INEO Tech Corp.

Consolidated Financial Statements

As at and for the years ended June 30, 2024, and 2023

(Expressed in Canadian Dollars)

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INDEPENDENT AUDITOR'S REPORT

To the Shareholders of INEO Tech Corp.:

Opinion

We have audited the consolidated financial statements of INEO Tech Corp. (the "Company"), which comprise the consolidated statement of financial position as at June 30, 2024, and the consolidated statement of loss and comprehensive loss, consolidated statement of shareholders' equity (deficiency) and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including material accounting policy information.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Company as at June 30, 2024, and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with IFRS Accounting Standards.

Basis for Opinion

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

Material Uncertainty Related to Going Concern

We draw attention to Note 1 in the consolidated financial statements, which describes the conditions indicating that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements for the year ended June 30, 2024. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

In addition to the matter described in the *Material Uncertainty Related to Going Concern* section of our auditor's report, we have determined the matter described below to be the key audit matters to be communicated in our report.

Key audit matter	**How our audit addressed the key audit matter**
Assessment of classification of conversion options in convertible debentures	
Refer to notes 2 and 13	Our approach to addressing the matter involved the following procedures, among others:
During the year ended June 30, 2024, the Company issued convertible debentures with a face value of $570,000. The convertible debentures were accounted for as compound financial instruments with a liability host and an equity conversion option. The accounting for and valuation for convertible debentures is complex due to significant judgment involved in determining the appropriate accounting treatment, including classification as liability or equity, whether the features give rise to derivatives, and the discount rate and other assumptions used in determining the fair value. We considered this a key audit matter due to the significant judgments involved in assessing whether the conversion option should be classified as liability or equity. These factors have resulted in a high degree of subjectivity in performing audit procedures, related to the judgments applied by management.	Evaluating the judgments made by management in determining the classification of the conversion option, which included the following: • Obtained and reviewed the convertible debentures subscription agreements and certificates. • Read the board of directors' minutes and resolutions, and obtained evidence supporting approval of the convertible debentures. • Reviewed management prepared accounting memo and assessed management's accounting treatment of convertible debentures for appropriateness. • Evaluated the reasonableness of the accounting and impact of the conversion features in accordance with IFRS Accounting Standards. • Performed recalculations on the value of equity and liability components of the convertible debentures. • Reviewed and assessed the adequacy of disclosures in the consolidated financial statements.

Other Matter

The consolidated financial statements of the Company for the year ended June 30, 2023 were audited by another auditor who expressed an unmodified opinion on those consolidated financial statements on October 25, 2023.

Other Information

Management is responsible for the other information. The other information comprises the information included in the Management's Discussion and Analysis filed with the relevant Canadian securities commissions.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit and remain alert for indications that the other information appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact in this auditor's report. We have nothing to report in this regard.

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

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

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

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

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

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

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

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner on the audit resulting in this independent auditor's report is Doris Yingying Cen.

Baker Tilly WM LLP

CHARTERED PROFESSIONAL ACCOUNTANTS

Vancouver, B.C.
October 28, 2024

INEO Tech Corp.

Consolidated Statements of Financial Position
(Expressed in Canadian dollars)

	Notes	June 30, 2024	June 30, 2023
Assets			
Current assets			
Cash		**-**	$362,510
Accounts and other receivables	5	**108,956**	267,014
Prepaid expenses	7	**7,534**	96,380
Inventory	6	**216,323**	263,962
Note receivable	8	**-**	25,393
		332,813	1,015,259
Non-current assets			
Note receivable	8	**28,910**	-
Equipment	9	**1,527,191**	1,509,388
Right-of-use asset	21	**20,701**	51,753
Intangibles	4	**1,085**	3,254
		1,577,887	$1,564,395
Total assets		**$1,910,700**	$2,579,654
Liabilities and Shareholders' Equity (Deficiency)			
Current liabilities			
Bank indebtedness		**$17,561**	-
Payables and accrued liabilities	10	**1,702,323**	$674,537
Loans payable to related parties	11	**249,365**	181,250
Interest payable	10, 12, 13, 14, 15	**173,816**	13,973
Current portion of bank loan payable	14	**58,400**	-
Government grant	15	**-**	111,380
Due to related parties	18	**33,698**	9,950
Current portion of lease liability	22	**27,266**	36,352
		2,262,429	1,027,442
Non-current liabilities			
Note payable	12	**908,566**	856,112
Convertible debentures	13	**436,968**	-
Non-current portion of bank loan payable	14	**291,600**	-
Government grant	15	**120,000**	-
Non-current portion of lease liability	22	**-**	27,266
		1,757,134	883,378
Total liabilities		**4,019,563**	1,910,820
Shareholders' equity (deficiency)			
Share capital	16	**14,968,979**	14,968,979
Reserves	16	**1,164,072**	945,182
Equity conversion feature on convertible debentures	13	**92,140**	-
Deficit		**(18,334,054)**	(15,245,327)
		(2,108,863)	668,834
Total liabilities and shareholders' equity		**$1,910,700**	$2,579,654

The accompanying notes are an integral part of these consolidated financial statements.
Nature and continuance of operations (Note 1).

Approved on behalf of the Board on October 28, 2024:

Steve Matyas - Director   Eugene Syho – Director

INEO Tech Corp.

Consolidated Statements of Loss and Comprehensive Loss
(Expressed in Canadian dollars)

		For the years ended June 30	
	Notes	**2024**	2023
Sales	*24, 25*	**$1,357,642**	$1,509,008
Cost of sales	*24*	**(916,192)**	(1,135,702)
Gross profit		**441,450**	373,306
Expenses			
General and administrative	*17*	**1,759,887**	1,628,828
Selling	*17*	**693,714**	1,158,789
Research and development	*17*	**757,819**	803,161
		3,211,420	3,590,778
Net loss before other income (expenses)		**(2,769,970)**	(3,217,472)
Other Income (Expenses)			
Interest expense, net	*8,11,12,13,14,15,23,24*	**(284,628)**	(114,012)
Foreign exchange loss		**(28,465)**	(400)
Other income (expenses)		**(5,664)**	393
		(318,757)	(114,019)
Loss and comprehensive loss		**$(3,088,727)**	$(3,331,491)
Weighted average number of common shares outstanding - basic and diluted		**76,143,709**	70,024,531
Basic and diluted loss per share		**(0.04)**	(0.05)

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

INEO Tech Corp.

Consolidated Statements of Shareholders' Equity (Deficiency)
(Expressed in Canadian dollars)

	Notes	Number of shares	Amount	Equity portion of Convertible Debentures	Warrant Reserves	Share-based payment Reserves	Deficit	Total Shareholders' Equity (Deficiency)
Balance, June 30, 2022		60,190,138	$13,535,082	-	$193,792	$533,323	$(11,913,836)	$2,348,361
Share issuance during the year								
Private placement	*16*	14,525,000	1,743,000	-	-	-	-	1,743,000
Bonus shares	*12*	1,428,571	171,429	-	-	-	-	171,429
Share-based payment		-	-	-	-	156,564	-	156,564
Share issuance costs	*16*	-	(419,029)	-	-	-	-	(419,029)
Warrants issued for short form prospectus	*16,23*	-	(61,503)	-	61,503	-	-	-
Net loss and comprehensive loss		-	-	-	-	-	(3,331,491)	(3,331,491)
Balance, June 30, 2023		76,143,709	14,968,979	-	255,295	689,887	(15,245,327)	668,834
Share-based payment	*16*	**-**	**-**	**-**	**-**	**202,231**	**-**	**202,231**
Warrants issued for debt	*13,16*	**-**	**-**	**-**	**16,659**	**-**	**-**	**16,659**
Issuance of convertible debentures	*13,23*	**-**	-	**92,140**	**-**	**-**	**-**	**92,140**
Net loss and comprehensive loss		**-**	**-**	**-**	**-**	**-**	**(3,088,727)**	**(3,088,727)**
Balance, June 30, 2024		**76,143,709**	**$14,968,979**	**92,140**	**$271,954**	**$892,118**	**$(18,334,054)**	**$(2,108,863)**

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

INEO Tech Corp.

Consolidated Statements of Cash Flows
(Expressed in Canadian dollars)

	For the years ended June 30	
	2024	2023
Cash flows used in operating activities:		
Net loss for the year	**$(3,088,727)**	$(3,331,491)
Items not involving cash:		
Amortization on equipment, and intangibles	**388,202**	191,467
Share-based payment	**202,231**	156,564
Interest expense	**245,381**	132,755
Accretion on convertible debentures	**4,887**	-
Amortization of right-of-use asset	**31,052**	31,052
Income from remeasurement of CEBA Loan	**-**	(8,619)
Interest income on note receivable	**(3,517)**	(393)
Bad debt expense	**17,958**	-
Change in non-cash operating working capital:		
Accounts and other receivables	**140,100**	(45,177)
Prepaid expenses	**88,846**	158,076
Inventory	**47,639**	(108,949)
Payables and accrued liabilities	**1,066,670**	193,268
	(859,278)	(2,631,447)
Cash flows used in investing activities:		
Purchase of equipment	**(403,836)**	(917,977)
Note receivable issued	-	(25,000)
	(403,836)	(942,977)
Cash flows provided by (used in) financing activities:		
Loan received	**54,500**	1,000,000
Proceeds from convertible debentures issuances	**570,000**	-
Proceeds from bank loan	**350,000**	-
Interest paid	**(43,805)**	(60,000)
Payments for lease obligations	**(42,280)**	(41,440)
Advances from related parties	**33,698**	9,950
Repayment to related parties	**(9,950)**	(1,595)
Debt issuance cost	**(29,120)**	-
Proceeds from issuance of shares	**-**	1,743,000
Shares issuance cost	**-**	(419,029)
	883,043	2,230,886
Change in cash	**(380,071)**	(1,343,538)
Cash, beginning of year	**362,510**	1,706,048
(Bank indebtedness) Cash, end of year	**$(17,561)**	$362,510

Supplemental cash flow information (Note 23).

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

1. NATURE AND CONTINUANCE OF OPERATIONS

INEO Tech Corp. (the "Company" or "INEO") is a Canadian company incorporated under the laws of the Province of British Columbia on March 4, 2008. The Company's shares trade on the TSX Venture Exchange ("TSX-V") under the symbol 'INEO.' The Company's corporate head office and records office are located at 105 – 19130 24 Avenue, Surrey, BC, V3Z 3S9.

INEO is the inventor and operator of the *INEO Media Network* for retailers, which provides retail analytics and targeted advertising through its cloud-based IoT (Internet of Things) and AI (Artificial Intelligence) technology. The Company operates the *INEO Media Network* using a SaaS-based model for retail stores.

These consolidated financial statements, including comparatives (the 'Financial Statements'), have been prepared in accordance with IFRS Accounting Standards ("IFRS") and interpretations of the IFRS Interpretations Committee ("IFRIC") with the going concern assumption, which assumes that the Company will continue operations for the foreseeable future and, accordingly, will be able to realize its assets and discharge its liabilities in the normal course of operations. The Company's ability to realize its assets and discharge its liabilities depends upon the Company obtaining the necessary financing and, ultimately, upon its ability to achieve profitable operations.

For significant expenditures, the Company will depend on external capital. Such external capital will include the issuance of additional equity shares. There can be no assurance that capital will be available, as necessary, to meet the Company's operating commitments and development plans. The issuance of additional equity securities by the Company may result in the dilution of current shareholders' equity interests.

The Company's future capital requirements will depend on many factors, including the cash flows from its operating activities, costs of research and developing its products, operating costs, the current capital market environment, and global market conditions.

The continued operations of the Company are dependent on its ability to generate revenues, develop a sufficient financing plan, receive continued financial support from related parties, complete sufficient public equity financing, and ultimately generate profitable operations in the future. The Company has no assurance that it will be successful in its efforts. If the Company cannot obtain financing in the amounts and on terms deemed acceptable, the business's future success could be adversely affected. These conditions result in material uncertainties, which may cast significant doubt on whether the Company will continue as a going concern.

2. BASIS OF CONSOLIDATION AND PREPARATION

These Financial Statements have been prepared on a historical cost basis except for certain financial instruments, measured at fair value. In addition, these Financial Statements have been prepared using the accrual basis of accounting, except for the cash flow information.
These Financial Statements were authorized for issue by the Board of Directors on October 28, 2024.

These Financial Statements, except as otherwise stated, are presented in Canadian dollars and include the accounts of the Company and its wholly owned subsidiaries, each having a Canadian functional currency.

Entity	Parent	Country of Incorporation	Effective Interest
INEO Solutions Inc.	INEO Tech Corp.	Canada	100%
FG Manufacturing Inc. (“FG”)	INEO Solutions Inc.	Canada	100%

These Financial Statements include the accounts of the Company and its subsidiaries of which it has control. IFRS 10 states that an investor has control over an investee if and only if the investor has the power over the investee and is able to use it to influence the amount of the investor’s returns. And that the investor has exposure or rights, to variable returns from its involvement with the investee. All intercompany balances, transactions, and any unrealized gains and losses arising from intercompany transactions have been eliminated.

Use of estimates and judgments

The preparation of these Financial Statements requires management to make judgments, estimates, and assumptions that affect the application of policies and reported amounts of assets, liabilities, revenues, and expenses. Estimates and associated assumptions applied in determining asset or liability values are based on historical experience and various other factors, including other sources that are believed to be reasonable under the circumstances but are not necessarily readily apparent or recognizable when such estimate or assumption is made. Actual results may differ from these estimates.

The information about significant areas of estimation uncertainty considered by management in preparing the Financial Statements is as follows:

Inventories

Inventories are valued at the lower of cost and net realizable value. Cost of inventory includes cost of purchase (purchase price, import duties, transport, handling, and other costs directly attributable to the acquisition of inventories) and other costs incurred in bringing the inventories to their present location and condition. Net realizable value for inventories is the estimated selling price in the ordinary course of business, less the estimated completion costs and costs necessary to make the sale.

2. BASIS OF CONSOLIDATION AND PREPARATION (CONTINUED)

Use of estimates and judgments (continued)

Share-based payment

Management assesses the fair value of stock options granted in accordance with the accounting policy stated in Note 3. The fair value of stock options granted is measured using the Black-Scholes option pricing model, which was created to estimate the fair value of freely tradable, fully transferable options. The Company's stock options have characteristics significantly different from those of traded options, and changes in the highly subjective input assumptions can materially affect the calculated values.

Income taxes

Tax provisions are based on enacted or substantively enacted laws. Changes in those laws could affect amounts recognized in profit or loss both in the period of change, which would include any impact on cumulative provisions, and in future periods. Deferred tax assets (if any) are recognized only to the extent it is considered probable that those assets will be recoverable. This involves assessing when those deferred tax assets are likely to reverse and a judgment as to whether or not there will be sufficient taxable profits available to offset the tax assets when they do reverse. This requires assumptions regarding future profitability and is therefore inherently uncertain. To the extent assumptions regarding future profitability change, there can be an increase or decrease in the amounts recognized in respect of deferred tax assets and the amounts recognized in profit or loss in the year in which the change occurs.

The information about significant areas of judgment considered by management in preparing these Financial Statements is as follows:

Convertible Debentures

The component parts of convertible debentures are classified separately as financial liabilities and equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument. The classification of the conversion option as equity requires significant judgement in assessing whether the settlement would result in a fixed amount of cash for a fixed number of equity instruments.

3. MATERIAL ACCOUNTING POLICY INFORMATION

Cash and cash equivalents

Cash and cash equivalents include cash on hand and in banks and deposits, which are readily convertible to cash with original maturities of 3 months or less. Cash and cash equivalents are held with Canadian financial institutions. As at June 30, 2024, and 2023, there were no cash equivalents.

Inventory

The Company values inventories at the lower of cost and net realizable value. Cost includes the costs of purchases, net of vendor allowances, plus other costs, such as transportation, that are directly incurred to bring the inventories to their present location and condition. The Company uses the first in, first out ("FIFO") method to determine the cost of inventories. The Company estimates net realizable value as the amount that inventories are expected to be sold while taking into consideration the estimated selling costs. Inventories are written down to net realizable value when the cost of inventories is estimated to be unrecoverable due to obsolescence, damage, or declining market prices. When the circumstances that previously caused inventories to be written down below cost no longer exist or when there is apparent evidence of an increase in selling price, the amount of the write-down previously recorded is reversed. Storage costs, indirect administrative overhead, and certain inventory sales costs are expensed in the period incurred.

Financial instruments

<u>Classification</u>

The Company classifies its financial instruments in the following categories: at fair value through profit or loss ("FVTPL"), at fair value through other comprehensive income (loss) ("FVTOCI"), or at amortized cost. The Company determines the classification of financial assets at initial recognition. The classification of debt instruments is driven by the Company's business model for managing the financial assets and their contractual cash flow characteristics. Equity instruments that are held for trading are classified as FVTPL. For other equity instruments, on the day of acquisition, the Company can make an irrevocable election (on an instrument-by-instrument basis) to designate them as at FVTOCI. Financial liabilities are measured at amortized cost unless they are required to be measured at FVTPL (such as instruments held for trading or derivatives) or if the Company has opted to measure them at FVTPL.

The following table shows the classification of financial instruments:

Cash and bank indebtedness	FVTPL
Accounts and other receivables	Amortized cost
Note receivable	Amortized cost
Payables and accrued liabilities	Amortized cost
Convertible debentures	Amortized cost
Government grant	Amortized cost
Loans payable	Amortized cost
Note payable	Amortized cost
Interest payable	Amortized cost
Due to related parties	Amortized cost

<u>Measurement</u>

Financial assets at FVTOCI

Elected investments in equity instruments at FVTOCI are initially recognized at fair value plus transaction costs. Subsequently, they are measured at fair value, with gains and losses recognized in other comprehensive income (loss).

3. MATERIAL ACCOUNTING POLICIY INFORMATION (CONTINUED)

Financial instruments (continued)

Financial assets and liabilities at amortized cost
Financial assets and liabilities at amortized cost are initially recognized at fair value plus or minus transaction costs, respectively, and subsequently carried at amortized cost less any impairment.

Financial assets and liabilities at FVTPL
Financial assets and liabilities carried at FVTPL are initially recorded at fair value, and transaction costs are expensed in the statements of loss and comprehensive loss. Realized and unrealized gains and losses arising from changes in the fair value of the financial assets and liabilities held at FVTPL are included in the statements of loss and comprehensive loss in the period in which they arise. Where management has opted to recognize a financial liability at FVTPL, any changes associated with the Company's own credit risk will be recognized in the statements of loss and comprehensive loss.

Impairment of financial assets at amortized cost
The Company recognizes a loss allowance for expected credit losses on financial assets that are measured at amortized cost.

At each reporting date, the Company measures the loss allowance for the financial asset at an amount equal to the lifetime expected credit losses if the credit risk on the financial asset has increased significantly since initial recognition. Loss allowances are recognized on receivables for which the credit risk has not increased significantly since the initial recognition based on the twelve-month ECL. When there is a significant increase in the credit risk of receivables subsequent to the initial recognition, the Company shall recognize in the statements of loss and comprehensive loss, as an impairment gain or loss.

Derecognition
Financial assets
The Company derecognizes financial assets only when the contractual rights to cash flows from the financial assets expire or when it transfers the financial assets and substantially all associated risks and rewards of ownership to another entity. Gains and losses on derecognition are generally recognized in the statements of loss and comprehensive loss. However, gains and losses on the derecognition of financial assets classified as FVTOCI remain within accumulated other comprehensive income (loss).

Financial liabilities
The Company derecognizes financial liabilities only when its obligations under the financial liabilities are discharged, canceled, or expired. Generally, the difference between the carrying amount of the financial liability derecognized and the consideration paid and payable, including any non-cash assets transferred or liabilities assumed, is recognized in the statements of loss and comprehensive loss.

3.MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

Convertible Debentures

The Company has unsecured convertible debentures used for raising capital. The component parts of convertible debentures issued by the Company are classified separately as financial liabilities and equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument. A conversion option that will be settled by the exchange of a fixed amount of cash or another financial asset for a fixed number of equity instruments issued by the Company is an equity instrument. The Company has determined that the conversion option meets the definition of equity. The Company initially recognized the host liability at amortized cost by calculating the present value using the effective interest rate at the time of transaction. The conversion feature is recognized as an equity component and is then measured at the residual amount, by deducting the amount calculated for the liability component from the fair value of the instrument as a whole. The transaction costs, including the warrants and finder’s fees, were allocated to the liability and the equity components in proportion to the proceeds. The Company subsequently measures the financial liability at amortized cost. Interest expense is recognized in general and administrative expenses.

Leases

The Company as a lessee

The Company recognizes a right-of-use asset and corresponding lease liability at the commencement date, when the lessor makes the asset available for use. Lease payments are recognized in general and administrative expenses.

Lease liability reflects the present value of the lease payments that are expected to be payable by the lessee over the lease term. The lease term reflects the period over which the lease payments are reasonably certain. The company subsequently measures the lease liability at amortized cost. Lease payments are discounted using the interest rate implicit in the lease, or if that rate cannot be determined, the lessee’s incremental borrowing rate at the lease inception date. Interest expense is recognized in general and administrative expenses.

Right-of-use asset is measured at the initial amount of the lease liabilities and subsequently measured using the cost model. Right-of-use asset is measured at cost less accumulated amortization, accumulated impairment losses and any remeasurements of lease liabilities. The asset is depreciated on a straight-line basis over the shorter of the asset’s useful life and lease term. Amortization starts at the lease commencement date.

Intangibles

Intangibles arise from the purchase of a new business, existing franchises and software. Intangible assets acquired include domain names, websites, social media accounts, and customer listings. These are accounted for using the cost model where capitalized costs are amortized on a straight-line basis over their estimated useful life of three years.

3. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

Foreign currency translation

These Financial Statements are presented in Canadian dollars, the Company's and its subsidiaries' functional and presentation currency.

Foreign currency transactions are translated into functional currency using the exchange rates prevailing at the transaction date. Foreign currency monetary items are re-translated at the year-end exchange rate.

Non-monetary items measured at historical cost continue to be carried at the exchange rate at the transaction date. Non-monetary items measured at fair value are reported at the exchange rate at the date when fair values were determined. Exchange gains and losses arising from translation are recognized in profit or loss.

Equipment

On initial recognition, equipment is measured at cost, being the purchase price and directly attributable cost of acquisition or construction required to bring the asset to the location and condition necessary to be capable of operating in the manner intended by the Company, including appropriate borrowing costs and the estimated present value of any future unavoidable costs of dismantling and removing items. The corresponding liability is recognized within provisions.

Equipment is subsequently measured at cost less accumulated amortization, less any accumulated impairment losses. When parts of an item of equipment have different useful lives, they are accounted for as separate items (major components) of equipment.

Gains and losses on disposal of an item of equipment are determined by comparing the proceeds from disposal with the carrying amount and are recognized net within other income in profit or loss.

The amortization rates applicable to each category of equipment are as follows:

Furniture and equipment	- 20-50% declining balance
Computer hardware	- 55% declining balance
Motor vehicle	- 20% declining balance
Installed units	- 5-year straight line

Share capital

The Company records proceeds from the issuance of its common shares as equity. The Company has adopted a residual value method with respect to the measurement of shares and warrants issued as private placement units. The residual value method first allocates value to the most easily measurable component based on fair value and then the residual value, if any, to the less easily measurable component.

The fair value of the common shares issued in the private placement was determined to be the most easily measurable component and were valued at their fair value, as determined by the closing quoted price on the issuance date. The remaining proceeds, if any, are allocated to the attached warrants. Any fair value attributed to the warrants is recorded as warrant reserve. Management does not expect to record a value for the warrant in most equity issuances as unit private placements are commonly priced at the market or at a permitted discount to market. However, when warrants are issued as transaction costs,, the fair value of the warrants is measured using the Black-Scholes Option Pricing Model and is accounted for as a deduction from equity and from the financial liability at amortized cost, if compound financial instrument.

3. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

Share capital (continued)

The amounts recorded in reserves with respect to the warrants are reclassified to share capital if the warrants are exercised. If the warrants expire or are cancelled/forfeited and unexercised, the related amount remains in warrant reserve.

Incremental costs directly attributable to the issue of new common shares are shown in equity as a deduction, net of tax, from the proceeds. Common shares issued for consideration other than cash are valued based on their market value at the date that shares are issued.

Share-based payments

Share-based payments to employees are measured at the fair value of the instruments issued and amortized over the vesting periods. Share-based payments to non-employees are measured at the fair value of goods or services received or the fair value of the equity instruments issued if it is determined that the fair value of the goods or services cannot be reliably measured and are recorded at the date the goods or services are received. The corresponding amount is recorded in the share-based payment reserve. The fair value of options is determined using the Black-Scholes Option Pricing Model. The number of shares and options expected to vest is reviewed and adjusted at the end of each reporting period such that the amount recognized for services received as consideration for the equity instruments granted shall be based on the number of equity instruments that eventually vest.

Net loss per share

Basic loss per share is calculated using the weighted average number of common shares outstanding during the period. Diluted loss per share is calculated using the treasury stock method. This method assumes that common shares are issued for the exercise of options, warrants, and convertible securities and that the assumed proceeds from the exercise of options, warrants, and convertible securities are used to purchase common shares at the average market price during the period. The difference between the number of shares assumed issued and the number of shares assumed purchased is then added to the basic weighted average number of shares outstanding to determine the fully diluted number of common shares outstanding. No exercise or conversion is assumed during the periods in which a net loss is incurred as the effect is anti-dilutive.

Related party transactions

Parties are considered to be related if one party has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operating decisions.

Parties are also considered related if they are subject to common control, and related parties may be individuals or corporate entities. A transaction is a related party transaction when there is a transfer of resources or obligations between related parties.

3. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

Revenue recognition

The Company recognizes revenue in accordance with IFRS 15 –Revenue from Contracts with Customers. Revenue represents the fair value of consideration received or receivable from customers for the transfer of control of goods or services by the Company.

For each contract with a customer, the Company applies the following five step model:
1. Identify the contract with a customer;
2. Identify the performance obligation in the contract;
3. Determine the transaction price which takes into account estimates of variable consideration and the time value of money;
4. Allocate the transaction price to the separate performance obligations on the basis of the relative stand-alone selling price of each distinct good or service to be delivered; and
5. Recognize revenue when the performance obligation is satisfied and in a manner that depicts the transfer of the goods or services promised to the customer.

The Company derives revenues from the sales of consumable loss prevention products and EAS system, installation services and advertising.

Revenue from the sales of consumable loss prevention products and the EAS system is recognized when control of the products have been transferred to the customers which is at a point of time.

Revenue from installation services is recognized when installation service is performed at a point of time.

Advertising revenue is recognized overtime throughout the contract based on agreed milestones for campaigns run on the INEO *Welcoming Networks*.

3. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

Warranties

The warranty costs include the cost of labor, material, and related overhead necessary to repair a product during the warranty period. The warranty period is usually one to two years. There were $34,475 warranty expenditures during the year ended June 30, 2024 (June 30, 2023 - $16,557) which is included in the cost of sales.

Income taxes

Income tax is recognized in profit or loss except to the extent that it relates to equity items, in which case it is recognized in equity. Current tax expense is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at year-end, adjusted for amendments to tax payable with regard to previous years.

Deferred tax is recorded using the liability method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes.

The following temporary differences do not result in deferred tax assets or liabilities: goodwill not deductible for tax purposes; the initial recognition of assets or liabilities that affect neither accounting profit (loss) nor taxable profit (loss); and differences relating to investments in subsidiaries to the extent that they will probably not reverse in the foreseeable future. The amount of deferred tax provided is based on the expected manner of realization or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the financial position date.

A deferred tax asset is recognized only to the extent that it is probable that future taxable profits will be available against which the asset can be utilized. Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Company intends to settle its current tax assets and liabilities on a net basis.

Government assistance

Government grants are recognized where there is reasonable assurance that the grant will be received and all attached conditions will be met. When the grant relates to an expense item, it is recognized as a deduction against the related expense over the necessary period to match the grant systematically to the costs it intends to compensate. Where the grant relates to an asset, it reduces its carrying amount. Government assistance relating to future expenses is deferred and deducted against the related expenditures once incurred.

3. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

New accounting standards adopted during the year:

The Company has adopted the following new or amended IFRS standards for the annual period beginning on July 1, 2023:

(a) Amendments to IAS 1 and IFRS Practice Statement 2 –Disclosure of Accounting Policies

These amendments continue the IASB's clarifications on applying the concept of materiality. These amendments help companies provide useful accounting policy disclosures, and they include: requiring companies to disclose their material accounting policies instead of their significant accounting policies; clarifying that accounting policies related to immaterial transactions, other events or conditions are themselves immaterial and do not need to be disclosed; and clarifying that not all accounting policies that relate to material transactions, other events or conditions are themselves material. The IASB also amended IFRS Practice Statement 2 to include guidance and examples on applying materiality to accounting policy disclosures. The implementation of these amendments reduced disclosures in the notes to the consolidated financial statements.

(b) Amendments to IAS 8 –Definition of Accounting Estimates:

These amendments clarify how companies distinguish changes in accounting policies from changes in accounting estimates, with a primary focus on the definition of and clarifications on accounting estimates. The distinction between the two is important because changes in accounting policies are applied retrospectively, whereas changes in accounting estimates are applied prospectively. Further, the amendments clarify that accounting estimates are monetary amounts in the financial statements subject to measurement uncertainty. The amendments also clarify the relationship between accounting policies and accounting estimates by specifying that a company develops an accounting estimate to achieve the objective set out by an accounting policy. There was no significant impact to the consolidated financial statements as a result of the implementation of these amendments.

Standards, amendments and interpretations issued but not yet adopted

(a) IFRS 18 Presentation and disclosure in financial statements (“IFRS 18”)

In April 2024, the IASB issued IFRS 18 which replaces IAS 1. IFRS 18 introduces new requirements to improve the reporting of financial performance and give investors a better basis for analyzing and comparing companies.

Specifically, it introduces:

- three defined categories for income and expenses (operating, investing and financing) and requiring companies to provide new defined subtotals, including operating profit;
- enhanced transparency of management-defined performance measures requiring companies to disclose explanations of those company-specific measures related to the statement of earnings; and
- enhanced guidance on how companies group information in the financial statements, including guidance on whether information is included in the financial statements or is included in the notes.

IFRS 18 is effective for annual reporting periods beginning on or after January 1, 2027, with early adoption permitted. The Company is assessing the potential impact of this new standard.

(Expressed in Canadian dollars)

4. INTANGIBLES

During the year ended June 30, 2024, the Company recognized $2,169 (June 30, 2023 - $2,169) in amortization related to the intangible assets. Intangible assets acquired include domain names, websites, social media accounts, and customer listings.

The reconciliation of opening and closing balances of intangible follows:

	Cost	Accumulated Amortization	Carrying Amount
Balance, June 30, 2022	$6,508	$1,085	$5,423
Additions	-	2,169	-
Balance, June 30, 2023	**$6,508**	**3,254**	**3,254**
Additions	-	2,169	-
Balance, June 30, 2024	**$6,508**	**$5,423**	**$1,085**

5. ACCOUNTS AND OTHER RECEIVABLES

	June 30, 2024	June 30, 2023
Gross trade accounts receivable	**$112,556**	$263,047
Less: estimated credit losses	**(8,591)**	(10,448)
Net trade accounts receivable	**$103,965**	$252,599
GST receivable	**4,991**	14,415
Total	**$108,956**	$267,014

Reconciliation of expected credit loss is as follows:

	June 30, 2024	June 30, 2023
Beginning balance	**$10,448**	$10,448
Written off receivables	**(19,815)**	-
Bad debts expense	**17,958**	-
Ending balance	**$8,591**	$10,448

6. INVENTORY

Inventory of finished goods held by the Company as at June 30, 2024, was $216,323 (June 30, 2023 - $263,962). Finished goods inventory consists of EAS products held for resale. During the year ended June 30, 2024, the Company recognized $529,120 of inventory in cost of sales (June 30, 2023 - $603,715).

(Expressed in Canadian dollars)

7. PREPAID EXPENSES

The components of prepaid expenses are as follows:

	June 30, 2024	June 30, 2023
Prepaid insurance	**$3,498**	$31,861
Security deposit	**615**	615
Other prepaids	**3,421**	63,904
Total	**$7,534**	$96,380

Other prepaid consist of advances to contractors and suppliers for goods and services delivered subsequent to the period ending June 30, 2024.

8. NOTE RECEIVABLE

On May 3, 2023, a third party issued a promissory note in favour of the Company amounting to $25,000, with an initial maturity date on June 1, 2024. Subsequently, on May 8, 2024, the Company entered into an extension agreement with the third party with a new maturity date of December 1, 2025. The unsecured promissory note bears an annual interest rate of 12% in the first year of the commitment period and 15% after that. During the year ended June 30, 2024, the interest income accrued from the note receivable amounted to $3,517 (June 30, 2023 - $393).

The reconciliation of opening and closing balances of note receivable follows:

	Amount
Balance, June 30, 2022	-
Note receivable during the year	25,000
Interest accrued	393
Balance, June 30, 2023	25,393
Interest accrued	**$3,517**
Balance, June 30, 2024	**$28,910**

(Expressed in Canadian dollars)

9. EQUIPMENT

The movements in the balance of equipment follows:

	Furniture and Equipment	Computer Hardware	Motor Vehicle	Welcoming Pedestals - Installed Units	WIP Installed Units	Total
COSTS						
Balance, June 30, 2022	$108,134	$79,256	$13,800	$621,667	$314,429	$1,137,286
Additions	43,796	1,071	-	447,972	425,138	917,977
Transfer of WIP to installed units	-	-	-	455,695	(455,695)	-
Balance, June 30, 2023	151,930	80,327	13,800	1,525,334	283,872	2,055,263
Additions	-	-	-	231,138	172,698	403,836
Transfer of WIP to installed units	-	-	-	219,242	(219,242)	-
Balance, June 30, 2024	**151,930**	**80,327**	**13,800**	**1,975,714**	**237,328**	**2,459,099**
ACCUMULATED AMORTIZATION						
Balance, June 30, 2022	95,136	59,872	4,205	197,364	-	356,577
Amortization	5,381	3,943	1,773	178,201	-	189,298
Balance, June 30, 2023	100,517	63,815	5,978	375,565	-	545,875
Amortization	18,676	3,264	1,430	362,663	-	386,033
Balance, June 30, 2024	**119,193**	**67,079**	**7,408**	**738,228**	**-**	**931,908**
NET CARRYING AMOUNT						
June 30, 2023	$51,413	$16,512	$7,822	$1,149,769	$283,872	$1,509,388
June 30, 2024	**$32,737**	**$13,248**	**$6,392**	**$1,237,486**	**$237,328**	**$1,527,191**

(Expressed in Canadian dollars)

10. PAYABLES AND ACCRUED LIABILITIES

The components of accounts payable and accrued liabilities are as follows:

	June 30, 2024	June 30, 2023
Accounts payable	**$1,008,173**	$394,529
Other payables due within one year	**25,000**	-
Accrued liabilities	**669,150**	280,008
Total	**$1,702,323**	$674,537

Accounts payable are generally non-interest bearing and are settled on 30 to 60-day payment terms. Accrued liabilities include accruals for remuneration and benefits, other expenses billed, and collections received from customers for sales delivered after the reporting date. Accrued liabilities are generally settled within 12 months from year-end.

On May 2024, the Company received $25,000 short-term loan from an employee, bearing an annual interest rate of 12%. During the year ended June 30, 2024, the Company incurred $263 in interest expense (June 30, 2023 - $nil).

	June 30, 2024	June 30, 2023
Interest payable on short term loan	**$263**	-
Total	**$263**	-

11. LOANS PAYABLE TO RELATED PARTIES

The Company entered into related party transactions with two officers. On December 16, 2016, INEO received $100,000 as a loan, bearing an annual interest rate of 12.5% from an officer of the Company. During the year, INEO received an additional $54,500 as a loan, bearing an annual interest rate of 12.5% from the related parties. Both loans are due on demand and unsecured and proceeds were used for the Company's operating expenses. The loans balance as at June 30, 2024, amounted to $249,365 (June 30, 2023 - $181,250). During the year ended June 30, 2024, the Company incurred $13,615 in interest expense (June 30, 2023 – $12,500).

The reconciliation of opening and closing balances of loans payable are as follows:

	Amount
Balance, June 30, 2022	$168,750
Interest accrued	12,500
Balance, June 30, 2023	181,250
Additional loan	54,500
Interest accrued	13,615
Balance, June 30, 2024	**$249,365**

(Expressed in Canadian dollars)

12. NOTE PAYABLE

On November 17, 2022, INEO received a $1,000,000 unsecured promissory note bearing an annual interest rate of 12.0% from a third party. Repayment of this note is due November 17, 2025. In connection with the note, the Company issued 1,428,571 common shares with a fair value of $171,428. The shares issued were considered debt issuance costs resulting in a discount and amortized using the effective interest method over the credit term of three (3) years with an effective annual interest rate of 19.6%. During the year ended June 30, 2024, the Company incurred $172,647 in interest expense (June 30, 2023 – $101,513).

The details of the outstanding note as at June 30, 2024, are as follows:

			Balance as at June 30, 2024		
	Maturity date	Interest rate	Accrued Interest	Long-term portion	Total
Note - $1,000,000	17-Nov-25	12.00%	-	$1,000,000	$1,000,000
Interest payable			134,166	-	134,166
Discount on note			-	(91,434)	(91,434)
Total			134,166	908,566	1,042,732

The reconciliation of opening and closing balances of note payable follows:

	Note Payable	**Accrued Interest**	**Total**
Balance, June 30, 2022	-	-	-
Proceeds	1,000,000	-	1,000,000
Debt issuance cost	(171,428)	-	(171,428)
Interest expense	27,540	73,973	101,513
Interest paid	-	(60,000)	(60,000)
Balance, June 30, 2023	$856,112	$13,973	$870,085
Interest expense	52,454	120,193	172,647
Interest paid	-	-	-
Balance, June 30, 2024	**$908,566**	**$134,166**	**$1,042,732**

(Expressed in Canadian dollars)

13. CONVERTIBLE DEBENTURES

On January 11, 2024, the Company announced an offering of a non-brokered private placement of unsecured convertible debenture in the aggregate principal amount of up to $700,000. Each Debenture will be convertible into common shares in the capital of the Company (each, a "Share") at a conversion price of $0.085 per Share for the first year from the date of issuance and thereafter at an adjusted conversion price of $0.10 per Share until the date which is three (3) years from the date of issuance (the "Maturity Date") and bears interest at the rate of 12.0% per annum for a period expiring on the Maturity Date.

Upon a change of control, the Company may also redeem the principal amount and any unpaid interest of the Debenture in cash, without penalty, at any time before the Maturity Date by providing a ten (10) day notice period to the debenture holder by way of a written notice.

In connection with the Offering, the Company paid finders' fees to certain eligible finders, as permitted by the policies of the TSX Venture Exchange (the "Exchange"). The Shares issuable upon the conversion of the Debenture will be subject to a statutory hold period of four (4) months plus a day from the date of issuance in accordance with applicable securities legislation.

On January 31, 2024, the Company issued $510,000 convertible debenture with net proceeds of $485,680. The Company incurred $24,320 on finder's fee and issued 286,116 share warrants. The warrants were valued $13,713 using the Black Scholes option pricing model with the following assumptions: volatility rate of 106.0%, risk-free rate of 3.77%, weighted average life of 3 years. Each warrant entitles the holder to purchase one common share at a price of $0.085 per share for a period of three years.

On February 16, 2024, the Company issued $60,000 convertible debenture with net proceeds of $55,200. The Company incurred $4,800 on finder's fee and issued 56,470 share warrants. The warrants were valued $2,946 using the Black Scholes option pricing model with the following assumptions: volatility rate of 106.0%, risk-free rate of 4.05%, weighted average life of 3 years. Each warrant entitles the holder to purchase one common share at a price of $0.085 per share for a period of three years. The Company allocated $92,140 to the equity component of the debenture.

The finder's fee and share warrants issued were considered part of the debt issuance cost resulting to a discount and amortized using the effective interest method over the credit term of three (3) years with an effective annual interest rate of 17%. During the year ended June 30, 2024, the Company incurred $39,003 in interest expense (June 30, 2023 – $Nil).

	Convertible Debenture	Accrued Interest
Balance, June 30, 2023	-	-
Issuance of convertible debentures	$570,000	-
Debt issuance cost		
Finder's fee	(29,120)	-
Warrants issued	(16,659)	-
Equity component on convertible debentures issued	(92,140)	-
Interest on convertible debenture	-	34,116
Accretion of convertible debenture	4,887	-
Balance, June 30, 2024	**$436,968**	**34,116**
Convertible debenture, equity component, June 30, 2024	**$92,140**	**-**

(Expressed in Canadian dollars)

14. BANK LOAN PAYABLE

On September 14, 2023, the Company received a secured bank loan amounting to $350,000 from the Business Development Bank of Canada (BDC). The loan is payable in 72 equal monthly installments starting July 31, 2024, to June 30, 2030. The interest on the loan is equivalent to BDC's Floating Base Rate plus a variance of 7.50% per year. During the year ended June 30, 2024, the BDC's Floating Base rate is at 9.05% and the Company incurred $46,420 in interest expense (June 30, 2023 - $Nil).

Under the terms of existing debt agreements, the following are the three material covenants: (i) Guarantee of the CEO for 5.5% of the Loan amount outstanding on the date BDC demands payment under this guarantee; (ii) Guarantee of the founder and CFO for 16.8% of the Loan amount outstanding on the date BDC demands payment under this guarantee and; (iii) General Security Agreement from the Company, providing a first security interest in all present and after-acquired personal property, except consumer goods, subject only to priority on inventory and receivables to lender extending line of credit.

					Balance as at Jun 30, 2024
	Maturity date	Interest rate	Current portion	Long-term portion	Total
Bank loan payable	30-Jun-30	16.55%	$58,400	$291,600	$350,000
Interest Payable			52,738	119,510	172,248
Total			$111,138	$411,110	$522,248

The reconciliation of the opening and closing balances of the bank loan follows:

	Principal	**Interest**	**Total**
Balance, June 30, 2023	-	-	-
Proceeds	350,000	-	350,000
Interest expense	-	46,420	46,420
Payment	-	(41,657)	(41,657)
Balance, June 30, 2024	**$350,000**	**4,763**	**$354,763**

15. GOVERNMENT GRANT

Due to the global outbreak of the Novel Coronavirus ("COVID-19"), the federal government of Canada introduced the Canada Emergency Business Account ("CEBA"). CEBA provides eligible businesses with an interest-free loan ("CEBA Loan") of $40,000. The CEBA Loan has an initial term that expired on December 31, 2022, throughout which the CEBA Loan remains interest-free—repayment of $30,000 by December 31, 2022, results in a $10,000 loan forgiveness. If the balance is not paid before December 31, 2022, the remaining balance will be converted to a 3-year term loan at 5% annual interest, paid monthly, effective January 1, 2023. The entire balance must be repaid by December 31, 2025. On May 6, 2020, INEO Solutions and FG Manufacturing each received $40,000 in loans from the Government as part of the CEBA.

On December 4, 2020, the federal government of Canada expanded CEBA, and eligible businesses facing financial hardship due to the pandemic could access a second loan of up to $20,000. Half of this additional financing, up to $10,000, will be forgivable if the loan is repaid by December 31, 2022. If the balance is not paid before December 31, 2022, the remaining balance will be converted to a 3-year term loan at 5% annual interest, paid monthly, effective January 1, 2024. The entire balance must be repaid by December 31, 2026. On April 7, 2021, INEO Solutions and FG Manufacturing each received an additional $20,000 in loans from the Government as part of CEBA.

(Expressed in Canadian dollars)

15. GOVERNMENT GRANT (CONTINUED)

Under *IAS 20, Accounting for Government Grant and Disclosure of Government Assistance*, the benefit of a government loan at a below-market rate is treated as a government grant and measured in accordance with *IFRS 9, Financial Instruments*. The benefit of below-market-rate shall be measured as the difference between the initial carrying value of the loan (being the present value of a similar loan at market rates) and the proceeds received. The Company has estimated the initial carrying value of each initial CEBA loan at $26,880 and additional loans at $15,408, using a discount rate of 15%, which was the estimated rate for a similar loan without the interest-free component. The difference will be accreted to each CEBA loan liability over the term of the CEBA Loan and offset to other income on the statements of loss and comprehensive loss.

On January 12, 2022, the government extended the loan repayment deadline to December 31, 2023. If the loan balance remains unpaid after December 31, 2023, the outstanding loans will convert to two-year term loans with an interest of 5% per annum commencing on January 1, 2024, with the loans entirely due by December 31, 2025. The Company has estimated the new carrying value of the CEBA loan at $103,381, using a discount rate of 15%, which was the estimated rate for a similar loan without the interest-free component. Furthermore, the Company has estimated that the loan remeasurement resulted in a gain of $8,620. The difference will be accreted to each CEBA loan liability over the term of the CEBA Loan and offset to other income (expenses) on the statements of loss and comprehensive loss.

On September 14, 2023, the government extended the loan repayment deadline to January 18, 2024. Additionally, repaying the balance of the loan on or before said date will result in loan forgiveness of up to 33% or up to $20,000. Furthermore, CEBA loan holders who submit a refinancing loan application to their financial institution provider by January 18, 2024, requiring a grace period can still qualify for partial loan forgiveness if the outstanding principal of their CEBA loan, plus any applicable interest is repaid by March 28, 2024. The Government of Canada also extended the final loan maturity date from December 31, 2025, to December 31, 2026, with the same interest rate of 5% per annum.

The loan was not paid by the Company on January 18, 2024 and the maturity date was automatically extended to December 31, 2026. During the year ended June 30, 2024, the total interest expense recognized for the CEBA grants amounted to $2,656 (June 30, 2023 - $8,618).

The reconciliation of opening and closing balances of government grants follows:

	Principal	Interest	Total
Balance, June 30, 2022	$111,382	-	$111,382
Interest amortization	8,618	-	8,618
Discount on loan due to remeasurement	(8,620)	-	(8,620)
Balance, June 30, 2023	111,380	-	111,380
Interest amortization	8,620	-	8,620
Interest expense	-	2,656	2,656
Interest paid	-	(2,148)	(2,148)
Balance, June 30, 2024	$120,000	$508	$120,508

(Expressed in Canadian dollars)

16. SHARE CAPITAL AND RESERVES

Authorized share capital

The Company's authorized share capital consists of an unlimited number of common shares without par value.

Shares held in escrow

On January 24, 2023, all common shares held in escrow were released to shareholders. As of June 30, 2024, nil shares were held in escrow. (June 30, 2023 – nil shares held in escrow).

Issued share capital

The Company had no capital stock transactions during the period ended June 30, 2024.

During the year ended June 30, 2023, the Company had the following capital stock transactions:

On November 17, 2022, the Company completed a brokered short-form prospectus offering (the 'Offering'), issuing 14,525,000 units for $0.12 per unit for aggregate proceeds of $1,743,000. Each unit consisted of one common share and one-half of one common share purchase warrant. Each warrant will entitle the holder to acquire one common share of the Company at an exercise price of $0.19 per common share for a period of 36 months from the date of issuance. The warrants were allocated a value of $nil using the residual value allocation method. In connection with the Offering, the Company incurred $419,029 in share issuance cost and issued 923,721 broker warrants with a fair value of $61,503. The broker warrants were valued using the Black Scholes option pricing model with the following assumptions: volatility rate of 83.04%, risk-free rate of 3.86%, weighted average life of 3 years. Each broker warrant entitles the holder to purchase one common share at a price of $0.12 per share for a period of three years. The Company also issued 1,428,571 bonus shares in connection with a non-brokered private placement of the $1,000,000 unsecured promissory note. The bonus shares have a fair value of $171,428 and were considered debt issuance costs (Note 12).

Stock options

The Company has adopted a stock option plan that allows the Company to issue options to certain directors, officers, employees, and consultants to acquire up to 10% of the issued and outstanding common stock. The exercise price of each option cannot be less than the market price of the Company's stock as calculated on the date of grant. The options can be granted for a maximum term of 10 years. Stock options granted under the plan vest immediately subject to vesting terms, which may be imposed at the directors' discretion.

The summary of changes in stock options during the year ended June 30, 2024, and the year ended June 30, 2023, are as follows:

	June 30, 2024		June 30, 2023	
	Number of options	**Weighted average exercise price**	Number of options	Weighted average exercise price
Options outstanding, beginning	**6,930,863**	**$0.204**	4,350,863	$0.262
Options granted	**815,000**	**0.050**	2,855,000	0.120
Options forfeited	**(370,000)**	**0.193**	(275,000)	0.260
Options outstanding, ending	**7,375,863**	**$0.188**	6,930,863	$0.204
Options exercisable, ending	**4,232,113**	**$0.241**	2,732,113	$0.261

(Expressed in Canadian dollars)

16. SHARE CAPITAL AND RESERVES (CONTINUED)

Stock options (Continued)

Details of options outstanding as at June 30, 2024, are as follows:

Expiry date	Number of options	Weighted average exercise price	Weighted average contractual life	Number of Options exercisable
January 23, 2025	175,863	0.089	0.57	175,863
April 14, 2030	2,250,000	0.260	5.79	2,250,000
April 14, 2030	500,000	0.350	5.79	500,000
October 16, 2030	100,000	0.260	6.30	75,000
June 16, 2031	500,000	0.260	6.96	375,000
July 26, 2031	250,000	0.260	7.07	125,000
October 25, 2031	75,000	0.260	7.32	37,500
February 28, 2033	2,775,000	0.120	8.67	693,750
September 18, 2033	750,000	0.050	9.22	-
	7,375,863	**0.188**	**7.24**	**4,232,113**

During the year ended June 30, 2024, the Company recognized share-based payment related to stock options of $202,231 (June 30, 2023 - $156,564). The fair value of stock options granted was determined using the Black-Scholes Option Pricing Model using the following assumptions:

	June 30, 2024	June 30, 2023
Expected life of options	**10 years**	10 years
Annualized volatility	**106%**	106%
Risk-free interest rate	**3.75%**	3.33%
Dividend rate	**0%**	0%
Weighted average fair value per option granted	**0.05**	0.11
Stock price	**0.05**	0.12

Warrants

The summary of changes in warrants during the year ended June 30, 2024, and the year ended June 30, 2023, are as follows:

	June 30, 2024		June 30, 2023	
	Number of warrants	**Weighted average exercise price**	Number of warrants	Weighted average exercise price
Warrants outstanding, beginning	**8,186,221**	**$0.18**	11,209,508	$0.52
Warrants issued	**342,586**	**0.09**	7,262,500	0.19
Broker warrants issued	-	-	923,721	0.12
Warrants expired	-	-	(11,209,508)	0.52
Warrants outstanding, ending	**8,528,807**	**0.18**	8,186,221	0.18
Warrants exercisable, ending	**8,528,807**	**$0.18**	8,186,221	$0.18

(Expressed in Canadian dollars)

16. SHARE CAPITAL AND RESERVES (CONTINUED)

Warrants (Continued)

Details of warrants outstanding as at June 30, 2024, are as follows:

Expiry date	Number of warrants	Exercise price	Number of warrants exercisable
17-Nov-25	7,262,500	0.19	7,262,500
17-Nov-25	923,721	0.12	923,721
31-Jan-27	286,116	0.09	286,116
16-Feb-27	56,470	0.09	56,470
	8,528,807	**0.18**	**8,528,807**

17. BREAKDOWN OF EXPENSES

General and administrative expenses are composed of the following:

	For the year ended June 30	
	2024	2023
Remuneration and benefits (Note 18)	**$645,499**	$728,969
Amortization (Note 9, 21)	**419,251**	222,519
Office expenses	**263,316**	311,305
Share-based payment (Note 16,18)	**148,777**	98,901
Accounting and legal	**162,786**	178,088
Rent (Note 22)	**55,513**	39,033
Insurance	**40,859**	39,889
Bad debt (Note 5)	**17,958**	-
Interest on lease liability (Note 22)	**5,928**	10,124
Total	**$1,759,887**	$1,628,828

Selling and marketing expenses are composed of the following:

	For the year ended June 30	
	2024	2023
Investor relations and corporate development	**$110,730**	$238,261
Marketing and research	**42,738**	92,057
Remuneration and benefits (Note 16)	**479,879**	698,801
Share-based payment (Note 14)	**27,197**	27,022
Travel	**33,170**	102,648
Total	**$693,714**	$1,158,789

(Expressed in Canadian dollars)

17. BREAKDOWN OF EXPENSES (CONTINUED)

Research and development expenses are composed of the following:

	For the year ended June 30	
	2024	2023
Consulting fees	**$111,273**	$110,184
Remuneration and benefits (Note 16)	**620,289**	662,336
Share-based payment (Note 14)	**26,257**	30,641
Total	**$757,819**	$803,161

18. RELATED PARTY TRANSACTIONS

Key management personnel:

Key management personnel include those persons having authority and responsibility for planning, directing, and controlling the activities of the Company as a whole. The Company has determined that key management personnel consist of executive and non-executive members of the Company's Board of Directors and corporate officers. Amounts due to or from related parties are non-interest-bearing and unsecured unless specified.

As at June 30, 2024, the Company has $33,698 due to an officer of the Company (June 30, 2023 - $9,950).

During the year ended June 30, 2024, and 2023, the Company incurred the following key management compensation:

	For the year ended June 30	
	2024	2023
Remuneration and benefits	**$505,654**	$551,407
Share-based payment	**145,649**	78,798
Total	**$651,303**	$630,205

19. CAPITAL MANAGEMENT

The Company considers the items in shareholders' equity (deficiency) as capital, which was $2,108,863 deficit at June 30, 2024 (June 30, 2023 - $668,834 in equity). The Company's objectives when managing capital are to support the further advancement of the Company's business objectives and existing product lines, as well as to ensure that the Company can meet its financial obligations as they become due.

The Company manages its capital structure to maximize its financial flexibility, adjusting it in response to changes in economic conditions and the risk characteristics of the underlying assets and business opportunities. The Company relies on the expertise of the Company's management to sustain the future development of the business. Management reviews its capital management approach on an ongoing basis and believes that this approach, given the Company's relative size, is reasonable. The approach to capital management has not changed since the prior year, and the Company is not subjected to externally imposed capital requirements.

20. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

Fair value of financial instruments

The Company's financial instruments consist of cash, bank indebtedness, accounts and other receivable, note receivable, payables and accrued liabilities, due to related parties, loans payable to related parties, note payable, interest payable, convertible debenture, bank loan payable, and government grants.

Financial instruments recorded at fair value on the statements of financial position are classified using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities and the lowest priority to unobservable inputs. The three levels of the fair value hierarchy are as follows:

- Level 1: Unadjusted quoted prices in active markets for identical assets or liabilities;
- Level 2: Inputs other than quoted prices included in Level 1 that are observable for the asset or liability either directly (i.e., as prices) or indirectly (i.e., derived from prices); and
- Level 3: Inputs that are not based on observable market data

Cash under the fair value hierarchy is based on Level 1 quoted prices in active markets for identical assets or liabilities. Accounts and other receivables, note receivable, payables and accrued liabilities, due to related parties and loans payable approximate their fair value due to their short-term maturities. The fair value of convertible debenture, note payable, bank loans payable, and government grants also approximates the carrying value since they are discounted using market rates.

20. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (CONTINUED)

Financial and capital risk management

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

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

a) Market risk

Market risk is the risk that a financial instrument's fair value or future cash flows will fluctuate because of changes in market prices or prevailing conditions. Market risk comprises three types of risk: currency risk, interest rate risk, and price risk. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return.

(i) Currency risk

Currency risk is the risk of change in profit or loss that arises from fluctuations in foreign exchange rates and the degree of volatility of these rates. The Company's exposure to the risk of changes in foreign exchange rates relates to its operational activities. The Company does not use derivative instruments to reduce its exposure to foreign currency risk. The Company's international sales and purchases of goods and services from foreign companies are denominated in US Dollars and are exposed to foreign exchange fluctuations. Due to these fluctuations, operating results may differ materially from expectations, resulting in significant gains and losses on the remeasurements associated with these transactions. The Company's approach to management of foreign currency risk has not changed materially from that of the year ended June 30, 2023.

As at June 30, 2024, and June 30, 2023, a summary of the quantitative information of the exposure due to foreign currencies is provided as follows:

	June 30, 2024	June 30, 2023
	in US Dollar	*in US Dollar*
Cash	**$181**	$36,381
Accounts receivable	**15,959**	56,258
Prepaid expenses	**2,500**	47,805
Accounts payable and accrued liabilities	**(284,208)**	(157,812)
Net assets denominated in foreign currency	**$(265,568)**	$(17,368)

The most significant closing exchange rates and the approximate average exchange rates of Canadian Dollar per US dollar used in these Financial Statements were as follows:

	June 30, 2024		June 30, 2023	
Currency	**Closing**	**Average**	Closing	Average
U.S. Dollar	**1.37**	**1.36**	1.32	1.34

The Company estimates that a 10% increase (decrease) in applicable U.S. dollar exchange rates would impact loss and comprehensive loss by $26,557 (June 30, 2023 - $690).

(Expressed in Canadian dollars)

20. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (CONTINUED)

Financial and capital risk management (continued)

a) Market risk (continued)

(ii) Interest rate risk
Interest rate risk is the risk that future cash flows will fluctuate due to changes in market interest rates. As at June 30, 2024, the Company is exposed to interest rate risks primarily on the floating interest rate corresponding to $350,000 long-term bank loan with BDC (see Note 14). A 10% change in interest rates would not result in a material change in profit or loss. The Company's approach to management of interest risk has not changed materially from that of the year ended June 30, 2023.

(ii) Price risk
Equity price risk is defined as the potential adverse impact on the Company's earnings due to movements in individual equity prices or general movements in the level of the stock market. The Company does not hold any securities or investments which could expose it to stock prices volatility. The Company's approach to management of price risk has not changed materially from that of the year ended June 30, 2023.

c) Credit risk
Credit risk is the risk of an unexpected loss if a customer or third party to a financial instrument fails to meet its contractual obligations.

All the Company's cash is held through Canadian chartered banks; accordingly, the Company's exposure to credit risk is limited. The Company's GST recoverable are refunds due from the Government of Canada, and the exposure to credit risk on these amounts is considered limited.

The Company's accounts receivable consists of amounts due from various customers. The maximum exposure to credit risk is equal to the carrying value of accounts receivable. The business models of the Company's respective segments require credit risk analysis specific to each business line. The Company's historic rate of bad debts is low. The Company's approach to management of credit risk has not changed materially from that of the year ended June 30, 2023.

The due date of these amounts can vary by agreement but in general, balances over 30 days are considered past due. The aging of the receivables is as follows:

	June 30, 2024	June 30, 2023
0 - 30 days	**$46,456**	$111,256
31 - 90 days	**30,340**	49,678
Over 90 days	**28,060**	102,113
Total receivables before allowance for credit losses	**$104,856**	$263,047
Less allowance for credit losses	**(8,591)**	(10,448)
Receivables	**$96,265**	$252,599

The Company applies the simplified approach to providing for expected credit losses prescribed by IFRS 9, which permits using the lifetime expected loss provision for all accounts receivable. To measure the expected credit losses, accounts receivable are assessed primarily on days past due combined with the Company's knowledge of past bad debts. During the year ended June 30, 2024, expected credit losses for the Company were $8,591 (June 30, 2023- $nil).

(Expressed in Canadian dollars)

20. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (CONTINUED)

Financial and capital risk management (continued)

d) Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. As at June 30, 2024, the Company has a cash balance of -$17,561 (June 30, 2023 – $362,510) and current liabilities balance of $2,262,429 (June 30, 2023 – $1,027,442). The Company manages its liquidity risk by attempting to maintain sufficient cash balances to enable settlement of transactions on the due date. As the Company has limited sources of revenue, additional financing is necessary to accomplish its long-term strategic objectives. The Company's approach to management of liquidity risk has not changed materially from that of the year ended June 30, 2023.

The following table summarizes the amount and the contractual maturities of the principal portion of significant financial liabilities on an undiscounted basis as at June 30, 2024:

	2025	**2026**	**2027**	**2028**	**2029**	**2030**	**Total**
Convertible debenture	-	-	$570,000	-			$570,000
Accounts payables and accrued liabilities	1,702,324	-	-	-			1,702,324
Note payable	-	1,000,000	-	-			1,000,000
Bank loan	58,400	58,320	58,320	58,320	58,320	58,320	350,000
Government grant		120,000					120,000
Total	**1,760,724**	**1,178,320**	**628,320**	**58,320**	**58,320**	**58,320**	**3,742,324**

(Expressed in Canadian dollars)

21. RIGHT-OF-USE ASSET

On March 6, 2020, the Company entered into a 5-year lease agreement for leased premises in Surrey, British Columbia, commencing April 1, 2020, and ending on March 9, 2025. The minimum monthly base rent for years 1 to 5 of the 5-year lease is $3,290 for year 1, $3,360 for year 2, $3,430 for year 3, $3,500 for year 4, and $3,570 for year 5, respectively. In accordance with IFRS 16, the Company recognized a right-of-use asset of $155,260 as at March 6, 2020, equal to the present value of all remaining lease payments discounted at an incremental borrowing rate of 12.5%. The Company depreciates the right-of-use assets on a straight-line basis over the lease term.

Cost	**Amount**
Balance, June 30, 2023	$155,260
Additions	-
Balance, June 30, 2024	**155,260**
Accumulated Amortization	
Balance, June 30, 2022	$(72,455)
Amortization	(31,052)
Balance, June 30, 2023	(103,507)
Amortization	**(31,052)**
Balance, June 30, 2024	**(134,559)**
Net carrying amount	
Balance, June 30, 2023	$51,753
Balance, June 30, 2024	**$20,701**

22. LEASE LIABILITY

The lease liability is initially measured at the present value of the lease payments to be made over the lease term, using the effective interest method for the present value determination. As the rate implicit in the lease cannot be readily determined, the Company applied an average incremental borrowing rate. The Company used a discount rate of 12.5% to calculate the present value of its lease payments. Total interest expense on lease liabilities for the year ended June 30, 2024, was $5,928 (June 30, 2023 - $10,124). The following table represents the lease obligation for the Company:

	June 30, 2024	June 30, 2023
Current	**$27,266**	$36,352
Non-current	-	27,266
Total lease obligation	**$27,266**	$63,618

(Expressed in Canadian dollars)

22. LEASE LIABILITY (CONTINUED)

The following table shows the roll forward of lease obligations for the year ended June 30, 2024 and for the year ended June 30, 2023:

	June 30, 2024	June 30, 2023
Beginning balance	**$63,618**	$94,934
Interest expense	**5,928**	10,124
Lease payments	**(42,280)**	(41,440)
Ending balance	**$27,266**	$63,618

The following table presents the contractual undiscounted cash flows for lease obligation for the year ended June 30, 2024 and for the year ended June 30, 2023:

	June 30, 2024	June 30, 2023
Less than one year	**$28,560**	$42,280
One to five years	**-**	28,560
Total undiscounted lease obligation	**$28,560**	$70,840

During the year ended June 30, 2024, the Company expensed $55,513 in short-term and low-value leases (June 30, 2023 – $39,033).

23. SUPPLEMENTAL CASH FLOW INFORMATION

	June 30, 2024	June 30, 2023
Disclosure of non-cash financing activities:		
Bonus shares issued, net from note payable	**-**	$171,429
Fair value of warrants	**16,659**	61,503
Equity portion of the convertible debentures	**$92,140**	-
Disclosure of cash flow information:		
Cash paid for income taxes	**-**	-
Cash paid for interest	**43,805**	60,000

24. SEGMENTED INFORMATION

The Company has the following reporting segments: corporate and administration, loss prevention, retail media, and fabrication.

Reportable segments are defined as components of an enterprise for which separate financial information is available. They are evaluated regularly by the chief operating decision maker when deciding how to allocate resources and assess performance.

The reportable segments were determined based on the nature of the services provided and goods sold. Loss Prevention refers to sales of security technology, electronic article surveillance systems, and supplies. Fabrication specializes in precision CNC cutting, routing, and drilling for various industries and sectors. Retail media refers to advertising revenue welcoming systems.

(Expressed in Canadian dollars)

24. SEGMENTED INFORMATION (CONTINUED)

For the year ended Jun 30, 2024

	Loss prevention	**Fabrication**	**Retail Media**	**Corporate and administration**	**Total**
Sales	**$1,139,185**	**$98,021**	**$120,436**	**-**	**$1,357,642**
Cost of sales	**(786,738)**	**(61,775)**	**(67,679)**	**-**	**(916,192)**
Gross Profit	**352,447**	**36,246**	**52,757**	**-**	**441,450**
Operating expenses*	**(238,082)**	**(20,131)**	**(367,094)**	**(2,166,860)**	**(2,792,167)**
Amortization, equipment	**(7,382)**	**(18,157)**	**(362,663)**	**-**	**(388,202)**
Amortization, right-of-use asset	**(7,763)**	**-**	**(7,763)**	**(15,526)**	**(31,052)**
Foreign exchange gain	**-**	**-**	**-**	**(28,465)**	**(28,465)**
Other income (expense)	**-**	**714**	**-**	**(6,378)**	**(5,664)**
Operating income (loss)	**99,220**	**(1,328)**	**(684,763)**	**(2,217,229)**	**(2,804,100)**
Finance costs:					
Interest expense	**(6,517)**	**(6,351)**	**-**	**(275,276)**	**(288,144)**
Interest income	**-**	**-**	**-**	**3,517**	**3,517**
Net loss and comprehensive loss	**$92,703**	**$(7,679)**	**$(684,763)**	**$(2,488,988)**	**(3,088,727)**

**Operating expenses include Administration, Selling, Marketing, and Research and Development costs.*

For the year ended Jun 30, 2023

	Loss prevention	Fabrication	Retail Media	Corporate and administration	Total
Sales	$1,261,640	$116,371	$130,997	-	$1,509,008
Cost of sales	(1,055,860)	(62,961)	(16,881)	-	(1,135,702)
Gross profit	205,780	53,410	114,116	-	373,306
Operating expenses	(271,308)	(28,829)	(1,324,890)	(1,743,232)	(3,368,259)
Amortization, equipment	(8,646)	(4,620)	(178,201)	-	(191,467)
Amortization, right-of-use asset	(3,105)	-	(3,105)	(24,842)	(31,052)
Foreign exchange loss	(400)	-	-	-	(400)
Operating income (loss)	(77,679)	19,961	(1,392,080)	(1,768,074)	(3,217,872)
Finance costs:					
Interest expense	-	-	-	(113,619)	(113,619)
Net income (loss) and comprehensive income (loss)	$(77,679)	$19,961	$(1,392,080)	$(1,881,693)	$(3,331,491)

Loss Prevention has one customer, accounting for 13% of revenue (June 30, 2023 – five customers accounting for 20%). Fabrication Operations has two customers, accounting for 76% of revenue (June 30, 2023 – one customer accounting for 41%). Retail Media has three customers accounting for 86% of revenue during the year (June 30, 2023 – two customers accounting for 76%).

The Company's chief operation decision makers are the CEO, President, Corporate Secretary, and CFO. They review the operations and performance of the Company.

(Expressed in Canadian dollars)

24. SEGMENTED INFORMATION (CONTINUED)

	June 30, 2024	June 30, 2023
Total assets by segment		
Fabrication	**$39,198**	$69,728
Loss Prevention and other operations	**1,871,502**	2,509,926
Total	**$1,910,700**	$2,579,654

Sales by geographical locations are as follows:

	For the years ended June 30	
	2024	2023
Canada	648,998	814,509
USA	530,315	660,679
Colombia	152,623	-
Mexico	25,706	33,820
	1,357,642	1,509,008

25. REVENUE

	June 30, 2024	June 30, 2023
Revenue		
Loss prevention and fabrication	**$1,237,206**	$1,378,011
Retail Media	**120,436**	130,997
Total	**$1,357,642**	$1,509,008

The Company recorded revenue from the transfer of goods and services at a point-in-time and over time in the following lines of business:

	June 30, 2024	June 30, 2023
Point-in-time		
Loss prevention and fabrication	**$1,237,206**	$1,378,011
Total	**$1,237,206**	$1,378,011

	June 30, 2024	June 30, 2023
Overtime		
Retail Media	**$120,436**	$130,997
Total	**$120,436**	$130,997

(Expressed in Canadian dollars)

26. INCOME TAXES

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

	For the years ended June 30	
	2024	2023
Net loss before income tax	$(3,088,727)	$(3,331,491)
Expected income tax (recovery)	(834,000)	(900,000)
Non-deductible expenses	43,000	46,000
Share issue costs	(8,000)	(111,000)
Adjustments to prior years' provisions versus statutory tax returns and other	54,000	161,000
Change in unrecognized deductible temporary differences	745,000	804,000
Total income tax expense (recovery)	-	-

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

	As at June 30	
	2024	2023
Deferred tax assets		
Equipment	48,000	22,000
Intangible asset	1,000	1,000
Share issue costs	144,000	213,000
Debt with accretion	(52,000)	8,000
SR&ED pool	22,000	22,000
Non-capital losses available for future period	3,136,000	2,288,000
	3,299,000	2,554,000
Unrecognized deferred tax assets	(3,299,000)	(2,554,000)
Net deferred tax assets	-	-

The significant components of the Company's temporary differences, unused tax credits, and unused tax losses that have not been included in the consolidated statement of financial position are as follows:

	2024	**Expiry Date Range**	2023	Expiry Date Range
Deferred tax assets				
Equipment	178,000	No expiry date	81,000	No expiry date
Intangible asset	5,000	No expiry date	3,000	No expiry date
Share issue costs	534,000	2044 to 2047	788,000	2044 to 2047
Debt with accretion	(190,000)	No expiry date	31,000	No expiry date
SRED pool	81,000	No expiry date	81,000	No expiry date
Non-capital losses available for future period	11,616,000	2035 to 2044	8,477,000	2035 to 2043

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

27. SUBSEQUENT EVENTS

Subsequent to the year end, the Company issued 14 million shares in capital to Coenda Investment Holdings Corp. for total proceeds of $700,000.