

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549**

FORM 10-Q

☒ Quarterly Report Pursuant to Section 13 or 15 (d) of the Securities Exchange Act of 1934
For the quarterly period ended: March 31, 2023

or

☐ Transition Report Pursuant to Section 13 or 15 (d) of the Securities Exchange Act of 1934

Commission File Number: 000-55613

VoIP-PAL.COM INC.

(Exact name of Registrant as specified in its charter)

Nevada
(State or other jurisdiction of
incorporation or organization)

98-0184110
(I.R.S. Employer
Identification Number)

**7215 Bosque Boulevard, Suite 102
Waco, TX 76710-4020**
(Address of principal executive offices)

954-495-4600
(Registrant's telephone number, including area code)

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading symbol(s)	Name of each exchange on which registered
N/A	N/A	N/A

Indicate by check mark whether the Registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the Registrant was required to file such reports), and (2) has been subject to such filing requirements for at least the past 90 days. Yes ☒ No ☐

Indicate by check mark whether the Registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the Registrant was required to submit such files). Yes ☒ No ☐

Indicate by check mark whether the Registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company, or an emerging growth company. See definitions of "large accelerated filer", "accelerated filer" and "smaller reporting company", and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer <input type="checkbox"/>	Accelerated filer <input type="checkbox"/>	Non-accelerated filer <input type="checkbox"/>
Smaller reporting company <input checked="" type="checkbox"/>	Emerging growth company <input checked="" type="checkbox"/>	

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☒

Indicate by check mark whether the Registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes ☐ No ☒

As of May 12, 2023, the Registrant had 2,457,867,863 shares of Common Stock outstanding.

TABLE OF CONTENTS

PART I—FINANCIAL INFORMATION

Item 1.	Financial Statements.....	3
Item 2.	Management’s Discussion and Analysis of Financial Condition and Results of Operations.....	17
Item 3.	Quantitative and Qualitative Disclosures About Market Risk.....	21
Item 4.	Controls and Procedures.	21

PART II—OTHER INFORMATION

Item 1.	Legal Proceedings.....	22
Item 1A.	Risk Factors.....	23
Item 2.	Unregistered Sales of Equity Securities and Use of Proceeds.....	23
Item 3.	Defaults Upon Senior Securities.....	23
Item 4.	Mine Safety Disclosures.....	23
Item 5.	Other Information.....	23
Item 6.	Exhibits.	24

PART I—FINANCIAL INFORMATION

Item 1. Financial Statements.

VOIP-PAL.COM INC.
INTERIM CONSOLIDATED BALANCE SHEETS
(Unaudited – prepared by management)
As at March 31, 2023
(Expressed in U.S. Dollars)

	March 31, 2023	September 30, 2022
ASSETS		
CURRENT		
Cash	\$ 1,166,569	\$ 305,485
Retainer (Note 5)	6,206	1,181
Prepaid Expense	15,200	-
	<u>1,187,975</u>	<u>306,666</u>
NON-CURRENT		
Fixed assets (Note 6)	3,261	4,390
Intellectual VoIP communications patent properties, net (Note 7)	295,650	364,750
TOTAL ASSETS	\$ 1,486,886	\$ 675,806
LIABILITIES		
CURRENT		
Accounts payable and accrued liabilities	\$ 278,116	\$ 158,613
TOTAL LIABILITIES	278,116	\$ 158,613
STOCKHOLDERS' EQUITY		
SHARE CAPITAL (Note 10)	\$ 1,857,835	\$ 1,463,465
PREFERRED SHARE CAPITAL (Note 10)	5,966	4,750
ADDITIONAL PAID-IN CAPITAL (Note 10)	70,803,467	69,064,237
SHARES TO BE ISSUED (Note 10)	10,000	61,320
DEFICIT	(71,468,498)	(70,076,579)
	<u>1,208,770</u>	<u>517,193</u>
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	\$ 1,486,886	\$ 675,806

Nature and Continuance of Operations (Note 1)
Contingent Liabilities (Note 12)

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

VOIP-PAL.COM INC.**INTERIM CONSOLIDATED STATEMENTS OF LOSS AND COMPREHENSIVE LOSS****(Unaudited – prepared by management)**

(Expressed in U.S. Dollars)

	Three Months Ended March 31, 2023	Three Months Ended March 31, 2022	Six Months Ended March 31, 2023	Six Months Ended March 31, 2022
EXPENSES				
Amortization (Note 6 & 7)	\$ 35,114	\$ 35,114	\$ 70,229	\$ 70,228
Officers and Directors fees (Note 8)	8,500	13,100	21,000	29,600
Legal fees	505,331	172,794	884,415	343,032
Office & general	82,625	32,975	103,419	62,654
Patent consulting fees	-	-	414	4,309
Professional fees & services	127,512	152,000	221,057	197,700
Stock-based compensation (Note 11)	74,574	55,750	150,805	55,750
Gain on debt settlement	(57,320)	-	(59,420)	-
Total expenses	\$ 776,336	\$ 461,733	\$ 1,391,919	\$ 763,273
LOSS AND COMPREHENSIVE LOSS FOR THE PERIOD				
	\$ (776,336)	\$ (461,733)	\$ (1,391,919)	\$ (763,273)
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	2,221,082,694	1,951,739,185	2,244,627,423	1,937,438,145

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

VOIP-PAL.COM INC.
INTERIM CONSOLIDATED STATEMENTS OF CASH FLOWS
(Unaudited – prepared by management)
(Expressed in U.S. Dollars)

	Six Months Ended March 31, 2023	Six Months Ended March 31, 2022
Cash Flows used in Operating Activities		
Loss for the period	\$ (1,391,919)	\$ (763,273)
Add items not affecting cash:		
Stock based compensation	150,805	55,750
Shares issued for services	22,161	101,600
Amortization	70,229	70,228
Gain on settlement	(59,420)	-
Changes in non-cash working capital:		
Retainer	(5,025)	3,113
Accounts payable and accrued liabilities	117,603	(311)
Prepaid expense	(15,200)	-
Cash Flows Used in Operations	<u>(1,110,766)</u>	<u>(532,893)</u>
Cash Flows from Financing Activities		
Proceeds from private placement	1,971,850	443,000
Cash Flows Provided by Financing Activities	<u>1,971,850</u>	<u>443,000</u>
Increase / (Decrease) in cash	861,084	(89,893)
Cash, beginning of the period	<u>305,485</u>	<u>176,503</u>
Cash, end of the period	<u>\$ 1,166,569</u>	<u>\$ 86,610</u>

Supplemental cash flow information (Note 9)

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

VOIP-PAL.COM INC.
INTERIM CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY
(Unaudited – prepared by management)
(Expressed in U.S. dollars)

	Common Shares		Preferred Shares		Shares to be	Additional		
	Number	Par Value	Number	Par Value	Issued Value	Paid-in Capital	Deficit	Total
Balance at September 30, 2021	1,731,447,863	\$ 1,207,915	-	-	\$ 61,320	\$ 65,633,848	\$ (66,384,163)	\$ 518,920
Shares issued for private placement	88,600,000	88,600	-	-	-	354,400	-	443,000
Shares issued for services	9,000,000	9,000	-	-	-	92,600	-	101,600
Share-based compensation	-	-	-	-	-	55,750	-	55,750
Loss for the period	-	-	-	-	-	-	(763,273)	(763,273)
Balance at March 31, 2022	1,829,047,863	\$ 1,305,515	-	-	\$ 61,320	\$ 66,136,598	\$ (67,147,436)	\$ 355,997
Shares issued for private placement	157,950,000	157,950	-	-	-	631,800	-	789,750
Shares issued for services	-	-	-	-	-	-	-	-
Share-based compensation	-	-	475,000	4,750	-	2,295,839	-	2,300,589
Loss for the period	-	-	-	-	-	-	(2,929,143)	(2,929,143)
Balance at September 30, 2022	1,986,997,863	\$ 1,463,465	475,000	\$ 4,750	\$ 61,320	\$ 69,064,237	\$ (70,076,579)	\$ 517,193
Shares issued for private placement	392,370,000	392,370	-	-	10,000	1,569,480	-	1,971,850
Shares issued for services	2,000,000	2,000	121,611	1,216	-	18,945	-	22,161
Share-based compensation	-	-	-	-	-	150,805	-	150,805
Gain on settlement, issuance cancelled	-	-	-	-	(61,320)	-	-	(61,320)
Loss for the period	-	-	-	-	-	-	(1,391,919)	(1,391,919)
Balance at March 31, 2023	2,381,367,863	\$ 1,857,835	596,611	\$ 5,966	\$ 10,000	\$ 70,803,467	\$ (71,468,498)	\$ 1,208,770

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

VOIP-PAL.COM INC.

Notes to the Interim Consolidated Financial Statements

(Unaudited – prepared by management)

(Expressed in United States Dollars)

March 31, 2023

NOTE 1. NATURE AND CONTINUANCE OF OPERATIONS

VOIP-PAL.com, Inc. (the “Company”) was incorporated in the state of Nevada in September 1997 as All American Casting International, Inc. The Company’s registered office is located at 7215 Bosque Blvd, Suite 102, Waco, Texas in the United States of America.

Since March 2004, the Company has developed technology and patents related to Voice-over-Internet Protocol (VoIP) processes. All business activities prior to March 2004 have been abandoned and written off to deficit. The Company operates in one reportable segment being the acquisition and development of VoIP-related intellectual property including patents and technology. All intangible assets are located in the United States of America

In December 2013, the Company completed the acquisition of Digifonica (International) Limited, a private company controlled by the CEO of the Company, whose assets included several patents and technology developed for the VoIP market.

These consolidated financial statements have been prepared on the basis of a going concern, which contemplates the realization of assets and discharge of liabilities in the normal course of business. The Company is in various stages of product development and continues to incur losses and, at March 31, 2023, had an accumulated deficit of \$71,468,498 (September 30, 2022 - \$70,076,579). The ability of the Company to continue operations as a going concern is dependent upon raising additional working capital, settling outstanding debts and generating profitable operations. These material uncertainties raise substantial doubt about the Company’s ability to continue as a going concern. Should the going concern assumption not continue to be appropriate, further adjustments to carrying values of assets and liabilities may be required. There can be no assurance that capital will be available as necessary to meet these continued developments and operating costs or, if the capital is available, that it will be on the terms acceptable to the Company. The issuances of additional stock by the Company may result in a significant dilution in the equity interests of its current shareholders. Obtaining commercial loans, assuming those loans would be available, will increase the Company’s liabilities and future cash commitments. If the Company is unable to obtain financing in the amounts and on terms deemed acceptable, its business and future success may be adversely affected.

Additionally, as the Company’s stated objective is to monetize its patent suite through the licensing or sale of its intellectual property (“IP”), the Company being forced to litigate or to defend its IP claims through litigation casts substantial doubt on its future to continue as a going concern. IP litigation is generally a costly process, and in the absence of revenue the Company must raise capital to continue its own defense and to validate its claims – in the event of a failure to defend its patent claims, either because of lack of funding, a court ruling against the Company or because of a protracted litigation process, there can be no assurance that the Company will be able to raise additional capital to pay for an appeals process or a lengthy trial. The outcome of any litigation process may have a significant adverse effect on the Company’s ability to continue as a going concern.

COVID-19

In March 2020, the World Health Organization declared a global pandemic related to the COVID-19 coronavirus. Its impact on global economies has been far-reaching and businesses around the world are being forced to cease or limit operations for long or indefinite periods of time. Measures taken to contain the spread of the COVID-19 virus, including travel bans, quarantines, social distancing, and closures of non-essential services have triggered significant disruptions to businesses worldwide, resulting in an economic slowdown. Global stock markets have also experienced great volatility and significant declines. Governments and central banks have responded with monetary and fiscal interventions to stabilize economic conditions.

The duration and impact of the COVID-19 pandemic, as well as the effectiveness of government and central bank responses, remains unclear at this time. It is not possible to reliably estimate the duration and severity of the COVID-19 pandemic, nor its impact on the financial position and results of the Company in future periods. The Company is proceeding with its business activities as long as the work environment remains safe – at this point there has been minimal disruption to day-to-day operations resulting from health and safety measures. Disruptions and volatility in the global capital markets may increase the Company’s cost of capital and adversely impact access to capital.

VOIP-PAL.COM INC.

Notes to the Interim Consolidated Financial Statements

(Unaudited – prepared by management)

(Expressed in United States Dollars)

March 31, 2023

NOTE 2. BASIS OF PRESENTATION

The accompanying consolidated financial statements have been prepared in accordance with generally accepted accounting principles in the United States of America (“US GAAP”).

NOTE 3. SIGNIFICANT ACCOUNTING POLICIES**Principles of Consolidation**

These consolidated financial statements have been prepared on a consolidated basis and include the accounts of the Company and its wholly owned subsidiary Digifonica. All intercompany transactions and balances have been eliminated. As at March 31, 2023, Digifonica had no activities.

Use of Estimates

The preparation of these consolidated financial statements required management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amount of revenues and expenses during the reporting period. Actual results could differ from these estimates. Where estimates have been used, financial results as determined by actual events could differ from those estimates.

Cash

Cash consists of cash on hand, cash held in trust, and monies held in checking and savings accounts. The Company had \$1,166,569 in cash on March 31, 2023 (September 30, 2022 - \$305,485).

Fixed Assets

Fixed assets are stated at cost less accumulated depreciation, and depreciated using the straight-line method over their useful lives; Furniture and computers – 5 years.

Intangible Assets

Intangible assets, consisting of VoIP communication patent intellectual properties (IP) are recorded at cost and amortized over the assets estimated life on a straight-line basis. Management considers factors such as remaining life of the patents, technological usefulness and other factors in estimating the life of the assets.

The carrying value of intangible assets are reviewed for impairment by management of the Company at least annually or upon the occurrence of an event which may indicate that the carrying amount may be less than its fair value. If impaired, the Company will write-down such impairment. In addition, the useful life of the intangible assets will be evaluated by management at least annually or upon the occurrence of an event which may indicate that the useful life may have changed.

Fair Value of Financial Instruments

FASB ASC 820, Fair Value Measurement, defines fair value as the price that would be received upon sale of an asset or paid upon transfer of a liability in an orderly transaction between market participants at the measurement date and in the principal or most advantageous market for that asset or liability. The fair value should be calculated based on assumptions that market participants would use in pricing the asset or liability, not on assumptions specific to the entity.

The Company classifies financial assets and liabilities as held-for-trading, available-for-sale, held-to-maturity, loans and receivables or other financial liabilities depending on their nature. Financial assets and financial liabilities are recognized at fair value on their initial recognition, except for those arising from certain related party transactions which are accounted for at the transferor’s carrying amount or exchange amount.

Financial assets and liabilities classified as held-for-trading are measured at fair value, with gains and losses recognized in net income. Financial assets classified as held-to-maturity, loans and receivables, and financial liabilities other than those classified as held-for-trading are measured at amortized cost, using the effective interest method of amortization. Financial assets classified as available-for-sale are measured at fair value, with unrealized gains and losses being recognized as other comprehensive income until realized, or if an unrealized loss is considered other than temporary, the unrealized loss is recorded in income.

VOIP-PAL.COM INC.

Notes to the Interim Consolidated Financial Statements

(Unaudited – prepared by management)

(Expressed in United States Dollars)

March 31, 2023

NOTE 3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

U.S. GAAP establishes a framework for measuring fair value under generally accepted accounting principles and enhances disclosures about fair value measurements. Fair value is defined as the amount that would be received for an asset or paid to transfer a liability (i.e., an exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants on the measurement date. Valuation techniques used to measure fair value maximize the use of observable inputs and minimize the use of unobservable inputs. The standard describes the following fair value hierarchy based on three levels of inputs, of which the first two are considered observable and the last unobservable, that may be used to measure fair value:

Level 1: Quoted prices in active markets for identical assets and liabilities.

Level 2: Inputs other than Level 1 that are observable, either directly or indirectly, such as quoted prices for similar assets or liabilities; quoted prices in markets that are not active; or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets or liabilities.

Level 3: Unobservable inputs supported by little or no market activity and that are significant to the fair value of the assets or liabilities.

The fair value of cash is classified as Level 1 at March 31, 2023 and September 30, 2022.

The Company classifies its financial instruments as follows: Cash is classified as held for trading and is measured at fair value. Accounts payable and accrued liabilities are classified as other financial liabilities, and have a fair value approximating their carrying value, due to their short-term nature.

Income Taxes

Deferred income taxes have been provided for temporary differences between financial statement and income tax reporting under the asset and liability method, using expected tax rates and laws that are expected to be in effect when the differences are expected to reverse. A valuation allowance is provided when realization is not considered more likely than not.

The Company's policy is to classify income tax assessments, if any, for interest expense and for penalties in general and administrative expenses. The Company's income tax returns are subject to examination by the IRS and corresponding states, generally for three years after they are filed.

Loss per Common Share

Basic loss per share is calculated using the weighted-average number of common shares outstanding during each period. Diluted income per share includes potentially dilutive securities such as outstanding options and warrants outstanding during each period. To calculate diluted loss per share the Company uses the treasury stock method and the if-converted method.

For the period ended March 31, 2023 and the year ended September 30, 2022, there were no potentially dilutive securities included in the calculation of weighted-average common shares outstanding.

Derivatives

We account for derivatives pursuant to ASC 815, *Accounting for Derivative Instruments and Hedging Activities*. All derivative instruments are recognized in the consolidated financial statements and measured at fair value regardless of the purpose or intent for holding them. We determine fair value of warrants and other option type instruments based on option pricing models. The changes in fair value of these instruments are recorded in income or expense.

Stock-based compensation

The Company recognizes compensation expense for all stock-based payments made to employees, directors and others based on the estimated fair values of its common stock on the date of issuance.

The Company determines the fair value of the share-based compensation payments granted as either the fair value of the consideration received or the fair value of the equity instruments issued, whichever is more reliably measurable. If the fair value of the equity instruments issued is used, it is measured using the stock price and other measurement assumptions as of the earlier of either the date at which a commitment for performance to earn the equity instrument is reached or the date the performance is complete.

The Company recognizes compensation expense for stock awards with service conditions on a straight-line basis over the requisite service period, which is included in operations. Stock option expense is recognized over the option's vesting period.

VOIP-PAL.COM INC.

Notes to the Interim Consolidated Financial Statements

(Unaudited – prepared by management)

(Expressed in United States Dollars)

March 31, 2023

NOTE 3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**Concentrations of Credit Risk**

The Company's policy is to maintain cash with reputable financial institutions or in retainers with trusted vendors. The Company has at times had cash balances at financial institutions in excess of the Federal Deposit Insurance Corporation (FDIC) Insurance Limit of \$250,000, but has not experienced any losses to date as a result. As of March 31, 2023, the Company's bank operating account balances exceeds the FDIC Insurance Limit of \$250,000 by \$916,569.

Recent Accounting Pronouncements and Adoption

ASU 2020-10 – Codification Improvements In October 2020, the FASB issued ASU 2020-10, Codification Improvements. The guidance contains improvements to the Codification by ensuring that all guidance that requires or provides an option for an entity to provide information in the notes to financial statements is codified in the Disclosure Section of the Codification. The guidance also contains Codifications that are varied in nature and may affect the application of the guidance in cases in which the original guidance may have been unclear. For public business entities, the amendments in the ASU are effective for fiscal years beginning after December 15, 2020. For all other entities, the amendments are effective for annual periods beginning after December 15, 2021, and interim periods within annual periods beginning after December 15, 2022. Early adoption is permitted. We do not expect the adoption of ASU 2020-10 to have a material impact on our condensed consolidated financial statements.

ASU 2021-04 – Earnings per share. In May 2021, the FASB issued ASU 2021-04, Earnings Per Share (Topic 260), Debt-Modifications and Extinguishments (Subtopic 470-50), Compensation-Stock Compensation (Topic 718), and Derivatives and Hedging-Contracts in Entity's Own Equity (Subtopic 815-40). ASU 2021-04 addresses issuer's accounting for certain modifications or exchanges of freestanding equity-classified written call options. This amendment is effective for all entities, for fiscal years beginning after December 15, 2021, including interim periods within those fiscal years. Early adoption is permitted. We do not expect the adoption of ASU 2021-04 to have a material impact on our condensed consolidated financial statements.

NOTE 4. PURCHASE OF DIGIFONICA

The Company acquired Digifonica in December 2013 by way of a Share Purchase Agreement (the "SPA"), pursuant to which the Company purchased 100% of the shares of Digifonica from the seller, the CEO of the Company (the "Seller"), for a cash payment of \$800,000 and 389,023,561 common shares of the Company. The assets acquired through the acquisition were VoIP-related patented technology, including patents for Lawful Intercept, routing, billing and rating, mobile gateway, advanced interoperability solutions, intercepting voice over IP communications, and uninterrupted transmission of internet protocol transmissions during endpoint changes.

The SPA included an anti-dilution clause (the "Anti-Dilution Clause") that required the Company to maintain the Seller's percentage ownership of the Company at 40% by issuing the Seller a proportionate number of common shares of any future issuance of the Company's common shares. Shares issued pursuant to the Anti-Dilution Clause were recorded as a share issuance cost within the Additional Paid-in Capital account (Notes 8 and 10).

During the year ended September 30, 2021, on April 12, 2021, the SPA was amended to provide that: a) from its inception until March 31, 2021, the Company would issue warrants to purchase common shares of the Company in an equivalent amount to and instead of the required shares being issued pursuant to the Anti-Dilution Clause; and b) the Anti-Dilution Clause would be null and void from April 1, 2021 forward. As a result of this amendment, the Seller returned 513,535,229 common shares to the treasury of the Company and relinquished his right to receive an additional 107,935,333 common shares in exchange for 621,470,562 warrants to purchase common shares at a price of \$0.021 for a period of ten years from the date of issue.

NOTE 5. RETAINER

The Company has retainers with certain of its professional service providers. The balance due on these prepaid retainers was \$6,206 as of March 31, 2023, and \$1,181 for the year ended September 30, 2022. The Company recognizes the expense from these retainers as they are invoiced and the invoiced charges are deducted from the various providers' prepaid retainer balances.

VOIP-PAL.COM INC.

Notes to the Interim Consolidated Financial Statements

(Unaudited – prepared by management)

(Expressed in United States Dollars)

March 31, 2023

NOTE 6. FIXED ASSETS

A summary of the Company's fixed assets as of March 31, 2023 and September 30, 2022 is as follows:

	March 31, 2023	September 30, 2022
Office furniture & computers	\$ 11,917	\$ 11,917
Accumulated depreciation	(8,656)	(7,527)
Net book value	\$ 3,261	\$ 4,390

There were no retirements of any fixed assets in the periods presented.

NOTE 7. INTANGIBLE ASSETS

The Company acquired certain patents and technology from Digifonica in December 2013 (see Note 4). These assets have been recorded in the financial statements as intangible assets. These assets are being amortized over twelve (12) years on a straight-line basis. A summary of intangible assets as of March 31, 2023 and September 30, 2022 is as follows:

	March 31, 2023	September 30, 2022
VoIP Intellectual property and patents	\$ 1,552,416	\$ 1,552,416
Accumulated amortization	(1,256,766)	(1,187,666)
Net book value	\$ 295,650	\$ 364,750

There were no disposals of any intangible assets in the periods presented.

NOTE 8. RELATED PARTY TRANSACTIONS AND KEY MANAGEMENT COMPENSATION

The Company compensates its key management personnel to operate its business in the normal course. Key management includes the Company's executive officers and members of its Board of Directors.

Compensation paid or accrued to key management for services during the six-month periods ended March 31, 2023 and 2022 includes:

	March 31, 2023	March 31, 2022
Management fees paid or accrued to the CEO	\$ 12,161	\$ -
Management fees paid to the CFO	9,000	9,000
Fees paid to Directors	12,000	20,600
	\$ 33,161	\$ 29,600

At March 31, 2023, included in accounts payable and accrued liabilities is \$Nil (September 30, 2022 - \$Nil) owed to current officers and directors. At March 31, 2023, included in prepaid expense is \$9,000 (September 30, 2022 - \$Nil) of prepaid compensation to current officers and directors.

During the six-month period ended March 31, 2023, a director of the Company forgave \$2,100 (2022 - \$Nil) of accrued director fees.

VOIP-PAL.COM INC.

Notes to the Interim Consolidated Financial Statements

(Unaudited – prepared by management)

(Expressed in United States Dollars)

March 31, 2022

NOTE 9. SUPPLEMENTAL CASH FLOW INFORMATION

During the period ended March 31, 2023, the Company paid \$Nil (September 30, 2022 - \$Nil) in interest or income taxes.

There were no non-cash investing or financing transactions during the six-month periods ended March 31, 2023 and 2022.

NOTE 10. SHARE CAPITAL

Capital Stock Authorized and Issued as at March 31, 2023:

- 3,500,000,000 (September 30, 2022 – 3,500,000,000) common voting shares authorized with a par value of \$0.001 each, of which 2,381,367,863 (September 30, 2022 – 1,986,997,863) shares are issued.
- 1,000,000 preferred shares authorized with a par value of \$0.01 each, of which 596,611 (Sep 30, 2022 – 475,000) shares are issued.

Issues during the six-month period ended March 31, 2023

During the six-month period ended March 31, 2023, the Company issued:

- 392,370,000 common shares priced at \$0.005 per share for cash proceeds of \$1,961,850 from a private placement of common shares;
- 112,611 preferred shares for services with a value of \$12,161; and
- 2,000,000 common shares for services with a value of \$10,000.

Issues during the year ended September 30, 2022

During the year ended September 30, 2022, the Company:

- issued 246,550,000 common shares at \$0.005 per share for cash proceeds of \$1,232,750 from a private placement of common shares;
- issued 9,000,000 common shares for services with a value of \$101,600;
- issued 410,000,000 warrants to purchase 410,000,000 common shares to its directors, officers, and consultants, exercisable at a price of \$0.025 for a period of five years from the date of issue;
- granted 77,000,000 options to purchase 77,000,000 common shares to its consultants and advisors, exercisable at a price of \$0.025 for a period of five years from the date of grant;
- returned to treasury 11,850,000 options to purchase 11,850,000 common shares at a price of \$0.05 from certain of its consultants and advisors as the option term had expired; and
- issued 475,000 preferred shares for services with a value of \$835, which is recorded as stock-based compensation. The preferred shares were issued for super-voting rights and are not convertible, exchangeable for common shares, nor redeemable for cash. The preferred shares cannot be sold, exchanged or transferred to another party.

Subsequent Issues

Subsequent to the six-month period ended March 31, 2023, as of May 10, 2023 the Company had issued:

- 64,000,000 common shares at a price of \$0.005 per share for cash proceeds of \$320,000 from a private placement of common shares; and
- 12,500,000 common shares at a price of \$0.005 per share for services with a value of \$62,500.

Shares to be Issued

As at March 31, 2023, there are 2,000,000 (September 30, 2022 - Nil) common shares valued at \$10,000 (September 30, 2022 - \$Nil) to be issued as a result of a pre-paid subscription in a private placement.

As at March 31, 2023, there are \$Nil (September 30, 2022 – 1,977,523) common shares to be issued that are accrued for services provided to the Company valued at \$Nil (September 30, 2022 – \$61,320). During the period ended March 31, 2023, the Company entered into settlement agreements with two vendors pursuant to which they relinquished their aggregate 1,977,523 shares to be issued in exchange for cash totaling \$4,000.

VOIP-PAL.COM INC.

Notes to the Interim Consolidated Financial Statements

(Unaudited – prepared by management)

(Expressed in United States Dollars)

March 31, 2023

NOTE 11. STOCK-BASED COMPENSATION (CONT'D)*Common Share Purchase Warrants*

As of March 31, 2023, there are 1,031,470,562 (September 30, 2022 - 1,031,470,562) outstanding share purchase warrants to be exercised.

The following table summarizes the Company's warrant transactions:

	Number of warrants	Weighted average exercise price
Balance September 30, 2021	621,470,562	\$ 0.021
Issued	410,000,000	0.025
Balance September 30, 2022 & March 31, 2023	1,031,470,562	\$ 0.023

The following table summarizes the share purchase warrants outstanding at March 31, 2023:

Warrants Outstanding	Exercise Price	Remaining Contractual Life (Yrs)	Number of Warrants Currently Exercisable
621,470,562	\$ 0.021	8.04	621,470,562
410,000,000	0.025	4.17	Nil
1,031,470,562	\$ 0.023	6.50	621,470,562

During the six-month period ended March 31, 2023, there were no issues, cancellations, expirations, vesting, or exercises of share purchase warrants in the capital stock of the Company.

During the year ended September 30, 2022, on May 30, 2022, the Company issued 410,000,000 warrants to purchase common shares at a price of \$0.025 per share for a period of five years from the date of issue to its directors, officers, employees and consultants. The warrants will vest only upon the Company entering into a definitive agreement involving a change of control. The following assumptions were used for the Black-Scholes valuation of these warrants on grant date as follows: risk-free rate of 2.81%, expected life of 5 years, annualized historical volatility of 159.32% and a dividend rate of 0%. Expected volatilities are based on the historical volatility of the Company's stock and other factors. In the event of a change of control, the warrants will vest and the fair market value that will be recorded as additional paid-in capital will be \$8,266,969. The weighted-average fair value per warrant is \$0.023.

During the year ended September 30, 2021, on April 16, 2021, the Company issued 621,470,562 warrants to purchase common shares at a price of \$0.021 per share for a period of ten years from the date of issue to the seller of Digifonica (Note 4). The following assumptions were used for the Black-Scholes valuation of warrants issued during the year ended September 30, 2021: risk-free rate of 1.59%, expected life of 10 years, annualized historical volatility of 184.22% and a dividend rate of 0%. Expected volatilities are based on the historical volatility of the Company's stock and other factors. The fair market value that has been recorded as additional paid-in capital from the issuance of these warrants was \$11,089,812. The weighted-average fair value of the warrants issued during the year ended September 30, 2021 was \$0.018.

Common Share Purchase Options

In order to provide incentive to directors, officers, management, employees, consultants and others who provide services to the Company or any subsidiary (the "Service Providers") to act in the best interests of the Company, and to retain such Service Providers, the Company has in place an incentive Stock Option Plan (the "Plan") whereby the Company is authorized to issue up to 10% of its issued and outstanding share capital in options to purchase common shares of the Company. The maximum term of options granted under the Plan cannot exceed ten years, with vesting terms determined at the discretion of the Board of Directors.

VOIP-PAL.COM INC.

Notes to the Interim Consolidated Financial Statements

(Unaudited – prepared by management)

(Expressed in United States Dollars)

March 31, 2023

NOTE 11. STOCK-BASED COMPENSATION (CONT'D)*Common Share Purchase Options*

In order to provide incentive to directors, officers, management, employees, consultants and others who provide services to the Company or any subsidiary (the “Service Providers”) to act in the best interests of the Company, and to retain such Service Providers, the Company has in place an incentive Stock Option Plan (the “Plan”) whereby the Company is authorized to issue up to 10% of its issued and outstanding share capital in options to purchase common shares of the Company. The maximum term of options granted under the Plan cannot exceed ten years, with vesting terms determined at the discretion of the Board of Directors.

The following table summarizes the Company’s stock option transactions:

	Number of options	Weighted average exercise price (\$)
Balance September 30, 2021	116,850,000	0.026
Granted	77,000,000	0.025
Cancelled / Expired	(11,850,000)	0.053
Balance September 30, 2022 & March 31, 2023	182,000,000	0.024

The following table summarizes the stock options outstanding at March 31, 2023:

Options Outstanding	Exercise Price	Remaining Contractual Life (Yrs)	Number of Options Currently Exercisable
15,000,000	\$ 0.010	2.48	15,000,000
90,000,000	0.025	3.07	90,000,000
77,000,000	0.025	4.17	62,000,000
182,000,000	\$ 0.024	3.49	167,000,000

During the year ended September 30, 2022, on May 30, 2022, the Company granted 77,000,000 options to purchase 77,000,000 common shares at a price of \$0.025 to its consultants and advisors. The options are exercisable for a period of five years from the date of grant, with the first 50% vesting on the date of the option grant and the remaining 50% vesting on May 30, 2023. The following assumptions were used for the Black-Scholes valuation of stock options granted during the year ended September 30, 2022: risk-free rate of 2.81%, expected life of 5 years, annualized historical volatility of 159.32% and a dividend rate of 0%. Expected volatilities are based on the historical volatility of the Company’s stock and other factors.

The compensation cost that was charged against income from options vested under the Plan was \$2,355,504 for the year ended September 30, 2022, as 62,000,000 options from the May 30, 2022 issuance and 42,500,000 options from the April 23, 2021 issuance vested during the year. The weighted-average grant-date fair value of options granted during the year ended September 30, 2022 was \$0.02. During the six-month period ended March 31, 2023, compensation cost of \$150,805 (2021 - \$nil) was charged against income from options vested under the Plan relating to the May 30, 2022 stock option grant.

During the year ended September 30, 2021, on April 23, 2021, the Company granted 90,000,000 options to purchase 90,000,000 common shares at a price of \$0.025 to its directors, officers, employees, consultants and advisors. The options are exercisable for a period of five years from the date of grant and are all now fully vested. The following assumptions were used for the Black-Scholes valuation of stock options granted during the year ended September 30, 2021: risk-free rate of 0.83%, expected life of 5 years, annualized historical volatility of 160% and a dividend rate of 0%. Expected volatilities are based on the historical volatility of the Company’s stock and other factors. The weighted-average grant-date fair value of options granted during the year ended September 30, 2021 was \$0.022.

As at March 31, 2023, the aggregate intrinsic value of the Company’s stock options is \$3,410,000 (2022 - \$81,000), and the total intrinsic value of options exercised during the period ended March 31, 2023 was \$nil (2022 - \$nil).

VOIP-PAL.COM INC.

Notes to the Interim Consolidated Financial Statements

(Unaudited – prepared by management)

(Expressed in United States Dollars)

March 31, 2023

NOTE 12. CONTINGENT LIABILITIES

Patent Litigation

The Company is party to patent and patent-related litigation cases as follows:

- i. VoIP-Pal.com Inc. v. Facebook, Inc. et al. Case No. 6-20-cv-00267 in the U.S. District Court, Western District of Texas
In April 2020, the Company filed a lawsuit in the United States District Court, Western District of Texas, against Facebook, Inc. and certain related entities, alleging infringement of U.S. Patent No. 10,218,606. On July 22, 2022, the Western District of Texas granted Facebook's motion to transfer the case to the Northern District of California. The case number is Case No. 3:22-cv-4279-JD. The case is pending.
- ii. VoIP-Pal.com Inc. v. Google, LLC fka Google, Inc. Case No. 6-20-cv-00269 in U.S. District Court, Western District of Texas.
In April 2020, the Company filed a lawsuit in the United States District Court, Western District of Texas, against Google, alleging infringement of U.S. Patent No. 10,218,606. On September 21, 2022, the Western District of Texas granted Google's motion to transfer the case to the Northern District of California. The case number is Case No. 3:22-cv-5419-JD. The case is pending.
- iii. VoIP-Pal.com Inc. v. Amazon.com, Inc. et al. Case No. 6-20-cv-00272 in the U.S. District Court, Western District of Texas.
In April 2020, the Company filed a lawsuit in the United States District Court, Western District of Texas, against Amazon.com, Inc. and certain related entities, alleging infringement of U.S. Patent No. 10,218,606. The case is pending.
- iv. VoIP-Pal.com, Inc. v. Facebook, Inc. et al Case No. 6-21-cv-665 in the United States District Court, Western District of Texas
On September 25, 2021, the Company filed a lawsuit in the US District Court, Western District of Texas, against Facebook, Inc. and WhatsApp, Inc. alleging infringement of U.S. Patent Nos. 8,630,234 and 10,880,721. On May 31, 2022, the Western District of Texas court granted Google's motion to transfer the case to the Northern District of California. The case number is Case No. 3:22-cv-3202-JD. The case is pending.
- v. VoIP-Pal.com, Inc. v. Google, LLC Case No. 6-21-cv-667 in the United States District Court, Western District of Texas
On September 25, 2021, the Company filed a lawsuit in the US District Court, Western District of Texas, against Google LLC alleging infringement of U.S. Patent Nos. 8,630,234 and 10,880,721. On May 31, 2022, the Western District of Texas granted Facebook's motion to transfer the case to the Northern District of California. The case number is Case No. 3:22-cv-3199-JD. The case is pending.
- vi. VoIP-Pal.com, Inc. v. Amazon.com, Inc. et al. Case No. 6-21-cv-668 in the U.S. District Court, Western District of Texas
On September 25, 2021, the Company filed a lawsuit in the U.S. District Court, Western District of Texas, against Amazon and related entities alleging infringement of U.S. Patent Nos. 8,630,234 and 10,880,721. The case is pending.
- vii. VoIP-Pal.com, Inc. v. Verizon Comms., Inc. Case No. 6-21-cv-672 in the U.S. District Court, Western District of Texas
On September 25, 2021, the Company filed a lawsuit in the U.S. District Court, Western District of Texas, against Verizon and related entities alleging infringement of U.S. Patent Nos. 8,630,234 and 10,880,721. The case is pending.
- viii. VoIP-Pal.com, Inc. v. T-Mobile US, Inc. et al. Case No. 6-21-cv-668 in the U.S. District Court, Western District of Texas
On September 25, 2021, the Company filed a lawsuit in the U.S. District Court, Western District of Texas, against T-Mobile and related entities alleging infringement of U.S. Patent Nos. 8,630,234 and 10,880,721. The case is pending.
- ix. VoIP-Pal.com Inc v Samsung Electronics Co. et al Case No. 6-21-cv-1246 in U.S. District Court, Western District of Texas
On November 30, 2021, the Company filed a lawsuit in the U.S. District Court, Western District of Texas, against Samsung & related entities alleging infringement of U.S. Patent Nos. 8,630,234 & 10,880,721. The case is pending.

VOIP-PAL.COM INC.

Notes to the Interim Consolidated Financial Statements

(Unaudited – prepared by management)

(Expressed in United States Dollars)

March 31, 2023

NOTE 12. CONTINGENT LIABILITIES (CONT'D)

Patent Litigation (cont'd)

- x. VoIP-Pal.com Inc v Huawei Technologies Co, Ltd. et al Case No. 6-21-cv-1247 in US District Court, Western District of Texas

On November 30, 2021, the Company filed a lawsuit in the U.S. District Court, Western District of Texas, against Huawei and related entities alleging infringement of U.S. Patent Nos. 8,630,234 and 10,880,721. On January 18, 2023, the Western District of Texas granted Huawei's motion to transfer the case to the Northern District of Texas. The case no. is 3:23-cv-00151. The case is pending.

- xi. Twitter, Inc. v. VoIP-Pal.com Inc. Case No. 3:21-cv-9773 in the U.S. District Court, Northern District of California

On December 17, 2021, Twitter filed a declaratory judgment lawsuit against the Company in the United States District Court, Northern District of California, alleging non-infringement of U.S. Patent Nos. 8,630,234 and 10,880,721. The case is pending.

Non-Patent Litigation

The Company is party to the following non-patent litigation case:

Locksmith Financial Corporation, Inc. et al. (Plaintiff(s)) v VoIP-Pal.com Inc. et al (Defendant(s)) (Case No A-20-807745-C) filed in Clark County District Court.

On January 1, 2020, the Plaintiffs filed suit in Nevada District Court claiming that they were owed 95,832,000 Voip-Pal common shares from a previous case involving the Plaintiff and the Defendant that had been through a jury trial in 2019, in which the jury had made an award to the Plaintiff that was monetary only, and did not include said shares - following the jury's decision in the 2019 trial, the Plaintiff accepted the award and waived their right to appeal. Voip-Pal vigorously disputed the Plaintiff's 2020 claims on the basis of claim preclusion (the 2020 claims were addressed in the previous action in 2019 and are now precluded); that Plaintiffs' claims are untimely, and that the Plaintiffs no longer have standing to bring their claims.

During the year ended September 30, 2022, the Court entered a judgment in favor of VoIP-Pal.com Inc and co-defendants, dismissing the 2020 case. The Plaintiffs filed an appeal with the Nevada Supreme Court.

During the six-month period ended March 31, 2023, following a hearing of the appeal, the Nevada Supreme Court ruled to reverse the lower court's judgment in favor of Voip-Pal and has ordered that the case be remanded back to the lower court for further proceedings. The Defendants (Voip-Pal et al) have filed a motion to the Supreme Court for reconsideration. The case is pending.

Performance Bonus Payable

In 2016, the board of directors authorized the Company to provide a performance bonus (the "Performance Bonus") of up to 3% of the capital stock of the Company by way of the issuance of Common shares from its treasury to an as yet undetermined group of related and non-related parties upon the occurrence of a bonusable event, defined as the successful completion of a sale of the Company or substantially all its assets, or a major licensing transaction. In order to provide maximum flexibility to the Company with respect to determining the level of Performance Bonus payable, and who may qualify to receive a pro-rata share of such a Performance Bonus, the Company authorized full discretion to the Board in making such determinations.

In 2019, the board of directors authorized the increase of the Performance Bonus to up to 10% of the capital stock of the Company. Concurrently, the directors authorized 66.67% of the Performance Bonus to be issued in an advance payment of an aggregate 127,000,000 Common shares ("Bonus Shares") to a group of related and non-related parties, which included members of management, a director and several consultants. 30,000,000 of the Bonus Shares are restricted from trading under Rule 144 and are subject to a voluntary lock-up agreement under which they cannot be traded, pledged, hypothecated, transferred or sold by the holders until such time as the Company has met the requirements of the bonusable event as described above.

As at March 31, 2023, no bonusable event had occurred and there was no Performance Bonus payable.

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The following management's discussion and analysis (MD&A) should be read in conjunction with our interim consolidated financial statements for the six months ended March 31, 2023 and notes thereto appearing elsewhere in this report, and our audited consolidated financial statements for the year ended September 30, 2022 and notes thereto.

CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING INFORMATION

This MD&A for the period ending March 31, 2023 contains forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amending, and Section 21E of the Securities Exchange Act of 1934, as amending. Forward-looking statements may be identified by the use of forward-looking terminology, such as "may", "shall", "could", "expect", "estimate", "anticipate", "predict", "probable", "possible", "should", "continue", or similar terms, variations of those terms or the negative of those terms. The forward-looking statements specified in the following information have been compiled by our management based on assumptions made by management and are considered by management to be reasonable. Our future operating results, however, are impossible to predict and no representation, guaranty, or warranty is to be inferred from those forward-looking statements.

The assumptions used for purposes of the forward-looking statements specified in the following information represent estimates of future events and are subject to uncertainty as to possible changes in economic, legislative, industry, and other circumstances. As a result, the identification and interpretation of data and other information and their use in developing and selecting assumptions from and among reasonable alternatives require the exercise of judgment. To the extent that the assumed events do not occur, the outcome may vary substantially from anticipated or projected results, and, accordingly, no opinion is expressed on the achievability of those forward-looking statements. No assurance can be given that any of the assumptions relating to the forward-looking statements specified in the following information are accurate, and we assume no obligation to update any such forward-looking statements.

CORPORATE HISTORY, OVERVIEW AND PRINCIPAL BUSINESS

VoIP-PAL.com Inc. (the "Company") was incorporated in the state of Nevada in September 1997 as All American Casting International, Inc. and changed its name to VOIP MDI.com in 2004 and subsequently to Voip-Pal.Com Inc. in 2006. Since March 2004, the Company has been in the development stage of becoming a Voice-over-Internet Protocol ("VoIP") re-seller, a provider of a proprietary transactional billing platform tailored to the points and air mile business, and a provider of anti-virus applications for smartphones. All business activities prior to March 2004 have been abandoned and written off to deficit.

In 2013, the Company acquired Digifonica International (DIL) Limited ("Digifonica"), to fund and co-develop Digifonica's patent suite. Digifonica had been founded in 2003 with the vision that the internet would be the future of all forms of telecommunications - a team of twenty top engineers with expertise in Linux and Internet telephony developed and wrote a software suite with applications that provided solutions for several core areas of internet connectivity. In order to properly test the applications, Digifonica built and operated three production nodes in Vancouver, Canada (Peer 1), London, UK (Teliasonera), and Denmark. Upon successfully developing the technology, Digifonica filed for patents with the United States Patent and Trademark Office ("USPTO").

The Digifonica patents formed the basis for the Company's current intellectual property, now a worldwide portfolio of twenty-six issued and pending patents primarily designed for the broadband VoIP market.

The Company's intellectual property value is derived from its issued and pending patents. The inventions described in these patents, among other things, provide the means to integrate VoIP services with legacy telecommunications systems such as the public switched telephone network (PSTN) to create a seamless service using either legacy telephone numbers or IP addresses, and enhance the performance and value of VoIP implementations worldwide.

VoIP has been and continues to be a green field for innovation that has spawned numerous inventions, greatly benefiting consumers large and small across the globe. VoIP is used in many places and by every modern telephony system vendor, network supplier, and retail and wholesale carrier.

Results of Operations

The Company's operating costs consist of expenses incurred to monetizing, selling and licensing its VoIP patents. Other operating costs include expenses for legal, accounting and other professional fees, financing costs, and other general and administrative expenses.

Comparison of the Three Months Ending March 31, 2023 and 2022

	Three months ending March 31		Increase/ (Decrease)	Percent
	2023	2022		
General and administrative expenses	(723,968)	(370,869)	353,099	95%
Amortization & depreciation	(35,114)	(35,114)	-	0%
Stock based compensation	(74,574)	(55,750)	18,824	34%
Other items	57,320	-	(57,320)	-100%
Net gain (loss)	<u>\$ (776,336)</u>	<u>\$ (461,733)</u>	<u>\$ 314,603</u>	<u>68%</u>

Comparison of the Six Months Ending March 31, 2023 and 2022

	Six months ending March 31		Increase/ (Decrease)	Percent
	2022	2021		
Revenue	\$ -	\$ -	\$ -	-
Cost of Revenue	-	-	-	-
Gross Margin	-	-	-	-
General and administrative expenses	(1,230,305)	(637,295)	593,010	93%
Amortization & depreciation	(70,229)	(70,228)	1	0%
Stock based compensation	(150,805)	(55,750)	95,055	171%
Other items	59,420	-	(59,420)	-100%
Net gain (loss)	<u>\$ (1,391,919)</u>	<u>\$ (763,273)</u>	<u>\$ 628,646</u>	<u>82%</u>

REVENUES, COST OF REVENUES AND GROSS MARGIN

The Company had no revenues, cost of revenues or gross margin for the three or six months ending March 31, 2023 and 2022.

GENERAL AND ADMINISTRATIVE EXPENSES

General and administrative expenses for the three months ending March 31, 2023 totaled \$723,968 compared to \$370,869 during the same period in 2022. The increase in general and administrative expenses of \$353,099, or 95% more than the previous year, was primarily due to an increase in legal and professional fees and services

General and administrative expenses for the six months ending March 31, 2023 totaled \$1,230,305 compared to \$637,295 during the same period in 2022. The increase in general and administrative expenses of \$593,010 or 93% more than the previous year, was primarily due to an increase in legal and professional fees and services.

STOCK BASED COMPENSATION

Stock-based compensation for the three months ending March 31, 2023 totaled \$74,574 compared to \$55,750 during the same period in 2022. The increase in stock-based compensation of \$18,824, or 34% more than the previous years, was primarily due to stock options vesting during the period.

Stock-based compensation for the six months ending March 31, 2023 totaled \$150,805 compared to \$55,750 during the same period in 2022. The increase in stock-based compensation of \$95,055, or 171% more than the previous years, was primarily due to stock options vesting during the period.

AMORTIZATION AND DEPRECIATION

Amortization of intellectual VoIP communications patent properties and depreciation of capital equipment for the three months ending March 31, 2023 totaled \$35,114 compared to \$35,114 during the same period in 2022. There was no material change in the amount of amortization or depreciation expense during the six months ending March 31, 2023 and 2022.

Amortization of the intellectual VoIP communications patent properties and depreciation of fixed assets for the six months ending March 31, 2023 totaled \$70,229 compared to \$70,228 during the same period in 2022. There was no material difference between depreciation and amortization expense for the three and six months ending March 31, 2023 as compared to the same periods in 2022.

The Company follows GAAP (FAS 142) and is amortizing its intangibles over the remaining patent life of twelve (12) years. The Company evaluates its intangible assets annually and determines if the fair market value is less than its historical cost. If the fair market value is less, then impairment expense is recorded on the Company's financial statements. The intangible assets on the financial statements of the Company relate primarily to the Company's acquisition of Digifonica (International) Limited.

OTHER ITEMS

Other items for the three and six months ending March 31, 2023, totaled \$57,320 and \$59,420, respectively, compared to \$Nil during the same periods in 2022. The increase in other items of \$59,420 was primarily due to the Company entering into settlement agreements with vendors pursuant to which they relinquished debt owed to the company.

INTEREST EXPENSE

The Company had no financing or interest costs for the three and six months ending March 31, 2023 and 2022.

NET GAIN (LOSS)

The Company reported a net loss of \$776,336 for the three months ending March 31, 2023 compared to a net loss of \$461,733 for the same period in 2022. The increase in net loss of \$314,603, or 68% more than the same period in 2022, was primarily due to an increase in legal and professional fees and stock-based compensation.

The Company reported a net loss of \$1,391,919 for the six months ended March 31, 2023 compared to a net loss of \$763,273 for the same period in 2022. The increase in net loss of \$628,646, or 82% more than same period in 2022 was due primarily to an increase in legal and professional fees and stock-based compensation.

LIQUIDITY AND CAPITAL RESOURCES

As of March 31, 2023, the Company had an accumulated deficit of \$71,468,498 as compared to an accumulated deficit of \$67,147,436 at March 31, 2022. As of March 31, 2023, the Company had working capital of \$909,859 as compared to a working capital deficit of \$83,373 at March 31, 2022. The increase in the Company's working capital of \$993,232 is due to proceeds received from the private placement of the Company's stock.

Net cash used by operations for the six months ending March 31, 2023 and 2022 was \$1,110,766 and \$532,893 respectively. The increase in net cash used for operations for the six months ending March 31, 2023 as compared to the six months ending March 31, 2022 was primarily due to an increase in legal fees and professional services.

Net cash used in investing activities for the six months ending March 31, 2023 and 2022 was \$Nil. Net cash provided from financing activities for the six months ending March 31, 2023 and 2022 was \$1,971,850 and \$443,000, respectively. The increase in net cash provided by financing activities was due to equity raised from private placements during the six months ending March 31, 2023.

Liquidity

The Company primarily finances its operations from cash received through the private placement of its common stock and the exercise of warrants from investors and through the payment of stock-based compensation. The Company believes its resources are adequate to fund its operations for the next 12 months.

Off Balance Sheet Arrangements

Performance Bonus Payable

In 2016, the board of directors authorized the Company to provide a performance bonus (the "Performance Bonus") of up to 3% of the capital stock of the Company by way of the issuance of Common shares from its treasury to an as yet undetermined group of related and non-related parties upon the occurrence of a bonusable event, defined as the successful completion of a sale of the Company or substantially all its assets, or a major licensing transaction. In order to provide maximum flexibility to the Company with respect to determining the level of Performance Bonus payable, and who may qualify to receive a pro-rata share of such a Performance Bonus, the Company authorized full discretion to the Board in making such determinations.

In 2019, the board of directors authorized the increase of the Performance Bonus to up to 10% of the capital stock of the Company. Concurrently, the directors authorized 66.67% of the Performance Bonus to be issued in an advance payment of an aggregate 127,000,000 Common shares ("Bonus Shares") to a group of related and non-related parties, which included members of management, a director and several consultants. 30,000,000 of the Bonus Shares are restricted from trading under Rule 144 and are subject to a voluntary lock-up agreement under which they cannot be traded, pledged, hypothecated, transferred or sold by the holders until such time as the Company has met the requirements of the bonusable event as described above.

As at March 31, 2023, no bonusable event had occurred and there was no Performance Bonus payable.

Impact of Inflation

We believe that inflation has not had a material impact on our results of operations for the six months ending March 31, 2023. We cannot assure you that future inflation will not have an adverse impact on our operating results and financial condition.

Impact of COVID-19

In March 2020, the World Health Organization declared a global pandemic related to the COVID-19 coronavirus. Its impact on global economies has been far-reaching and businesses around the world are being forced to cease or limit operations for long or indefinite periods of time. Measures taken to contain the spread of the COVID-19 virus, including travel bans, quarantines, social distancing, and closures of non-essential services have triggered significant disruptions to businesses worldwide, resulting in an economic slowdown. Global stock markets have also experienced great volatility and significant declines. Governments and central banks have responded with monetary and fiscal interventions to stabilize economic conditions.

The duration and impact of the COVID-19 pandemic, as well as the effectiveness of government and central bank responses, remains unclear at this time. It is not possible to reliably estimate the duration and severity of the COVID-19 pandemic, nor its impact on the financial position and results of the Company in future periods. The Company is proceeding with its business activities as long as the work environment remains safe – at this point there has been minimal disruption to day-to-day operations resulting from health and safety measures. Disruptions and volatility in the global capital markets may increase the Company's cost of capital and adversely impact access to capital.

Item 3. Quantitative and Qualitative Disclosures About Market Risk.

As a smaller reporting company, we are not required to provide the information required by this Item.

Item 4. Controls and Procedures.

Evaluation of Disclosure Controls and Procedures

Management conducted an evaluation of the effectiveness of the Company's internal control over financial reporting as of March 31, 2023. In making this assessment, management used the criteria established in Internal Control-Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission, or COSO. The COSO framework summarizes each of the components of a company's internal control system, including (i) the control environment, (ii) risk assessment, (iii) control activities, (iv) information and communication, and (v) monitoring. In management's assessment of the effectiveness of internal control over financial reporting (as defined in Exchange Act Rule 13a-15(f)) as required by Exchange Act Rule 13a-15(c), our management concluded as of the end of the fiscal period covered by this Quarterly Report on Form 10-Q that our internal control over financial reporting has not been effective. The company intends, as its finances improve, to hire additional accounting staff and implement additional controls.

As defined by Auditing Standard No. 5, "An Audit of Internal Control Over Financial Reporting that is Integrated with an Audit of Financial Statements and Related Independence Rule and Conforming Amendments," established by the Public Company Accounting Oversight Board ("PCAOB"), a material weakness is a deficiency or combination of deficiencies that results more than a remote likelihood that a material misstatement of annual or interim financial statements will not be prevented or detected. In connection with the assessment described above, management identified the following control deficiencies that represent material weaknesses as of March 31, 2023:

- 1) Lack of segregation of duties. At this time, our resources and size prevent us from being able to employ sufficient resources to enable us to have adequate segregation of duties within our internal control system. Management will periodically reevaluate this situation.
- 2) Lack of a completely independent audit committee. Although it is majority independent, the audit committee is not comprised solely of independent directors. We may establish an audit committee comprised solely of independent directors when we have sufficient capital resources and working capital to attract qualified independent directors and to maintain such a committee.
- 3) Insufficient number of independent directors. At the present time, our Board of Directors does not consist of a majority of independent directors, a factor that is counter to corporate governance practices as set forth by the rules of various stock exchanges.

Our management determined that these deficiencies constituted material weaknesses. Due to a lack of financial resources, we are not able to, and do not intend to, immediately take any action to remediate these material weaknesses. We will not be able to do so until we acquire sufficient financing to do so. We will implement further controls as circumstances, cash flow, and working capital permit. Notwithstanding the assessment that our ICFR was not effective and that there were material weaknesses as identified in this report, we believe that our financial statements fairly present our financial position, results of operations and cash flows for the years covered thereby in all material respects.

Disclosure controls and procedures are controls and other procedures that are designed to ensure that information required to be disclosed in our reports filed or submitted under the Exchange Act are recorded, processed, summarized and reported, within the time periods specified in the SEC's rules and forms. Disclosure controls and procedures include, without limitation, controls and procedures designed to ensure that information required to be disclosed in our reports filed under the Exchange Act is accumulated and communicated to management, including our Chief Executive Officer, to allow timely decisions regarding required disclosure.

Limitations on the Effectiveness of Internal Controls

Our management does not expect that our disclosure controls and procedures or our internal control over financial reporting will necessarily prevent all fraud and material error. Our disclosure controls and procedures are designed to provide reasonable assurance of achieving our objectives and our Chief Executive Officer concluded that our disclosure controls and procedures are effective at that reasonable assurance level. Further, the design of a control system must reflect the fact that there are resource constraints, and the benefits of controls must be considered relative to their costs. Because of the inherent limitations in all control systems, no evaluation of controls can provide absolute assurance that all control issues and instances of fraud, if any, within our company have been detected. These inherent limitations include the realities that judgments in decision-making can be faulty, and that breakdowns can occur because of simple error or mistake. Additionally, controls can be circumvented by the individual acts of some persons, by collusion of two or more people, or by management override of the internal control. The design of any system of controls also is based in part upon certain assumptions about the likelihood of future events, and there can be no assurance that any design will succeed in achieving its stated goals under all potential future conditions. Over time, control may become inadequate because of changes in conditions, or the degree of compliance with the policies or procedures may deteriorate.

Changes in Internal Control Over Financial Reporting

There have been no changes in our internal controls over financial reporting during the quarter ended March 31, 2023 that have materially affected or are reasonably likely to materially affect such controls.

PART II—OTHER INFORMATION

Item 1. Legal Proceedings.

Other than noted below, there have been no material developments during the current quarter for our legal proceedings that were disclosed in our registration statement on Form 10 filed on April 22, 2016. For a full disclosure of legal proceedings, please reference our Form 10 registration or Note 12 of the Financial Statements contained in this report.

Patent Litigation

The Company is party to patent litigation cases as follows:

- 1) VoIP-Pal.com Inc. v. Facebook, Inc. et al. Case No. 6-20-cv-00267 in the U.S. District Court, Western District of Texas
In April 2020, the Company filed a lawsuit in the United States District Court, Western District of Texas, against Facebook, Inc. and certain related entities, alleging infringement of U.S. Patent No. 10,218,606. On July 22, 2022, the Western District of Texas granted Facebook's motion to transfer the case to the Northern District of California. The case number is Case No. 3:22-cv-4279-JD. The case is pending.
- 2) VoIP-Pal.com Inc. v. Google, LLC fka Google, Inc. Case No. 6-20-cv-00269 in U.S. District Court, Western District of Texas.
In April 2020, the Company filed a lawsuit in the United States District Court, Western District of Texas, against Google, alleging infringement of U.S. Patent No. 10,218,606. On September 21, 2022, the Western District of Texas granted Google's motion to transfer the case to the Northern District of California. The case number is Case No. 3:22-cv-5419-JD. The case is pending.
- 3) VoIP-Pal.com Inc. v. Amazon.com, Inc. et al. Case No. 6-20-cv-00272 in the U.S. District Court, Western District of Texas.
In April 2020, the Company filed a lawsuit in the United States District Court, Western District of Texas, against Amazon.com, Inc. and certain related entities, alleging infringement of U.S. Patent No. 10,218,606. The case is pending.
- 4) VoIP-Pal.com, Inc. v. Facebook, Inc. et al Case No. 6-21-cv-665 in the United States District Court, Western District of Texas
On September 25, 2021, the Company filed a lawsuit in the US District Court, Western District of Texas, against Facebook, Inc. and WhatsApp, Inc. alleging infringement of U.S. Patent Nos. 8,630,234 and 10,880,721. On May 31, 2022, the Western District of Texas court granted Google's motion to transfer the case to the Northern District of California. The case number is Case No. 3:22-cv-3202-JD. The case is pending.
- 5) VoIP-Pal.com, Inc. v. Google, LLC Case No. 6-21-cv-667 in the United States District Court, Western District of Texas
On September 25, 2021, the Company filed a lawsuit in the US District Court, Western District of Texas, against Google LLC alleging infringement of U.S. Patent Nos. 8,630,234 and 10,880,721. On May 31, 2022, the Western District of Texas granted Facebook's motion to transfer the case to the Northern District of California. The case number is Case No. 3:22-cv-3199-JD. The case is pending.
- 6) VoIP-Pal.com, Inc. v. Amazon.com, Inc. et al. Case No. 6-21-cv-668 in the U.S. District Court, Western District of Texas
On September 25, 2021, the Company filed a lawsuit in the U.S. District Court, Western District of Texas, against Amazon and related entities alleging infringement of U.S. Patent Nos. 8,630,234 and 10,880,721. The case is pending.
- 7) VoIP-Pal.com, Inc. v. Verizon Comms., Inc. Case No. 6-21-cv-672 in the U.S. District Court, Western District of Texas
On September 25, 2021, the Company filed a lawsuit in the U.S. District Court, Western District of Texas, against Verizon and related entities alleging infringement of U.S. Patent Nos. 8,630,234 and 10,880,721. The case is pending.
- 8) VoIP-Pal.com, Inc. v. T-Mobile US, Inc. et al. Case No. 6-21-cv-668 in the U.S. District Court, Western District of Texas
On September 25, 2021, the Company filed a lawsuit in the U.S. District Court, Western District of Texas, against T-Mobile and related entities alleging infringement of U.S. Patent Nos. 8,630,234 and 10,880,721. The case is pending.
- 9) VoIP-Pal.com Inc v Samsung Electronics Co. et al Case No. 6-21-cv-1246 in U.S. District Court, Western District of Texas
On November 30, 2021, the Company filed a lawsuit in the U.S. District Court, Western District of Texas, against Samsung & related entities alleging infringement of U.S. Patent Nos. 8,630,234 & 10,880,721. The case is pending.

10) VoIP-Pal.com Inc v Huawei Technologies Co, Ltd. et al Case No. 6-21-cv-1247 in US District Court, Western District of Texas

On November 30, 2021, the Company filed a lawsuit in the U.S. District Court, Western District of Texas, against Huawei and related entities alleging infringement of U.S. Patent Nos. 8,630,234 and 10,880,721. On January 18, 2023, the Western District of Texas granted Huawei's motion to transfer the case to the Northern District of Texas. The case no. is 3:23-cv-00151. The case is pending.

11) Twitter, Inc. v. VoIP-Pal.com Inc. Case No. 3:21-cv-9773 in the U.S. District Court, Northern District of California

On December 17, 2021, Twitter filed a declaratory judgment lawsuit against the Company in the United States District Court, Northern District of California, alleging non-infringement of U.S. Patent Nos. 8,630,234 and 10,880,721. The case is pending.

Other Litigation

The Company is party to the following non-patent litigation case:

Locksmith Financial Corporation, Inc. et al. (Plaintiff(s)) v VoIP-Pal.com Inc. et al (Defendant(s)) (Case No A-20-807745-C) filed in Clark County District Court.

On January 1, 2020, the Plaintiffs filed suit in Nevada District Court claiming that they were owed 95,832,000 Voip-Pal common shares from a previous case involving the Plaintiff and the Defendant that had been through a jury trial in 2019, in which the jury had made an award to the Plaintiff that was monetary only, and did not include said shares - following the jury's decision in the 2019 trial, the Plaintiff accepted the award and waived their right to appeal. Voip-Pal vigorously disputed the Plaintiff's 2020 claims on the basis of claim preclusion (the 2020 claims were addressed in the previous action in 2019 and are now precluded); that Plaintiffs' claims are untimely, and that the Plaintiffs no longer have standing to bring their claims.

During the year ended September 30, 2022, the Court entered a judgment in favor of VoIP-Pal.com Inc and co-defendants, dismissing the 2020 case. The Plaintiffs filed an appeal with the Nevada Supreme Court.

During the six-month period ended March 31, 2023, following a hearing of the appeal, the Nevada Supreme Court ruled to reverse the lower court's judgment in favor of Voip-Pal and has ordered that the case be remanded back to the lower court for further proceedings. The Defendants (Voip-Pal et al) have filed a motion to the Supreme Court for reconsideration. The case is pending.

Item 1A. Risk Factors.

As a smaller reporting company, we are not required to provide the information required by this Item.

Item 2. Unregistered Sales of Equity Securities and Use of Proceeds.

The transactions described in this section were exempt from securities registration as provided by Section 4(a)(2) of the Securities Act for transactions not involving a public offering for sales within the United States and by Regulation S of the Securities Act for sales made outside of the United States.

During the quarterly period ended March 31, 2023, the Company issued:

- 347,570,000 common shares priced at \$0.005 per share for cash proceeds of \$1,872,850 from a private placement of common shares;
- 2,000,000 common shares priced at \$0.005 per share for services valued at \$10,000; and
- 121,611 preferred shares for services valued at \$12,161.

Item 3. Defaults Upon Senior Securities.

None.

Item 4. Mine Safety Disclosures.

Not applicable.

Item 5. Other Information.

None.

Item 6. Exhibits.

<u>Exhibit Number</u>	<u>Description of Exhibits</u>	
31.1	Rule 13a-14(a) Certification of CEO	Filed herewith
31.2	Rule 13a-14(a) Certification of CFO	Filed herewith
32.1	Section 1350 Certification	Filed herewith

SIGNATURES

In accordance with the requirements of the Exchange Act, the registrant caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

DATED: May 15, 2023

By: /s/Emil Malak
Emil Malak
Chief Executive Officer

DATED: May 15, 2023

By: /s/Kevin Williams
Kevin Williams
Chief Financial Officer

**CERTIFICATION
PURSUANT TO SECTION 13a-14
OF THE SECURITIES EXCHANGE ACT OF 1934, AS AMENDED**

I, Emil Malak, certify that:

1. I have reviewed this quarterly report on Form 10-Q of VoIP-Pal.com Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report; and
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report.
4. The registrant's other certifying officers and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f) for the registrant and have:
 - (a) designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - (b) designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of the financial reporting and the preparation of financial statements for external reporting purposes in accordance with generally accepted accounting principles;
 - (c) evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - (d) disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting.
5. The registrant's other certifying officers and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of registrant's board of directors (or persons performing the equivalent functions):
 - (a) all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - (b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: May 15, 2023

/s/ Emil Malak
Emil Malak
Chief Executive Officer

**CERTIFICATION
PURSUANT TO SECTION 13a-14
OF THE SECURITIES EXCHANGE ACT OF 1934, AS AMENDED**

I, Kevin Williams, certify that:

1. I have reviewed this quarterly report on Form 10-Q of VoIP-Pal.com Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report; and
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report.
4. The registrant's other certifying officers and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f) for the registrant and have:
 - (a) designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - (b) designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of the financial reporting and the preparation of financial statements for external reporting purposes in accordance with generally accepted accounting principles;
 - (c) evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - (d) disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting.
5. The registrant's other certifying officers and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of registrant's board of directors (or persons performing the equivalent functions):
 - (a) all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - (b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: May 15, 2023

/s/ Kevin Williams
Kevin Williams
Chief Financial Officer

CERTIFICATION PURSUANT TO 18 U.S.C. 1350

(As adopted pursuant to 906 of the Sarbanes-Oxley Act of 2002)

For the Quarterly Report of VoIP-Pal.com Inc. (the “*Company*”) on Form 10-Q for the period ending March 31, 2023 (the “*Report*”), the undersigned, in the capacities and on the date indicated below, hereby certifies that:

- (i) the Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934, and
- (ii) the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company as of and for the periods covered in the Report.

Date: May 15, 2023

By: /s/Emil Malak

Emil Malak

Chief Executive Officer

By: /s/Kevin Williams

Kevin Williams

Chief Financial Officer