EDGE TOTAL INTELLIGENCE INC.

Condensed Consolidated Interim Financial Statements

For the Three and Nine Months Ended September 30, 2024, and 2023
Unaudited - Expressed in United States Dollars

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Edge Total Intelligence Inc.

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 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 condensed consolidated interim financial statements in accordance with standards established by the Chartered Professional Accountants of Canada for a review of interim financial statements by an entity's auditor.

Edge Total Intelligence Inc.

Condensed Consolidated Interim Statements of Financial Position

As at,

(Unaudited - Expressed in United States dollars)

		September 30, 2024		December 31, 2023
ASSETS				
Current Assets				
Cash	$	**2,089,381**	$	993,284
Accounts receivable		**47,510**		93,351
Prepaid expenses (Note 4)		**442,238**		223,659
Total current assets		**2,579,129**		1,310,294
Property and equipment		**13,658**		22,759
Right of use assets (Note 5)		**81,141**		128,344
Intangible assets and goodwill (Note 6)		**2,393,301**		1,282,908
TOTAL ASSETS	$	**5,067,229**	$	2,744,305
LIABILITIES				
Current Liabilities				
Accounts payable and accrued liabilities (Notes 3, 7)	$	**747,775**	$	742,866
State taxes		**8,624**		8,624
Deferred revenue (Note 8)		**1,524,217**		902,087
Lease liabilities (Note 10)		**50,331**		67,378
Promissory note payable (Note 11)		**2,611,682**		3,011,682
Warrant liability (Note 15)		**300,000**		300,000
Total current liabilities		**5,242,629**		5,032,637
Lease liabilities, non-current (Note 10)		**22,812**		65,003
Loan payable, non-current (Notes 3, 12)		**638,773**		594,259
Convertible debt, non-current (Notes 3, 13)		**369,018**		211,855
Derivative liability (Notes 3, 14)		**636,328**		282,904
TOTAL LIABILITIES	$	**6,909,560**	$	6,186,658
DEFICIT				
Share capital (Note 16)	$	**19,126,776**	$	15,558,987
Contributed surplus		**11,738,247**		11,301,612
Warrants (Note 16)		**707,192**		-
Accumulated deficit		**(33,750,203)**		(30,625,092)
Other Comprehensive Income		**335,657**		322,140
		(1,842,331)		(3,442,353)
TOTAL LIABILITIES AND DEFICIT	$	**5,067,229**	$	2,744,305

Going Concern (Note 1)

Subsequent Event (Note 25)

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

Approved by the Board of Directors *"Mel Wesley"* *"Jim Barrett"*

Mel Wesley - Director Jim Barrett - CEO and Director

Edge Total Intelligence Inc.

Condensed Consolidated Interim Statements of Loss and Comprehensive Loss
For the three and nine months ended September 30, 2024 and 2023

(Unaudited - Expressed in United States dollars)

	Three months ended		Nine months ended	
	September 30, 2024	September 30, 2023	**September 30, 2024**	September 30, 2023
Revenues				
Revenue (Note 9)	**$ 725,580**	$ 1,035,269	**$ 2,283,990**	$ 2,844,193
Cost of sales (Note 18)	**230,263**	203,596	**669,406**	839,970
Gross profit	**495,317**	831,673	**1,614,584**	2,004,223
Operating expenses				
Selling and marketing expenses	**313,075**	292,742	**1,042,641**	742,374
Administrative expenses (Note 18)	**297,276**	257,520	**1,157,056**	1,261,058
Research and development expenses	**342,602**	422,520	**1,307,355**	1,203,622
Other expenses (Note 19)	**25,553**	19,723	**72,898**	61,821
Share-based expenses (Note 16)	**81,746**	-	**519,260**	128,989
Total operating expenses	**1,060,252**	992,505	**4,099,210**	3,397,864
Operating loss	**(564,935)**	(160,832)	**(2,484,626)**	(1,393,641)
Finance costs (Note 20)	**(118,028)**	(162,660)	**(348,604)**	(706,871)
Write-off of payables (bad debt) (Note 21)	**48,736**	-	**48,736**	(518,004)
Gain on debt modification	**-**	-	**-**	289,972
Change in fair value of derivative liability (Note 14)	**(450,978)**	-	**(353,424)**	-
Foreign exchange gain (loss)	**(1,304)**	-	**12,807**	(22,502)
Loss before income taxes	**(1,086,509)**	(323,492)	**(3,125,111)**	(2,351,046)
Income tax expense	**-**	-	**-**	-
Net loss	**(1,086,509)**	(323,492)	**(3,125,111)**	(2,351,046)
Other comprehensive loss				
Foreign currency translation gain (loss)	**(9,247)**	-	**13,517**	817
Net loss and comprehensive loss	**$ (1,095,756)**	$ (323,492)	**$ (3,111,594)**	$ (2,350,229)
Net loss per share (Note 22)				
Basic and diluted	**$ (0.04)**	$ (0.02)	**$ (0.11)**	$ (0.12)
Weighted average number of common shares outstanding				
Basic and diluted	**30,487,403**	19,155,459	**29,136,026**	19,085,475

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

Edge Total Intelligence Inc.

Condensed Consolidated Interim Statements of Changes in Deficit

For the nine months ended September 30, 2024 and 2023

(Unaudited - Expressed in United States dollars)

	Number of SVS Shares	Number of MVS Shares	Amount	Contributed Surplus	Warrants	Accumulated Deficit	Accumulated Other Comprehesive Income	Total Deficit
Balance December 31, 2022	**18,993,459**	**26,600**	**$ 10,210,529**	**$ 10,829,674**	**$ -**	**$ (29,417,205)**	**$ 100,379**	**$ (8,276,623)**
Net loss and comprehensive loss	-	-	-	-	-	(2,351,046)	817	(2,350,229)
Share-based compensation expense (Note 16)	-	-	-	128,989	-	-	-	128,989
Share-based options and warrants exercised (Note 16)	132,000	-	18,363	-	-	-	-	18,363
Shares converted from MVS to SVS	30,000	(30)	-	-	-	-	-	-
Balance September 30, 2023	**19,155,459**	**26,570**	**$ 10,228,892**	**$ 10,958,663**	**$ -**	**$ (31,768,251)**	**$ 101,196**	**$ (10,479,500)**
Balance December 31, 2023	**28,265,000**	**26,570**	**$ 15,558,987**	**$ 11,301,612**	**$ -**	**$ (30,625,092)**	**$ 322,140**	**$ (3,442,353)**
Net loss and comprehensive loss	-	-	-	-	-	(3,125,111)	13,517	(3,111,594)
Share-based compensation expense (Note 16)	-	-	-	521,793	-	-	-	521,793
Private Placement (Note 16)	10,625,000	-	2,542,652	-	583,957	-	-	3,126,609
Broker warrants (Note 16)	-	-	(173,692)	-	173,692	-	-	-
Share and warrant issuance costs	-	-	(219,697)	-	(50,457)	-	-	(270,154)
Shares issued on acquisition (Notes 1, 16)	4,250,000	-	1,262,760	-	-	-	-	1,262,760
Shares issued as finders' fees relating to acquisition (Notes 1, 16)	197,674	-	63,139	-	-	-	-	63,139
Share-based options exercised (Note 16)	200,000	-	92,627	(85,158)	-	-	-	7,469
Balance September 30, 2024	**43,537,674**	**26,570**	**$ 19,126,776**	**$ 11,738,247**	**$ 707,192**	**$ (33,750,203)**	**$ 335,657**	**$ (1,842,331)**

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

Edge Total Intelligence Inc.

Condensed Consolidated Interim Statements of Cash Flow

For the nine months ended September 30, 2024 and 2023

(Unaudited - Expressed in United States dollars)

		September 30, 2024		September 30, 2023
Operating activities				
Net loss for the period	$	(3,125,111)	$	(2,351,046)
Items not involving cash				
Amortization of deferred finance costs		-		27,442
Amortization of property and equipment		9,101		4,183
Amortization of intangible assets (Note 6)		259,294		369,908
Amortization of right of use assets (Note 5)		47,203		64,326
Change in fair value of derivative liability (Note 14)		353,424		-
Write-off of payables (bad debt) (Note 21)		(48,736)		518,004
Interest accretion and other		211,222		321,565
Gain on debt modification		-		(289,972)
Share-based compensation expense (Note 16)		519,260		128,989
Unrealized foreign exchange loss		2,477		(55,225)
Change in non-cash working capital (Note 17)		432,100		54,978
Cash flows used in operating activities	$	(1,339,766)	$	(1,206,848)
Financing activities				
Repayments of promissory note payable (Note 11)		(400,000)		(3,000,000)
Private Placement		3,126,609		-
Related party loan advances		-		4,053,271
Convertible debt repayment (Note 13)		-		(100,000)
Lease payments on right to use assets (Note 10)		(68,784)		(59,313)
Share issuance costs		(236,318)		-
Stock options and warrants exercised		7,469		18,363
Cash flows provided by financing activities	$	2,428,976	$	912,321
Investing activities				
Acquisition of intangible assets		(6,630)		-
Cash flows used in investing activities	$	(6,630)	$	-
Effect of foreign exchange rates on cash		13,517		-
Change in cash		1,096,097		(294,527)
Cash, beginning of period		993,284		480,135
Cash, end of period	$	2,089,381	$	185,608
Supplemental cash flow information:				
Broker warrants issued (Note 16)	$	173,692	$	-
Shares issued on acquisition (Notes 1, 16)		1,262,760		-
Shares issued as finders' fees relating to acquisition (Notes 1, 16)		63,139		-
Share issuance costs in accounts payable and accrued liabilities		37,102		-
Interest paid	$	146,562	$	189,868

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

1. Reporting Entity and Going Concern

Reporting Entity

Edge Total Intelligence Inc. ("EdgeTI" or "Company") was originally incorporated on January 10, 2019, under the name Aphelion Capital Corp ("Aphelion") pursuant to the British Columbia Business Corporation Act. The Company's registered office and principal place of business is located at Suite 2500, 666 Burrard Street, Vancouver, British Columbia, Canada V6C 2X8. On December 14, 2021, Aphelion completed its Qualifying Transaction ("QT"), as defined by Policy 2.4 of the TSX Venture Exchange ("TSXV") Corporate Finance Manual, with Edge Technologies Inc. ("Edge"). As a result of the QT, the Company changed its name to Edge Total Intelligence Inc. and now owns 100% of the outstanding common shares of Edge. Edge was incorporated in the state of Virginia, and its registered office and principal place of business is located at 1501 Lee Hwy, Suite 301, Arlington, Virginia, United States 22209. The Company is listed on the TSX Venture Exchange under the symbol "CTRL".

On September 25, 2024, pursuant to a merger agreement dated August 2, 2024 (the "Merger Agreement"), the Company completed a transaction between itself, Block X Capital Corp. ("BlockX") and 1494029 B.C. Ltd. ("AcquisitionCo"), a wholly owned subsidiary of the Company. Pursuant to the Merger Agreement, the Company acquired all of the issued and outstanding shares in the capital of BlockX (the "acquisition"), being 4,250,000 common shares, in exchange for an equivalent number of subordinate voting shares of the Company (each, a "SVS") by way of a three-cornered amalgamation under the Business Corporations Act (British Columbia) (the "Amalgamation"), being 4,250,000 SVSs (Note 16). The Company now holds all of the issued and outstanding shares in the capital of the corporation that resulted from the Amalgamation, being EdgeAI Technologies Inc. ("EdgeAI"). These SVS shares were issued as part of the Amalgamation to Victory Square Technologies Inc. ("VST"), the sole shareholder of BlockX. A finder's fee was also paid in connection with the acquisition to a finder of the Company (the "Finder"), which was paid through the issuance of 197,674 SVSs , valued at CAD $0.43 per SVS share (Note 16).

The acquisition was accounted for as an asset acquisition, as it does not meet the requirements of a business combination under IFRS 3 *Business Combinations*. At the acquisition date, BlockX had only one asset, an intangible asset related to blockchain technology (the "Blockchain technology") and no liabilities in its books. The Blockchain technology has been accounted for as an intangible asset at the deemed fair value of $1,369,687 (Note 6), consisting of the fair value of the intangible asset and other transaction costs.

The Company's principal business activity involves the development, marketing, and sales of a digital twin software platform, in conjunction with maintenance and support services for customers. The Company markets its solutions directly to its customers, who include corporations, governmental, and inter-governmental entities; however, the Company's primary channel is through value-added resellers. While most of the Company's sales are generated in North America, the Company's products and services are available internationally. The Company also offers a wide variety of systems engineering and business consulting services to accommodate unique digital twin and data mesh requirements for commercial and government customers.

1. Reporting Entity and Going Concern (continued)

Going Concern

These unaudited condensed consolidated interim financial statements have been prepared based on accounting policies applicable to a going concern, which assumes that the Company will continue operations for the foreseeable future and will be able to realize its assets and discharge its liabilities in the normal course of business. During the nine-month period ended September 30, 2024, the Company incurred negative cash flows from operating activities of $1,339,766 (September 30, 2023 – negative cash flows of $1,206,848); an accumulated deficit of $33,750,203 (December 31, 2023 – $30,625,092); and an excess of current liabilities over current assets of $2,663,500 (December 31, 2023 – $3,722,343).

To continue as a going concern, the Company must generate sufficient income and cash flows to repay its obligations, finance working capital, and fund capital investments. The future of the Company is dependent on its ability to attain sufficient funds and profitable operations, maintain compliance with covenants relating to lending agreements, continue receiving financial support from shareholders, and obtain new financing. There is no certainty that the Company will raise these necessary funds from financing or operations.

As a result of these factors, there is a material uncertainty that may result in a significant doubt on the Company's ability to meet its obligations as they become due and continue as a going concern.

Management is confident that the Company will obtain sufficient working capital from external financing and operating cash flows to settle the Company's liabilities and commitments as they become due. However, there is a risk that funding will not be available on a timely basis or on terms acceptable to the Company.

These condensed consolidated interim financial statements do not reflect adjustments that would be necessary if the going concern assumption were not appropriate. Should the company be unable to continue as a going concern, adjustments to the carrying value of assets and liabilities, the expenses, and the statement of financial position classifications used would be necessary.

2. Basis of presentation

Statement of compliance

These condensed consolidated interim financial statements, including comparatives, have been prepared in accordance with International Accounting Standards 34 *Interim Financial Reporting* using accounting policies consistent 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"). The accounting policies and methods of computation applied by the Company in these condensed consolidated interim financial statements are the same as those applied in the Company's annual financial statements as at and for the year ended December 31, 2023. Additionally, the estimated useful life of finite-lived intangible asset Blockchain technology obtained during the year is 5 years.

2. Basis of preparation (continued)

Authorization

These condensed consolidated interim financial statements were authorized for issue by the Board of Directors on November 27, 2024.

Functional and presentation currency

These condensed consolidated interim financial statements are presented in United States dollars ("USD") and include the accounts of the following entities:

Name of entity	Principle activity	Place of operations	Functional currency	Legal ownership
Edge Total Intelligence Inc.	Legal parent	Canada	Canadian dollar	-
Edge Technologies Inc.	Accounting parent and operating company	United States	US dollar	100%
Edge Technologies DOO Beograd (Serbia)	Research and development	Serbia	US dollar	100%
EdgeAI Technologies Inc. (formerly BlockX)	Blockchain technology	Canada	Canadian Dollar	100%

Assets and liabilities of foreign operations having a functional currency other than the US dollar are translated at the rate of exchange prevailing at the reporting date, and revenues and expenses at average rates during the period. Gains or losses on translation are included as a component of shareholders' equity in accumulated other comprehensive loss. Transactions in foreign currencies are translated to the respective functional currencies of the Company's entities at exchange rates at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies at the reporting date are retranslated to the functional currency at the exchange rate at that date.

The foreign currency gain or loss on monetary items is the difference between amortized cost in the functional currency at the beginning of the period, adjusted for effective interest and payments during the period, and the amortized cost in foreign currency translated at the exchange rate at the end of the reporting period. Non-monetary assets and liabilities denominated in foreign currencies that are measured at fair value are retranslated to the functional currency at the exchange rate at the date that the fair value was determined. Foreign currency differences arising on retranslation are recognized in net income or loss. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction. Foreign currency gains and losses are reported on a net basis.

(Unaudited - Expressed in United States dollars)

2. Basis of preparation (continued)

Basis of measurement

These condensed consolidated interim financial statements are prepared on the historical cost basis except for the following:

- Warrant liability, which is measured at fair value.
- Equity classified share-based payments are measured at fair value at grant date.
- Lease liabilities are measured at the present value of minimum lease payments at the lease inception.
- Foreign currency derivatives embedded in convertible debentures are measured at fair value.

3. Related-Party Transactions

Included in accounts payable and accrued liabilities (Note 7) is an amount of $467,852 (December 31, 2023 - $193,294) that are due to related parties. Related party payables balances included under loans payable (Note 12), convertible debt (Note 13) and the derivative liability associated with these loans (Note 14) consist of the following balances:

	September 30, 2024	December 31, 2023
Loans payable:		
Loans payable to ConnertonA LLC	**$ 638,773**	$ 594,259
Convertible note	**369,018**	211,855
	1,007,791	806,114
Derivative liability:		
Convertible note	**636,328**	282,904
	$ 1,644,119	$ 1,089,018

Related party transactions during the period

The Company has a three-year lease arrangement for office space with a company controlled by an executive employee of the Company that commenced on March 1, 2021. During the first quarter of 2023, the Company renewed this lease arrangement for another 3-year term up to February 28, 2026. The Company is required to make monthly payments of $4,700 under the terms of the lease. During the three and nine months ended September 30, 2024 and 2023, the Company paid $14,100 and $42,300 under this arrangement.

The Company defines key management personnel as being the Chief Executive Officer, Chief Revenue Officer, and the Chief Financial Officer. No post-employment benefits or other long-term benefits were made during the three and nine months ended September 30, 2024 and 2023. Short-term key management and director compensation consists of the following:

	September 30, 2024	September 30, 2023
Salaries, bonus, and short-term employment benefits	**$ 307,716**	$ 474,519
Administrative expenses: consulting fees	**97,269**	-
	$ 404,985	$ 474,519

(Unaudited - Expressed in United States dollars)

4. Prepaid expenses

		September 30, 2024		December 31, 2023
Prepaid insurance	**$**	**17,588**	$	97,197
Advance paid to service providers		**402,201**		57,500
Security deposit		**2,982**		2,982
Other prepaid expenses		**19,467**		65,980
	$	**442,238**	$	223,659

5. Right of Use Assets

The Company enters into leases for office space and the leases have remaining lease terms of one month to three years. The following table provides a reconciliation of right of use assets cost and accumulated amortization as at:

		September 30, 2024		December 31, 2023
Opening balance	**$**	**128,344**	$	52,615
Additions		**-**		142,920
Amortization		**(47,203)**		(67,191)
Ending balance	**$**	**81,141**	$	128,344

6. Intangible assets and goodwill

Intangible assets cost subject to amortization

		Cutomer relationships		Trade name		Software development costs		Blockchain technology		Total intangible assets
Opening balance, January 1, 2023 and 2024	$	2,121,096	$	790,000	$	5,491,425	$	-	$	8,402,521
Additions		-		-		-		1,369,687		1,369,687
Balance, September 30, 2024	**$**	**2,121,096**	**$**	**790,000**	**$**	**5,491,425**	**$**	**1,369,687**	**$**	**9,772,208**

Intangible assets accumulated amortization

		Cutomer relationships		Trade name		Software development costs		Blockchain technology		Total intangible assets
Opening balance, January 1, 2023	$	2,121,096	$	790,000	$	3,481,214	$	-	$	6,392,310
Amortization		-		-		727,303		-		727,303
Balance, December 31, 2023		2,121,096		790,000		4,208,517		-		7,119,613
Amortization		-		-		249,232		10,062		259,294
September 30, 2024	**$**	**2,121,096**	**$**	**790,000**	**$**	**4,457,749**	**$**	**10,062**	**$**	**7,378,907**
Net book value December 31, 2023	$	-	$	-	$	1,282,908	$	-	$	1,282,908
Net book value September 30, 2024	**$**	**-**	**$**	**-**	**$**	**1,033,676**	**$**	**1,359,625**	**$**	**2,393,301**

(Unaudited - Expressed in United States dollars)

6. Intangible assets and goodwill (continued)

On September 25, 2024, the Company acquired Blockchain technology, an intangible asset, through a three-cornered amalgamation with a fair value of $1,369,687, which was recorded as the cost on initial recognition, and includes $43,788 costs directly related to the acquisition of this intangible asset (Notes 1, 16 (a)). Blockchain technology is amortized over 5 years.

The Company performs an annual goodwill impairment test on December 31st of each year. For the purposes of impairment testing, goodwill is allocated to the Company's sole cash generating unit (CGU) and the carrying amount of the CGU is compared to its recoverable amount. There were no indicators of impairment at September 30, 2024.

7. Accounts Payable and Accrued Liabilities

The following table provides a breakdown of the Company's accounts payable and accrued liabilities as at:

		September 30, 2024		December 31, 2023
Accounts payable and accrued expenses	**$**	**726,106**	$	721,197
Sales tax payable		**21,669**		21,669
	$	**747,775**	$	742,866

Included in accounts payable and accrued liabilities as at September 30, 2024, is an amount of $467,852 (December 31, 2023 - $193,294) due to related parties (Note 3).

8. Deferred Revenue

The following table provides a reconciliation of deferred revenue to invoiced billings as at:

		September 30, 2024		December 31, 2023
Opening balance	**$**	**902,087**	$	1,512,068
Billings		**2,906,120**		3,205,571
Revenue recognized		**(2,283,990)**		(3,815,552)
Ending balance	**$**	**1,524,217**	$	902,087

9. Revenue

The Company's disaggregated revenues for the three and nine months ended September 30, 2024 and 2023 are as follows:

	For the Three Months ended				**For the Nine Months ended**			
		September 30, 2024		September 30, 2023		**September 30, 2024**		September 30, 2023
Subscription software licenses	**$**	**725,580**	$	1,035,269	**$**	**2,283,990**	$	2,844,193

(Unaudited - Expressed in United States dollars)

9. Revenue (continued)

Except for intangible asset Blockchain technology $3,040,196 (December 31, 2023 - $Nil) located in Canada, all other non-current assets are located in the US. The Company's revenue by geographic segments for the three and nine months ended September 30, 2024 and 2023 are as follows:

	For the Three Months ended		For the Nine Months ended	
	September 30, 2024	September 30, 2023	**September 30, 2024**	September 30, 2023
United States	**$ 659,312**	972,374	**$ 2,081,279**	$ 2,652,304
International	**66,268**	62,895	**202,711**	191,889
	$ 725,580	$ 1,035,269	**$ 2,283,990**	$ 2,844,193

10. Lease Liabilities

The following table provides a reconciliation of the Company's lease liabilities at:

	September 30, 2024	December 31, 2023
Opening balance	**$ 132,381**	$ 64,685
Additions to lease liabiltiies	**-**	142,920
Lease payments	**(68,784)**	(94,697)
Accretion	**9,546**	19,473
Prevent value of lease liability	**$ 73,143**	$ 132,381
Current portion	**50,331**	67,378
Non-current portion	**22,812**	65,003
Total lease liability	**$ 73,143**	$ 132,381

The Company's maturities of lease liabilities based on undiscounted future lease payments are as follows:

	September 30, 2024	December 31, 2023
Less than 1 year	**$ 56,400**	$ 78,998
1-3 years	**23,500**	65,800
Total lease payments	**$ 79,900**	$ 144,798

As at September 30, 2024, the lease term expires on February 28, 2026. The average interest discount rate per the Company's incremental rate of borrowing is 12% per annum.

11. Promissory note payable

On January 20, 2023, the Company amended its promissory note with Salem Investment Partners IV, Limited Partnership ("Lender") and made a one-time principal payment of $3 million. The interest rate was reduced from 12% to 6% on January 24, 2023 and future ongoing principal repayment requirements were removed until the amended maturity date of January 1, 2024. The Company has the right to repurchase the 7% Salem warrant for the agreed settlement amount of $300,000 until the date of loan maturity. The Company determined that the change in fair value of the debt immediately prior to the amendment and the present value of future cash flows of the amended debt was less than 10% and as a result the Company accounted for the change as a debt modification. As a result of the modification, a gain on modification was recognized of $133,718. The lender's legal costs of $28,500 are included in the fair value adjustment of the debt and is amortized over the amended term of the note, i.e. January 1, 2024.

The Company did not repay either the promissory note of $3,011,682 or the warrant liability of $300,000 as at January 1, 2024. The lender has not called the note in 2024 and continues to work with management to find an amenable solution to address progress payments and determine a new term. The warrant liability is discussed in Note 14.

Covenants

The covenant is to not cause or permit the Company's EBITDA to be less than 1) negative $150,000 for the months ended September 30, 2021; 2) $1,000,000 for the year ended December 31, 2021; and 3) $1,500,000 for the year ended December 31, 2022 and on December 31st of each calendar year thereafter. On October 16, 2020, the Company and the Lender amended the promissory note payable agreement which waived specific defaults and suspended the leverage and the fixed charge coverage ratio requirements.

At September 30, 2024 the Company was in compliance with the minimum liquidity covenant, but not EBITDA requirement. The loan has been classified within the statement of financial position as current. However, as noted above, the lender is working with the management to resolve this situation.

(Unaudited - Expressed in United States dollars)

11. Promissory note payable (continued)

The following table provides a reconciliation of the promissory note payable as at:

Principal Payments

	September 30, 2024	December 31, 2023
Principal balance at the beginning of the period	**$ 3,011,682**	$ 6,045,986
Less: Deferred financing costs	**-**	(34,304)
Principal balance net of deferred financing costs at the beginning of the period	**3,011,682**	6,011,682
Repayments on the promissory note payable	**(400,000)**	(3,000,000)
Gain on debt modification	**-**	(133,718)
Interest and accretion	**137,016**	269,809
Interest paid	**(137,016)**	(170,395)
Amortization of financing costs	**-**	34,304
Total notes payable	**$ 2,611,682**	$ 3,011,682

Maturities of the promissory note are as follows:

Principal repayment dates	Principal repayments
Payable on demand	$ 2,611,682

12. Loan payable

	September 30, 2024	December 31, 2023
Balance at the beginning of the period	**$ 594,259**	$ 587,305
Interest and accretion	**44,514**	51,549
Gain on modification of loan	**-**	(44,595)
Balance at the end of the period	**$ 638,773**	$ 594,259

Originating on February 3, 2021, the Company has a related party payable of $550,056 to ConnertonA LLC, a company controlled by the CEO of the Company. The payable note was originally due on demand and had a 3% interest that compounded annually. On January 23, 2023, the Company amended its payable to ConnertonA LLC, that increased the interest rate from 3% compounded annually to 8% simple interest and extended the maturity date to January 20, 2026. The interest rate can be increased to 13% for the entire period in the event the debt is not repaid on or before the maturity date.

(Unaudited - Expressed in United States dollars)

12. Loan payable (continued)

The change in terms of the related party payable resulted in an extinguishment of the old related party payable the recognition of a new long term related party loan payable. As the increase of the interest rate would have adversely impacted the Company, this clause was not enforced by the lender and the loan continued to be accrued at the original interest rate. As at September 30, 2024, ConnertonA LLC has a balance of $638,773 (December 31, 2023 - $594,259) (Note 3).

13. Convertible debt

Convertible note agreement with management and directors

	September 30, 2024	December 31, 2023
Balance at the beginning	**$ 211,855**	$ 853,636
Reversal of financial derivative (Note 14)	**-**	950
Repayments prior to January 20, 2023	**-**	(100,000)
Interest up to January 20, 2023	**-**	4,113
Principal for the modified convertible debt as at January 20, 2023	Not applicable	758,699
Embedded derivative disclosed separately (Note 14)	**-**	(588,791)
Gain on modification of loan	**-**	(52,257)
Convertible debt at fair value on January 20, 2023	Not applicable	117,651
Repayments	**-**	(61,287)
Reversal of financial derivative on partial extinguishment (Note 14)	**-**	21,292
Interest and accretion	**157,163**	110,935
Loss on early settlement of convertible debt	**-**	23,264
Balance at the end	**$ 369,018**	$ 211,855

On August 9, 2021, the Company entered into a 10% secured convertible promissory note agreements ("Agreements") totaling $750,000 with certain management and directors and entities controlled by them. The term of the agreements was 90 days and adjustable retroactively to 15% if the loan is extended beyond the 90-day duration. The Company and lender mutually agreed to not increase the rate in the past despite the original 90-day repayment not being met. The loan is secured by the receivables of the Company and is subordinate to the promissory note payable (Note 10). The holders have the right to convert the principal and any unpaid interest into SVS shares at a price of $0.48 ($0.62 CAD) per share.

(Unaudited - Expressed in United States dollars)

13. Convertible debt (continued)

On January 23, 2023, the Company completed partial repayments totaling $100,000 to certain related party convertible promissory note holders with an effective date of January 20, 2023. Additionally, the remaining principal and unpaid interest on each of these remaining related party convertible promissory notes were converted on January 20, 2023 into the new principal that included unpaid interest till the date of modification, with their maturity extended to January 20, 2026 and the interest rate was reduced to 8%. The interest rate can be increased to 13% for the entire period in the event the debt is not repaid on or before the maturity date.

Based upon the 10% qualification test and qualitative factors under IFRS 9, the above amendment on January 20, 2023 was concluded to be a debt extinguishment and under the new terms, these debts included an embedded derivative due to the option to convert these convertible debts into the shares of the Company, which have been accounted for separately (Note 14). Further, under debt extinguishment accounting, a gain or loss is recognized for the difference between the carrying value of the original loans and the assumption of the new debt instruments recognized at fair value, but the gain or loss is recognized in capital as with a related party. The convertible debt was calculated on the date of modification at a fair value interest rate of 10.02% which resulted in this gain of $52,257.

On December 8, 2023, the Company repaid and extinguished the $50,000 convertible note of its former CFO and director and the notes accrued interest of $11,287, thereby resulting in loss on repayment of $23,264 recorded as a capital contribution within contributed surplus.

14. Derivative liability

	September 30, 2024	December 31, 2023
Balance at the beginning	**$ 282,904**	$ 950
Reversal of financial derivative (Note 13)	**-**	(950)
Balance as at January 20, 2023	**Not applicable**	-
Embedded derivative relating to convertible debt (Note 13)	**-**	588,791
Embedded derivative relating to related party payable	**-**	3,254,151
Change in fair value of derivatives relating to convertible debt	**353,424**	(284,595)
Reversal of financial derivative on partial extinguishment (Note 13)	**-**	(21,292)
Change in fair value of derivatives relating to related party payable	**-**	(1,488,096)
Reversal of financial derivative on extinguishment of related party payable	**-**	(1,766,055)
Balance at the end	**$ 636,328**	$ 282,904

14. Derivative liability (continued)

This conversion options related to the related party payable (Note 3) as well as convertible debt (Note 12) were concluded to be an embedded derivative as it meets the definition of a derivative liability since:

i) Its value changes based upon both the underlying share price of its Parent company's common shares and changes in the USD/CAD exchange rate;
ii) It requires little or no net investment; and
iii) It is settled in the future.

As a result, the conversion feature created on the amendment date of the respective agreements in the new debts is accounted for as an embedded derivative liability, as it does not meet the fixed for fixed provision requiring separation. Management elected to measure this embedded derivative ("ED") at FVTPL and did not elect to account for the entire hybrid instrument at FVTPL. Changes in value after inception of this ED are recognized in profit or loss, excluding any portion in value change stemming from new advances or accrued interest in the period which is recognized as an additional discount.

Foreign currency derivative liability associated with convertible debentures
As the conversion feature is denominated in CAD and not in the functional currency of the Company, the conversion feature is a derivative liability that arises from the changes in exchange rates. As a result, the convertible debenture is assessed as being a financial liability with an embedded derivative liability.

15. Warrant Liability

In conjunction with the promissory note payable described in Note 10, a warrant was granted to the Lender. The warrant requires the Company to issue the Lender shares equal to 7% of all issued and outstanding equity of the Company on a fully diluted basis. The warrant liability is payable upon the occurrence of a number of events including, notice by the Company, an event of default under the terms of the loan agreement, the maturity date of the loan agreement, an asset sale, a sale of 100% of the equity of the Company, and a merger whereby Lotus is divested of its direct or indirect ownership interest.

At each reporting period, the Company fair values the warrant liability based on the estimated fair value and the Company recognizes any change in fair value in profit or loss. During the fourth quarter of the year ended December 31, 2022, the Company reached a settlement amount with the lender and as a result the fair value was estimated to be the agreed amount of $300,000. There was no change in the fair value of the warrant liability as at December 31, 2023 and September 30, 2024.

The conditions of the $300,000 warrant payment required payment of the Salem debt on or before January 1, 2024. The final payment was not made by January 1, 2024, and the warranty liability could potentially return to a fair value of 7% of all issued and outstanding equity of the Company on a fully diluted basis. However, the lender has not called the loan and continues to work with management to find an amenable solution to address progress payments and determine a new term.

(Unaudited - Expressed in United States dollars)

16. Share Capital

(a) Authorized

The Company is authorized to issue an unlimited number of non-par value Class A Subordinate Voting Shares ("SVS") and an unlimited number of Multiple Voting Shares ("MVS"). The following are the Class A SVS transactions during the period:

	Number of SVS shares		Amount
Balance December 31, 2023	28,265,000	$	15,558,987
Private Placement	10,625,000		2,542,652
Broker warrants, issued as share issuance cost for private placement	-		(173,692)
Share and warrant issuance costs	-		(219,697)
Shares issued on acquisition (Note 1)	4,250,000		1,262,760
Shares issued as finders' fees relating to acquisiion (Note 1)	197,674		63,139
Stock options exercised	200,000		92,627
Balance September 30, 2024	**43,537,674**	**$**	**19,126,776**

On January 12, 2024, the Company issued 200,000 SVS shares on the exercise of 200,000 stock options for gross cash proceeds of $7,469 (CAD 10,000) and the fair value associated $85,158 (CAD 114,000) was transferred from contributed surplus to share capital.

On September 16, 2024, the Company closed a non-brokered private placement (the "Offering"), issuing an aggregate of 10,625,000 units at a price of CDN $0.40 ($0.29) per unit for gross proceeds of CDN$ 4,250,000.00 ($3,126,609). Each unit consists of one SVS share in the capital of the Company and one-half of one non-transferable SVS purchase warrant. Each warrant is exercisable into one additional SVS at an exercise price of CDN $0.60 ($0.40) per SVS until September 16, 2026, which is 24 months from the date of issuance, subject to acceleration pursuant to the terms of the warrant. The Company also incurred aggregate finder's fees of CDN $316,900 ($233,135) and 743,600 SVS purchase warrants issued to finders in connection with the Offering. Each purchase warrant is exercisable into one additional SVS in the capital of the Company at an exercise price of CDN $0.60 ($0.44) per share until September 16, 2026, which is 24 months from the date of issuance (Note 16 (c)).

On September 25, 2024, the Company completed a three-cornered amalgamation to purchase Blockchain technology and issued an aggregate of 4,447,674 SVS shares, including 197,674 SVS shares as finder's fee that were settled in shares, with a fair value amounting to $1,325,899 in relation to the purchase of intangible assets from EdgeAI (formerly BlockX) (Notes 1, 6).

(Unaudited - Expressed in United States dollars)

16. Share Capital (continued)

***(a) Authorized* (continued)**

The following are the Multi Voting Share transactions:

On December 21, 2021, the Company amended its articles to create a new class of MVS shares and issued 26,600 MVS shares to the former shareholders of Edge Technologies Inc. At September 30, 2024 and December 31, 2023, the Company had 26,570 MVS shares issued and outstanding.

Each MVS share is entitled to one thousand votes for each share; convertible at i) the option of the holder and the Company into SVS shares at a ratio of 1,000 SVS shares per 1 MVS share; ii) the option of the Company in the event the volume weighted average price of the Common Shares on the TSXV is equal to or greater than $1.95 ($2.50 CAD) over a ten consecutive trading day period; iii) automatically in the event the holders of MVS pass the applicable required resolution of the holders of MVS converting the MVS into Common Shares; and in the event of the liquidation, dissolution, or winding-up of the Company whether voluntary or involuntary, or in the event of any other distribution of assets of the Company among its shareholders for the purpose of winding up its affairs, the holders of MVS will, subject to the prior rights of the holders of any shares of the Resulting Issuer ranking in priority to the MVS, be entitled to certain distributions in an amount equal to $1,951 ($2,500 CAD) per MVS in priority to holders of SVS and any other shares of the Resulting Issuer ranking subordinate to the MVS.

(b) Dividends

Dividends declared for the three and nine months ended September 30, 2024 were $Nil (September 30, 2023 - $Nil).

(c) Warrants

Information about warrants outstanding is summarized in the following tables:

	Number of warrants		Weighted Average Exercise Price in CAD
Balance, December 31, 2023	**-**	$	-
Warrants issued	6,056,100		0.60
Balance, September 30, 2024	**6,056,100**	**$**	**0.60**

(Unaudited - Expressed in United States dollars)

16. Share Capital (continued)

(c) Warrants (continued)

On September 16, 2024, the Company issued an aggregate of 6,056,100 warrants pursuant to the Offering at a price of CAD $0.60 ($0.44) (Note 16 (a)). The fair value allocated to the warrants issued was $707,192, net of warrant issuance costs and was determined using the Black Scholes option pricing model at the time of issuance using the following assumptions:

		September 30, 2024
Expected life (in years)		2
Grant date market price (in CAD)	$	0.85
Expected volatility		81.39%
Risk-free interest rate		2.82%
Dividend yield		0%

(d) Stock-based compensation

The Company implemented an Incentive Stock Option Plan (the "Stock Plan") on February 1, 2019. Pursuant to the Stock Plan, the Company grants stock options to directors, officers, employees, and consultants for services, provided that the number of common shares reserved for issuance shall not exceed 10% of the issued and outstanding common shares exercisable for a period of up to 10 years. The exercise price and vesting terms of the options granted under the Stock Plan will be determined by the Board of Directors. No options may be granted to an investor relations service provider and the exercise price cannot be less than the greater of the offering share price and the discounted market price.

Information about stock options outstanding and exercisable is summarized in the following tables:

Expiry Date	Outstanding	Exercisable		Weighted Average Exercise Price in CAD	Weighted Average Life Remaining (in Years)
January 18, 2027	400,000	400,000	$	0.62	2.3
March 9, 2027	1,168,000	1,168,000		0.62	2.4
February 18, 2028	1,450,000	1,031,666		1.03	3.4
October 26, 2028	200,000	100,000		0.60	4.1
January 10, 2029	1,675,000	558,333		0.62	4.3
	4,893,000	**3,257,999**	**$**	**0.74**	**3.4**

(Unaudited - Expressed in United States dollars)

16. Share Capital (continued)

(d) Stock-based compensation (continued)

	Number of options	Weighted Average Exercise Price in CAD
Balance, December 31, 2023	**3,713,833**	**$ 0.80**
Granted	1,675,000	0.62
Exercised	200,000	0.62
Forfeited	295,833	0.84
Balance, September 30, 2024	**4,893,000**	**$ 0.74**

During the nine months ended September 30, 2024, the Company granted 1,675,000 stock options to employees and certain related parties at a weighted average price of CAD $0.62. The fair value of the share-based compensation issued was CAD $429,936 and were determined using the Black Scholes option pricing model at the time of issuance using the following assumptions:

	September 30, 2024
Expected life (in years)	5
Grant date market price (in CAD)	$ 0.52
Expected volatility	60%
Risk-free interest rate	3.22%
Dividend yield	0%

The amount expensed during the three and nine months ended September 30, 2024 in relation to the stock options granted amounted to $81,476 and $519,260 (three and nine months ended September 30, 2023 - $Nil and $128,989).

17. Supplemental Cash Flow Information

The following are the changes in non-cash working capital for the nine months ended September 30, 2024 and 2023:

	September 30, 2024	September 30, 2023
Accounts receivable	**$ 45,841**	$ (141,744)
Prepaid expenses	**(218,579)**	(42,584)
Accounts payable and accrued liabilities	**(17,291)**	(113,674)
Deferred revenue, current	**622,129**	352,980
	$ 432,100	$ 54,978

(Unaudited - Expressed in United States dollars)

18. Expenses

The amortization of intangible assets (Note 5) for the three and nine months ended September 30, 2024 is as follows:

	For the Three Months Ended		For the Nine Months Ended	
	September 30, 2024	September 30, 2023	**September 30, 2024**	September 30, 2023
Amortization of software development costs in:				
Cost of sales	**$ 79,513**	$ 215,860	**$ 249,232**	$ 369,908
Other expense items	**10,062**	-	**10,062**	-
	$ 89,575	$ 215,860	**$ 259,294**	$ 369,908

Included in administrative expenses for the three and nine months ended September 30, 2024 are employee wages and benefits of $58,718 and $323,504 (September 30, 2023 - $150,894 and $352,671) and digital marketing expenses of ($38,066) credit and $30,450 (September 30, 2023 -$12,577 and $410,828) respectively.

19. Other expenses

The following table provides a breakdown of the Company’s other expenses as at:

	For the Three Months Ended		For the Nine Months Ended	
	September 30, 2024	September 30, 2023	**September 30, 2024**	September 30, 2023
Other expenses:				
Depreciation	**$ 15,360**	$ 19,723	**$ 56,303**	$ 59,561
Amortization of intangible assets	**10,062**	-	**10,062**	-
Other miscellaneous expenses	**131**	-	**6,533**	2,260
	$ 25,553	$ 19,723	**$ 72,898**	$ 61,821

20. Finance Costs

The following table provides a breakdown of the Company’s finance costs as at:

	For the Three Months Ended		For the Nine Months Ended	
	September 30, 2024	September 30, 2023	**September 30, 2024**	September 30, 2023
Interest	**$ -**	$ 71,125	**$ -**	$ 71,125
Interest and accretion on lease liabilities (Note 10)	**2,423**	5,621	**9,546**	9,908
Interest and accretion related party payables	**-**	48,134	**-**	107,469
Interest and accretion on promissory note payable (Note 11)	**45,838**	37,780	**137,016**	188,456
Interest and accretion on loan payable (Note 12)	**15,039**	-	**44,514**	-
Interest and accretion on convertible debt (Note 13)	**54,661**	-	**157,163**	-
Amortization of deferred financing costs	**-**	-	**-**	20,582
Interest -Miscellaneous/adjustment	**67**	-	**365**	309,331
Other expenses	**$ 118,028**	$ 162,660	**$ 348,604**	$ 706,871

(Unaudited - Expressed in United States dollars)

21. Write-off of payable (bad debt)

The following table provides a breakdown of the Company's other expenses as at:

	For the Three Months Ended		For the Nine Months Ended	
	September 30, 2024	September 30, 2023	**September 30, 2024**	September 30, 2023
Write-off of payables	**$ 48,736**	$ -	**$ 48,736**	$ -
Bad debt	**-**	-	**-**	(518,004)
	$ 48,736	$ -	**$ 48,736**	$ (518,004)

During the three and nine months ended September 30, 2024, the Company has written off certain payables amounting to $48,736 (September 30, 2023: $Nil).

On June 29, 2023, the Company executed a significant multi-year contract with a creditworthy client. The contract will have a total contract value of roughly $4.7 million over the next five years. In executing this agreement, the company wrote down debt that was associated with the client that was accrued over the course of the last nine months as the new contract begins and entails only work from June 30, 2023 forward. The amount of the write down totaled $518,004 and was incurred in the second quarter of the fiscal year 2023.

22. Net loss per share

The basic and diluted weighted average number of shares have been calculated as follows:

	2024	2023
Net loss for the nine months ended September 30,	**$ (3,125,111)**	$ (2,351,046)
Weighted average number of SVS common shares - basic and diluted for the nine months ended September 30	**29,136,026**	19,085,475
Additions to reflect the dilutive effect of the following: Note (i)		
MVS shares converted to SVS shares	**26,570,000**	25,970,000
Stock options	**3,257,999**	3,808,802
Warrants	**6,056,100**	547,885
Weighted average number of SVS common shares diluted for the period ended September 30	**65,020,125**	49,412,162
Loss per share - basic and diluted	**$ (0.11)**	$ (0.12)

Note (i): At September 30, 2024, 26,570 MVS shares, 4,893,300 stock options and 6,056,100 warrants (September 30, 2023, 26,570 MVS shares, 3,808,802 stock options and 547,885 warrants) were excluded from the diluted weighted average number of shares calculation as their effect would have been antidilutive.

(Unaudited - Expressed in United States dollars)

23. Capital Risk Management

The Company manages its capital structure based on the funds available to the Company in order to support its organic growth and general operations. The Board of Directors does not establish a quantitative return on capital criteria for management, but rather relies on the expertise of the Company's management to sustain the future development of the business. The Company defines capital to include share capital of $19,126,776 (December 31, 2023 - $15,558,987).

Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company, is reasonable. There were no changes in the Company's approach to capital management during the nine months ended September 30, 2024. The Company is not subject to externally imposed capital requirements but is subject to debt covenants, which is discussed in Note 10.

24. Financial Instruments and Risk Management

Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations. Credit risk arises primarily from the Company's operating activities from trade receivables and financing activities from cash.

Credit risk from financing activities is minimized by maintaining accounts in reputable financial institutions with high quality credit ratings. Cash is placed with a major U.S. financial institution and the Company’s concentration of credit risk for cash and maximum exposure thereto as at September 30, 2024 is $2,089,381 (December 31, 2023 - $993,284).

The Company has estimated its forward-looking expected credit loss of $nil at September 30, 2024.

Credit risk from trade receivables is minimized by establishing credit policies such as determining and monitoring customer credit limits and requiring credit approvals. The Company does not hold any collateral as security but mitigates credit risk from trade receivables by transacting only with recognized and creditworthy counterparties.

During the nine months ended September 30, 2024, the Company determined there was no single customer that was likely unable to meet its payment obligations (December 31, 2023 - $nil). The Company’s trade accounts receivable balance as at September 30, 2024, net of the provision is as follows:

	Under 30	30-60 days	Over 60 days	Total
Accounts receivable aging	$ 31,013	$ -	$ 16,497	$ 47,510

24. Financial Instruments and Risk Management (continued)

Credit risk (continued)

The Company is exposed to concentration of credit risk relating to one customer that represents 12% of trade accounts receivable as at September 30, 2024 (December 31, 2023 - 27%). During the nine months ended September 30, 2024, one customer accounted for 32% and 37% (three and nine months ended September 30, 2024: 23% and 20% respectively) of total revenue respectively.

Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they become due. The Company mitigates liquidity risk by adjusting its expenses in relation to its revenues, through working capital management, and loans and advances from its lenders. The Company's exposure to liquidity risk is dependent on the Company's ability to generate sales, manage its expenditures based on sales, and continued support from its lenders.

At September 30, 2024, the Company has $4,749,015 (December 31, 2023 - $5,014,084) of liabilities net of deferred revenues with the following due dates and carrying values:

	Under 3 months	3 months - 1 year	1 - 2 years	3 - 5 years	Total
Accounts payable and accured liabilties and state taxes	$ 756,399	$ -	$ -	$ -	$ 756,399
Loan payable	-	-	638,773	-	638,773
Convertible debt	-	-	369,018	-	369,018
Lease payments	12,025	38,306	22,812	-	73,143
Promissory note payable	-	2,611,682	-	-	2,611,682
Warrant liability	-	300,000	-	-	300,000
Total	**$ 768,424**	**$ 2,949,988**	**$ 1,030,603**	**$ -**	**$ 4,749,015**

Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices.

Currency risk

Currency risk is the risk that changes in foreign exchange rates will cause fluctuations to the fair values and cash flows of the Company's financial instrument holdings. The Company has minimal exposure to currency risk as it does not hold significant assets in currency other than USD and its international sales are denominated in USD.

24. Financial Instruments and Risk Management (continued)

Other price risk

Other price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market. The Company is not exposed to other price risks.

25. Subsequent event

On November 18, 2024, the Company granted 300,000 stock options to purchase SVS shares of the Company to a director and an officer pursuant to the Company's Equity Incentive Plan. The Options are exercisable at a price of CAD $0.99 per share for a period of five years, and vest 1/3 immediately and 1/3 annually thereafter.