

A summary of the changes in the Company's stock options is as follows:

	Number of Options	Weighted Average Exercise Price (\$)
Balance, September 30 and June 30, 2023	6,785,000	0.38

As at June 30, 2023, the Company held the following options:

Expiry date	Options outstanding	Options exercisable	Exercise Price
November 22, 2023*	500,000	500,000	\$ 0.35
December 1, 2023	2,300,000	2,300,000	0.35
May 11, 2024	2,035,000	2,035,000	0.50
May 14, 2024	300,000	300,000	0.92
October 7, 2024	300,000	300,000	0.34
June 21, 2026	1,350,000	-	0.14
	6,785,000	5,435,000	\$ 0.38

*On November 22, 2023, 500,000 options expired unexercised.

At September 30, 2023, the weighted-average remaining life of the options was 0.86 years (June 30, 2023 – 1.12 years).

During the three months ended September 30, 2023, the Company recognized \$70,091 in share-based payment expense related to the granting and vesting of options. These amounts were valued using the Black-Scholes Option Pricing Model based on the following assumptions:

	September 30, 2023
Risk-free interest rate	4.22%
Expected life	3 years
Expected volatility	140%
Expected dividend yield	Nil

AlphaGen Intelligence Corp.

Notes to the Condensed Consolidated Interim Financial Statements

For the Three Months Ended September 30, 2023 and 2022

Unaudited - In Canadian Dollars, unless noted

e) Restricted Share Rights (“RSUs”)

A summary of the changes in the Company’s RSUs:

	Number of Units
Balance, September 30 and June 30, 2023, Outstanding	9,575,000
Balance, September 30, 2023, Exercisable	8,850,000

During the three months ended September 30, 2023, the Company recognized \$21,687 in share-based payments related to the RSUs granted (2022 - \$nil).

7. REVENUES AND SEGMENTED DISCLOSURES

During the three months ended September 30, 2023 and 2022, the Company recognized revenue from the following segmented revenue streams:

For the Three Months Ended September 30,	2023	2022
	\$	\$
Product development – United States based	387,669	107,516
Monthly online subscriptions	2,013	1,058
Total	389,682	108,574

The Company’s major customers for its product development revenues are as follows:

For the Three Months Ended September 30,	2023	2022
	\$	\$
Customer 1	387,669	-
Customer 2	-	54,608
Customer 3	-	16,478

The Company’s cost of sales consists of cost of direct labour related to the creation of product development. All of the Company’s assets and labour is located in Canada.

8. RELATED PARTY TRANSACTIONS AND BALANCES

Key management are those personnel having the authority and responsibility for planning, directing, and controlling the Company and include both executive and non-executive directors, and entities controlled by such persons. The Company considers all directors and officers of the Company to be key management personnel.

All transactions with related parties have occurred in the normal course of operations and have been measured at the exchange amount, which the amount agreed to by the related parties.

AlphaGen Intelligence Corp.

Notes to the Condensed Consolidated Interim Financial Statements

For the Three Months Ended September 30, 2023 and 2022

Unaudited - In Canadian Dollars, unless noted

The aggregate value of transactions relating to key management personal during the three months ended September 30, 2023 and 2022 were as follows:

For the Three Months Ended September 30,	2023	2022
	\$	\$
Management fees ⁽¹⁾⁽²⁾⁽³⁾⁽⁴⁾	84,935	77,066
Share-based payments	51,919	-
Total	136,854	77,066

Notes for the three months ended September 30, 2023, the Company incurred:

- 1) \$84,935 (2023 - \$48,595) of management fees in provision of CEO services from the CEO of the Company.
- 2) \$18,000 (2023 - \$18,000) of management fees in provision of CFO services from a company controlled by the CFO and Director of the Company.
- 3) \$17,221 (2023 - \$10,471) of management fees in provision of director services from a company controlled by Director of the Company.

As at September 30, 2023, a balance of \$129,651 was owing to key management personnel for fees incurred on behalf of the Company with these amounts all included in accounts payable and accrued liabilities. The amounts payable are non-interest bearing, are unsecured, and have no specific terms of repayment.

As at September 30, 2023, the Company had a balance of \$40,000 of loan payable owing to a director of the Company with this amount included in accounts payable and accrued liabilities. The amount is non-interest bearing, unsecured, and has no specific terms of repayment.

9. MANAGEMENT OF CAPITAL

The Company defines the capital that it manages as its cash and share capital.

The Company's objective when managing capital is to maintain corporate and administrative functions necessary to support the Company's operations and corporate functions; and to seek out and acquire new projects of merit.

The Company manages its capital structure in a manner that provides sufficient funding for operational and capital expenditure activities. Funds are secured, when necessary, through debt funding or equity capital raised by means of private placements. There can be no assurances that the Company will be able to obtain debt or equity capital in the case of working capital deficits.

The Company does not pay dividends and has no long-term debt or bank credit facility. The Company is not subject to any externally imposed capital requirements.

10. RISK MANAGEMENT

a) Financial Risk Management

The Company may be exposed to risks of varying degrees of significance which could affect its ability to achieve its strategic objectives. The main objectives of the Company's risk management processes are to ensure that risks are properly identified and that the capital base is adequate in relation to those risks. The principal risks to which the Company is exposed are described below.

i. Capital Risk

The Company manages its capital to ensure that there are adequate capital resources for the Company to maintain operations. The capital structure of the Company consists of cash and share capital.

ii. Credit Risk

Credit risk is the risk that a counterparty will be unable to pay any amounts owed to the Company. The Company's cash is held in large Canadian financial institutions. Accounts receivable are nominal in nature and does not expose the Company to credit risk.

AlphaGen Intelligence Corp.

Notes to the Condensed Consolidated Interim Financial Statements

For the Three Months Ended September 30, 2023 and 2022

Unaudited - In Canadian Dollars, unless noted

iii. Liquidity Risk

Liquidity risk is the risk that the Company is not able to meet its financial obligations as they fall due. As at September 30, 2023, the Company's working capital is \$292,495 (June 30, 2023 – \$286,118) and it does not have any long-term liabilities. The Company may seek additional financing through debt or equity offerings, but there can be no assurance that such financing will be available on terms acceptable to the Company or at all. Any equity offering will result in dilution to the ownership interests of the Company's shareholders and may result in dilution to the value of such interests.

The Company's approach to managing liquidity risk is to ensure that it will have sufficient liquidity to meet liabilities when due. As at September 30, 2023, the Company had cash of \$671,813 (June 30, 2023 - \$154,356).

iv. Market Risk

Market risk incorporates a range of risks. Movements in risk factors, such as market price risk and currency risk, affect the fair values of financial assets and liabilities. The Company is not exposed to these risks.

v. Currency Risk

The operating results and financial position of the Company are reported in Canadian dollars. As the Company is exploring opportunities in an international environment, some of the Company's financial instruments and transactions are denominated in currencies other than the Canadian dollar. The results of the Company's operations are subject to currency risk.

The Company has not entered into any agreements or purchased any foreign currency hedging instruments to hedge possible currency risks at this time. Management believes the foreign exchange risk derived from currency conversions is not significant, and therefore, does not hedge its foreign exchange risk.

The Company is exposed to currency risk through the following monetary assets and liabilities denominated in foreign currencies, stated at the Canadian dollar equivalent:

	September 30, 2023	June 30, 2023
Cash - \$USD	450,000	100,000
Accounts receivable - \$USD	5,000	465,000
Accounts payable and accrued liabilities - \$USD	(90,000)	(108,000)

Based on the above net exposure and assuming that all other variables remain constant a 10% change in the value of the foreign currencies against the Canadian dollar would result in a \$36,000 increase or decrease in the Company's net loss (June 30, 2023 – \$46,000).

b) Fair Values

The carrying values of cash, accounts receivable and accounts payable and accrued liabilities approximate their fair values due to their short-term to maturity.

Assets and liabilities are classified in their entirety based on the lowest level of input that is significant to the fair value measurement.

Level 1 – Unadjusted quoted prices in active markets that are accessible at the measurement date for identical, unrestricted assets or liabilities.

Level 2 – Quoted prices in markets that are not active, or inputs that are not observable, either directly or indirectly, for substantially the full term of the asset or liability.

Level 3 – Prices or valuation techniques that require inputs that are both significant to the fair value measurement and unobservable (supported by little or no market activity).

The Company does not have any financial instruments classified as at fair value.