Integrated Cyber Solutions Inc.

(Formerly 1332996 B.C. LTD.)

Financial Statements
(Expressed in Canadian Dollars)

For the period from incorporation on
November 12, 2021 to June 30, 2022

INDEPENDENT AUDITOR'S REPORT

To the Directors of
Integrated Cyber Solutions Inc. (Formerly 1332996 B.C. LTD.)

Opinion

We have audited the accompanying financial statements of Integrated Cyber Solutions Inc. (Formerly 1332996 B.C. LTD.) (the "Company"), which comprise the statement of financial position as at June 30, 2022, and the statements of loss and comprehensive loss, changes in shareholders' equity, and cash flows for the period from incorporation on November 12, 2021 to June 30, 2022, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, these financial statements present fairly, in all material respects, the financial position of the Company as at June 30, 2022, and its financial performance and its cash flows for the period from incorporation on November 12, 2021 to June 30, 2022, in accordance with International Financial Reporting Standards ("IFRS").

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 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 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 in our audit is sufficient and appropriate to provide a basis for our opinion.

Material Uncertainty Related to Going Concern

We draw attention to Note 1 of the financial statements, which indicates that events and conditions indicate 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.

Other Information

Management is responsible for the other information. The other information obtained at the date of this auditor's report includes Management's Discussion and Analysis.

Our opinion on the 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 financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

We obtained Management's Discussion and Analysis prior to the date of this auditor's report. 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. We have nothing to report in this regard.

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

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

In preparing the 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 Financial Statements

Our objectives are to obtain reasonable assurance about whether the 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 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 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 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 financial statements, including the disclosures, and whether the 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.

Davidson & Company LLP

Vancouver, Canada

Chartered Professional Accountants

July 7, 2023

Integrated Cyber Solutions Inc.
(Formerly 1332996 B.C. LTD)
Statement of Financial Position
As at June 30, 2022
(Expressed in Canadian dollars)

		As at June 30, 2022
Assets		
Current Assets		
Cash	$	**34,601**
Loan receivable (Note 7)		**129,515**
Total Assets	$	**164,116**
Liabilities and Shareholders' Equity		
Current Liabilities		
Accounts payable and accrued liabilities	$	**51,995**
Loan payable (Note 8)		**98,736**
		150,731
Shareholders' Equity		
Share capital (Note 6)		**502,550**
Reserves (Note 6)		**40,038**
Deficit		**(529,203)**
		13,385
Total Liabilities and Shareholders' Equity	$	**164,116**

Nature of business and continuing operations (Note 1)
Proposed Transaction (Note 14)
Subsequent Events (Note 15)

Approved on Behalf of the Board on June 30, 2023:

"Robert Bain"
Robert Bain – Director

"Jeri Dunn"
Jeri Dunn - Director

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

Integrated Cyber Solutions Inc.
(Formerly 1332996 B.C. LTD)
Statement of Loss and Comprehensive Loss
For the period from incorporation on November 12, 2021 to June 30, 2022
(Expressed in Canadian dollars)

		Period from incorporation on November 12, 2021 to June 30, 2021
Expenses		
Advisory fees (Note 9)	$	422,500
General and Admin fees		4,670
Professional fees		61,995
Share-based payments (Note 6)		40,038
		(529,203)
Loss and comprehensive loss for the period	$	(529,203)
Weighted average number of common shares outstanding – basic and diluted (Note 10)		15,661,087
Basic and diluted loss per share	$	(0.03)

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

Integrated Cyber Solutions Inc.
(Formerly 1332996 B.C. LTD)
Statement of Changes in Shareholders' Equity
For the period from incorporation on November 12, 2021 to June 30, 2022
(Expressed in Canadian dollars)

	Share Capital				Total Shareholders' Equity
	Number	**Amount**	**Reserves**	**Deficit**	
Balance, (incorporation) – November 12, 2021	**-**	**$ -**	**$ -**	**$ -**	**$ -**
Common shares issued	20,400,000	350,050	-	-	350,050
Common shares issued for services (Note 6,9)	3,050,000	152,500	40,038	-	192,538
Loss for the period	-	-	-	(529,203)	(529,203)
Balance, June 30, 2022	**23,450,000**	**$ 502,550**	**$ 40,038**	**$ (529,203)**	**$ 13,385**

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

Integrated Cyber Solutions Inc.
(Formerly 1332996 B.C. LTD)
Statement of Cash Flows
For the period from incorporation on November 12, 2021 to June 30, 2022
(Expressed in Canadian dollars)

		For the period from incorporation on November 12, 2021 to June 30, 2022
Cash provided by (used for):		
Operating Activities:		
Loss for the period	$	(529,203)
Items not involving cash:		
Common shares issued for services (Note 6,9)		152,500
Share-based payments (Note 6)		40,038
Net change in non-cash working capital items:		
Accounts payable and accrued liabilities		51,995
		(284,670)
Investing Activity:		
Loan receivable (Note 7)		(129,515)
		(129,515)
Financing Activity:		
Proceeds from share issuance (Note 6b)		350,050
Proceeds from loan payable (Note 8)		98,736
		448,786
Change in cash for the period		34,601
Cash, beginning of the period		-
Cash, end of the period	$	34,601
Supplemental information:		
Interest paid	$	-
Income taxes	$	-

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

1. NATURE OF BUSINESS AND CONTINUING OPERATIONS

Integrated Cyber Solutions Inc. (formerly 1332996 B.C. LTD) (the "Company" or "1332996 B.C. LTD.") was incorporated under the British Columbia Business Corporations Act on November 12, 2021. The Company's head office and records and registered office is located at 2600 – 1066 West Hastings Street Vancouver, BC V6E 3X1.

The Company is currently investigating and evaluating business opportunities to either acquire or in which to participate. On January 21, 2022 the Company entered into a proposed transaction, see Note 14.

The Company has an accumulated deficit of $529,203 as at June 30, 2022. The Company's ability to continue its operations is dependent upon identifying and acquiring an operating business, and obtaining additional financing sufficient to cover its operating costs. All the preceding indicates the existence of a material uncertainty that may cast substantial doubt about the Company's ability to continue as a going concern. These financial statements do not give effect to any adjustments which would be necessary should the Company be unable to continue as a going concern and therefore be required to realize its assets and discharge its liabilities in other than the normal course of business and at amounts different from those reflected in the accompanying financial statements.

2. STATEMENT OF COMPLIANCE

These financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and Interpretations issued by the International Financial Reporting Interpretations Committee ("IFRIC").

3. BASIS OF PRESENTATION

The financial statements have been prepared on a historical cost basis, except for financial instruments classified as financial instruments at fair value through profit or loss, which are stated at their fair value. The financial statements are presented in Canadian dollars, which is also the functional currency of the Company. In addition, the financial statements have been prepared using the accrual basis of accounting except for cash flow information. The preparation of financial statements in compliance with IFRS requires management to make certain critical accounting estimates. It also requires management to exercise judgment in applying the Company's accounting policies. The areas involving a higher degree of judgement of complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in.

4. SIGNIFICANT ACCOUNTING POLICIES

(a) Income taxes

Income tax is recognized in profit or loss except to the extent that it relates to items recognized in other comprehensive income or loss or directly in equity, in which case it is recognized in other comprehensive income or loss or 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 regards to previous years.

Deferred tax is recognized in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes.

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 end of the reporting period applicable to the period of expected realization or settlement.

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 set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same tax authority and the group intends to settle its current tax assets and liabilities on a net basis.

(b) Share capital

Common shares are classified as shareholders' equity. Transaction costs directly attributable to the issue of common shares and share purchase options are recognized as a deduction from equity, net of any tax effects.

(c) Basic and diluted loss per share

The Company presents basic and diluted loss per share data for its common shares, calculated by dividing the loss attributable to common shareholders of the Company by the weighted average number of common shares outstanding during the year. Diluted loss per share does not adjust the loss attributable to common shareholders or the weighted average number of common shares outstanding when the effect is anti-dilutive. Contingently issuable shares are not considered outstanding common shares and consequently are not included in loss per share calculations.

(d) Financial instrument measurement and valuation

Financial instruments measured at fair value are classified into one of three levels in the fair value hierarchy according to the relative reliability of the inputs used to estimate the fair values. The three levels of the fair value hierarchy are:

Level 1	Unadjusted quoted prices in active markets for identical assets or liabilities;
Level 2	Inputs other than quoted prices that are observable for the assets or liability either directly or indirectly; and
Level 3	Inputs that are not based on observable market data.

The measurement of the Company's financial instruments is disclosed in Note 13 to these financial statements. Any financial instrument that is valued using level 2 or 3 inputs will involve estimation uncertainty.

Financial assets

The Company classifies its financial assets in the following categories: at fair value through profit or loss ("FVTPL"), at fair value through other comprehensive income ("FVTOCI") or at amortized cost. The determination of the classification of financial assets is made at initial recognition. Equity instruments that are held for trading (including all equity derivative instruments) 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.

The Company's accounting policy for each of the categories is as follows:

Financial assets at FVTPL: Financial assets carried at FVTPL are initially recorded at fair value and transaction costs are expensed to profit or loss. Realized and unrealized gains and losses arising from changes in the fair value of the financial assets held at FVTPL are included in profit or loss in the period.

Financial assets at FVTOCI: 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 arising from changes in fair value recognized in other comprehensive income (loss) in which they arise.

Financial assets at amortized cost: A financial asset is measured at amortized cost if the objective of the business model is to hold the financial asset for the collection of contractual cash flows, and the asset's contractual cash flows are comprised solely of payments of principal and interest. They are classified as current assets or non-current assets based on their maturity date and are initially recognized at fair value and subsequently carried at amortized cost less any impairment.

Impairment of financial assets at amortized cost: The Company assesses all information available, including on a forward-looking basis, the expected credit losses associated with its assets carried at amortized cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk. To assess whether there is a significant increase in credit risk, the Company compares the risk of a default occurring on the asset as the reporting date, with the risk of default as at the date of initial recognition, based on all information available, and reasonable and supportive forward-looking information.

Financial liabilities and equity: Debt and equity instruments are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangement. An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued are recorded at the proceeds received, net of direct issue costs.

(e) Critical accounting estimates and judgements

The preparation of financial statements requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, 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 at the time such estimate or assumption is made. Actual results may differ from these estimates.

Estimates and underlying assumptions used in determining asset and liability values are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

Information about critical accounting estimates and judgments in applying accounting policies that have the most significant risk of causing material adjustment to the carrying amounts of assets and liabilities recognized in the financial statements are discussed below:

Judgements

Going Concern

The preparation of the financial statements requires management to make judgments regarding the going concern of the Company.

Estimates

Deferred tax assets and liabilities

The estimation of income taxes includes evaluating the recoverability of deferred tax assets based on an assessment of the Company's ability to utilize the underlying future tax deductions against future taxable income prior to expiry of those deductions. Management assesses whether it is probable that some or all the deferred income tax assets will not be realized. The ultimate realization of deferred tax assets is dependent upon the generation of future taxable income. To the extent that management's assessment of the Company's ability to utilize future tax deductions changes, the Company would be required to recognize more or fewer deferred tax assets, and future income tax provisions or recoveries could be affected.

5. 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. Related parties may be individuals or corporate entities. A transaction is considered to be a related party transaction when there is a transfer of resources or obligations between related parties.

During the period from incorporation on November 12, 2021, to June 30, 2022, the Company incurred advisory fees of $60,000 to Strategic Investments LLC, a significant shareholder who is considered a related party. As of June 30, 2022, there was a loan of $80,000 USD received from Strategic Investments LLC (Note 8).

The Company also has loans receivable outstanding (Note 7) from Integrated Cyber Solutions LLC ("ICS"), with whom a Share Exchange Agreement was executed subsequent to year end (Note 14).

Key management personnel include persons having the authority and responsibility for planning, directing, and controlling the activities of the Company as a whole. The Company has identified its directors and certain senior officers as its key management personnel and the compensation costs for key management personnel and companies related to them are recorded at their exchange amounts as agreed upon by transacting parties.

During the period from incorporation on November 12, 2021 to June 30, 2022, $nil was recorded as compensation costs for key management personnel and companies related to them.

6. SHARE CAPITAL

(a) Authorized

Unlimited number of common and preferred shares without par value.

(b) Issued and outstanding

On November 12, 2021 the Company issued 500,000 common shares at $0.0001 per share.

(Expressed in Canadian dollars)

On December 14, 2021 the Company issued 12,000,000 units at a price per unit of $0.005. Each unit comprised of one common Share and one-half of one common share purchase warrant. Each warrant is exercisable to acquire one common Share at a price of $0.10 per share until December 14, 2026 (Note 6c). The value of the issued warrants are $nil.

On February 25, 2022 the Company issued 7,000,000 common shares at $0.02 per share.

On April 20, 2022 the Company paid to Alke Capital Limited a commitment fee of 3,050,000 common shares at $0.05 per share (Note 9) and issued 1,657,500 common share purchase warrants. The warrants will be exercisable by Alke for three years from the date of issuance to April 20, 2025 at a price per share equal to $0.10 (Note 6c). The value of the issued warrants are $40,038. The following weighted-average assumptions have been used for the Black-Scholes valuation for the warrants granted: share price - $0.05; risk-free interest rate – 1.5%; expected life – 3; expected volatility – 100% and expected dividends – nil.

On May 16, 2022 the Company issued 300,000 common shares at $0.10 per share.

On June 20, 2022 the Company issued 600,000 common shares at $0.20 per share.

As at June 30, 2022, the issued share capital was comprised of 23,450,000 common shares.

	Number of Shares	**Amount**
		$
Balance, (incorporation) November 12, 2021	**-**	**-**
November 12, 2021 – share issuance	500,000	50
December 14, 2021 – share issuance	12,000,000	60,000
February 25, 2022 – share issuance	7,000,000	140,000
April 20, 2022 – share issuance for services	3,050,000	152,500
May 16, 2022 – share issuance	300,000	30,000
June 20, 2022 – share issuance	600,000	120,000
Balance, June 30, 2022	**23,450,000**	**502,550**

(c) Warrants

A summary of the Company’s warrant activity is as follows:

	Number of warrants	**Weighted Average Exercise Price**
Balance, November 12, 2021	-	$ -
Granted	7,657,500	0.10

(Expressed in Canadian dollars)

Balance, June 30, 2022	**7,657,500**	**$0.10**

As at June 30, 2022, outstanding warrants were as follows:

Grant Date	Number of warrants outstanding and exercisable	Exercise Price	Expiry date	Remaining contractual life (years)
December 14, 2021	6,000,000	$0.10	December 14, 2026	4.46
April 20, 2022	1,657,500	$0.10	April 20, 2025	2.81
Total	**7,657,500**	**$0.10**		

(d) Options

On May 23, 2022, the Company adopted a stock option plan (the "Stock Option Plan") whereby it can grant incentive stock options to directors, officers, employees, and consultants of the Company. The maximum number of shares that may be reserved for issuance under the Stock Option Plan is limited to 10% of the issued and outstanding common shares of the Company at any time. The vesting period for all options is at the discretion of the Board of Directors. The exercise price will be set by the Board of Directors at the time of grant and cannot be lower than the exercise price permitted by the Canadian Securities Exchange.

The Stock Option Plan provides that the number of common shares that may be reserved for the issuance to any one individual upon exercise of all stock options held by such an individual may not exceed 5% of the issued and outstanding common shares, if the individual is a director or officer, or 2% of the issued and outstanding common shares, if the individual is a consultant or engaged in providing investor relations services, on a yearly basis. All options granted under the Stock Option Plan will expire on the date stipulated in the award agreement and the duration of the option cannot exceed the maximum term permitted by the Exchange. Options terminate as follows: (i) immediately in the event of dismissal with cause; (ii) 90 days from date of termination other than for cause for all Participants other than persons providing investor relation services, whose options will terminate within 30 days of termination other than for cause; or (iii) one year from the date of death or disability. Options granted under the Stock Option Plan are not transferable or assignable other than by will or other testamentary instrument or pursuant to the laws of succession or to a wholly-owned holding company of the Participant.

A summary of the Company's stock option activity is as follows:

	Number of Options	Weighted Average Exercise Price
Balance, November 12, 2021	-	$ -
Granted	200,000	0.30

(Expressed in Canadian dollars)

Balance, June 30, 2022	**200,000**	**$0.30**

As at June 30, 2022, outstanding options were as follows:

Grant Date	Number of options outstanding	Number of options exercisable	Exercise Price	Expiry date	Remaining contractual life (years)
June 6, 2022	200,000	0	$0.30	June 6, 2027	4.94
Total	**200,000**	**0**	**$0.30**		

On June 6, 2022, the Company issued 200,000 stock options to various directors at an exercise price of $0.30 of which all options vest on June 6, 2023 and expire on June 6, 2027. The following weighted-average assumptions have been used for the Black-Scholes valuation for the stock options granted: share price - $0.10; risk-free interest rate – 2.85%; expected life – 5; expected volatility – 100% and expected dividends – nil.

7. LOAN RECIEVABLE

On March 31, 2022 the Company entered into a loan agreement to advance $100,000 United States Dollars (“USD”) to Integrated Cyber Solutions LLC (See Note 14). The loan is interest free until its maturity date of December 31, 2022, after which point it accrues interest rate of 10% per annum. In addition, there was another loan extended for $34,839 USD on February 13, 2023, with a maturity date of December 31, 2023. This loan accrues the same 10% post-maturity rate for interest.

8. LOAN PAYABLE

On April 1, 2022 the Company entered into a loan agreement to borrow $80,000 USD from a related party. The loan is interest free until its maturity date of December 31, 2022, after which point it accrues interest rate of 10% per annum.

9. INVESTMENT AND ADVISORY AGREEMENT

On April 15, 2022 the Company and Alke Capital Limited ("Alke") entered into the investment and advisory agreement (the "Alke Agreement"). Pursuant to the Alke Agreement, Alke will (a) provide certain advisory services to the Company, ("Alke Advisory Services"), and (b) make available to the Company a non-revolving equity drawdown facility in the aggregate amount of up to $5,000,000 (the "Funding Commitment").

The Funding Commitment is for an aggregate amount of $5,000,000 and a term of three years. In addition, the Company may use the Funding Commitment as security, with the consent of Alke, to secure additional financing avenues if it so chooses. Upon listing of its common shares on the

(Expressed in Canadian dollars)

Canadian Stock Exchange (the "Listing") and under the terms of the Alke Agreement, the Company can immediately start drawing down funds from the $5,000,000 Funding Commitment during the three-year term at the Company's discretion by providing a notice to Alke (an "Alke Drawdown Notice").

The Alke Advisory Services include (a) advisory services with respect to general corporate and public company matters; (b) assistance in identifying strategic investment opportunities for the Company; and (c) such other services as agreed to by the Company and Alke in writing from time-to-time. The Alke Advisory Services provided by Alke including compensation related to any specific services to the Company pursuant to the Alke Agreement will be on a project specific basis. In connection with the provision of the Alke Advisory Services, the Company paid an initial fee of $2,500, paid by issuance of 50,000 shares at $0.05 per share.

Additionally, the Company paid to Alke a commitment fee of $150,000, equal to 3.0% of the Funding Commitment, paid by issuance of 3,000,000 shares at $0.05 per share, and issued 1,657,500 common share purchase warrants. The warrants will be exercisable by Alke for three years from the date of issuance to April 20, 2025 at a price per share equal to $0.10. Moreover, in the event that the Shares of the Company become listed for trading on a recognized stock exchange in North America then the Company will issue additional warrants to Alke equal up to 8.5% less the 1,657,500 common share purchase warrants of the total issued and outstanding Shares on an undiluted basis immediately following Listing ("Top-Up Warrants"). The Top-Up Warrants will be on the same terms and conditions as the initial common share purchase warrants issued to Alke. The Top-Up Warrants were issued subsequent to June 30, 2022 (Note 15).

10. BASIC AND DILUTED LOSS PER SHARE

The calculation of basic and diluted loss per share for the period ended June 30, 2022 was based on the loss attributable to common shareholders of $529,203 and the weighted average number of common shares outstanding of 15,661,087.

11. INCOME TAXES

The following table reconciles the amount of income tax recoverable on application of the combined statutory Canadian federal and provincial income tax rates:

	2022
Loss before income taxes	**$ (529,203)**
Expected income tax (recovery) at statutory rates	**$ (143,000)**
Change in unrecognized deductible temporary differences	**143,000**
Income tax expense (recovery)	**$ -**

(Expressed in Canadian dollars)

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

	2022
Deferred tax assets (liabilities)	
Non-capital losses available for future periods	**143,000**
Unrecognized deferred tax assets	**(143,000)**
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 on the Company's statement of financial position are as follows:

	2022	Expiry Date
Temporary Differences	**$**	
Non-capital losses available for future periods	529,000	2042

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

12. MANAGEMENT OF CAPITAL

The Company defines capital as consisting of shareholder's equity (comprised of issued share capital, share-based payment reserve, and deficit). Management's objective is to provide investment management services to shareholders which includes investing in marketable securities for the purpose of returns in the form of investment income and capital appreciation, as well as the ability to meet its on-going operational obligations as they become due.

The Company manages its capital structure to maximize its financial flexibility making adjustments to it in response to changes in economic conditions and the risk characteristics of the underlying assets and business opportunities. The Company does not presently utilize any quantitative measures to monitor its capital, but rather 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 relative size of the Company, is reasonable. As at June 30, 2022 the Company is not subject to any externally imposed capital requirements or debt covenants.

13. FINANCIAL INSTRUMENTS

The Company is exposed in varying degrees to a variety of financial instrument related risks. The Board of Directors approves and monitors the risk management processes. The type of risk exposure and the way in which such exposure is managed is provided as follows:

Market Risk

Market risk is the risk that the fair value or future cash flows from a financial instrument will fluctuate because of changes in market prices or prevailing conditions. Market risk comprises three types of risk: currency risk, interest rate risk and other price risk and are disclosed as follows:

(i) Currency risk
Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Company holds an immaterial USD cash balance, and has loans receivable and payable which are denominated in USD, and is therefore exposed to fluctuations between the USD and the Canadian dollar. This exposure is not considered material.

(ii) Interest rate risk
Interest rate risk is the risk that the fair value or future cash flows will fluctuate as a result of changes in interest rates. The Company's sensitivity to interest rates relative to its cash balances is currently immaterial. The Company also has no long-term debt with variable interest rates, so it has no negative exposure to changes in the market interest rate.

(iii) Price rate risk
The Company has no exposure to price risk with respect to equity prices as the Company is not listed. 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.

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. The Company's maximum exposure to credit risk is attributable to its cash and loan receivable. The Company limits the exposure to credit risk by only storing its cash with high-credit quality financial institutions. The Company's loan receivable would be subject to moderate collection risk if the proposed transaction (Note 14) did not complete. Management believes that the credit risk is acceptably low.

Liquidity Risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they become due. At June 30, 2022, the Company has a cash balance of $34,601 to settle current liabilities of $150,731. As such, the Company has insufficient cash to fund corporate overhead costs for the next year.

The Company likely has insufficient funds from which to finance any identified business acquisition and as such will require additional financing to accomplish the Company's long-term strategic objectives. Future funding may be obtained by means of issuing share capital and/or debt financing. There can be no certainty of the Company's ability to raise additional financing through these means.

If the Company is unable to continue to finance itself through these means, it is possible that the Company will be unable to continue as a going concern. Consequently, the Company is exposed to liquidity risk as at June 30, 2022.

Fair Value Measurements

The Company does not have any financial instruments at fair value.

As at June 30, 2022 the Company's financial instruments consist of cash, loan receivable, accounts payable and accrued liabilities, and loan payable. Cash and loan receivable are classified as amortized cost. Accounts payable and accrued liabilities and loan payable are classified as financial liabilities at amortized cost. The fair values of these financial instruments approximate their carrying values because of their short-term nature.

14. PROPOSED TRANSACTION

On January 21, 2022 the Company signed a Share Purchase Agreement ("SPA") with Integrated Cyber Solutions LLC ("ICS"), further amended on August 15, 2022, November 14, 2022, and February 27, 2023, by which the Company would acquire all of the issued and outstanding shares of ICS in exchange for 32,280,000 common shares of the Company, once the Company has been approved for listing on the Canadian Stock Exchange.

On May 12, 2023, the closing condition for the Company to have listed on the CSE was waived, and the SPA was executed (Note 15).

15. SUBSEQUENT EVENTS

On July 1, 2022 the Company appointed Jeri Dunn as a director of the Company and issued 150,000 stock options to her exercisable 12 months from the date of her appointment at an exercise price of $0.30. The options have an expiry date of July 1 2027.

On July 1, 2022 the Company issued 100,000 stock options to Rob Bain a director of the company. The stock options vest once the Company has listed its shares on the Canadian Stock exchange at an exercise price of $0.30, they have an expiry date of July 1, 2027.

In February 2023, the Company issued 485,676 special warrants at a price of $0.25, resulting in gross proceeds of $121,419. Each warrant can be exercised to acquire one unit of the Company, consisting of one common share and one purchase warrant. The purchase warrant entitles the holder to acquire one warrant share at a price of $0.30 for a period of two years from the date of listing the Company's securities on a recognized Canadian securities exchange. On May 9, 2023, the special warrants were converted into units, for no additional consideration.

Additionally, on May 9, 2023, the Company completed a private placement of 280,000 units at a price of $0.25 per unit, resulting in gross proceeds of $70,000. Each unit consists of one common share and one-half of one common share purchase warrant. As part of the unit subscription agreements, each unit warrant entitles the holder to acquire one common share at a price of $0.25 per unit warrant for a period of five years from the date of the Company's securities being listed on a recognized Canadian securities exchange.

On May 12, 2023, the SPA was executed, the Company changed its name from 1332996 B.C. Ltd., and issued 32,280,000 common shares to ICS. The Company also issued an additional 3,144,632 Top-Up Warrants (Note 9) such that Alke holds 4,802,132 Company Warrants, reflecting 8.5% of the total issued and outstanding Common Shares as of May 12, 2023.

On May 29, 2023, the loan payable agreement (Note 8) was amended to mature on December 31, 2024. Additionally, it can now be converted into units of the company at $0.25 per unit, with each unit consisting of one common share and one common share purchase warrant exercisable at $0.50 for a period of 24 months.