Zonetail

Condensed Consolidated Interim Financial Statements of

Zonetail Inc.

For the three and nine months ended
September 30, 2024 and September 30, 2023
(Expressed in Canadian Dollars)

RESPONSIBILITY FOR FINANCIAL STATEMENTS

The accompanying unaudited condensed consolidated interim financial statements (the "Financial Statements") for Zonetail Inc. (the "Company") have been prepared by management in accordance with International Financial Reporting Standards consistently applied ("IFRS"). These financial statements have been prepared on a historical cost basis with the exception of financial instruments classified as fair value through profit and loss. In addition, these financial statements have been prepared using the accrual basis of accounting except for cash flow information. Accordingly, a precise determination of many assets and liabilities is dependent upon future events. Therefore, estimates and approximations have been made using careful judgment. Recognizing that the Company is responsible for both the integrity and objectivity of the financial statements, management is satisfied that these financial statements have been fairly presented.

NOTICE OF NO AUDITOR REVIEW OF INTERIM FINANCIAL STATEMENTS

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

The accompanying unaudited condensed consolidated interim financial statements of the Company have been prepared by and are the responsibility of the Company's management.

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

Zonetail Inc.

Condensed Consolidated Interim Statements of Financial Position

(In Canadian dollars)

As at	September 30 2024 $	December 31 2023 $
ASSETS		
Current		
Cash	**51,770**	3,342
Trade and other receivables (note 5)	**14,791**	117,057
Prepaid expenses	**7,304**	36,167
	73,865	156,566
LIABILITIES		
Current		
Trade and other payables (note 6)	**571,500**	612,546
Convertible debentures and notes (note 7)	**535,476**	375,859
Due to related parties (note 10)	**102,727**	74,232
	1,209,703	1,062,637
SHAREHOLDERS' (DEFICIENCY) EQUITY		
Share capital, warrants, equity portion of convertible debentures, share based compensation (note 9)	**13,603,088**	13,242,505
Deficit	**(14,738,926)**	(14,148,576)
	(1,135,838)	(906,071)
	73,865	156,566

The accompanying notes are an integral part of these condensed consolidated interim financial statements.
Nature of operations and going concern (note 1)
Subsequent events (note 13)

Approved on behalf of the board:

(signed) "Mark Holmes"
Director

(signed) "Paul Scott"
Director

Zonetail Inc.

Condensed Consolidated Interim Statements of Loss and Comprehensive Loss

(In Canadian dollars)

	For three months ended		For nine months ended	
	September 30 2024	September 30 2023	**September 30 2024**	September 30 2023
	$	$	**$**	$
Revenue	**9,919**	8,355	**28,479**	30,785
Operating expenses				
Salaries and benefits (note 10)	**152,915**	188,632	**421,188**	635,118
Interest	**12,359**	27,446	**75,856**	75,856
Software development and maintenance	**-**	45,920	**-**	83,255
Professional fees	**-**	17,615	**33,188**	58,370
Advertising and promotion	**-**	-	**-**	30,000
General and administrative	**14,670**	14,577	**35,104**	40,220
Accretion	**5,687**	13,385	**20,377**	26,042
Public company cost	**12,653**	5,202	**34,627**	32,290
Software hosting	**14,366**	7,554	**30,303**	22,256
Share-based compensation (notes 9 and 10)	**-**	1,296	**522**	8,011
Bad debts	**1,718**	-	**1,718**	-
Rent	**2,267**	2,071	**6,739**	6,112
Investor relations	**26,000**	-	**26,000**	8,517
	242,635	323,698	**644,859**	1,026,047
Operating loss	**232,716**	315,343	**616,380**	995,262
Write-off of CEBA loan (note 12)	**-**	-	**(20,000)**	-
Net loss and comprehensive loss for the period	**232,716**	315,343	**596,380**	995,262
Loss per share basic and diluted	**0.00**	0.00	**0.00**	0.01
Weighted average number of shares outstanding basic and diluted	**256,558,169**	218,629,737	**248,562,281**	213,573,362

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

Zonetail Inc.
Condensed Consolidated Interim Statements of Cash Flows
(In Canadian dollars)

	For the nine months ended	
	September 30 2024 $	September 30 2023 $
Operating activities		
Net loss and comprehensive loss for the period	**(596,380)**	(995,372)
Adjustment for non-cash items:		
Share based compensation	**522**	8,011
Convertible debenture accretion	**20,377**	26,042
Interest expense	**33,579**	31,981
Write-off of government loan	**(20,000)**	-
Net change in non-cash working capital balances related to operating activities:		
Trade and other receivables	**102,266**	19,186
Prepaid expenses	**28,863**	34,704
Trade and other payables	**28,495**	131,824
Due to related parties	**(41,046)**	39,000
Net cash provided from (used in) operating activities	**(443,324)**	(704,624)
Financing activities		
Proceeds from private placement	**372,324**	449,859
Proceeds from promissory notes	**130,000**	50,000
Proceeds from convertible debentures	**-**	203,800
Share issuance costs	**(6,233)**	(9,198)
Repayment of convertible debentures	**-**	(150,000)
Repayment of bank loan	**(4,339)**	-
Convertible debenture issuance costs	**-**	(4,974)
Net cash provided from financing activities	**491,752**	564,487
Net increase (decrease) in cash	**48,428**	(140,137)
Cash, beginning of the period	**3,342**	176,884
Cash, end of the period	**51,770**	36,747

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

Zonetail Inc.

Condensed Consolidated Interim Statements of Changes in Shareholders' (Deficiency) Equity

(In Canadian dollars)

	Share capital		Warrants	Equity portion of debentures	Share based compensation	Sub-total	Deficit	Total
	#	$	$	$	$	$	$	$
Balance, December 31, 2022	**209,882,884**	**12,208,044**	**56,634**	**20,040**	**653,300**	**12,938,018**	**(13,788,389)**	**(850,371)**
Private placements	22,492,938	449,859	-	-	-	449,859	-	449,859
Share issuance costs	-	(10,481)	1,283	-	-	(9,198)	-	(9,198)
Equity portion of convertible debenture	-	-	-	60,312	-	60,312	-	60,312
Issuance of warrants with convertible debenture	-	-	20,538	-	-	20,538	-	20,538
Share based compensation	-		-	-	8,011	8,011	-	8,011
Expiry of stock options	-	-	-	-	(158,984)	(158,984)	158,984	-
Net loss and comprehensive loss for the period	-	-	-	-	-	-	(995,372)	(995,372)
Balance, September 30, 2023	**232,375,822**	**12,647,422**	**78,455**	**80,352**	**502,327**	**13,308,556**	**(14,624,777)**	**(1,316,221)**
Private placements	13,519,925	270,398	-	-	-	270,398	-	270,398
Share issuance costs	-	(4,007)	2,366	-	-	(1,641)	-	(1,641)
Equity portion of convertible debenture	-	-	-	(48,436)	-	(48,436)	-	(48,436)
Issuance of warrants with convertible debenture	-	-	(158)	-	-	(158)	-	(158)
Repayment of convertible debentures	-	-	-	(20,040)	-	(20,040)	20,040	-
Share based compensation	-	-	-	-	261	261	-	261
Stock options expired	-	-	-	-	(266,435)	(266,435)	266,435	-
Net income and comprehensive income for the period	-	-	-	-	-	-	189,726	189,726
Balance, December 31, 2023	**245,895,747**	**12,913,813**	**80,663**	**11,876**	**236,153**	**13,242,505**	**(14,148,576)**	**(906,071)**
Private placements	18,643,400	372,324	-	-	-	372,324	-	372,324
Share issuance costs		(6,481)	248	-	-	(6,233)	-	(6,233)
Share based compensation	-	-	-	-	522	522	-	522
Expiry of stock options	-	-	-	-	(6,030)	(6,030)	6,030	-
Net loss and comprehensive loss for the period	-	-	-	-	-	-	(596,380)	(596,380)
Balance, September 30, 2024	**264,539,147**	**13,279,656**	**80,911**	**11,876**	**230,384**	**13,603,088**	**(14,738,926)**	**(1,135,838)**

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

1. Nature of operations and going concern

Zonetail Inc. (“Zonetail” or the “Company”) was incorporated on March 14, 2013 under the Canada Business Corporations Act. The corporate office is located at 70 University Avenue, Suite 1460, Toronto, Ontario, Canada.

Zonetail provides mobile platforms to hi-rise residential condominiums and apartments connecting the resident or guest to the amenities and services of their building through their personal mobile device. Included on the platforms is an explore section highlighting the businesses and services in the local area.

The Company trades on the TSX Venture Exchange (“TSXV”) under the symbol “ZONE” and the OTCPinks under the symbol “ZTLLF”.

The condensed consolidated interim financial statements have been prepared on a going concern basis which presumes the realization of assets and discharge of liabilities in the normal course of business for the foreseeable future. The Company has accumulated a deficit amounting to $14,738,926 as at September 30, 2024 (December 31, 2023 - $14,148,576). The Company's ability to continue as a going concern is dependent upon its ability to attain profitable operations and generate funds therefrom, and to continue to obtain equity investment and borrowings sufficient to meet current and future obligations. The Company had a net loss and comprehensive loss for the nine months ended September 30, 2024, of $596,380 (nine months ended September 30, 2023 - $995,372).

As the Company continues to develop its core offerings, it will require additional financing to meet its working capital requirements. These conditions indicate a material uncertainty that may cast significant doubt about the Company’s ability to continue as a going concern. These financial statements do not reflect the adjustments or reclassification of assets and liabilities which would be necessary if the Company were unable to continue its operations. These adjustments could be material.

2. Significant accounting policies

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

The policies applied in these unaudited condensed interim consolidated financial statements are based on IFRSs issued and outstanding as of November 29, 2024, the date the Board of Directors approved the statements. The same accounting policies and methods of computation are followed in these unaudited condensed interim consolidated financial statements as compared with the most recent annual financial statements as at and for the year ended December 31, 2023, except as noted below. Any subsequent changes to IFRS that are given effect in the Company’s annual financial statements for the year ending December 31, 2024, could result in restatement of these unaudited condensed interim consolidated financial statements.

3. Capital risk management

The Company manages its capital with the following objectives:

- to ensure sufficient financial flexibility to achieve the ongoing business objectives including funding of future growth opportunities, and pursuit of accretive acquisitions; and
- to maximize shareholder return through enhancing the share value.

The Company monitors its capital structure and makes adjustments according to market conditions in an effort to meet its objectives given the current outlook of the business and industry in general. The Company may manage its capital structure by issuing new shares, repurchasing outstanding shares, adjusting capital spending, or disposing of assets. The capital structure is reviewed by management and the Board of Directors on an ongoing basis.

The Company considers its capital to be equity, which comprises share capital, share issuance costs, warrants, share based compensation, equity portion of convertible debentures and deficit, which at September 30, 2024, the shareholders' deficiency totaled $1,135,838 (December 31, 2023 – shareholders' deficiency of $906,071).

The Company manages capital through its financial and operational forecasting processes. The Company reviews its working capital and forecasts its future cash flows based on operating expenditures, and other investing and financing activities. Selected information is provided to the Board of Directors of the Company. The Company is not subject to any capital requirements imposed by a lending institution or regulatory body.

4. Financial instruments

Financial risk
The Company's activities expose it to a variety of financial risks: credit risk, liquidity risk and market risk (including interest rate and foreign currency risk).

Risk management is carried out by the Company's management team under policies approved by the Board of Directors. The Board of Directors also provides regular guidance for overall risk management. There were no changes to credit risk, liquidity risk or market risk for the nine months ended September 30, 2024.

Credit risk
Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. The Company's financial instruments that are exposed to concentrations of credit risk relate primarily to cash, and trade and other accounts receivables. The Company mitigates its risk by maintaining its funds with large reputable financial institutions. Management assesses the credit quality of the borrower for receivables and believes there is not significant credit risk.

Liquidity risk
Liquidity risk is the risk that the Company encounters difficulty in meeting its obligations associated with financial liabilities. Liquidity risk includes the risk that, as a result of operational liquidity requirements, the Company will not have sufficient funds to settle a transaction on the due date; will be forced to sell financial assets at a value, which is less than what they are worth; or may be unable to settle or recover a financial asset. Liquidity risk arises from trade and other payables, promissory note, convertible debentures and commitments. The Company limits its exposure to this risk by closely monitoring the cash flow. All liabilities are due within 1 year (see going concern note 1).

Market risk
Market risk is the risk of loss that may arise from changes in market factors such as interest rates and foreign exchange rates.

Interest rate risk
The Company currently does not have any short-term or long-term debt that is variable interest bearing.

Foreign currency risk
Foreign exchange risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in the foreign exchange rates. The Company enters into foreign currency purchase

(In Canadian dollars)

transactions and has assets that are denominated in foreign currencies and thus is exposed to the financial risk of earnings fluctuations arising from changes in foreign exchange rates and the degree of volatility of these rates. The Company does not currently use derivative instruments to reduce its exposure to foreign currency risk.

Based on the foreign currency exposure noted above, a 1% change in the exchange rate against the Canadian dollar would result in an increase/decrease of $1,000 in net loss and comprehensive loss.

5. Trade and other receivables

	September 30 2024 $	December 31 2023 $
Sales tax receivable	**11,991**	54,803
Trade and accrued receivables	**2,801**	22,254
Share subscription receivable	**-**	40,000
	14,791	117,057

6. Trade and other payables

	September 30 2024 $	December 31 2023 $
Trade payables	**467,484**	461,345
Accrued liabilities	**104,016**	110,400
	571,500	571,745

7. Convertible debentures and notes

	September 30 2024 $	December 31 2023 $
Convertible debentures	**203,800**	203,800
Government loan	**-**	60,000
Bank loan	**35,661**	-
Promissory notes	**244,800**	101,800
Unaccreted portion of convertible debentures	**(4,328)**	(15,992)
Unaccreted portion of promissory note commitment fee	**(8,746)**	(4,458)
Accrued interest	**64,289**	30,709
	535,476	375,859

On April 25, 2023, the Company closed a non-brokered private placement of convertible debenture securities generating aggregate gross proceeds of $203,800. The private placement involved the issuance of secured convertible notes bearing interest at 20% per annum, with a 24-month term from issuance and providing for a conversion price of $0.05 per share. The notes are convertible by the holder at any time. The notes are convertible at the option of the Company, if the Company’s shares trade in excess of $0.125 over any period of 10 trading days during the term, whether or not consecutive. The Company also issued 4,076,000 warrants (the “Warrants”) with each Warrant exercisable into one common share of the Company for one year from the closing date at an exercise price of $0.05 per warrant. The notes may also be extended for an additional 12 months by the Company or may be prepaid, subject in each case to certain bonus payments. The Company may, at its option, make payment of such interest and bonus amounts due in cash or in common shares, subject to the receipt of any required regulatory or stock exchange approvals.

The Company paid eligible finders cash compensation as finders fees of $1,698 and has issued an aggregate of 33,960 finders warrants of the Company ("Finders Warrants"). Each Finder Warrant entitles the holder to purchase one share of the Company at an exercise price of $0.05, for a period of twelve months from the closing date of the Offering.

The fair value of the warrants and finder warrants was estimated to be $20,380 and $158 using the Black-Scholes option pricing model with the following weighted average assumptions share price - $0.05, dividend yield - 0%; expected volatility – 100%; risk-free interest rate – 3.52%; and an expected life - 1 years.
The issuance cost of the debentures was $5,132 and has been allocated against the convertible debentures and is being amortized over 2 years.

On April 3, 2024, the Company announced an extension of the Warrants for an additional one year.

On October 16, 2019, the Company closed a non-brokered private placement of convertible debenture securities generating aggregate gross proceeds of $350,000. The private placement involved the issuance of unsecured convertible notes bearing interest at 10% per annum, with a 24-month term from issuance and providing for a conversion price of $0.06 per share. The notes are convertible at the option of the Company, if the Company's shares trade in excess of $0.10 over any period of 10 trading days during the term, whether or not consecutive. The notes may also be extended for an additional 12 months by the Company or may be prepaid, subject in each case to certain bonus payments. On October 15, 2021, the Company extended $160,000 of the debentures at an interest rate of 12% for a period of one year. On November 2, 2021, the Company issued 3,750,000 common shares at a price of $0.06 to settle $190,000 of outstanding debentures and $35,000 of interest. The Company may, at its option, make payment of such interest and bonus amounts due in cash or in common shares, subject to the receipt of any required regulatory or stock exchange approvals. On October 15, 2022, the Company extended the term of the debentures to October 15, 2023. On September 28, 2023, the Company paid $100,000 in cash to settle $100,000 in convertible debentures.

During 2020 and 2021, the Company received a $40,000 loan and a $20,000 loan respectively from a recognized Canadian financial institution from the Canada Emergency Business Account ("CEBA Loan"). The CEBA Loan bears 0% interest until December 31, 2023. If the balance is not paid by January 18, 2024, the remaining balance will be converted to a 2-year term loan at 5% annual interest paid monthly, effective January 19, 2024. The full balance must be repaid by no later than December 31, 2025. No principal payments are required before December 31, 2023. Principal repayments can be voluntarily made at any time without fees or penalties. $20,000 loan forgiveness is available, provided the outstanding balance is $60,000 at December 31, 2021, and $40,000 is repaid by January 18, 2024. The Company made no interest payments during the year ended December 31, 2023 and the year ended December 31, 2022.

On January 18, 2024, the Company converted the CEBA Loan into a bank term loan in the amount of $40,000, the CEBA Loan forgiveness of $20,000 was received. The bank term loan bears interest at prime plus 2.34% payable in blended principal and interest payments of $840 per month.

On June 30, 2023 and July 11, 2023, the Company issued short-term promissory notes in the amount of $30,000 and $20,000 respectively. The notes pay a commitment fee of 10% of the face value of the note along with 10% interest from the maturity date. The principal amount along with the commitment fee totaling $55,000 are payable 12 months from issuance or five business days after the Company completes a financing in excess of $250,000.

On December 15, 2023 and December 21, 2023, the Company issued short-term promissory notes in the amount of $15,000 and $5,000 respectively. The notes pay a commitment fee of 10% of the face value of the note along with 10% interest from the maturity date. The principal amount along with the commitment fee totaling $22,000 are payable 12 months from issuance or five business days after the Company completes a financing in excess of $500,000.

(In Canadian dollars)

On October 15, 2023, the Company issued a short-term promissory note in the amount of $24,800 in lieu of the repayment of the convertible debentures in the amount of $20,000. The note bears interest at 10% interest from the issue date and is due December 31, 2024.

In March and April 2024, the Company issued short term promissory notes totaling $65,000. The notes pay a commitment fee of 10% of the face value of the note along with 10% interest from the maturity date. The principal amount along with the commitment fee are payable 12 months from issuance or five business days after the Company completes a financing in excess of $500,000.

In June, July and September 2024, the Company issued short term promissory notes totaling $65,000. The notes pay a commitment fee of 10% of the face value of the note along with 10% interest from the maturity date. The principal amount along with the commitment fee are payable 12 months from issuance or five business days after the Company completes a financing in excess of $500,000.

8. Promissory note

In 2018, the Company issued an unsecured promissory note of $325,000, bearing interest at 18% to be settled with cash and 144,444 common shares, and maturing November 1, 2019. The note was subject of a dispute between the Company and the note holder. On January 8, 2024, note holder and the Company executed a settlement agreement and mutual release, on a without cost basis, resulting on the Company writing off all indebtedness to the note holder in the amount of $571,625.

9. Shareholders' equity

Authorized share capital
The Company is authorized to issue an unlimited number of common shares with no par value.

	Common shares issued	
	#	**$**
Balance, December 31, 2022	**209,882,884**	**12,208,044**
Private placements for cash	36,012,863	720,257
Share issuance costs	-	(14,488)
Balance, December 31, 2023	**245,895,747**	**12,913,813**
Private placements for cash	18,643,400	372,324
Share issuance costs	-	(6,233)
Balance, September 30, 2024	**264,539,147**	**13,279,904**

On September 27, 2024, the Company completed the first, tranche of a private placement (the "Offering") of shares issued at a price of $0.02 per share. The Company issued an aggregate of 8,250,000 shares, for gross proceeds of $165,000.

On April 22, 2024, April 29, 2024, and May 3, 2024, the Company completed the first, second, and third tranches of a private placement (the "Offering") of shares issued at a price of $0.02 per share. The Company issued an aggregate of 6,327,425, 2,702,375, and 1,363,600 shares, for gross proceeds of $207,868. The Company paid cash compensation as finders fees of $840 and issued 42,000 finders warrants of the Company to such eligible finders ("Finders Warrants"). Each Finder Warrant entitles the holder to purchase one Share of the Company at an exercise price of $0.05, for a period of thirty-six months from the closing date of the Offering.

On October 12, 2023, October 19, 2023, November 28, 2023 and December 29, 2023, the Company completed the first, second, third and fourth tranches of a private placement (the "Offering") of shares issued at a price of $0.02 per share. The Company issued an aggregate of 11,250,000, 6,019,925, 3,000,000 and 2,000,000 shares, for gross proceeds of $445,399. The Company paid cash compensation as finders fees of

(In Canadian dollars)

$4,800 and issued 240,000 finders warrants of the Company to such eligible finders (“Finders Warrants”). Each Finder Warrant entitles the holder to purchase one Share of the Company at an exercise price of $0.05, for a period of thirty-six months from the closing date of the Offering.

On June 2 and September 8, 2023, the Company completed the first and second tranches of a private placement (the “Offering”) of shares issued at a price of $0.02 per share. The Company issued an aggregate of 6,600,000 and 7,142,938 shares, for gross proceeds of $132,000 and 142,859 respectively. The Company paid cash compensation as finders fees of $5,820 and issued 291,000 finders warrants of the Company to such eligible finders (“Finders Warrants”). Each Finder Warrant entitles the holder to purchase one Share of the Company at an exercise price of $0.05, for a period of thirty-nine months from the closing date of the Offering.

As at September 30, 2024, cumulative share issuance costs totaled $564,102 (December 31, 2023 - $557,869).

Warrants

	Warrants #	Amount $
Balance, December 31, 2022	**10,097,375**	**56,634**
Issued	4,076,000	20,380
Finder warrants	414,960	3,649
Balance, December 31, 2023	**14,588,335**	**80,663**
Finder warrants	42,000	248
Balance, September 30, 2024	**14,630,335**	**80,911**

Share based compensation
The Company adopted a fixed stock option plan (the "Plan") whereby the Board of Directors may grant to employees, officers, directors, management consultants and external consultants of the Company or of its subsidiary thereof, options to acquire common shares in such numbers, for such terms and at such exercise prices as may be determined by the Board. The exercise price of each option may not be lower than the market price of the common shares at the time of the grant of the options. The options vest at the date of the grant unless additional restrictions on the vesting of the options are imposed by the Board of Directors except for the consultants working in investor relations, whose options are vested in quarterly installments over a twelve-month period from grant. The option period is a period of time fixed by the Board of Directors but cannot exceed 5 years.

	Options #	Weighted average exercise price $
Balance, December 31, 2022	**15,860,000**	**0.07**
Expired	(6,860,000)	0.09
Balance, December 31, 2023	**9,000,000**	**0.06**
Expired	**(250,000)**	**0.05**
Balance, September 30, 2024	**8,750,000**	**0.06**
Exercisable at September 30, 2024	**8,750,000**	**0.06**

(In Canadian dollars)

A summary of the outstanding stock options is presented below:

Date of grant	Remaining life	Number of options #	Exercisable #	Exercise price $
October 30, 2019	0.59 years	1,000,000	1,000,000	0.09
July 16, 2020	1.46 years	7,000,000	7,000,000	0.05
September 16, 2021	2.47 years	500,000	500,000	0.065
June 9, 2022	3.20 years	250,000	250,000	0.05
		8,750,000	**8,750,000**	

10. Key management compensation and related party transactions

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Company directly or indirectly, including any directors (executive and non-executive) of the Company. Remuneration of directors and key management personnel of the Company was as follows:

	For the three months ended September 30		For the nine months ended September 30	
	2024	2023	**2024**	2023
	$	$	**$**	$
Salaries and benefits	**85,970**	89,470	**261,410**	268,410
Share based compensation		1,006	**-**	1,006

Due to related parties includes $102,727 (December 31, 2023 - $74,232) accrued for director’s fees which have no terms of repayment and are unsecured.

On April 4, 2023, three directors subscribed for $115,500 of the convertible debentures as described in note 7 above.

On November 21, 2023 and December 20, 2023, an officer and director of the Company subscribed for $40,000 of the private placement described in note 9 above.

11. Loss per share

For the nine months ended September 30, 2024, basic and diluted loss per share has been calculated based on the loss attributable to common shareholders of $596,380 (nine months ended September 30, 2023 - $995,262) and the weighted average number of common shares outstanding of 248,562,281 (nine months ended September 30, 2023 – 213,573,362). Diluted loss per share did not include the effect of stock options, warrants and conversion features as they are anti-dilutive.

12. Subsequent events

On October 30, 2024, 1,000,000 stock options expired unexercised.