CLARA TECHNOLOGIES CORP.

FINANCIAL STATEMENTS

（**AUDITED**）

(Expressed in Canadian dollars)

For the Years Ended May 31, 2024 and 2023

CAN Partners LLP
Chartered Professional Accountants
PUBLIC ACCOUNTANTS and ADVISORS

7030 Woodbine Ave., Suite 405
Markham ON, L3R 6G2
T 905 604 6665

INDEPENDENT AUDITORS' REPORT

To the Shareholders of Clara Technologies Corp. (formerly Clara Capital Corp.):

Opinion

We have audited the financial statements of Clara Technologies Corp. (the "Company"), formerly Clara Capital Corp., which comprise the statements of financial position as at May 31, 2024 and 2023, and the statements of loss and comprehensive loss, statements of shareholders' equity, and cash flows for the years ended, and notes to the financial statements, including a summary of material accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at May 31, 2024 and 2023, and its financial performance and its cash flows for the years then ended in accordance with International Financial Reporting Standards (IFRS).

Basis for Opinion

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

Material Uncertainty Related to Going Concern

The accompanying financial statements have been prepared assuming that the Company will continue as a going concern. As discussed in Note 1 to the financial statements, the Company has limited operating income, it has incurred a comprehensive loss of $241,072 and negative cash flow from continuing operating activities of $261,252 during the year ended May 31, 2024 and it had a deficit of $333,542. As stated in Note 1, these events or conditions, along with other matters 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.

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

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

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

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

Auditors’ Responsibilities for the Audit of the Financial Statements

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

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

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

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

CAN Partners LLP

Markham, Ontario
August 22, 2024

Chartered Professional Accountants
Licensed Public Accountants

CLARA TECHNOLOGIES CORP.
STATEMENTS OF FINANCIAL POSITION
(EXPRESSED IN CANADIAN DOLLARS)

	May 31, 2024	May 31, 2023
ASSETS		
Current Assets		
Cash	$ 14,909	$ 278,161
Prepaid Expenses (Note 7)	70,124	-
Total Current Assets	85,113	278,161
Intangible Assets, Net (Note 8)	104,000	143,000
Total Assets	**$ 189,033**	**$ 421,161**
LIABILITIES		
Current Liabilities		
Deferred Revenue	$ 10,180	$ 11,236
Accounts Payable	18,000	6,000
Due to Related Party (Note 9)	1,800	1,800
Total Current Liabilities	29,980	19,036
Loans from Related Parties (Note 9)	140,000	140,000
Total Liabilities	169,980	159,036
SHAREHOLDERS' EQUITY		
Share Capital (Note 3)	$ 352,595	$ 39,000
Warrants (Note 4)	-	315,595
Deficit	(333,542)	(92,470)
Total Shareholders' Equity	**19,053**	**262,125**
Total Liabilities and Shareholders' Equity	**$ 189,033**	**$ 421,161**

Nature of operations and going concern (Note 1)

Approved on behalf of the Board:

(signed) "George Kovalyov" *(signed) "Oleksandr Havrylov"*

The accompanying notes are an integral part of these financial statements

CLARA TECHNOLOGIES CORP.
STATEMENTS OF LOSS AND COMPREHENSIVE LOSS
(EXPRESSED IN CANADIAN DOLLARS)

	For the Year ended May 31, 2024	For the Year ended May 31, 2023
Income		
Consulting Services	$ 19,874	$ 28,699
Subscriptions	14,660	11,890
Total Income	34,534	40,589
Expenses		
Amortization (Note 8)	39,000	39,000
Bank Charges	673	487
Director Fees	12,000	6,000
Marketing Expenses	18,294	-
Project Consulting	155,941	51,772
Professional Fees	49,698	22,377
Total Expenses	275,606	119,636
Loss before income tax	**(241,072)**	**(79,047)**
Income tax (expense) recovery	-	-
Net loss	**$ (241,072)**	**$ (79,047)**
Net loss and comprehensive loss	**$ (241,072)**	**$ (79,047)**
Loss per share – basic and diluted	**$ (0.03)**	**$ (0.02)**
Weighted average common shares outstanding	**9,522,984**	**3,900,000**

The accompanying notes are an integral part of these financial statements

CLARA TECHNOLOGIES CORP.
STATEMENT OF SHAREHOLDERS' EQUITY
(EXPRESSED IN CANADIAN DOLLARS)
FOR THE YEARS ENDED MAY 31, 2024 AND 2023

	Number of Shares	Share Capital	Warrants	Deficit	Total
Balance, May 31, 2022	**3,900,000**	**$ 39,000**	**$ 315,595**	**$ (13,423)**	**$ 341,172**
Loss for the year	-	-	-	(79,047)	(79,047)
Balance, May 31, 2023	**3,900,000**	**$ 39,000**	**$ 315,595**	**$ (92,470)**	**$ 262,125**
Return of warrants	-	-	(2,000)	-	(2,000)
Common shares issued for warrants	11,433,400	313,595	(313,595)	-	-
Loss for the year	-	-	-	(241,072)	(241,072)
Balance, May 31, 2024	**15,333,400**	**$ 352,595**	**$ -**	**$ (333,542)**	**$ 19,053**

The accompanying notes are an integral part of these financial statements

CLARA TECHNOLOGIES CORP.
STATEMENTS OF CASH FLOWS
(EXPRESSED IN CANADIAN DOLLARS)

		For the Year ended May 31, 2024		For the Year ended May 31, 2023
Cash and cash equivalents (used in) provided by:				
OPERATING ACTIVITIES				
Net Loss for the period	**$**	**(241,072)**	**$**	**(79,047)**
Amortization		39,000		39,000
Change in Prepaid Expenses		(70,124)		-
Change in Deferred Revenue		(1,056)		11,236
Change in Accounts Payable		12,000		6,000
Total Operating Activities		(261,252)		(22,811)
FINANCING ACTIVITIES				
Return of Warrants		(2,000)		-
Due from Related Party		-		1,800
Loans from Related Parties		-		140,000
Total Financing Activities		(2,000)		141,800
Change in cash during the period		**(263,252)**		**118,989**
Cash, beginning of the year		**278,161**		**159,172**
Cash, end of the year	**$**	**14,909**	**$**	**278,161**

The accompanying notes are an integral part of these financial statements

1. Nature of Operations and Going Concern

Clara Technologies Corp., formerly known as Clara Capital Corp., ("the Company") was incorporated on April 15, 2021 pursuant to the Business Corporations Act under the name of Clara Capital Corp. The Company's head office is located at 34 - 11551 Kingfisher Drive, Richmond BC V7E3N5, Canada. On November 7, 2023, the Company filed articles of amendment to change its name to Clara Technologies Corp. The Company changed its name to match its business operations and activities.

The Company is a startup company providing the software platform through the Corporation's website at https://zonpages.com/ for Amazon sellers to manage, launch and promote their products on their landing pages, to control their sales and purchases, to create and increase customer's email lists, to bring traffic through Facebook.

These financial statements have been prepared on a going concern basis, which assumes that the Company will be able to realize its assets and discharge its liabilities in the normal course of business. At present, the Company has limited operating income. The Company had an accumulated deficit of $333,542 and $92,470 as of May 31, 2024 and 2023, respectively. Without additional financing, the Company may not be able to fund its ongoing operations and complete development activities. The Company intends to finance its future requirements through a combination of debt and/or equity issuance. There is no assurance that the Company will be able to obtain such financings or obtain them on favorable terms. These uncertainties may cast significant doubt on the Company's ability to continue as a going concern. The Company will need to raise sufficient working capital to maintain operations. These financial statements do not include any adjustments related to the recoverability of assets and classification of liabilities that might be necessary should the Company be unable to continue as a going concern. Such adjustments could be material.

2. Material Accounting Policies

Basis of Preparation

The financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and interpretations of the International Financial Reporting Interpretations Committee ("IFRIC").

These financial statements were approved by the Board of Directors on August 22, 2024.

Basis of Measurement

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.

Functional and presentation currency

The Company records transactions using its functional currency, being the currency of the primary economic environment in which it operates. The financial statements are presented in Canadian dollars, which is also the functional currency of the Company.

2. Material Accounting Policies (continued)

Financial instruments

Financial assets
The Company classifies its financial assets in the following categories: at fair value through profit and loss ("FVTPL"), at fair value through other comprehensive loss ("FVTOCI") or at amortized cost. The determination of the classification of financial assets is made at initial recognition. Equity instruments that are held for trading (including all equity derivative instruments) are classified as FVTPL; for other equity instruments, on the day of acquisition the Company can make an irrevocable election (on an instrument-by-instrument basis) to designate them as at FVTOCI.

The Company's accounting policy for each of the categories is as follows:

Financial assets at FVTPL: Financial assets carried at FVTPL are initially recorded at fair value and transaction costs are expensed in profit or loss. Realized and unrealized gains and losses arising from changes in the fair value of the financial assets held at FVTPL are included in profit or loss.

Financial assets at FVTOCI: Investments in equity instruments at FVTOCI are initially recognized at fair value plus transaction costs. Subsequently they are measured at fair value, with gains and losses arising from changes in fair value recognized in other comprehensive (loss) income in which they arise.

Derecognition

A financial asset is derecognized when the contractual rights to the cash flows from the asset expire, or the Company no longer retains substantially all the risks and rewards of ownership.

Impairment of financial assets

The Company uses a simplified approach, as per IFRS 9, to assess impairment, which requires the expected lifetime loss to be recognized at the time of initial recognition of the financial assets. An impairment loss is reversed in subsequent periods if the amount of the expected loss decreases and the decrease can be tied to an event occurring after the initial impairment was recognized.

Financial liabilities are designed as either: FVTPL or amortized costs. All financial liabilities are classified and subsequently measured at amortized cost except for financial liabilities at FVTPL. The classification determines the method by which the financial liabilities are carried on the statement of financial position subsequent to inception and how changes in value are recorded.

Derecognition

A financial liability is derecognized when the obligation under the liability is discharged, cancelled or expires with any gain or loss recognized in other income or expense in the statement of loss.

Provisions

A provision is recognized when the Company has a present legal or constructive obligation as a result of a past event, it is probable that an outflow of economic benefits will be required to settle the obligation, and the amount of the obligation can be reliably estimated. 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 the risks specific to the liability.

The Company has classified its financial instruments as follows:

Cash: FVTPL

Accounts payable and accrued liabilities; Due to Related Party, Loans from related parties: Amortized cost

2. Material Accounting Policies (continued)

Revenue Recognition and Deferred Revenue

The Company generates revenue through the sale of a monthly or yearly subscription fee for its Amazon store management software. Additionally, the Company offers consulting services to help Amazon sellers optimize their store using the software. These consulting services can be offered on a per-project or hourly basis.

The Company adopted IFRS 15, Revenues from contracts with Customers. Revenue is measured based on the consideration specified in a contract with a customer. The Company recognizes revenue when it transfers control over a product or service to a customer.

Clara Technologies Corp. follows the five-step model in IFRS 15 to recognize revenues:

1. Identify the contract with customers

2. Identify the performance obligation in the contract

3. Determine the transaction price

4. Allocate the transaction price to performance obligations in the contract

5. Recognize revenue when the Company satisfies a performance obligation

Subscription Arrangements:

Subscription revenue arrangements are derived through the Company's website. Subscription payment refers to revenue that a client pays in advance for a certain period of time.

Revenues associated with the sale of subscriptions are deferred until the subscription service is recognized ratably over the subscription period as the performance obligations are satisfied.

Consulting Services:

Revenues from consulting services are recognized when the services are provided.

Income Taxes

Income tax expense comprises current and deferred tax. Income tax is recognized in profit or loss except to the extent that it relates to items recognized directly in equity or other comprehensive income, in which case the income tax is recognized in equity or other comprehensive income.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted, or substantively enacted, at the end of the reporting period, and any adjustment to tax payable in respect of previous years. Current tax assets and current tax liabilities are only offset if a legally enforceable right exists to offset the amounts, and the Company intends to settle on a net basis, or to realize the asset and settle the liability simultaneously.

Deferred tax is recognized on temporary differences arising from the carrying amount of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax liabilities are generally recognized for all taxable temporary differences and deferred tax assets are recognized to the extent that it is probable that future taxable profits will be available against which deductible temporary differences can be utilized.

Deferred tax is calculated using the tax rates expected to apply in the periods in which the assets will be realized or the liabilities settled, based on tax rates and laws enacted, or substantively enacted, by the reporting date. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

2. Material Accounting Policies (continued)

Finite-lived Intangible Assets

Certain costs incurred in connection with the acquisition and development of software are capitalized to intangible assets. Intangible assets are recorded at cost, which consists of directly attributable costs necessary to create such intangible assets, less accumulated amortization and accumulated impairment losses, if any. The costs mainly include the salaries paid to the software developers and consulting fees. These costs are recognized as intangible assets when the following criteria are met:

- It is technically feasible to complete the software product so that it will be available for use;
- Management intends to complete the software product;
- It can be demonstrated how the software product will generate future economic benefits;
- Adequate technical, financial, and other resources to complete the development and to use or sell the software products are available; and
- The expenditure attributable to the software product during its development can be reliably measured.

Intangible assets include marketing related, technology based intangible assets acquired through acquisitions and internally generated intangibles. Intangible assets with finite useful lives are amortized over their estimated useful lives using straight-line amortization methods. The intangible assets are amortized over five years.

Impairment of Long-Lived Assets

Long-lived assets, including property and equipment and intangible assets are reviewed for impairment at each reporting date or whenever events or changes in circumstances indicate that the carrying amount of an asset exceeds its recoverable amount. For the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets (the cash-generating unit, or "CGU"). The recoverable amount of an asset or a CGU is the higher of its fair value, less costs of disposal, and its value in use. If the carrying amount of an asset exceeds its recoverable amount, an impairment charge is recognized immediately in consolidated statements of loss and comprehensive loss equal to the amount by which the carrying amount exceeds the recoverable amount. Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the lesser of the revised estimate of recoverable amount, and the carrying amount that would have been recorded had no impairment loss been recognized previously.

Share Capital

Equity instruments are contracts that give a residual interest in the net assets of the Company. Financial instruments issued by the Company are classified as equity only to the extent that they do not meet the definition of a financial liability or financial asset.

The Company’s common shares and warrants, are classified as equity instruments. Incremental costs directly attributable to the issue of new shares are shown in equity as a deduction, net of tax, from proceeds.

Warrants

Proceeds from unit placements are allocated between shares and warrants issued according to their relative fair value. The relative fair value of the share component is credited to share capital and the relative fair value of the warrant component is credited to warrant reserve. Upon exercise of the warrants, consideration paid by the warrant holder together with the amount previously recognized in the warrant reserve account is recorded as an increase to share capital. For those warrants that expire unexercised, the recorded fair value is transferred from warrant reserve to deficit.

2. Material Accounting Policies (continued)

Earnings (Loss) Per Share

Basic earnings (loss) per share is computed by dividing the net loss applicable by the weighted average number of common shares outstanding during the reporting period. Diluted earnings (loss) per share is computed by dividing the net loss by the sum of the weighted average number of common shares issued and outstanding during the reporting period and all additional common shares for the assumed exercise of stock options and warrants outstanding for the reporting period, if dilutive. The treasury stock method is used for the assumed proceeds upon the exercise of stock options and warrants that are used to purchase common shares at the average market price during the reporting period.

Significant Judgements, Estimates and Assumptions

The preparation of these financial statements requires management to make judgement, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities at the date of the financial statements and reported amounts of expenses during the reporting period. 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 judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual outcomes could differ from these estimates.

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 future periods.

The preparation of these financial statements requires management to make judgements regarding the going concern of the Company, as disclosed in Note 1.

The Company's functional currency must be determined through an analysis of several indicators, in accordance with IFRS. Judgment is required in determining an entity's functional currency based on individual facts and circumstances. Management considers the primary and secondary indicators as a hierarchy to determine the functional currency that most faithfully represents the economic effects of the underlying transactions, events and conditions.

Judgment is used to estimate each component of a tangible and intangible asset's useful life and is based on an analysis of all pertinent factors including, but not limited to, the expected use of the asset and, in the case of an intangible asset, contractual life without substantial cost. If the estimated useful lives change, this could result in an increase or decrease in the annual amortization and depreciation expense, and future impairment charges

3. Share Capital

a) AUTHORIZED
The Company is authorized to issue an unlimited number of common shares.

b) ISSUED
On December 4, 2023, 11,433,400 of special warrants were converted to 11,433,400 common shares. As of May 31, 2024 and 2023, the Company had 15,333,400 and 3,900,000 common shares issued and outstanding, respectively. The Company did not incur share issue costs.

4. Warrants

The Company issued special warrants which entitle the holder to acquire, for no additional consideration, one common share unit from the date that the Company's shares commence trading on a recognized stock exchange. The special warrant is exercisable by the recognized holder at any time after the closing date of this offering for no additional consideration and are deemed to be exercised on the day following the closing and the third business day after a receipt is issued for a prospectus by the security regulatory authorities in each of the provinces of Canada where the special warrants are sold qualifying the common shares to be issued upon the exercise or deemed exercise of the special warrants. No terms of repurchase of the special warrants or refund of proceeds were provided.

4. Warrants (continued)

Between June 2021 and August 2021, the Company issued 9,950,000 special warrants of the Company at a price of $0.02 per share for gross proceeds of $199,000.

Between August 2021 and October 2021, the Company issued 714,900 special warrants of the Company at a price of $0.05 per share for gross proceeds of $35,745.

Between October 2021 and May 2022, the Company issued 808,500 special warrants of the Company at a price of $0.10 per share for gross proceeds of $80,850.

On September 25, 2023, the Company terminated the subscription agreement with Vladislav Iaroukov for 40,000 warrants and refunded him $2,000 on September 26, 2023.

On December 4, 2023, 11,433,400 of special warrants were converted to 11,433,400 common shares.

For the year ended May 31, 2024

Opening Balance	During the Year: Issued	During the Year: Exercised	During the Year: Returned	During the Year: Converted to Common Shares	Closing Balance	Expiration Date – see explanatory note above	Exercise Price – see explanatory note above
9,950,000	-	-	-	9,950,000	-	N/a	-
714,900	-	-	40,000	674,900	-	N/a	-
808,500	-	-	-	808,500	-	N/a	-
11,473,400	-	-	40,000	11,433,400	-		-

For the year ended May 31, 2023

Opening Balance	During the Year: Issued	During the Year: Exercised	Closing Balance	Expiration Date – see explanatory note above	Exercise Price – see explanatory note above
9,950,000	-	-	9,950,000	N/a	-
714,900	-	-	714,900	N/a	-
808,500	-	-	808,500	N/a	-
11,473,400	-	-	11,473,400		-

5. Financial Instruments

The Company's non-derivative financial instruments include cash, accounts payables and accrued liabilities, dues to related party and loans from related parties. Non-derivative financial instruments are recognized initially at fair value. As at May 31, 2024 and 2023, the carrying value of cash is recorded at fair value. Accounts payable and accrued liabilities, due to related party and loans from related parties approximate their fair value due to their short-term nature.

The Company classifies its financial instruments measured at fair value at one of three levels according to the relative reliability of the inputs used to estimate the fair value:

a. Level 1- quoted prices (unadjusted) in active markets for identical assets or liabilities;

b. Level 2- inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and

c. Level 3- inputs for the asset or liability that are not based on observable market data (unobservable inputs)

The Company's cash is measured as level 1 input.

6. Financial Risk Management

The Company's activities expose it to a variety of financial risks: credit risk, liquidity risk, market risk.

Risk management is carried out by the Company's management team with guidance from the Board of Directors. The Board of Directors also provides regular guidance for overall risk management.

Credit Risk

Credit Risk is the risk of potential loss to the Company if the counterparty to a financial instrument fall to meet its contractual obligations. The Company's cash is held with reputable institution in Canada.

Liquidity Risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company's approach to managing liquidity risk to ensure that it will have sufficient liquidity to meet liabilities when due. The Company does not have significant liquidity risk.

Market Risks

The Company will be subject to normal market risks including fluctuations in foreign exchange rates and interest rates. While the Company manages its operations in order to minimize exposure to these risks, the Company has not entered into any derivatives or contracts to hedge or otherwise mitigate this exposure. The Company is not exposed to any significant market risk.

Capital Management

The Company's objectives when managing capital, defined as shareholders' equity, are to safeguard the Company's ability to continue as a going concern (Note 1) to maintain a flexible capital structure that optimizes the cost of capital at an acceptable risk.

The Company manages the capital structure and adjusts 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 new shares, issue new debt, or acquire or dispose of assets.

In order to facilitate the management of its capital requirements, the Company prepares expenditure budgets that are updated as necessary depending on various factors, including successful capital deployment and general industry conditions. The Board of Directors has not yet established quantitative return on capital criteria for management, but rather relies on the expertise of the Company's management to sustain future development of the business.

There have been no changes to the Company's approach to capital management during the year ended May 31, 2024. The Company is not subject to externally imposed capital requirements.

7. Prepaid expenses

Prepaid expenses included capitalized costs incurred in connection with the marketing and project consultancy services to be received by the Company. During the year ended May 31, 2024, the amount of $174,235 was recognized as marketing and project consultancy expenses. The prepaid expenses as of May 31, 2024 and 2023 were as follows:

	May 31, 2024	May 31, 2023
Software improvement services	46,057	-
Marketing services	24,067	-
Total prepaid expenses	**$ 70,124**	**$ -**

8. Intangible Asset

Intangible assets include capitalized costs incurred in connection with the acquisition and development of software.

The movements of the Company's intangibles are summarized as follows:

	May 31, 2024	May 31, 2023
Opening balance	143,000	182,000
Amortization for the year	39,000	39,000
Total prepaid expenses	**$ 104,000**	**$ 143,000**

9. Related Party Transactions

As of May 31, 2024 and 2023, the Company owed $1,800 to an Officer of the Company. The amount owing is unsecured, non-interest bearing, and due on demand.

As of May 31, 2024 and 2023, the Company borrowed $140,000 from the directors of the Company to support its daily operations. The loans are unsecured, non-interest bearing, and due on demand. However, the directors have waived the repayment until May 31, 2027.

During the year ended May 31, 2024, the Company incurred $12,000 director fees (May 31, 2023 - $6,000).

10. Income Taxes

A reconciliation of income taxes at statutory rates with the reported taxes is as follows:

		2024		2023
Loss for the period	$	(241,072)	$	(79,047)
Expected income tax (recovery) (27%)	$	(65,089)	$	(21,343)
Change in unrecognized deductible temporary differences		65,089		21,343
Total income tax expense (recovery)	**$**	**-**	**$**	**-**

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

		2024		2023
Deferred tax assets		54,559		10,813
Non-capital losses available for future period		10,927		114
		65,486		10,927
Unrecognized deferred tax assets		(65,486)		(10,927)
Net deferred tax assets	$	-	$	-

10. Income Taxes (continued)

Tax attributes are subject to review, and potential adjustment, by tax authorities.

Non-capital Losses Carried Forward

As at May 31, 2024, the Company has approximately $242,542 of non-capital losses available to be carried forward against future taxable income. These non-capital income tax losses will expire as follows: 2041 - $34; 2042 - $388; 2043 - $40,048; 2044 - $202,072.

11. Subsequent events

The Company has evaluated the impact of events that have occurred subsequent to May 31, 2024, through the date these financial statements were available to issue, and concluded that no subsequent events have occurred that would require recognition in the financial statements or disclosure in the notes to the financial statements.