PROSTAR HOLDINGS INC.

CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
FOR THE THREE AND SIX-MONTH PERIODS ENDED JUNE 30, 2023

(UNAUDITED – PREPARED BY MANAGEMENT)
(Expressed in United States Dollars)

NOTICE OF NO AUDITOR REVIEW OF INTERIM FINANCIAL STATEMENTS

The accompanying unaudited interim financial statements have been prepared by management and approved by the Audit Committee and Board of Directors.

The Company's independent auditors have not performed a review of these condensed consolidated interim financial statements in accordance with the standards established by the Canadian Institute of Chartered Accountants for a review of interim financial statements by an entity's auditors.

This notice is being provided in accordance with National Instrument 51-102 – Continuous Disclosure Obligations.

PROSTAR HOLDINGS INC.
CONDENSED CONSOLIDATED INTERIM STATEMENTS OF FINANCIAL POSITION
(Unaudited – Prepared By Management)
(Expressed in United States dollars)
AS AT,

		June 30, 2023		December 31, 2022
ASSETS				
Current Assets				
Cash	$	12,881	$	2,205,279
Receivables and prepayments (note 4)		406,701		224,759
		419,582		2,430,038
Non-Current Assets				
Equipment and right-of-use assets (note 5)		190,537		35,229
Intangible assets (note 6)		8,000		8,333
Total Assets	$	618,119	$	2,473,600
LIABILITIES AND SHAREHOLDERS' EQUITY				
Current Liabilities				
Accounts payable and accrued liabilities (note 7)	$	454,926	$	230,359
Deferred revenue		425,471		240,067
Lease liabilities (note 8)		107,297		-
		987,694		470,426
Lease liabilities (note 8)		60,778		-
Total Liabilities		1,048,472		470,426
Shareholders' Equity (note 9)				
Share capital		33,345,604		33,345,604
Reserves		3,520,336		3,293,927
Accumulated other comprehensive income		(240,062)		(227,502)
Deficit		(37,056,231)		(34,408,855)
		(430,353)		2,003,174
Total Liabilities and Shareholders' Equity	$	618,119	$	2,473,600

Nature of Operations and Going Concern (note 1)
Subsequent events (note 15)

APPROVED ON BEHALF OF THE BOARD ON AUGUST 16, 2023

"Herb McKim"	*"Page Tucker"*
Director	**Director**

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

PROSTAR HOLDINGS INC.
CONDENSED CONSOLIDATED INTERIM STATEMENTS OF LOSS AND COMPREHENSIVE LOSS
(Unaudited – Prepared By Management)
(Expressed in United States dollars)

	For the three months ended June 30, 2023	For the three months ended June 30, 2022	For the six months ended June 30, 2023	For the six months ended June 30, 2022
Revenue				
Sales	$ 234,439	$ 169,307	$ 465,244	$ 357,871
Cost of Sales	(50,908)	(37,219)	(86,007)	(82,349)
Gross Margin	183,531	132,088	379,237	275,522
Expenses				
Management	150,000	150,000	302,500	300,000
Information technology	30,620	32,741	61,184	64,332
Product development	255,983	313,122	518,750	617,614
Sales and marketing	436,349	235,187	633,297	490,975
Consulting	67,019	33,635	145,070	54,048
Depreciation	29,507	36,662	60,471	73,326
Foreign exchange	(110)	773	1,467	243
Insurance	5,910	7,284	20,336	17,660
Investor relations	31,668	58,924	58,775	155,722
Office & miscellaneous	35,392	30,531	65,665	66,040
Professional fees	270,080	196,952	487,133	318,537
Rent	-	7,354	-	8,123
Salaries and wages	69,314	65,280	139,946	140,039
Share-based payments (note 9)	143,280	26,858	226,409	156,957
Software support	49,823	39,741	83,755	74,573
Transfer agent and filing fees	7,288	18,966	21,053	24,321
Travel	133,793	72,181	202,919	134,453
	(1,715,916)	(1,326,191)	(3,028,730)	(2,696,963)
	(1,532,385)	(1,194,103)	(2,649,493)	(2,421,441)
Other items				
Interest income	3,387	9,453	14,743	13,192
Finance costs (note 8)	(5,985)	(2,641)	(12,626)	(5,998)
	(2,598)	6,812	2,117	7,194
Loss for the period	(1,534,983)	(1,187,291)	(2,647,376)	(2,414,247)
Other comprehensive income:				
Exchange difference on translation of parent	1,622	(131,514)	(12,560)	(73,206)
Loss and comprehensive loss for the period	$ (1,533,361)	$ (1,318,805)	$ (2,659,936)	$ (2,487,453)
Weighted Average Number of Common Shares Outstanding				
Basic and Diluted	116,861,084	116,861,084	116,861,084	91,184,319
Loss Per Share				
Basic and Diluted	$ (0.01)	$ (0.01)	$ (0.02)	$ (0.03)

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

PROSTAR HOLDINGS INC.
CONDENSED CONSOLIDATED INTERIM STATEMENTS OF CASH FLOWS
FOR THE SIX MONTHS ENDED JUNE 30
(Unaudited – Prepared By Management)
(Expressed in United States dollars)

	2023	2022
Cash Flows used in Operating Activities		
Loss for the period	$ (2,647,376)	$ (2,414,247)
Non-cash items		
Depreciation	60,471	73,326
Accrued interest and finance expense	12,626	5,998
Share-based payments	226,409	156,957
Gain on sale of equipment	-	(73)
Changes in non-cash working capital items:		
Receivables and prepayments	(181,932)	(68,626)
Accounts payable and accrued liabilities	224,562	(38,290)
Deferred revenue	185,404	(212,723)
	(2,119,836)	(2,497,678)
Cash Flows used in Investing Activities		
Purchase of equipment	-	(3,363)
Disposal of equipment	-	350
	-	(3,013)
Cash Flows used in Financing Activities		
Common shares – exercise of warrants	-	5,056
Repayment of lease liability	(60,000)	(69,674)
	(60,000)	(64,618)
Change in cash during the period	(2,179,836)	(2,565,309)
Effect of foreign exchange on cash	(12,562)	(73,739)
Cash – beginning of period	2,205,279	7,025,470
Cash – end of period	$ 12,881	$ 4,386,422

Supplemental Cash Flow Information (note 11)

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

PROSTAR HOLDINGS INC.
CONDENSED CONSOLIDATED INTERIM STATEMENTS OF SHAREHOLDERS' EQUITY (DEFICIENCY)
(Unaudited – Prepared By Management)
(Expressed in United States dollars)

	Shares	Share Capital	Reserves	Accumulated Other Comprehensive Income	Deficit	Total
Balance – December 31, 2021	116,845,084	$ 33,329,984	$ 2,593,729	$ 28,507	$ (29,365,097)	$ 6,587,123
Exercise of warrants	16,000	15,620	(10,564)	-	-	5,056
Share-based payments	-	-	156,957	-	-	156,957
Net comprehensive loss for the period	-	-	-	(73,206)	(2,414,247)	(2,487,453)
Balance – June 30, 2022	116,861,084	33,345,604	2,740,122	(44,699)	(31,779,344)	4,261,683
Share-based payments	-	-	553,805	-	-	553,805
Net comprehensive loss for the period	-	-	-	(182,803)	(2,629,511)	(2,812,314)
Balance – December 31, 2022	116,861,084	33,345,604	3,293,927	(227,502)	(34,408,855)	2,003,174
Share-based payments	-	-	226,409	-	-	226,409
Net comprehensive loss for the period	-	-	-	(12,560)	(2,647,376)	(2,659,936)
Balance –June 30, 2023	116,861,084	$ 33,345,604	$ 3,520,336	$ (240,062)	$ (37,056,231)	$ (430,353)

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

1. Nature of Operations

ProStar Holdings Inc ("PHI" or the "Company") was incorporated under the Business Corporations Act (British Columbia) on February 13, 2007. The principal business of the Company is a developer of Software-as-a-Service ("**SaaS**")-based solutions, providing patented Geospatial Intelligence Software designed to enhance the management and maintenance of the asset lifecycle for asset centric industries. The Company is listed on the Toronto Stock Exchange Venture ("TSXV"), as a Tier 2 technology issuer on the TSXV and trades under the symbol MAPS.

The Company maintains its registered office at 1000-595 Howe Street, Vancouver, British Columbia, Canada, V6C 2T5 and keeps its records at 1507-1030 West Georgia Street, Vancouver, British Columbia, Canada, V6E 2Y3.

These condensed consolidated interim financial statements have been prepared on a going concern basis, which assumes that the Company will be able to meet its obligations and continue its operations for its next fiscal year. Realization values may be substantially different from carrying values as recorded in these condensed consolidated interim financial statements. These consolidated financial statements do not give effect to adjustments that would be necessary to the carrying values and classification of assets and liabilities should the Company be unable to continue as a going concern. As at June 30, 2023, the Company had not achieved profitable operations, had accumulated a deficit of $37,056,231 since inception and expects to incur further operating losses as it develops and expands its business. The Company's ability to continue as a going concern is dependent upon the ability to develop its business units, develop marketable software, potentially find, acquire and develop various other business segments with growth potential, its ability to obtain the necessary financing to carry out this strategy, and to meet its corporate overhead needs and discharge its liabilities as they come due. Although the Company has been successful in the past in obtaining financing, there is no assurance that it will be able to obtain adequate financing in the future or that such financing will be on terms advantageous to the Company. These material uncertainties may cast significant doubt about the ability of the Company to continue as a going concern.

2. Basis of Preparation

Statement of Compliance

These condensed consolidated interim financial statements, including comparatives, have been prepared in accordance with International Accounting Standards ("IAS") 34 'Interim Financial Reporting' ("IAS 34") using accounting policies consistent with IFRS issued by the International Accounting Standards Board ("IASB") and Interpretations of the International Financial Reporting Interpretations Committee ("IFRIC").

Basis of Presentation

The condensed consolidated interim financial statements have been prepared on a historical cost basis except for certain financial instruments measured at fair value. In addition, these condensed consolidated interim financial statements have been prepared using the accrual basis of accounting, except for cash flow information. The condensed consolidated interim financial statements of the Company are presented in United States Dollars, unless stated otherwise.

Basis of Consolidation

These condensed consolidated interim financial statements include the financial statements of the Company and the entities controlled by the Company Control exists when the Company has the power, directly or indirectly, to govern the financial and operating policies of an entity so as to obtain benefits from its activities. The financial statements of subsidiaries are included in the condensed consolidated interim financial statements from the date that control commences until the date that control ceases. All significant intercompany transactions and balances have been eliminated.

The condensed consolidated interim financial statements include the financial statements of the Company and its 100% owned subsidiary, ProStar Geocorp Inc., Delaware, United States.

2. Basis of Preparation (cont'd…)

Significant accounting judgments, estimates, and assumptions

The preparation of these condensed consolidated interim financial statements requires management to make certain estimates, judgments and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported revenues and expenses during the year. Actual results could differ from these estimates.

The Company makes estimates and assumptions about the future that affect the reported amounts of assets and liabilities. Estimates and judgments are continually evaluated based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. In the future, actual experience may differ from these estimates and assumptions.

Critical accounting judgments

Information about critical judgments in applying accounting policies that have the most significant risk of causing material adjustment to the carrying amounts of assets and liabilities recognized in the financial statements within the next financial year are discussed below.

Revenue and deferred revenue

Revenue is recognized when the revenue recognition criteria expressed in the accounting policy stated below for Revenue Recognition have been met. Judgment may be required when allocating revenue or discounts on sales amongst the various elements in a sale involving multiple performance obligations.

Functional currency

The functional currency of an entity is assessed on a standalone basis to determine the economic substance of the currency in which each entity performs its operations. The functional currency of the Company is the Canadian dollar and the functional currency of its wholly owned subsidiary, ProStar Geocorp Inc,, is the United States dollar.

Estimate useful life

The useful life of some of the Company's non-current assets is estimated based on the period over which the asset is expected to be available for use. Such estimation is based on a collective assessment of practices of similar business, internal technical evaluation and experience with similar assets. The estimated useful life of each asset is reviewed periodically and updated if expectations differ from previous estimates due to technical or commercial obsolescence and legal or other limits on the use of the asset. It is possible however, that future results of operations could be materially affected by changes in the amounts and timing of recorded expenses brought about by changes in the factors mentioned above. A reduction in the estimated useful life of any non-current asset would increase the recorded operating expenses and decrease long-term assets.

Impairment of accounts receivable

The Company exercises judgment in identifying impaired accounts receivable, the collection of which may be uncertain.

Deferred income tax

The Company has not recognized a deferred tax asset as management believes it is not probable that taxable profit will be available against which deductible temporary differences can be utilized.

Going concern

The assessment of the Company's ability to continue as a going concern involves critical judgment based on historical experience. Significant judgments are used in the Company's assessment of its ability to continue as a going concern which are described in Note 1.

(figures in tables are expressed in United States dollars, except per share amounts)

2. Basis of Preparation (cont'd…)

Software development costs

Management monitors progress of internal research and development projects. Significant judgment is required in distinguishing research from the development phase. Development costs are recognized as an asset when all the criteria are met, whereas research costs are expensed as incurred. Judgement is required when determining when development is complete, the software may be commercially released and if incremental features and functionality will generate enough incremental revenue to warrant capitalization. The Company's management monitors, at each reporting period, whether the recognition requirements for development costs are or continue to be met. This is necessary as the economic success of any product development is uncertain and may be subject to future technical problems after the time of recognition.

Critical accounting estimates

The significant assumptions about the future and other major sources of estimation uncertainty as at the end of the reporting period that have a significant risk of resulting in a material adjustment to the carrying amounts of the Company's assets and liabilities are as follows:

Share-based payment

The Company measures the cost of equity-settled transactions by reference to the fair value of the equity instruments at the date at which they are granted. Estimating fair value for share-based payment transactions requires determining the most appropriate valuation model, which is dependent on the terms and conditions of the grant. This estimate also requires determining the most appropriate inputs to the valuation model including the expected life of the share option, volatility and dividend yield and making assumptions about them (Note 9).

Right-of-use assets and lease liability

The Company uses estimation in determining the incremental borrowing rate used to measure the lease liability, specific to the asset, underlying currency, and geographic location. Where the rate implicit in the lease is not readily determinable, the discount rate of the lease obligations is estimated using a discount rate similar to the Company's specific borrowing rate. This rate represents the rate that the Company would incur to obtain the funds necessary to purchase the asset of a similar value, with similar payment terms and security in a similar environment.

3. Significant Accounting Policies

The accounting policies applied in preparation of these condensed consolidated interim financial statements are consistent with those applied and disclosed in the Company's annual financial statements for the year ended December 31, 2022.

4. Receivables and prepayments

		June 30, 2023		**December 31, 2022**
Trade receivables	$	302,006	$	133,150
Other receivables and prepayments		104,695		91,609
	$	406,701	$	224,759

(figures in tables are expressed in United States dollars, except per share amounts)

5. Equipment and Right-of-Use Assets

	Office furniture and equipment	Computer equipment and software	Survey equipment	Right-of-use assets (Office leases)	Total
Cost					
Balance – December 31, 2021	$ 42,645	$ 128,657	$ 13,498	$ 280,522	$ 465,322
Additions	-	6,084	-	-	6,084
Disposals	-	(2,073)	-	(280,522)	(282,595)
Balance – December 31, 2022	42,645	132,668	13,498	-	188,811
Additions	-	-	-	215,449	215,449
Balance – June 30, 2023	$ 42,645	$ 132,668	$ 13,498	$ 215,449	$ 404,260
Accumulated Depreciation					
Balance – December 31, 2021	$ 23,556	$ 96,152	$ 9,569	$ 132,429	$ 261,706
Depreciation	5,659	18,804	1,300	122,724	148,487
Disposals	-	(1,458)	-	(255,153)	(256,611)
Balance – December 31, 2022	29,215	113,498	10,869	-	153,582
Depreciation	2,103	4,830	407	52,801	60,141
Balance – June 30, 2023	$ 31,318	$118,328	$ 11,276	$ 52,801	$ 213,723
Balance – December 31, 2022	$ 13,430	$ 19,170	$ 2,629	$ -	$ 35,229
Balance – June 30, 2023	$ 11,327	$ 14,340	$ 2,222	$ 162,648	$ 190,537

6. Intangible assets

	Patent
Cost	
Balance – December 31, 2021, 2022 and June 30, 2023	$ 505,000
Accumulated Amortization	
Balance – December 31, 2021	$ 496,000
Amortization	667
Balance – December 31, 2022	496,667
Amortization	333
Balance – June 30, 2023	$ 497,000
Balance – December 31, 2022	$ 8,333
Balance – June 30, 2023	$ 8,000

Patents

A total of $505,000 had been expended to acquire certain patents. The patents are being amortized over a period of 15 years.

(figures in tables are expressed in United States dollars, except per share amounts)

7. Accounts Payable and Accrued Liabilities

		June 30, 2023		December 31, 2022
Trade accounts payable	$	352,720	$	142,818
Payroll liabilities		102,206		87,541
	$	454,926	$	230,359

8. Lease liabilities

The changes in lease liabilities is shown in the table below:

Lease liabilities		
Balance, December 31, 2021	$	159,327
Accrued finance expense		9,940
Lease payments		(139,968)
Termination of lease		(29,299)
Balance, December 31, 2022		-
Recognition of lease liability		215,449
Accrued finance expense		12,626
Lease payments		(60,000)
Balance, June 30, 2023	$	168,075
Current	$	107,297
Long-term	$	60,778

During the year ended December 31, 2022, the Company had two office leases, one which was terminated during the year resulting in a gain on termination of lease of $3,926 and a second lease which ended on December 31, 2022. On January 1, 2023, the Company entered into a new two-year lease. The Company applied an incremental borrowing rate of 9.00%.

9. Share Capital

(a) Authorized Share Capital

An unlimited number of common shares without par value.

(b) Common Shares

During the year ended December 31, 2022 and during the period ended June 30, 2023, the Company did not complete any financings.

(c) Escrow

As at June 30, 2023, the Company had 2,577,852 common shares in escrow which will be released on December 31, 2023. The escrow shares may not be transferred, assigned, or otherwise dealt with without the consent of the regulatory authorities.

(figures in tables are expressed in United States dollars, except per share amounts)

9. Share Capital (cont'd…)

Stock options and warrants

Stock option and warrant transactions are summarized as follows:

	Stock options			Warrants		
	Number		Weighted Average Exercise Price CDN	Number		Weighted Average Exercise Price CDN
Outstanding, December 31, 2021	8,800,000	$	0.45	32,427,639	$	0.57
Granted	2,604,000		0.27	-		-
Exercised	-		-	(16,000)		(0.40)
Expired / cancelled	(560,000)		0.57	(17,768,414)		(0.57)
Outstanding, December 31, 2022	10,844,000		0.33	14,643,225		0.57
Granted	1,530,000		0.23	-		-
Expired/Cancelled	(950,000)		(0.25)	(815,100)		(0.96)
Outstanding, June 30, 2023	11,424,000	$	0.30	13,828,125	$	0.55
Exercisable, June 30, 2023	10,964,833	$	0.36	13,828,125	$	0.55

The following stock options were outstanding as at June 30, 2023:

Exercise Price	Outstanding	Exercisable	Expiry	Remaining Life (Years)
CAD$0.40	4,900,000	4,900,000	December 29, 2025	2.50
CAD$0.25	1,480,000	1,480,000	December 29, 2025	2.50
CAD$0.25	125,000	125,000	January 25, 2026	2.58
CAD$0.25	125,000	125,000	January 29, 2026	2.59
CAD$0.25	125,000	125,000	February 26, 2026	2.66
CAD$0.25	110,000	110,000	April 13, 2026	2.79
CAD$0.25	50,000	50,000	May 26, 2026	2.91
CAD$0.65	125,000	62,500	July 8, 2026	3.02
CAD$0.25	250,000	250,000	August 9, 2026	3.11
CAD$0.25	550,000	423,333	December 10, 2026	3.45
CAD$0.45	375,000	283,333	April 22, 2027	3.81
CAD$0.25	1,679,000	1,554,000	September 9, 2027	4.20
CAD$0.20	730,000	676,667	January 20, 2028	4.56
CAD$0.20	300,000	300,000	April 26, 2028	4.83
CAD$0.28	500,000	500,000	June 29, 2028	5.00
	11,424,000	10,964,833		

(figures in tables are expressed in United States dollars, except per share amounts)

9. Share Capital (cont'd…)

The following warrants were outstanding as at June 30, 2023:

Exercise Price	Number	Expiry	Remaining Life (Years)
Warrants:			
CAD$0.56	12,750,000	November 24, 2023	0.40
Broker Warrants:			
CAD$0.40	1,006,250	November 24, 2023	0.40
CAD$0.56	71,875	November 24, 2023	0.40
	1,078,125		

10. Management of Capital

The capital managed by the Company includes the components of shareholders' equity as described in the statements of shareholders' equity. The Company is not subject to externally imposed capital requirements.

The Company's objectives of capital management are to create long-term value and economic returns for its shareholders. It does this by seeking to maximize the availability of funds for growth and development of its projects, and to support the working capital required to maintain its ability to continue as a going concern. The Company manages its capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of its assets, seeking to limit shareholder dilution and optimize its cost of capital while maintaining an acceptable level of risk. To maintain or adjust its capital structure, the Company considers all sources of finance reasonably available to it, including but not limited to issuance of new capital, issuance of new debt and the sale of assets in whole or in part. The Company has not changes its capital management strategy during the period ended June 30, 2023.

11. Supplemental Cash Flow Information

During the period ended June 30, 2023, the Company entered into lease agreements and recognized right of use assets and lease liabilities of $215,449.

There were no material non-cash transactions during the period ended June 30, 2022.

12. Related Party Transactions

During the period ended June 30, 2023, the Company paid or accrued, to key management personnel, directors and their related companies:

		2023		2022
Chief Executive Officer	$	150,000	$	150,000
Chief Operating Officer		152,500		150,000
Chief Financial Officer		60,000		60,000
Consulting fees		22,500		-
Share-based payments		142,293		-
Total	$	527,293	$	360,000

Included in receivables and prepayments is travel advances to an officer of $21,918 (December 31, 2022 - $13,889). Included in accounts payable and accrued liabilities is $13,929 (December 31, 2022 - $289) due to an officer of the Company.

13. Financial Risk Management

Fair value of financial instruments

The Company classifies the fair value of its financial instruments according to a fair value hierarchy based on the significance of observable inputs used to value the instrument as follows:

- Level 1 – Quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date.
- Level 2 – Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.
- Level 3 – Unobservable inputs for the asset or liability.

As at June 30, 2023 the Company does not carry any financial instruments at fair value and believes that the carrying values of cash, receivables, and accounts payable and accrued liabilities approximate their fair values because of their nature and/or relatively short maturity dates or durations.

Classification of financial instruments

The Company's financial instruments consist of cash, receivables, accounts payable and accrued liabilities and lease liabilities. The Company classifies its cash and receivables, as loans and receivables, which are measured at amortized cost. The accounts payable and accrued liabilities and lease liabilities are classified as other financial liabilities, which are measured at amortized cost.

Financial and capital risk management

The Company examines the various financial instruments and risks to which it is exposed and assesses the impact and likelihood of those risks. These risks include market risk, foreign currency risk, interest rate risk, credit risk, and liquidity risk. These risks are reviewed and monitored by the Board of Directors.

The Board of Directors has overall responsibility for the determination of the Company's risk management objectives and policies. The overall objective of the Board is to set policies that seek to reduce risk as far as possible without unduly affecting the Company's competitiveness and flexibility. Discussions of risks associated with financial assets and liabilities are detailed below:

Market Risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices will affect the fair value or future cash flows of a financial instrument. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return. As at June 30, 2023 the Company was not subject to significant market risk.

Foreign currency risk

The international nature of the Company's operations results in foreign exchange risk. Fluctuations in the exchange rate between the Canadian dollar and US dollar may have an adverse effect on the Company's business and costs to proceed with preferred vendors. Management believes the foreign exchange risk derived from currency conversions is not significant and therefore does not hedge its foreign exchange risk.

Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's interest rate risk mainly arises from changes in the interest rates on cash. Cash generates interest based on market interest rates. As at June 30, 2023, the Company was not subject to material interest rate risk.

13. **Financial Risk Management** (cont'd…)

Financial and capital risk management (cont'd…)

Credit Risk

Credit risk arises from the non-performance by counterparties of contractual financial obligations. The Company's maximum exposure to credit risk at the reporting date is the carrying value of cash and receivables. The Company holds cash at a major Canadian and United States banks in chequing accounts.

Liquidity Risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset. The Company manages liquidity risk by maintaining adequate cash balances. If necessary, the Company may raise funds through the issuance of debt, or equity. The Company ensures that there is sufficient capital to meet its obligations by continuously monitoring and reviewing actual and forecasted cash flows and matching the maturity profile of financial assets to development, capital and operating needs.

14. **Segmented Information**

The Company operates in one reportable segment, providing Geospatial Intelligence Software for asset centric industries and earns revenue in one region, North America.

15. **Subsequent Event**

Subsequent to June 30, 2023 the Company completed a non-brokered financing and issued a total of 11,833,334 units at a price of $0.23 (CAD$0.30) per unit for gross proceeds of $2,689,394 (CAD$3,550,000). Each Unit consisted of one common share and one-half of one common share purchase warrant. Each whole warrant entitles the holder to purchase a common share at an exercise price of CAD$0.45 for a period of 24 months.