Impact Acquisitions Corp.

INTERIM FINANCIAL STATEMENTS

For the Six Months Ended June 30, 2024

(Unaudited)

(EXPRESSED IN CANADIAN DOLLARS)

NOTICE TO READER

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 condensed consolidated interim 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 auditors have not audited, reviewed or otherwise attempted to verify the accuracy or completeness of these condensed consolidated interim financial statements. Readers are cautioned that these statements may not be appropriate for their intended purposes.

July 23, 2024

Impact Acquisitions Corp.
Interim Statements of Financial Position
(Expressed in Canadian Dollars)

As at	Note		June 30, 2024		December 31, 2023
			(unaudited)		
Asset					
Current assets					
Cash		$	174,736	$	204,854
Total asset		**$**	**174,736**	**$**	**204,854**
Liabilities and Shareholder's Equity					
Liabilities					
Current liabilities					
Accounts payable and accrued liabilities	3	$	12,862	$	19,076
			12,862		**19,076**
Shareholder's Equity					
Share capital	5	$	368,530	$	368,530
Option Reserve			65,750		65,750
Accumulated deficit			(272,406)		(248,502)
Total shareholder's equity			**161,874**		**185,778**
Total liabilities and shareholder's equity		**$**	**174,736**	**$**	**204,854**

Going concern (Note 1)

These interim financial statements were approved for issue by the Board of Directors on July 23, 2024 and signed on its behalf by:

"Itamar David" — Director

"Andrew Gertler" — Director

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

Impact Acquisitions Corp.
Interim Statements of Loss and Comprehensive Loss
(Expressed in Canadian Dollars)
(Unaudited)

		Three months ended June 30		Six months ended June 30	
For the	**Notes**	**2024**	**2023**	**2024**	**2023**
Expenses					
Legal	3	$ 1,874	$ 2,000	$ 1,874	$ 2,570
Interest income		-	-	(268)	(286)
Accounting		7,667	5,017	12,392	14,341
Filing and other fees		2,031	3,864	9,857	11,524
Bank Charges		25	25	49	54
Total expenses		11,597	10,906	23,904	28,203
Loss and Comprehensive loss		$ 11,598	$ 10,906	$ 23,904	$ 28,203
Basic and diluted loss per common share		$ (0.00)	$ (0.00)	$ (0.00)	$ (0.00)
Weighted average number of common shares outstanding - basic and diluted		5,800,000	5,800,000	5,800,000	5,800,000

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

Impact Acquisitions Corp.
Interim Statement of Changes in Shareholder's Equity
(Expressed in Canadian Dollars)
(Unaudited)

	Share Capital							
	Number of Shares		**Amount-**		**Shares to be issued**		**Deficit**		**Total Shareholder's Equity (Deficiency)**
Balance, December 31, 2022	5,800,000	$	368,530	$	65,750	$	(200,404)	$	233,876
Net loss for the period	-		-		-		(28,203)		(28,203)
Balance, June 30, 2023	**5,800,000**		**368,530**		**65,750**		**(228,607)**		**205,673**
Net loss for the period	-		-		-		(19,895)		(19,895)
Balance, December 31, 2023	5,800,000		368,530		65,750		(248,502)		185,778
Net loss for the period	-		-		-		(23,904)		(23,904)
Balance, June 30 , 2024	**5,800,000**	**$**	**368,530**	**$**	**65,750**	**$**	**(272,406)**	**$**	**161,874**

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

Impact Acquisitions Corp.
Interim Statements of Cash Flows
(Expressed in Canadian Dollars)
(Unaudited)

		Six Months ended June 30, 2024		Six Months ended June 30, 2023
Cash flows from operating activities				
Loss for the period	$	(23,904)	$	(28,203)
Accounts payable and accrued liabilities		(6,214)		7,493
Net cash used by operating activities		**(30,118)**		**(20,710)**
Decrease in cash		**(30,118)**		**(20,710)**
Cash, beginning of the period		**204,854**		**245,563**
Cash, ending of the period	**$**	**174,736**	**$**	**225,853**

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

NOTE 1 – NATURE OF OPERATIONS AND GOING CONCERN

Impact Acquisitions Corp. (the "Company") was incorporated on December 5, 2019 under the Business Corporations Act (British Columbia). The Company is a Capital Pool Company ("CPC") as defined in the TSX Venture Exchange (the "Exchange") Policy 2.4. The principal business of the Company is the identification and evaluation of assets or business with a view to potentially acquire them or an interest therein by an option or any concomitant transaction. The purpose of such acquisition is to satisfy the related conditions of a qualifying transaction under the policies of the Exchange.

On March 9, 2022, the Company announced the completion of its initial public offering (the "IPO") of 3,000,000 common shares at the price of $0.10 per common share. The common shares of the Company commenced trading on March 11, 2022 under the trading symbol IMPC.P. The head office, principal address and registered office of the Company are located at Suite 501-3292 Production Way, Burnaby, Canada.

These financial statements have been prepared on the basis of accounting principles applicable to a going concern which assumes the Company will be able to continue in operation for the foreseeable future and will be able to realize its assets and discharge its liabilities in the normal course of operations.

The proposed business of the Company, and the completion of a Qualifying Transaction, involves a high degree of risk. There is no assurance that the Company will identify an appropriate business for acquisition or investment, and even if so identified and warranted, it may not be able to finance such an acquisition or investment within the requisite time period. Additional funds will be required to enable the Company to pursue such an initiative, and the Company may be unable to obtain such financing on terms which are satisfactory to it. Furthermore, there is no assurance that the business will be profitable.

These factors indicate the existence of a material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern. Should the Company be unable to continue as a going concern, the net realizable value of its assets may be materially less than the amounts on its statement of financial position. These financial statements do not reflect adjustments that would be necessary if the going concern assumption was not appropriate. If the going concern assumption was not appropriate for these financial statements, adjustments would be necessary to the statement of financial position classifications used. Such adjustments could be material.

NOTE 2 – STATEMENT OF COMPLIANCE AND SIGNIFICANT ACCOUNTING POLICIES

Statement of compliance

These interim financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") applicable to the preparation of interim financial statements, including IAS 34, *Interim Financial Reporting*. The interim financial statements should be read in conjunction with the financial statements for the years ended December 31, 2022 and 2021, which have been prepared in accordance with IFRS as issued by IASB.

The Company uses the same accounting policies and methods of computation as in the financial statements for the years ended December 31, 2023 and 2022.

The financial statements were authorized for issue by the Board of Directors on July 23, 2024.

(Expressed in Canadian Dollars)

NOTE 2 – STATEMENT OF COMPLIANCE AND SIGNIFICANT ACCOUNTING POLICIES (Continued)

Basis of presentation

These interim financial statements have been prepared on a historical cost basis, except for financial instruments classified as financial instruments at fair value through profit and loss, which are stated at their fair value. In addition, these interim financial statements have been prepared using the accrual basis of accounting, except for cash flow information. The presentation and functional currency of the Company is the Canadian dollar. The accounting policies set out below have been applied consistently to the period presented in the financial statements for the years ended December 31, 2023 and 2022.

NOTE 3 – ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

		June 30, 2024		December 31, 2023
Accounts payable	$	8,137	$	6,076
Accrued liabilities		4,725		13,000
	$	**12,862**	**$**	**19,076**

NOTE 4 – RELATED PARTIES

Key management consists of the Officers and Directors who are responsible for planning, directing, and controlling the activities of the Company. All related party transactions are carried out in the normal course of operation. As at June 30, 2024, $4,725 (December 31, 2023- $5,250) owing to related parties, accounted for in accounts payable and accrued liabilities.

During the period ended June 30, 2024, the Company incurred

- $9,450 (June 30, 2023 - $8,925) in accounting fees to a company owned by an officer of the Company.

NOTE 5 – SHARE CAPITAL AND RESERVE

Authorized share capital

Unlimited number of common shares without par value.

Issued share capital

The Company has 5,800,000 common shares issued and outstanding as at June 30, 2024.

During the year ended December 31, 2021 the Company issued 2,800,000 common shares at a price of $0.05 per share for gross proceeds of $140,000, of which 2,100,000 common shares were issued to the directors of the Company.

On March 9, 2022, the Company announced the completion of its initial public offering (the “IPO”) of 3,000,000 common shares at the price of $0.10 per common share for gross proceeds of $300,000.
A cash commission equal to 10% of the gross proceeds, a corporate finance fee of $10,500 and legal fees incurred pursuant to the IPO were paid to the agent from the gross proceeds and were classified as share issuance costs. The Company recorded $71,470 in share issuance costs.

(Expressed in Canadian Dollars)

NOTE 5 – SHARE CAPITAL AND RESERVE (Continued)

As part of the Agreement, the Agent received one non-transferable option to acquire up to 300,000 common shares at a price of $0.10 per share for a period of 60 months from the date the Company's common shares were listed on the TSX-V (March 11, 2022), in consideration for its services as the Company's agent. The fair value of the agent options of $22,415 was estimated using the Black-Scholes Pricing Model with the following assumptions: no expected dividends to be paid; volatility of 100% based on industry standard for comparable companies without a historical volatility; risk-free interest rate of 1.65%; and expected life of 5 years.

Stock Options

As at June 30, 2024, the Company has the following stock options outstanding:

Outstanding and Exercisable, June 30, 2024	Number of Stock options	Weighted average exercise price $
Issued – agent options	300,000	0.10
Issued - options	580,000	0.10
	880,000	**0.10**

As at June 30, 2024, the weighted average remaining life of the stock options is 2.69 years.

During the year ended December 31, 2021, the Company adopted a stock option plan providing for the grant to the Company's officers, directors, employees and permitted consultants and management company employees of options to purchase common shares of the Company. Under the Stock Option Plan, the Company may grant options to purchase up to 10% of the issued and outstanding shares of the Company.

On March 9, 2022, the Company granted incentive stock options to its directors and officers to acquire up to an aggregate of 580,000 shares with an exercise price of $0.10 per share and expiry date of March 9, 2027. The fair value of the options was estimated using the Black-Scholes Pricing Model the following assumptions: no expected dividends to be paid; volatility of 100% based on industry standard for comparable companies without a historical volatility; risk-free interest rate of 1.65%; and expected life of 5 years. During the period ended June 30, 2024, the Company recognized $nil (period ended June 30, 2023 – $nil) of share-based payment expense.

NOTE 6 – CAPITAL MANAGEMENT

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern and to maintain a flexible capital structure which will allow it to pursue the completion of a Qualifying Transaction ("QT") as defined in TSX-V Policy 2.4. Therefore, the Company monitors the level of risk incurred in its expenditures relative to its capital structure.

The Company considers its capital structure to include all components of shareholders' equity. The Company monitors its capital structure and makes adjustments in light of changes in economic conditions and the risk characteristics of the potential underlying assets. To maintain or adjust the capital structure, the Company may issue new equity if available on favorable terms and approved by the TSX-V.

As a CPC, the Company will be subject to externally imposed capital requirements as outlined in the TSX-V Policy 2.4 and summarized below:

NOTE 6 – CAPITAL MANAGEMENT (Continued)

i. No salary, consulting, management fees or similar remuneration of any kind may be paid directly or indirectly to a related party of the Company or a related party of a QT;
ii. Gross proceeds realized from the sale of all securities issued by a CPC may only be used to identify and evaluate assets or businesses and obtain shareholder approval for a QT;
iii. No more than the lesser of $210,000 and 30% of the gross proceeds from the sale of securities issued by a CPC may be used for purposes other than to identify and evaluate a QT; and
iv. After the completion of its IPO and until the completion of a QT, a CPC may not issue any securities unless written acceptance of the TSX-V is obtained before the issuance of the securities.

There were no changes in the Company's approach to capital management during the period ended June 30, 2024.