EONX TECHNOLOGIES INC.

CONSOLIDATED FINANCIAL STATEMENTS

For the years ended June 30, 2021 and 2020

Independent Auditor's Report

To the Shareholders of EonX Technologies Inc.:

Opinion

We have audited the consolidated financial statements of EonX Technologies Inc. and its subsidiary (the "Company"), which comprises the consolidated statement of financial position as at June 30, 2021 and the consolidated statements of profit (loss) and comprehensive profit (loss), changes in shareholders' equity (deficiency) and cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Company as at June 30, 2021 and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards.

Basis for Opinion

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

Material Uncertainty Related to Going Concern

We draw attention to Note 1 in the consolidated financial statements, which indicates that the Company has incurred a net loss and had negative cash flow from operating activities during the year ended June 30, 2021 and, as of that date, the Company had an accumulated deficit. As stated in Note 1, these events or conditions, along with other matters as set forth in Note 1, indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Other Matter

The consolidated financial statements of the Company for the year ended June 30, 2020 were audited by another auditor who expressed an unmodified opinion on those consolidated financial statements on May 12, 2021.

Other Information

Management is responsible for the other information. The other information comprises Management's Discussion and Analysis.

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

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

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

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

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

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

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

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

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

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

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

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

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

Calgary, Alberta

October 26, 2021

MNP LLP

Chartered Professional Accountants

EONX TECHNOLOGIES INC.
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
FOR THE YEARS ENDED JUNE 30, 2021 AND 2020
(Expressed in Australian Dollars)

	Note	**2021** $	2020 $
ASSETS			
Current assets			
Cash and cash equivalents		**5,125,690**	2,355,189
Accounts receivable		**702,311**	394,412
Inventory		**698,435**	572,491
Research and development credits receivable	10	**2,390,942**	2,396,968
Other current assets		**3,746**	58,727
Total current assets		**8,921,124**	5,777,787
Non-current assets			
Deposits		**91,624**	91,625
Property and equipment	6	**75,905**	83,746
Right-of-use assets	12	**467,637**	634,984
Total non-current assets		**635,166**	810,355
Total assets		**9,556,290**	6,588,142
LIABILITIES			
Current liabilities			
Trade and other payables		**2,965,254**	3,632,203
Borrowings	13	**2,561,700**	3,719,950
Provision for employee entitlements	7	**445,393**	206,439
Income taxes payable	17	**704,432**	-
Contract liabilities	9	**949,370**	237,556
Lease Liability	12	**241,230**	143,663
Total current liabilities		**7,867,379**	7,939,811
Non-current liabilities			
Borrowings	13	**5,432,500**	-
Lease Liability	12	**502,895**	727,774
Total non-current liabilities		**5,935,395**	727,774
		13,802,774	8,667,585
SHAREHOLDERS' EQUITY (DEFICIENCY)			
Share capital	14	**2,151,520**	120
Contributed surplus	15	**385,568**	-
Deficit		**(6,783,571)**	(2,079,563)
Total shareholders' equity (deficiency)		**(4,246,483)**	(2,079,443)
Total liabilities and shareholders' equity (deficiency)		**9,556,290**	6,588,142
NATURE AND CONTINUANCE OF OPERATIONS	1		
SUBSEQUENT EVENTS	21		

Approved on behalf of the Board of Directors:

(Signed) "*Andrew Kallen*"
Director

(Signed) "*Anoosh Manzoori*"
Director

EONX TECHNOLOGIES INC.
CONSOLIDATED STATEMENTS OF PROFIT (LOSS) AND COMPREHENSIVE PROFIT (LOSS)
FOR THE YEARS ENDED JUNE 30, 2021 AND 2020
(Expressed in Australian Dollars)

	Note	**2021** $	2020 $
REVENUE			
Revenue	8	**5,473,429**	8,147,232
Other income		**271**	82,347
		5,473,700	8,229,579
EXPENSES			
Corporate and administrative expenses	18	**1,100,918**	445,933
Employee expenses	10	**2,575,287**	3,907,017
Research and development and technology expenses	10	**1,837,020**	733,931
		5,513,225	5,086,881
OPERATING (LOSS) PROFIT		**(39,525)**	3,142,698
Other Expenses			
Stock-based compensation	15	**385,568**	-
Depreciation and amortization	6,12	**175,630**	187,473
Director fees	11	**1,200,000**	1,200,000
Finance costs		**85,545**	100,960
Listing expenses	5	**2,113,308**	-
Development costs of insurance technology product		**-**	601,633
		3,960,051	2,090,066
PROFIT (LOSS) BEFORE INCOME TAX EXPENSE		**(3,999,576)**	1,052,632
Income tax expense	17	**704,432**	961,903
Net profit (loss) and comprehensive profit (loss)		**(4,704,008)**	90,729
Weighted average common shares outstanding	16	**11,391,736**	120
Loss per share, Basic and Diluted		**$(0.41)**	$756.08

EONX TECHNOLOGIES INC.
CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY (DEFICIENCY)
FOR THE YEARS ENDED JUNE 30, 2021 AND 2020
(Expressed in Australian Dollars)

	Note	Number of Shares	Share Capital $	Contributed Surplus $	Accumulated Deficit $	Total $
Balance, June 30, 2019		120	120	–	(2,170,292)	(2,170,172)
Net profit		–	–	–	90,729	90,729
Balance, June 30, 2020		120	120	–	(2,079,563)	(2,079,443)
Issuance of common shares	**14**	**4,400,000**	**172,000**	**–**	**–**	**172,000**
Issued pursuant to share swap	**5**	**24,999,880**	**1,979,400**	**–**	**–**	**1,979,400**
Stock based compensation	**15**	**–**	**–**	**385,568**	**–**	**385,568**
Net loss		**–**	**–**	**–**	**(4,704,008)**	**(4,704,008)**
Balance, June 30, 2021		**29,400,000**	**2,151,520**	**385,568**	**(6,783,571)**	**(4,246,483)**

EONX TECHNOLOGIES INC.
CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED JUNE 30, 2021 AND 2020
(Expressed in Australian Dollars)

	Note	**2021** $	2020 $
CASH PROVIDED BY (USED IN):			
OPERATING ACTIVITIES			
Net loss and comprehensive loss for the year		**(4,704,008)**	90,729
Adjustments to Reconcile Net Loss to Net Cash used in Operations:			
Stock based compensation	15	**385,568**	81,719
Research and development credits receivable	10	**(2,390,942)**	-
Depreciation and amortization	6,12	**175,630**	187,473
Listing Expense	5	**1,958,098**	-
Interest component of lease payments		**(23,301)**	-
Employee entitlements	7	**(66,463)**	-
Directors' fees accrued into loan balance	11	**-**	1,208,003
Income tax Expense		**704,432**	-
Changes in non-cash working capital balances:			
Accounts receivable		**(307,899)**	566,025
R&D credits received in cash in 2021		**2,396,968**	
Other Current Assets		**54,980**	
Inventories		**(125,944)**	(46,605)
Trade and other payables		**391,712**	(292,465)
Cash provided by (used in) operating activities		**(1,551,169)**	1,794,879
INVESTING ACTIVITIES			
Receipt from deposits		**-**	3,500
Proceeds from common share issuances, net of issue costs	14	**193,302**	-
Cash provided by investing activities		**193,302**	3,500
FINANCING ACTIVITIES			
Proceeds from related party loans	13	**525,717**	353,457
Repayments of related party loans	13	**-**	(2,386,207)
Lease payments	12	**(145,882)**	(71,908)
Proceeds from borrowings, net	13	**5,036,658**	(600,000)
Cash provided by (used in) financing activities		**5,416,493**	(2,704,658)
Increase (decrease) in cash during the year		**4,058,626**	(906,279)
Cash and cash equivalents, beginning of the year		**1,067,064**	1,973,343
Cash and cash equivalents, end of the year	20	**5,125,690**	1,067,064

1. NATURE AND CONTINUANCE OF OPERATIONS

EonX Technologies Inc. (formerly 1263205 B.C. Ltd.) ("EonX Canada") was incorporated under the Laws of the Province of British Columbia on August 27, 2020. On February 26, 2021, 1263205 B.C. Ltd. changed its name to EonX Technologies Inc. (the "Company" or "EonX"). On March 23, 2021, the Company completed a share swap agreement with EonX Services Pty Ltd. ("EonX Australia"). EonX Canada did not constitute a business as defined by IFRS 3 *Business Combinations* and EonX Australia was considered the resulting Issuer (Note 5). The address of the Company's corporate office and its principal place of business is 1183 Toorak Rd, Camberwell VIC 3124, Australia. The Company's shares were listed on the Canadian Securities Exchange on March 29, 2021.

The Company began operations in November 2016 and as of June 30, 2021, its principal business activity is developing and marketing a suite of financial technology products including payment processor, e-wallets, identity and security for Know Your Customer (KYC) and Anti Money Laundering (AML), loyalty points solutions, and an e-commerce store.

In early March 2020, there was a global outbreak of coronavirus (COVID-19) that has resulted in changes in global supply and demand of certain products and services. These changes, including a potential economic downturn and any potential resulting direct and indirect negative impact to the Company are difficult to determine. Operating revenue for the twelve months to June 30, 2021 is down by 30%, which reflects the lockdowns that have been experienced in the reporting period. Melbourne (and the State of Victoria) in particular has been locked down six times, two for extended periods. The Victorian Government has announced that when the vaccination levels reach 70%, the economy will re open. Eonx has been steadily working through the lockdowns with the staff working remotely and therefore is ready to accommodate the expected high level of activity that will resume once the economy opens.

These consolidated financial statements have been prepared on a going concern basis, which implies the Company will continue to realize its assets and discharge its liabilities in the normal course of business. During the year ended June 30, 2021, the Company generated a net loss of $4,704,008 (2020 - profit of $90,729) and negative cash flows from operating activities of $1,551,169 (2020 – positive cash flow from operations - $1,794,879). As at June 30, 2021, the Company has an accumulated deficit of $6,783,571 (2020 – $2,079,563). As such, there is an uncertainty related to these events and conditions that may cast significant doubt on the Company's ability to continue as a going concern and therefore, it may be unable to realize its assets and discharge its liabilities in the normal course of business. The continuation of the Company as a going concern is dependent on the ability of the Company to achieve positive cash flow from operations and/or obtain necessary equity or other financing.

2. BASIS OF PRESENTATION

Statement of compliance

These consolidated financial statements are prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and the International Financial Reporting Interpretations Committee ("IFRIC").

These consolidated financial statements were reviewed by the Audit Committee and approved and authorized for issue by the Board of Directors on October 26, 2021.

Basis of consolidation

The consolidated financial statements include the accounts of the Company and its subsidiaries which are consolidated from the date of acquisition, being the date on which the Company obtained control, and continue to be consolidated until the date that such control ceases. The financial statements of the subsidiaries are prepared for the same reporting period as the parent, using consistent accounting policies. All intercompany balances and transactions are eliminated in full upon consolidation.

Basis of consolidation (cont.)

Name of entity	Jurisdiction	Principal activity	Ownership
EonX Technologies Inc.	Canada	Legal parent	-
EonX Services Pty Ltd.	Australia	Financial products	100%

Functional and presentation currency

These consolidated financial statements have been prepared on the historical cost basis. In addition, these consolidated financial statements have been prepared using the accrual basis of accounting, except for cash flow information. The functional presentation currency of the Company is the Canadian dollar ("CAD"), the functional currency of EonX Services Pty Ltd. is the Australian dollar ("AUD"). The presentation currency of the Company is AUD.

3. SIGNIFICANT ACCOUNTING POLICIES

Financial Instruments

Financial assets

Classification of financial assets

- Amortized cost - Financial assets that meet the following conditions are measured subsequently at amortized cost: The financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows, and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

  The amortized cost of a financial asset is the amount at which the financial asset is measured at initial recognition minus the principal repayments, plus the cumulative amortization using effective interest method of any difference between that initial amount and the maturity amount, adjusted for any loss allowance. Interest income is recognized using the effective interest method.

  The Company's financial assets which are measured at amortized cost are comprised of cash and cash equivalents, research and development credits receivable and accounts receivable.

- Fair value through other comprehensive income ("FVTOCI") - Financial assets that meet the following conditions are measured at FVTOCI:
  - The financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets, and,
  - The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

  The Company does not hold any financial assets measured at FVTOCI.

- Financial assets measured subsequently at fair value through profit or loss ("FVTPL") - By default, all other financial assets are measured subsequently at FVTPL. The Company, at initial recognition, may also irrevocably designate a financial asset as measured at FVTPL if doing so eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise from measuring assets or liabilities or recognizing the gains and losses on them on different bases.

  Financial assets measured at FVTPL are measured at fair value at the end of each reporting period, with any fair value gains or losses recognized in loss and comprehensive loss to the extent they are not part of a designated hedging relationship.

  The Company's does not hold any financial assets measured at FVTPL.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Financial Instruments (continued)

Financial liabilities

The Company's financial liabilities include trade and other payables, borrowings and provision for employee entitlements which are all measured at amortized cost. After initial recognition, an entity cannot reclassify any financial liability.

Impairment

The Company recognizes a loss allowance for expected credit losses on its financial assets that are measured at amortized cost. At each reporting date, the loss allowance for the financial asset is measured at an amount equal to the lifetime expected credit losses if the credit risk on the financial asset has increased significantly since initial recognition. If at the reporting date, the financial asset has not increased significantly since initial recognition, the loss allowance is measured for the financial asset at an amount equal to the twelve month expected credit losses. For trade receivables the Company applies the simplified approach to providing for expected credit losses, which allows the use of a lifetime expected loss provision. Impairment losses on financial assets carried at amortized cost are reversed in subsequent periods if the amount of the loss decreases and the decrease can be objectively related to an event occurring after the impairment was recognized. Given the nature and balances of the Company's accounts receivables the Company has no material loss allowance as at June 30, 2021 and 2020.

Cash and cash equivalents

Cash and cash equivalents in the statements of financial position comprise cash at banks and on hand, and short-term deposits with an original maturity of three months or less, which are readily convertible into a known amount of cash. The Company's cash and cash equivalents are invested with major financial institutions in business accounts and is available on demand by the Company for its programs.

Research and development credits receivable

Investment tax credits are accrued when qualifying expenditures are incurred and there is reasonable assurance that the credits will be realized. Investment tax credits earned with respect to current expenditures for qualified research and development activities are included in the consolidated statements of loss and comprehensive loss as a reduction of expenses. Investment tax credits associated with capital expenditures are reflected as reductions in the carrying amounts of capital assets.

Property and equipment

Items of property and equipment are measured at cost less accumulated depreciation and any accumulated impairment losses. Any gain or loss on disposal of an item of property and equipment is recognised in profit or loss.

Depreciation is recorded to recognize the cost of assets over their useful lives, using the straight line method less their estimated residual values over their estimated useful lives.

The estimated useful lives of property and equipment are as follows:

Equipment	5 years
Furniture and Fittings	5 years
Leasehold improvements	over lease term

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

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Employee benefits

Liabilities for wages and salaries, including non-monetary benefits, annual leave and long service leave expected to be settled wholly within 12 months of the reporting date are measured at the amounts expected to be paid when the liabilities are settled.

Impairment of non-financial assets

At the end of each reporting period, the Company reviews the carrying amounts of its non-financial assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss, if any. When it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit (“CGU”) to which the asset belongs. Where a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual CGUs, or otherwise they are allocated to the smallest group of CGUs for which a reasonable and consistent allocation basis can be identified.

Inventory

Inventory is comprised of e-gift cards and are stated at the lower of cost and net realizable value. Net realizable value is the estimated selling price in the ordinary course of business less any applicable selling expense. Cost is determined on a weighted average basis. Cost comprises of purchase and delivery costs, net of rebates and discounts received or receivable.

At each reporting date, inventory is assessed for impairment. If inventory is impaired, the carrying amount is reduced to its selling price less costs to sell and recognized in the statement of profit and loss.

Derivative instruments

A derivative is a financial instrument whose value changes in relation to changes in a variable, such as an interest rate, or foreign exchange rate. When derivative instruments are acquired, they are recognized in the consolidated statements of financial position as an asset at fair value. The ongoing changes in the fair value of derivative instruments are recognized in income in the year they occur.

Leases

A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. A lease liability is recognized at the commencement of the lease term at the present value of the lease payments that are not paid at that date using the incremental borrowing rate at the lease commencement date if the interest rate implicit in the lease is not readily determinable. At the commencement date, a corresponding right-of-use asset is recognized at the amount of the lease liability, adjusted for lease incentives received, retirement costs and initial direct costs. Depreciation is recognized on the right-of-use asset over the lease term. Interest expense is recognized on the lease liabilities using the effective interest rate method and payments are applied against the lease liability.

Provisions

Provisions are recorded when a present legal or constructive obligation exists as a result of past events where it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate of the amount can be made. If the effect is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Share-based payments

The stock option plan allows Company employees and consultants to acquire shares of the Company. The fair value of options granted is recognized as an expense with a corresponding increase in equity. An individual is classified as an employee when the individual is an employee for legal or tax purposes (direct employee) or provides services similar to those performed by a direct employee.

The fair value of options granted to employees and others providing similar services are measured at grant date and each tranche is recognized on a graded basis over the period during which the options vest. The fair value of the options granted is measured using the Black-Scholes option pricing model taking into account the terms and conditions upon which the options were granted. At each financial position reporting date, the amount recognized as an expense is adjusted to reflect the actual number of share options that are expected to vest.

Options granted to non-employees are measured at the fair value of the goods or services received, unless that fair value cannot be estimated reliably, in which case the fair value of the equity instruments issued is used. The value of the goods or services is recorded at the earlier of the vesting date, or the date the goods or services are received.

Share capital

The Company records proceeds from share issuances net of share issue costs. Proceeds and issue costs from unit placements are allocated between shares and warrants issued according to their residual value. The residual value is attributed to the value of the warrants. The value of the share component and warrant is credited to share capital with any residual value attributed to the warrant. Upon exercise of the warrant, consideration paid by the warrant holder together with the amount previously recognized is recorded as an increase to share capital. In the event there is a change to the warrant terms (price or exercise date), no change is made to the initial value recognized for the warrant.

Revenue recognition

Revenue is recognized at an amount that reflects the consideration to which the consolidated entity is expected to be entitled in exchange for transferring goods or services to a customer. For each contract with a customer, the consolidated entity: identifies the contract with a customer; identifies the performance obligations in the contract; determines the transaction price which takes into account estimates of variable consideration and the time value of money; allocates the transaction price to the separate performance obligations on the basis of the relative stand-alone selling price of each distinct good or service to be delivered; and recognizes revenue when or as each performance obligation is satisfied in a manner that depicts the transfer to the customer of the goods or services promised.

Variable consideration within the transaction price, if any, reflects concessions provided to the customer such as discounts, rebates and refunds, any potential bonuses receivable from the customer and any other contingent events. Such estimates are determined using either the ‘expected value’ or ‘most likely amount’ method. The measurement of variable consideration is subject to a constraining principle whereby revenue will only be recognized to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognized will not occur. The measurement constraint continues until the uncertainty associated with the variable consideration is subsequently resolved. Amounts received that are subject to the constraining principle are recognized as a refund liability.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Revenues from licensing and platform access fees

Revenues earned from licensing and platform access fees are earned over the period of the license and/or access to the technology platform provided to the enterprise client. Revenues are accrued as earned, which, without any specific performance milestone set out in the contract, is on a straight-line basis over the life of the contract or access to the platform. Any specific performance obligations stipulated in the contract are separated, where possible and accrued as those obligations are achieved on a pro-rata basis by reference to budgeted time or hours stipulated to achieve that performance obligation. Any difference between billings for licenses and/or platform access charges and the earning of revenues is taken to the statement of financial position as a contract asset or liability, depending upon whether that billing is in-arrears or in-advance of the revenue recognition.

Revenues from commissions achieved from transaction processing

Revenues received from commissions achieved from transaction processing are recognized at a point in time with reference to the timing of the processing of the underlying transaction entered into by the enterprise client and their customer. As the Company acts as an agent in the processing of the transaction, notwithstanding that cash inflows from the transaction pass through its bank accounts, these inflows and outflows are net off against each other in order to reflect the underlying commission entitlement achieved from processing those transactions. The service that is provided is the processing of the transaction and product sales.

Other income (interest revenue)

Interest revenue is recognized as interest accrues using the effective interest method. This is a method of calculating the amortized cost of a financial asset and allocating the interest income over the relevant period using the effective interest rate, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the net carrying amount of the financial asset.

Government grants and assistance

The Company recognizes government grants and assistance when there is reasonable assurance that the grant or assistance will be received, and any conditions associated with the grant or assistance have been met. Grants and assistance that compensate the Company for expenses incurred are recognized in the consolidated statement of loss and comprehensive loss as a reduction of the related expenses in the period in which they are earned, provided the conditions for receiving the grant or assistance are met in that period.

Business combination

Acquisitions of subsidiaries and assets that meet the definition of a business under IFRS are accounted for using the acquisition method. The cost of an acquisition is measured as the fair value of the assets given, equity instruments issued and liabilities incurred or assumed at the date of exchange. The identifiable assets acquired and liabilities and contingent liabilities assumed that meet the conditions for recognition under IFRS 3 *Business Combinations* are recognized at their fair values at the acquisition date, except for, deferred income taxes, employee benefit arrangements, share-based compensation, and assets held for sale, which are measured in accordance with their applicable IFRS. Any excess consideration over the fair value of the identifiable net assets is recognized as goodwill. Acquisition-related costs, other than those associated with the issuance of debt or equity, are recognized in profit or loss as incurred.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the Company reports provisional amounts for the items for which the accounting is incomplete. Those provisional amounts are adjusted retrospectively during the measurement period, or additional assets or liabilities are recognized, to reflect new information obtained about facts and circumstances that existed as of the acquisition date that, if known, would have affected the amounts recognized as of that date. The measurement period is the period from the date of acquisition to the date the Company obtains complete information about facts and circumstances that existed as of the acquisition date up to a maximum of one year.

Any contingent consideration to be transferred by the acquirer will be recognized at fair value at the acquisition date. Subsequent changes to the fair value of the contingent consideration, which is deemed to be an asset or liability, will be recognized in accordance with IFRS 9 either in profit or loss or as a change to other comprehensive income (loss). If the contingent consideration is classified as equity, it shall not be re-measured and its final settlement shall be accounted for within equity.

Earnings (loss) per share

The Company presents basic and diluted earnings (loss) per share data for its common shares, calculated by dividing the earnings (loss) attributable to common shareholders of the Company by the weighted average number of common shares outstanding during the period. Diluted earnings per share reflect the potential dilution that could occur if the dilutive securities were exercised or converted to common shares. The dilutive effect of the options and warrants are computed by application of the treasury stock method and the effect of convertible securities by the “if converted” method. Diluted earnings (loss) per share does not adjust the loss attributable to common shareholders or the weighted average number of common shares outstanding when the effect is anti-dilutive.

Income taxes

Income tax expense comprises current and deferred income tax. Income tax is recognized in the statement of profit (loss) and comprehensive profit (loss) except to the extent that it relates to items recognized directly into equity, in which case the related tax effect is recognized in equity.

Current tax expense is based on the results for the period as adjusted for items that are not taxable or not deductible. Current tax expense is calculated using tax rates, laws and government policies that were enacted or substantively enacted at the statement of financial position date.

Deferred tax is accounted for using a temporary difference approach and is the tax expected to be payable or recoverable on temporary differences between the carrying amounts of assets and liabilities in the statement of financial position and the corresponding tax bases used in the computation of taxable income. Deferred tax is calculated based on the expected manner in which temporary differences related to the carrying amounts of assets and liabilities are expected to reverse using tax rates and laws enacted or substantively enacted which are expected to apply in the period of reversal.

Deferred tax assets and liabilities are not recognized in respect of temporary differences that arise on initial recognition of assets and liabilities acquired other than in a business combination and which do not affect accounting or taxable profit or loss at the time of the transaction.

Comparative figures

Certain comparative figures have been reclassified for the year ended June 30, 2020 to reflect the current year’s presentation. The adjustments were not considered material and did not affect the Company’s consolidated net income.

New accounting pronouncements

The Company has reviewed new and amended accounting pronouncements that have been issued but are not yet effective and determined that there are no such pronouncements that may impact the Company.

4. ACCOUNTING ESTIMATES AND JUDGMENTS

The preparation of these consolidated financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions which affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the consolidated financial statements and revenues and expenses for the periods reported. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgments about carrying values of assets and liabilities that are not readily apparent from other sources. Significant areas requiring the use of management estimates are as follows:

Share-based payments

Equity-settled share-based payments to employees and others providing similar services are measured at the fair value of the equity instruments at the grant date. Determining the fair value of such share-based awards granted as common share warrants and stock options requires estimate as to the appropriate valuation model (Black-Scholes pricing model) and the inputs for the model require assumptions including the rate of forfeiture of warrants or options granted, the expected life of the warrant or option, the Company's share price and its expected volatility, the risk-free interest rate and expected dividends.

Deferred taxes

Deferred taxes are based on estimates as to the timing of the reversal of temporary and taxable differences, substantively enacted tax rates and the likelihood of assets being realized.

Revenue recognition

Where the outcome of performance obligations for contracts can be estimated reliably, revenue is recognized. The Company recognizes revenue when obligations have been satisfied and, where such provisions exist, the Company does not begin revenue recognition for license subscriptions that have conditional or trial periods until such periods expire. Where the outcome of performance obligations for sales contracts cannot be reliably measured, contract revenue is recognized in the current year to the extent that costs have been incurred until such time that the outcome of the performance obligations can be reasonably measured. Assumptions are sometimes required to estimate total contract costs, which are recognized as expenses in the year in which they are incurred. When it is probable that total contract costs will exceed total contract revenue, the expected loss is recognized as an expense immediately.

Leases

The incremental borrowing rates are based on judgments and estimates including economic environment, term, currency, and the underlying risk inherent to the asset. The carrying balance of the right-of-use assets, lease liabilities, and the resulting interest expense and depreciation expense, may differ due to changes in the market conditions and lease term

Employee Benefits

The liability for employee benefits expected to be settled more than 12 months from the reporting date are recognised and measured at the value of the estimated future cash flows to be made in respect of all employees at the reporting date. In determining the present value of the liability, estimates of attrition rates and pay increases through promotion and inflation have been taken into account.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and further periods if the review affects both current and future periods. The more significant areas where management judgment has been applied are:

4. ACCOUNTING ESTIMATES AND JUDGMENTS (continued)

Use of judgments

Critical accounting judgements are accounting policies that have been identified as being complex or involving subjective judgments or assessments with a significant risk of material adjustment in the next year. The more significant areas where management judgement has been applied are:

Going concern

The assessment of the Company's ability to execute its strategy by funding future working capital requirements involves judgement. The directors monitor future cash requirements to assess the Company's ability to meet these future funding requirements. Further information regarding going concern is outlined in Note 1.

Recovery of deferred tax assets

Deferred tax assets are recognised for deductible temporary differences only if the consolidated entity considers it is probable that future taxable amounts will be available to utilise those temporary differences and losses. The principal temporary differences not recognised in these financial statements relate to contract liabilities and provision.

Leases

Lease terms are based on assumptions regarding extension terms that allow for operational flexibility and future market conditions.

Taxation

The calculation for current and deferred taxes require management's interpretation of tax regulations and legislation in the various tax jurisdictions in which the Company operates, which are subject to change. The measurement of deferred tax assets and liabilities requires estimates of the timing of the reversal of temporary differences identified and management's assessment of the Company's ability to utilize the underlying future tax deductions against future taxable income before they expire, which involves estimating future taxable income.

The Company is subject to assessments by various taxation authorities in the tax jurisdictions in which it operates, and these taxation authorities may interpret the tax legislation and regulations differently. In addition, the calculation of income taxes involves many complex factors. As such, income taxes are subject to measurement uncertainty and actual amounts of taxes may vary from the estimates made by management.

5. REVERSE TAKE OVER

On January 1, 2021, the Company signed an arms-length Share Swap Agreement with EonX Services Pty Ltd. and its shareholders (the "Share Swap Agreement"). On March 23, 2021, the Company acquired all of the issued shares of Eonx Services Pty Ltd. in exchange for 25,000,000 shares (the "Transaction")

The financial statements cover EonX Technologies Inc. as a consolidated entity consisting of EonX Technologies Inc. and the entities it controlled at the end of, or during, the year ended June 30, 2021. The transaction was considered to be a reverse acquisition as the EonX Services Pty Ltd shareholders became the dominant shareholder group following the transaction. As a consequence, the comparative results and equity and profit or loss results brought forward as at June 30, 2020 and represented in these financial statements are those of EonX Services Pty Ltd. The dilutive impact of incorporating the shareholding interests of EonX Technologies Inc. under the Share Swap has been recognized as a transaction expense in the Statement of Profit or Loss and Other Comprehensive Income.

(Expressed in Australian Dollars)

The fair value of the consideration was determined based on the percentage of ownership of the merged entity that was transferred to the shareholders of EonX Technologies Inc. upon completion of the RTO. This value represents the fair value of the number of shares that EonX Services Pty Ltd. would have had to issue for the ratio of ownership interest in the combined entity to be the same as if the share swap agreement had taken the legal form of EonX Services Pty Ltd. acquiring 100% of the shares of EonX Technologies Inc. The value of the equity instruments of $1,979,400 represents 25,000,000 of outstanding common shares of the Company at $0.0792 per share (0.0813 CAD). The previous shares with EonX Technologies Inc. of 120 were eliminated in the current year.

The following summarizes the fair value of Eonx Technologies Inc.

Net assets acquired:	
Fair value of share consideration	$1,979,400
Transaction costs	$166,121
Net Assets Acquired	$(32,213)
Listing Expense on reverse takeover	2,113,308
Consideration paid:	
Common shares	25,000,000

The public company listing expense on reverse takeover is deemed to be the difference between the consideration paid for Eonx Technology Inc. shares and the net assets of Eonx Technologies Inc.

6. PROPERTY AND EQUIPMENT

Cost	Leasehold	Equipment	Furniture and fixtures	Total
Balance, June 30, 2019	$ 61,382	$245,280	$13,044	$319,706
Additions	-	-	-	-
Balance, June 30, 2020	$61,382	$245,280	$13,044	$319,706
Additions	-	-	$5,705	$5,705
Balance, June 30, 2021	**$61,382**	**$245,280**	**$18,749**	**$325,411**
Accumulated depreciation				
Balance, June 30, 2019	$4,579	$203,160	$2,871	$210,610
Depreciation	$1,420	$21,894	$2,036	$25,350
Balance, June 30, 2020	$5,999	$225,054	$4,907	$235,960
Depreciation	$1,385	$4,829	$7,332	$13,546
Balance, June 30, 2021	**$7,384**	**$229,883**	**$12,239**	**$249,506**
Net book value				
As at June 30, 2020	$ 55,383	$ 20,226	$ 8,137	$ 83,746
As at June 30, 2021	**$ 53,998**	**$ 15,397**	**$ 6,510**	**$ 75,905**

(Expressed in Australian Dollars)

7. PROVISION FOR EMPLOYEE ENTITLEMENTS

	Annual Leave	Long Service Leave	Total
Balance as at June 30, 2020	206,439	-	206,439
Paid during the year	(66,463)	-	(66,463)
Accrued during the year	212,828	92,589	305,417
Balance at June 30, 2021	**352,804**	**92,589**	**445,393**

Australian Employment law requires a Company to accrue for paid annual leave at the rate of 4 weeks per year, and paid long service leave at a rate of 7 weeks after 7 years of employment.

8. REVENUE

	2021	2020
Commission from Transactions	**606,309**	650,735
Product sales	**1,452,871**	2,641,962
Licensing and Platform	**3,414,249**	4,854,535
Total	**5,473,429**	8,147,232

The Company's revenue is generated in Australia. For the year ended June 30, 2021, 54% of the Company's revenue was earned through sales to one major customer (2020 – 19.5% of revenue to one major customer). As at June 30, 2021, accounts receivable from this one customer was $ 269,862 (2020 – $195,520).

In 2021, the entity received Government grant income of $871,170 (2020 $242,000) associated with employment support during the COVID 19 pandemic. This inflow has been credited to the employment expenses in accordance with IAS 20 (Note 10).

The entity also received Research and development tax incentive income of $2,390,941 for the year (2020 $2,396,968). This amount has been credited to the research and development expense line in accordance with IAS 20 (Note 10).

9. CONTRACT LIABILITIES

The following table represents changes in contract liabilities for the years ended June 30, 2021 and 2020:

Balance, June 30, 2019	$1,224,331
Invoiced in the period, excluding amount recognized as revenue	237,556
Amount recognized as revenue	(1,224,331)
Balance, June 30, 2020	237,556
Invoiced in the period, excluding amount recognized as revenue	949,370
Amount recognized as revenue	(237,556)
Balance, June 30, 2021	**949,370**

10. GOVERNMENT ASSSISTANCE

Australian Business Wage Subsidies
The Australian government introduced programs to support Australian businesses whose revenues were impacted by the COVID-19 pandemic. The government provided wage subsidies to qualifying companies of $750 per employee per week. For the year ended June 30, 2021, the Company determined that it qualified for the subsidies and submitted claims for $871,170 (2020 - $242,000) for the Australian Business Wage Subsidies, which have been received and recognized as a reduction to the related payroll expenses in the consolidated statement of profit (loss) and comprehensive profit (loss).

Research and Development tax incentive credits
The Company is eligible for research and development tax incentive credits. For the year ended June 30, 2021, the Company determined that it qualified for $2,390,942 research and development tax incentive credits (2020 - $2,396,968) which have been recognized as a reduction to the related expenses in the consolidated statement of profit (loss) and comprehensive profit (loss).

11. RELATED PARTY TRANSACTIONS

During the years ended June 30, 2021 and 2020, the Company incurred the following related party transactions:

(a) The Company has identified its directors and senior officers as its key management personnel. No post-employment benefits, other long-term benefits and termination benefits were made during the years ended June 30, 2021 and 2020.
(b) The Company incurred consulting fees to officers and directors in the amount of $1,200,000 (2020 – $1,200,000).
(c) The Company incurred stock-based compensation to officers and directors in the amount of $277,500 (2020 – $nil).

As at June 30, 2021, included in accounts payable is $796,574 (2020 – $1,756,782) due to officers and directors of the Company.

On March 26, 2021, the Company entered into a three-year loan facility agreement with its CEO for $2,282,500. The loan facility bears interest at 5% per annum commencing July 1, 2021. The lender at its sole discretion may convert the whole or any part of the outstanding loan plus unpaid accrued interest into shares of the Company at any time before the repayment date based on the share price on date of conversion. The balance outstanding as at June 30, 2021 is $2,282,500. The prior year loan payable to related parties (CEO) of $1,756,782 had no repayment terms, was interest free and was included in current borrowings as at June 30, 2020.

During the financial year, $200,000 was paid to Monia Kallen, who is the wife of the CEO and major shareholder, for consulting services (2020 - $nil).

During the financial year, the company purchased the Intellectual Property (“IP”) that was developed and generated by the company, but the asset was residing in another entity that is owned by the CEO. The purchase was completed prior to listing of the company, to enable the company to further develop and utilize the assets. The transaction had a fair value attributed at $300,000 and this value was approved by the EONx Services Pty Ltd Board of Directors (note 18).

(Expressed in Australian Dollars)

12. RIGHT OF USE ASSETS AND LEASE LIABILITIES

The Company's right of use asset & lease liability relate to office premises.

Right of use Assets

Balance at July 1, 2019	$ 797,107
Depreciation	(162,123)
Balance at June 30, 2020	634,984
Depreciation	(167,347)
Balance as at June 30, 2021	**467,637**

Lease Liabilities

Balance at July 1, 2019	920,875
Interest Expense	27,024
Lease Payments	(76,462)
Balance at June 30, 2020	871,437
Interest Expense	25,520
Lease Payments	(152,832)
Balance as at June 30, 2021	**744,125**

	June 30, 2021	June 30, 2020
Current lease liability	**$ 241,230**	$ 143,663
Non current lease liability	**502,895**	727,774
Total lease liability	**$ 744,125**	$ 871,437

The table below shows the undiscounted minimum lease payment commitments;

	June 30, 2021	June 30, 2020
Less than 1 year	**260,262**	169,183
Between 1 – 5 years	**518,219**	778,481

(Expressed in Australian Dollars)

13. BORROWINGS

	Related Party Loan from CEO	NAB Overdraft Facility	NAB Credit Facility	Optus Guarantee
Balance as at June 30, 2020	**1,756,783**	**1,288,782**	**-**	**675,043**
Current portion	**1,756,783**	**1,288,125**	**-**	**675,043**
Long term borrowings June 30, 2020	**-**	**-**	**-**	**-**
Debt advancement	**1,434,417**	**8,185,146**	**7,063,930**	**-**
Interest expense	**-**	**56,837**	**-**	**-**
Debt repayment	**908,700**	**6,965,408**	**3,913,930**	**(675,043)**
Balance as at June 30, 2021	**2,282,500**	**2,561,700**	**3,150,000**	**-**
Current borrowings	**-**	**2,561,700**	**-**	**-**
Long term borrowings	**2,282,500**		**3,150,000**	**-**

	Related Party Loan from CEO	NAB Overdraft Facility	NAB Credit Facility	Optus Guarantee
Balance as at June 30, 2019	2,533,130	-	-	1,202,861
Current portion	2,533,130	-	-	1,202,861
Long term borrowings June 30, 2019	-	-	-	-
Debt advancement	1,609,859	1,273,632	-	-
Interest expense	-	14,492	-	-
Debt repayment	2,386,206	-	-	527,818
Balance as at June 30, 2020	1,756,783	-	-	-
Current borrowings	1,756,783	1,288,125	-	675,043
Long term borrowings	-	-	-	-

The minimum remaining principal repayments as at June 30, 2021 of debt under all agreements are as follows;

	Related party loan from CEO	National Bank Overdraft Facility	National Bank Credit Facility
Less than 1 year		2,561,700	
Between 1 – 5 years	2,282,500		3,150,000
Over 5 years			

(Expressed in Australian Dollars)

On March 26, 2021, the Company entered into a three-year loan facility agreement with its CEO for $2,282,500. The loan facility bears interest at 5% per annum commencing July 1, 2021. The lender at its sole discretion may convert the whole or any part of the outstanding loan plus unpaid accrued interest into shares of the Company at any time before the repayment date based on the share price on date of conversion. The balance outstanding as at June 30, 2021 is $2,282,499. The prior year loan payable to related parties (CEO) of $1,756,782 had no repayment terms, was interest free and was included in current borrowings as at June 30, 2020. Subsequent to the year ended June 30, 2021 this loan has been repaid in full (Note 16).

The Company entered into an overdraft and loan facility with NAB on July 3, 2020 for a maximum amount of $3,700,000 and $2,500,000 respectfully. The NAB debt is an overdraft facility of up to a maximum of $2,500,000 and is subject to a floating interest rate plus a 0.55% risk margin and is due on demand. The effective interest rate as at June 30, 2021 was 2.61% The NAB loan facility of up to a maximum of $3,700,000 is subject to a floating interest rate plus a 1.00% risk margin. The effective interest rate as at June 30, 2021 was 3.33% (June 30, 2020 – 5.67%). The facility is subject to repayments of $50,000 per month up to July 31, 2022 and from there, $100,000 per month. The Loan is next to be reviewed on September 30, 2024.

None of the above loans or credit facilities are subject to covenants.

The NAB have completed two reviews on the overdraft and loan facilities and have extended the facilities both times. The next review of these facilities is in FY 2024.

14. SHARE CAPITAL

Authorized Share Capital

The Company is authorized to issue an unlimited number of common shares without par value.

Issued and Outstanding Common Shares

- On August 1, 2020, EonX Technologies Inc. issued 1 share for total proceeds of $1.
- On December 21, 2020, EonX Technologies Inc. issued 2,999,999 shares for total proceeds of $59,999.
- On February 25, 2021, EonX Technologies Inc. issued 1,400,000 shares for total proceeds of $112,000.
- On March 23, 2021, EonX Technologies Inc. issued 25,000,000 shares in exchange for 100% of the issued and outstanding shares of Eonx Services Pty Ltd. (Note 5)

On January 1, 2021, the Company signed an arms-length Share Swap Agreement with EonX and its shareholders to acquire all of the issued Shares of EonX in exchange for 25,000,000 Shares at an issue price of $0.08 per Share (the “Transaction””). The Transaction closed on March 23, 2021 and 25,000,000 Shares were issued to sole shareholder of Exon, a private company controlled by the CEO and a director on March 23, 2021.

During year ended June 30, 2021, the Company incurred share issue costs of $28,068 (2020 – $nil) comprised of cash.

	Number of shares issued	Value of Shares	Total number of Shares	Total Value of Shares
June 30, 2020	0	$0	0	$0
August 1, 2020	1	$1	1	$1
December 21, 2020	2,999,999	$59,999	3,000,000	$60,000
February 25, 2021	1,400,000	$112,000	4,400,000	$172,000
March 23, 2021	25,000,000	$1,979,400	29,400,000	$2,151,520
June 30, 2021			**29,400,000**	**$2,151,520**

(Expressed in Australian Dollars)

15. SHARE BASED PAYMENTS

The Company grants incentive stock options as permitted pursuant to the Company's Stock Option Plan (the "Plan") which complies with the rules and policies of the Exchange.

The Company has a stock option plan under which it is authorized to grant options to its directors, officers, employees, management companies and consultants enabling them to acquire up to 10% of the issued and outstanding shares of the Company. Under the Plan, the exercise price of options granted is determined by the Board of Directors, provided that the exercise price is not less than the price permitted by an exchange or a quotation system on which the Company's shares may be listed or quoted for trading. The term of any options granted under the Plan is fixed by the Board of Directors and may not exceed five years from the date of grant. Vesting, if any, and other terms and conditions relating to such options shall be determined by the Board of Directors of the Company. Any options granted pursuant to the Plan will terminate generally within ninety days of the option holder ceasing to act as a director, officer, employees, or consultant.

Options outstanding and exercisable	Number of options	Exercise Price	Expiry Date
Balance at June 30, 2020	-	-	
Granted on March 23, 2021	3,520,000	$0.10	December 23, 2023
Granted on April 20, 2021	2,352,000	$0.10	January 20, 2024
Balance at June 30, 2021	**5,872,000**	**$0.10**	

As at June 30, 2021, the options have a weighted average remaining contractual life of 2.76 years (2020 – nil) and a weighted average exercise price of $0.10 (2020 – nil)

The Company issued 3,520,000 stock options on March 23, 2021. The fair value was calculated as $231,130 using the Black Scholes pricing model using the assumptions listed below. The Company issued 2,352,000 stock options on April 20, 2021. The fair value was calculated as $154,438 using the Black Scholes pricing model using the assumptions listed below.

Fair value is impacted by stock price volatility, determined using historical share prices for a term equivalent to the expected life of the options. There were no forfeitures of stock options during the year ended June 30, 2021.

	March 23, 2021	April 20, 2021
Share price on grant date	$0.08	$0.08
Exercise price	$0.10	$0.10
Expected life (years)	3.0	3.0
Interest rate	0.40%	0.40%
Volatility	150%	150%
Dividend yield	0.00%	0.00%
Forfeiture rate	0.00%	0.00%

(Expressed in Australian Dollars)

16. Per Share Amounts

For the years ended June 30	2021	2020
Net profit (loss)	(4,704,008)	90,729
Basic and diluted weighted average number of shares	11,391,736	120
Basic and diluted net profit (loss) per share	$(0.41)	$756.08

In accordance with RTO accounting guidance, for the purpose of computing per share amounts for the year ended June 30, 2021, the number of shares outstanding for the period from the beginning of the year to the date of the RTO shall be deemed to be the number of shares issued by the legal parent, EonX Technologies Inc.. For the period from the date of the RTO to the end of year, the number of shares to be used in per share calculations is the actual number of shares of the legal parent outstanding in that period. Per share amounts for the comparative year ended June 30, 2020 are computed based on based on the number of shares issued by EonX Technologies Inc., the legal parent, to effect the RTO.

For the years ended June 30, 2021 and 2020, all stock options and agent options were excluded from the diluted per share amounts as their effect is anti-dilutive.

17. INCOME TAXES

The following table reconciles the amount of income tax recoverable on application of the combined statutory Australian federal income tax rates:

	2021	**2020**
	$	$
Pre tax profit (loss) for the year	(3,999,576)	1,052,632
Combined statutory rate	26.0%	27.5%
Expected income tax recovery	(1,039,890)	289,474
Permanent differences		
Non-deductible research and development tax credits	807,424	856,158
Other non-deductible permanent differences	650,276	21,051
Temporary differences not recognized	286,622	(204,780)
	704,432	961,903

(Expressed in Australian Dollars)

The Company has not recognized a deferred tax asset in respect of the following deductible temporary differences:

	2021	2020
Provision for employee entitlements	445,393	206,439
Contract liabilities	949,370	237,556
Other accruals	230,948	89,440
Lease liability net right-of-use asset	276,488	236,453
Total deductible temporary differences	1,902,199	769,888

The Company has zero operating and capital losses carried forward.

Deferred tax assets are recorded only to the extent that future taxable income will be available against which the deferred tax asset can be offset. Management estimates future income using forecasts based on the best available current information. Based on the current estimates, no deferred tax asset has been recorded.

18. NATURE OF EXPENSES

The nature of the Company's corporate and administrative expenses is as follows:

For the years ended June 30,	2021	2020
Intellectual Property (note 11)	**300,000**	-
Accounting fees	**230,792**	28,579
Consulting	**93,442**	219,107
Rent	**81,209**	92,020
Travel	**54,027**	12,552
Insurance	**53,439**	24,703
Legal Expenses	**47,363**	63,403
Office Expenses	**31,656**	-
Other	**208,990**	5,569
Total	**1,100,918**	445,933

19. MANAGEMENT OF CAPITAL

The Company's objectives when managing capital is to safeguard the Company's ability to continue as a going concern. The Company does not have any externally imposed capital requirements to which it is subject.

As at June 30, 2021, the Company had capital resources consisting of all components of shareholders' equity. The Company manages the capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. To maintain or adjust the capital structure, the Company may attempt to issue common shares.

20. FINANCIAL INSTRUMENTS

Fair values

The Company's financial instruments include cash, accounts receivable, research and development credits receivable, trade and other payables, provision for employee entitlements, and borrowings. The carrying amounts of these financial instruments are a reasonable estimate of their fair values. The risks associated with these financial instruments and the policies on how to mitigate these risks are set out below. Management manages and monitors these exposures to ensure appropriate measures are implemented on a timely and effective manner.

The Company classifies its fair value measurements in accordance with the three-level fair value hierarchy as follows:

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

The Company's financial instruments are all carried at amortized cost and are not subject to the above level inputs.

Financial risk management objectives and policies

The risks associated with financial instruments and the policies on how to mitigate these risks are set out below. Management manages and monitors these exposures to ensure appropriate measures are implemented on a timely and effective manner.

Currency risk

The Company's expenses are denominated in Australian dollars. The Company's corporate office is based in Australia and current exposure to exchange rate fluctuations is minimal. Assets and liabilities that are held in foreign currencies are converted to Australian dollars at the exchange rate prevailing at the balance date. Income and expenses that are earned or incurred in foreign countries are also converted to Australian dollars at the exchange rate prevailing at the balance date.

Interest rate risk

The Company has two floating rate loan facilities with the National Australia Bank, which are subject to interest rate risk. The floating and market risk interest rates are subject to a review in 12 months. An increase in the interest rates above of 1% will result in an increase in interest expense of $62,000. A reduction in the rates of 1% will result in a decrease in the interest expense of $62,000.

Credit risk

Credit risk is the risk of an unexpected loss if a customer or third party to a financial instrument fails to meet its contractual obligations. Financial instruments that potentially subject the Company to concentrations of credit risks consist principally of cash. As cash balances were held with Tier 1 banks subject to stringent liquidity threshold requirements, the Company had no material exposure to any credit risk.

The Company has customer concentration risk as one customer accounted for 25% of revenue for the year ended June 30, 2021 (June 30, 2020 – one customer, 19%).

(Expressed in Australian Dollars)

Liquidity risk

In the management of liquidity risk of the Company, the Company maintains a balance between continuity of funding and operating activity. Management closely monitors the liquidity position and expects to have adequate sources of funding to finance the Company's projects and operations.

As at June 30, 2021	Carrying Amount	2022	2023	2024
Trade and other payables	2,965,254	2,965,254	–	
NAB – overdraft	2,561,700	2,561,700	-	
NAB – credit facility	3,150,000	-	3,150,000	-
Related party loan	2,282,500	-	-	2,282,500
Provision for entitlements	445,393	445,393	-	-
	11,404,847	5,972,347	3,150,000	2,282,500

The related party loan has been converted to equity (note 21) and will not be required to be repaid.

Cash

The cash balance for the 2020 year reconciles to the statement of cash flow as follows:

Cash on Balance sheet	2,355,189
Less bank overdraft	1,288,125
Cash per cash flow statement	1,067,064

The bank overdraft amount of $1,288,125 is included in the total borrowings amount of $3,719,950 (ref Note 13).

21. SUBSEQUENT EVENTS

On August 17, 2021, The CEO converted the related party loan to the Company of $2,282,500 (Note 12) to equity in the Company through the issue of 4,666,571 shares at CAD $0.45 per share.