

Verify Smart Corp.

40 Hillside Ave
Mahwah NJ 07430

(973) 897-6294
www.verifysmart.net
info@verifysmartcorp.com

Annual Report

For the period ending 06/30/2024

Outstanding Shares

The number of shares outstanding of our Common Stock was:

227,948,748 as of 06/30/2024 *(Current Reporting Period Date or More Recent Date)*

226,948,748 as of 06/30/2023 *(Most Recent Completed Fiscal Year End)*

Shell Status

Indicate by check mark whether the company is a shell company (as defined in Rule 405 of the Securities Act of 1933, Rule 12b-2 of the Exchange Act of 1934 and Rule 15c2-11 of the Exchange Act of 1934):

Yes: No:

Indicate by check mark whether the company's shell status has changed since the previous reporting period:

Yes: No:

Change in Control

Indicate by check mark whether a Change in Control⁴ of the company has occurred during this reporting period:

Yes: No:

1) Name and address(es) of the issuer and its predecessors (if any)

⁴ "Change in Control" shall mean any events resulting in:

- (i) Any "person" (as such term is used in Sections 13(d) and 14(d) of the Exchange Act) becoming the "beneficial owner" (as defined in Rule 13d-3 of the Exchange Act), directly or indirectly, of securities of the Company representing fifty percent (50%) or more of the total voting power represented by the Company's then outstanding voting securities;
- (ii) The consummation of the sale or disposition by the Company of all or substantially all of the Company's assets;
- (iii) A change in the composition of the Board occurring within a two (2)-year period, as a result of which fewer than a majority of the directors are directors immediately prior to such change; or
- (iv) The consummation of a merger or consolidation of the Company with any other corporation, other than a merger or consolidation which would result in the voting securities of the Company outstanding immediately prior thereto continuing to represent (either by remaining outstanding or by being converted into voting securities of the surviving entity or its parent) at least fifty percent (50%) of the total voting power represented by the voting securities of the Company or such surviving entity or its parent outstanding immediately after such merger or consolidation.

The current name of the issuer is Verify Smart Corp. (the "Issuer" or the "Company"). The name of the Issuer was changed from Treasure Explorations Inc. to Verify Smart Corp. on 3/19/09.

Current State and Date of Incorporation or Registration: Nevada 05/31/2006

Standing in this jurisdiction: (e.g. active, default, inactive): Active

Prior Incorporation Information for the issuer and any predecessors during the past five years:

None

Describe any trading suspension or halt orders issued by the SEC or FINRA concerning the issuer or its predecessors since inception:

None

List any stock split, dividend, recapitalization, merger, acquisition, spin-off, or reorganization either currently anticipated or that occurred within the past 12 months:

None

Address of the issuer's principal executive office:

40 Hillside Ave Mahwah NJ 07430

Address of the issuer's principal place of business:

Check if principal executive office and principal place of business are the same address:

Has the issuer or any of its predecessors been in bankruptcy, receivership, or any similar proceeding in the past five years?

No: Yes: If Yes, provide additional details below:

2) Security Information

Transfer Agent

Name: Transfer Online, Inc.
Phone: (503) 227-2950
Email: info@transferonline.com
Address: 512 SE Salmon St. Portland, OR 97214

Publicly Quoted or Traded Securities:

The goal of this section is to provide a clear understanding of the share information for its publicly quoted or traded equity securities. Use the fields below to provide the information, as applicable, for all outstanding classes of securities that are publicly traded/quoted.

Trading symbol:	VSMR
Exact title and class of securities outstanding:	Common
CUSIP:	92346H102
Par or stated value:	\$.001

Total shares authorized: 250,000,000 as of date: 06/30/2024
Total shares outstanding: 227,948,748 as of date: 06/30/2024
Total number of shareholders of record: 145 as of date: 06/30/2024

Please provide the above-referenced information for all other publicly quoted or traded securities of the issuer.

None

Other classes of authorized or outstanding equity securities that do not have a trading symbol:

The goal of this section is to provide a clear understanding of the share information for its other classes of authorized or outstanding equity securities (e.g., preferred shares that do not have a trading symbol). Use the fields below to provide the information, as applicable, for all other authorized or outstanding equity securities.

Exact title and class of the security: _____
Par or stated value: _____
Total shares authorized: _____ as of date: _____
Total shares outstanding: _____ as of date: _____
Total number of shareholders of record: _____ as of date: _____

Please provide the above-referenced information for all other classes of authorized or outstanding equity securities.

Security Description:

The goal of this section is to provide a clear understanding of the material rights and privileges of the securities issued by the company. Please provide the below information for each class of the company's equity securities, as applicable:

1. For common equity, describe any dividend, voting and preemption rights.

Each Stockholder shall have one vote for every share of stock having voting rights registered in his name on the record date for the meeting

2. For preferred stock, describe the dividend, voting, conversion, and liquidation rights as well as redemption or sinking fund provisions.

None

3. Describe any other material rights of common or preferred stockholders.

None

4. Describe any material modifications to rights of holders of the company's securities that have occurred over the reporting period covered by this report.

None

3) Issuance History

Disclosure under this item shall include, in chronological order, all offerings and issuances of securities, including debt convertible into equity securities, whether private or public, and all shares, or any other securities or options to acquire such securities, issued for services. Using the tabular format below, please describe these events.

A. Changes to the Number of Outstanding Shares for the two most recently completed fiscal years and any subsequent period.

Indicate by check mark whether there were any changes to the number of outstanding shares within the past two completed fiscal years:

No: Yes: (If yes, you must complete the table below)

Shares Outstanding <u>Opening Balance</u> :			*Right-click the rows below and select "Insert" to add rows as needed.						
Date <u>06/30/2022</u>	Common: 188,468,748								
	Preferred: _____								
Date of Transaction	Transaction type (e.g., new issuance, cancellation, shares returned to treasury)	Number of Shares Issued (or cancelled)	Class of Securities	Value of shares issued (\$/per share) at Issuance	Were the shares issued at a discount to market price at the time of issuance? (Yes/No)	Individual/ Entity Shares were issued to. ***You must disclose the control person(s) for any entities listed.	Reason for share issuance (e.g. for cash or debt conversion) -OR- Nature of Services Provided	Restricted or Unrestricted as of this filing.	Exemption or Registration Type.
11/14/2022	New	2,000,000	Common	\$.001	Yes	Annamarie Seabright	Employment Contract	Restricted	Section 4(a)(2) of the Securities Act
11/14/2022	New	1,000,000	Common	.001	Yes	Zimmerman Law Group JM Zimmerman	Retainer Legal Services	Restricted	Section 4(a)(2) of the Securities Act
11/15/2022	New	1,000,000	Common	.001	Yes	Randy & Edna Moseley	Employment	Restricted	Section 4(a)(2) of the Securities Act
11/30/2022	New	100,000	Common	.15	No	Mark Torres	PPM	Restricted	Section 4(a)(2) of the Securities Act
12/12/2022	New	15,800,000	Common	.10	No	Perseverance Capital Partner, LLC, Richard Halden	Consulting Contract	Restricted	Section 4(a)(2) of the Securities Act
01/30/2023	New	250,000	Common	.001	Yes	Jeffrey Stein, Esq	Retainer Legal Services	Restricted	Section 4(a)(2) of the Securities Act
01/30/2023	New	1,000,000	Common	.001	Yes	Adam Becker	Employment Contract	Restricted	Section 4(a)(2) of the Securities Act
01/30/2023	New	1,000,000	Common	.001	Yes	Anastasia Giourgias	Employment Contract	Restricted	Section 4(a)(2) of the Securities Act
02/11/2023	New	4,080,000	Common	.0125	No	Roland Violette	PPM	Restricted	Section 4(a)(2) of the Securities Act

04/30/2023	New	250,000	Common	.001	Yes	Jeffrey Stein, Esq	Retainer Legal Services	Restricted	Section 4(a)(2) of the Securities Act
06/23/2023	New	4,000,000	Common	.001	Yes	Annamarie Seabright	Employment Contract	Restricted	Section 4(a)(2) of the Securities Act
06/23/2023	New	4,000,000	Common	.001	Yes	Zimmerman Law Group JM Zimmerman	Retainer Legal Services	Restricted	Section 4(a)(2) of the Securities Act
06/23/2023	New	2,000,000	Common	.001	Yes	Sandy Manata	Director Compensation	Restricted	Section 4(a)(2) of the Securities Act
06/23/2023	New	2,000,000	Common	.001	Yes	Anthony Lalley	Director Compensation	Restricted	Section 4(a)(2) of the Securities Act
08/15/2023	New	750,000	Common	.001	Yes	Jeffrey Stein, Esq	Retainer Legal Services	Restricted	Section 4(a)(2) of the Securities Act
12/18/2023	New	250,000	Common	.001	Yes	Jeffrey Stein, Esq	Retainer Legal Services	Restricted	Section 4(a)(2) of the Securities Act

Shares Outstanding on Date of This Report:

Ending Balance:

Date 06/30/2024 Common: 227,948,748

Preferred: _____

Example: A company with a fiscal year end of December 31st 2023, in addressing this item for its Annual Report, would include any events that resulted in changes to any class of its outstanding shares from the period beginning on January 1, 2022 through December 31, 2023 pursuant to the tabular format above.

*****Control persons for any entities in the table above must be disclosed in the table or in a footnote here.**

Use the space below to provide any additional details, including footnotes to the table above:

B. Promissory and Convertible Notes

Indicate by check mark whether there are any outstanding promissory, convertible notes, convertible debentures, or any other debt instruments that may be converted into a class of the issuer's equity securities:

No: Yes: (If yes, you must complete the table below)

Date of Note Issuance	Outstanding Balance (\$)	Principal Amount at Issuance (\$)	Interest Accrued (\$)	Maturity Date	Conversion Terms (e.g. pricing mechanism for determining conversion of instrument to shares)	Name of Noteholder. *** You must disclose the control person(s) for any entities listed.	Reason for Issuance (e.g. Loan, Services, etc.)
_____	_____	_____	_____	_____	_____	_____	_____

*****Control persons for any entities in the table above must be disclosed in the table or in a footnote here.**

Use the space below to provide any additional details, including footnotes to the table above:

4) Issuer's Business, Products and Services

The purpose of this section is to provide a clear description of the issuer's current operations.

A. Summarize the issuer's business operations (If the issuer does not have current operations, state "no operations").

Licensing of patents, acquiring similar technology patents, partnering and developing software with other companies.

B. List any subsidiaries, parent company, or affiliated companies.

Stewart IT Services (Sole Proprietorship)

C. Describe the issuers' principal products or services.

The Company has exclusive global licensing rights for Two Factor Authentication patents (Verifying a User in an Electronic Transaction) in the United States, Canada, South Korea as well as the corresponding Trademarks i.e., 2FA, 2PA and MFA, Two-Factor Authentication, Two-Part Authentication, and Multi-Factor Authentication

The Company has licensed the patented technology to multiple Financial Institutions, Telecommunications Companies, Crypto Currency Companies, including Microsoft.

The Company actively seeks to protect infringement by third parties on these patents and Trademarks.

5) Issuer's Facilities

In responding to this item, please clearly describe the assets, properties or facilities of the issuer. Describe the location of office space, data centers, principal plants, and other property of the issuer and describe the condition of the properties. Specify if the assets, properties, or facilities are owned or leased and the terms of their leases. If the issuer does not have complete ownership or control of the property, describe the limitations on the ownership.

The Company owns global licensing rights to Two Factor Authentication Patents in the United States, Canada and South Korea. The Company does not own or lease any properties.

6) All Officers, Directors, and Control Persons of the Company

Using the table below, please provide information, as of the period end date of this report, regarding all officers and directors of the company, or any person that performs a similar function, regardless of the number of shares they own.

In addition, list all individuals or entities controlling 5% or more of any class of the issuer's securities.

If any insiders listed are corporate shareholders or entities, provide the name and address of the person(s) beneficially owning or controlling such corporate shareholders, or the name and contact information (City, State) of an individual representing the corporation or entity. Include Company Insiders who own any outstanding units or shares of any class of any equity security of the issuer.

The goal of this section is to provide investors with a clear understanding of the identity of all the persons or entities that are involved in managing, controlling or advising the operations, business development and disclosure of the issuer, as well as the identity of any significant or beneficial owners.

Names of All Officers, Directors, and Control Persons	Affiliation with Company (e.g. Officer Title /Director/Owner of 5% or more)	Residential Address (City / State Only)	Number of shares owned	Share type/class	Ownership Percentage of Class Outstanding	Names of control person(s) if a corporate entity
LVP Consulting Corp.	Owner of more than 5%	290 Pittstown RD Pittstown NJ 08867	30,000,000	Common Stock	13.16%	Lou Pingitore
CKEC Trust	Owner of more than 5%	40 Hillside Ave Mahwah NJ 07430	35,000,000	Common Stock	15.35%	Noreen Cinotti
Roland Violette	Owner of more than 5%	275 Park Ave East Hartford CT 06108	24,780,000	Common Stock	10.87%	
Anthony Cinotti	Director	40 Hillside Ave Mahwah NJ 07430	0	Common Stock	0	
Sandy Manata	Director	26 Cook Road East Brunswick, NJ 08816	4,500,000	Common Stock	1.97%	
Anthony Lalley	Director	44 Courter Road Franklin Lakes, NJ 07417	2,050,000	Common Stock	0.90%	
Annamarie Seabright	CCO	31214 Sunningdale Dr. Temecula, CA 92591	6,000,000	Common Stock	2.63%	
Adam Becker	CCO	65 Birchbrook Dr. Smithtown New York 117876	1,000,000	Common Stock	0.044%	
Anastasia Giourgias	CMO	31214 Sunningdale Dr Temecula, CA 92591	1,000,000	Common Stock	0.044%	
Stewart Goodin	Director, CTO	6582 Holly Park Drive Delta B.C, V4K 4Y7	250,000	Common Stock	0.001%	

Greg Barna	Director	80 15TH ST. TOMS RIVER, NJ 08753-2458	5,000,000	Common Stock	2.19%	
Donald Edward Williams JR.	Director	2405 WHITEHALL CIR WINTER PARK, FL 32792- 4752	1,800,000 (2)	Common Stock	0.079%	
James Rose	Director	6317 ESTATES LN. FORT WORTH TX 76137	500,000 (1)	Common Stock	0.002%	
Jay Gentry	Director	2006 HWY 570 EASTLAND TX 76448	250,000(1)(2)	Common Stock	0.001%	

(1) Figures obtained from Shareholder list provided by transfer agent for Company.

(2) Does not include shares of common stock owned by Perseverance Capital Partner, LLC.

7) Legal/Disciplinary History

A. Identify and provide a brief explanation as to whether any of the persons or entities listed above in Section 6 have, in the past 10 years:

1. Been the subject of an indictment or conviction in a criminal proceeding or plea agreement or named as a defendant in a pending criminal proceeding (excluding minor traffic violations);

No

2. Been the subject of the entry of an order, judgment, or decree, not subsequently reversed, suspended or vacated, by a court of competent jurisdiction that permanently or temporarily enjoined, barred, suspended or otherwise limited such person's involvement in any type of business, securities, commodities, financial- or investment-related, insurance or banking activities;

No

3. Been the subject of a finding, disciplinary order or judgment by a court of competent jurisdiction (in a civil action), the Securities and Exchange Commission, the Commodity Futures Trading Commission, a state securities regulator of a violation of federal or state securities or commodities law, or a foreign regulatory body or court, which finding or judgment has not been reversed, suspended, or vacated;

No

4. Named as a defendant or a respondent in a regulatory complaint or proceeding that could result in a "yes" answer to part 3 above; or

No

5. Been the subject of an order by a self-regulatory organization that permanently or temporarily barred, suspended, or otherwise limited such person's involvement in any type of business or securities activities.

No

6. Been the subject of a U.S Postal Service false representation order, or a temporary restraining order, or preliminary injunction with respect to conduct alleged to have violated the false representation statute that applies to U.S mail.

No

B. Describe briefly any material pending legal proceedings, other than ordinary routine litigation incidental to the business, to which the issuer or any of its subsidiaries is a party to or of which any of their property is the subject. Include the name of the court or agency in which the proceedings are pending, the date instituted, the principal parties thereto, a description of the factual basis alleged to underlie the proceeding and the relief sought. Include similar information as to any such proceedings known to be contemplated by governmental authorities.

On June 17, 2023 the Company filed suit in the United States District Court for The District Of New Jersey vs Perseverance Capital Partner, LLC et. al. claiming that the defendants breached their contracts with the Company, fraud, defamation and tortious interference with the business of the Company. The suit was withdrawn by the Company.

On June 29, 2023, the Company filed a lawsuit in the Superior Court of New Jersey, Bergen County against the Patent holder for breach of contract, tortuous interference etc. The case was dismissed.

On June 12, 2024, the Company re-filed the lawsuit in the Superior Court of New Jersey, Bergen County against the Patent holder for breach of contract, tortuous interference etc.

8) Third Party Service Providers

Provide the name, address, telephone number and email address of each of the following outside providers. You may add additional space as needed.

Securities Counsel (must include Counsel preparing Attorney Letters).

Name: Jean-Marc Zimmerman
Firm: Lucosky, Brookman
Address 1: 101 Wood Avenue South
Address 2: Woodbridge NJ 08830
Phone: 732-395-4413
Email: jmzimmerman@lucbro.com

Accountant or Auditor

Name: Nancy Davis
Firm: ND Design, Inc.
Address 1: 41 Greenside Lane
Address 2: Sanford, NC 27332
Phone: 619-787-7623
Email: nd_design_nc@hotmail.com

Investor Relations

Name: _____
Firm: _____
Address 1: _____
Address 2: _____

Phone: _____
Email: _____

All other means of Investor Communication:

X (Twitter): _____
Discord: _____
LinkedIn: _____
Facebook: _____
[Other]: _____

Other Service Providers

Provide the name of any other service provider(s) that **that assisted, advised, prepared, or provided information with respect to this disclosure statement**. This includes counsel, broker-dealer(s), advisor(s), consultant(s) or any entity/individual that provided assistance or services to the issuer during the reporting period.

Name: Jean-Marc Zimmerman
Firm: Lucosky, Brookman
Nature of Services: Corporate Attorney
Address 1: 101 Wood Avenue South Woodbridge NJ 08830
Address 2:
Phone: 732-395-4413
Email: jmzimmerman@lucbro.com

9) Disclosure & Financial Information

A. This Disclosure Statement was prepared by (name of individual):

Name: Anthony J. Cinotti
Title: President
Relationship to Issuer: Employee

B. The following financial statements were prepared in accordance with:

- IFRS
 U.S. GAAP

C. The following financial statements were prepared by (name of individual):

Name: Nancy Davis
Title: Owner ND Design, Inc.
Relationship to Issuer: Outside accountant

Describe the qualifications of the person or persons who prepared the financial statements:⁵

Nancy Davis and ND Design, Inc. provides services to public companies including preparation and filing of required financial reports with the Securities and Exchange Commission and OTC Markets since 2001. Liaison for companies preparing to go public, working with the board of directors, auditing firms and legal counsel to prepare all required documentation.

⁵ The financial statements requested pursuant to this item must be prepared in accordance with US GAAP or IFRS and by persons with sufficient financial skills.

10) Issuer Certification

Principal Executive Officer:

The issuer shall include certifications by the chief executive officer and chief financial officer of the issuer (or any other persons with different titles but having the same responsibilities) in each Quarterly Report or Annual Report.

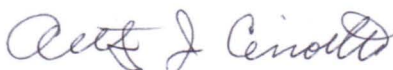
The certifications shall follow the format below:

I, Anthony J. Cinotti certify that:

1. I have reviewed this Disclosure Statement for Verify Smart Corp.;
2. Based on my knowledge, this disclosure statement 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 disclosure statement; and
3. Based on my knowledge, the financial statements, and other financial information included or incorporated by reference in this disclosure statement, fairly present in all material respects the financial condition, results of operations and cash flows of the issuer as of, and for, the periods presented in this disclosure statement.

09/26/2024

/s/ Anthony J. Cinotti



Anthony J. Cinotti, President/CEO

Principal Financial Officer:

I, Anthony J. Cinotti certify that:

1. I have reviewed this Disclosure Statement for Verify Smart Corp.;
2. Based on my knowledge, this disclosure statement 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 disclosure statement; and
3. Based on my knowledge, the financial statements, and other financial information included or incorporated by reference in this disclosure statement, fairly present in all material respects the financial condition, results of operations and cash flows of the issuer as of, and for, the periods presented in this disclosure statement²⁶

09/26/2024

/s/ Anthony J. Cinotti



Anthony J. Cinotti, CFO

VERIFY SMART CORP.
BALANCE SHEETS

	June 30, 2024	June 30, 2023
ASSETS		
CURRENT ASSETS		
Cash	\$ 517	\$ 13,260
Inventory	12,635	12,635
Loan Receivable - Cinotti	151,500	142,000
Total Current Assets	164,652	167,895
FIXED ASSETS		
Software	\$ 11,000	\$ 11,000
Accumulated Depreciation	(10,833)	(10,833)
Total Fixed Assets	167	167
OTHER ASSETS		
Assured Mobile Patent	\$ 24,000	\$ 24,000
MSZ Membership Investment	177,500	177,500
Loan Receivable - Perseverance Capital	1,238,500	1,580,000
SavvyCard Investment	180,000	180,000
Surf Smart Acquisition	15,000	15,000
Total Other Assets	1,635,000	1,976,500
TOTAL ASSETS	\$ 1,799,819	\$ 2,144,561
LIABILITIES AND STOCKHOLDERS' EQUITY		
LIABILITIES		
Current Liabilities:		
Accounts Payable	\$ 1,553,603	\$ 807,524
Total Current Liabilities	1,553,603	807,524
Other Current Liabilities:		
Assured Patent Unissued Shares	\$ 20,950	\$ 20,950
Due to Director	40	40
Loan Payable	71,050	51,450
Loan Payable - Perseverance Capital	-	336,500
Loan Payable Think Tank Solutions	30,000	30,000
MSZ Membership Payable	45,000	45,000
MSZ WebPortal Design Commitment	100,000	100,000
Shares to be Issued	8,500	8,500
Total Other Current Liabilities	275,540	592,440
Total Current Liabilities:	1,829,143	1,399,964
	\$	
Long Term Liabilities		
Quarry Bay	\$ 119,029	119,029
Total Long Term Liabilities	119,029	119,029
TOTAL LIABILITIES	\$ 1,948,172	1,518,993
STOCKHOLDERS' EQUITY		
Common stock: authorized 250,000,000; \$0.001 par value; 227,948,748 and 226,948,748 shares issued and outstanding at June 30, 2024 and June 30, 2023		
	\$ 227,948	226,948
Paid in capital	4,697,926	4,697,926
Accumulated deficit	(5,074,228)	(4,299,306)
Total Stockholders' Equity	\$ (148,354)	625,569
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	\$ 1,799,819	2,144,561

See Notes to Financial Statements

VERIFY SMART CORP.
STATEMENTS OF OPERATIONS

	<u>Year Ended June 30, 2024</u>	<u>Year Ended June 30, 2023</u>
REVENUES		
Revenue	\$ -	\$ 221,790
Cost of Goods Sold	-	-
GROSS PROFIT	<u>-</u>	<u>221,790</u>
Operating Expenses:		
General and administrative	\$ 21,512	\$ 20,832
Consulting	-	3,055
Patent License Fees	5,175	3,898
Payroll	589,000	722,000
Professional Fees	159,005	379,105
Rent	-	5,426
Total Expenses	<u>774,693</u>	<u>1,134,316</u>
Net loss from operations	<u>\$ (774,693)</u>	<u>\$ (912,526)</u>
Other Income/Expense		
	\$ -	\$ -
Total Other Income/Expense	<u>\$ -</u>	<u>\$ -</u>
Provision for taxes	\$ -	\$ -
Net Income (loss)	<u>\$ (774,693)</u>	<u>\$ (912,526)</u>
Net loss per share:		
Basic and diluted	<u>\$ (0.003)</u>	<u>\$ (0.004)</u>
Weighted average number of shares outstanding:		
Basic and diluted	<u>227,948,748</u>	<u>226,948,748</u>

VERIFY SMART CORP.
STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY

	Common Stock					Total Shareholders' Equity
	Number of Shares	Par Value	Additional Paid in Capital	Subscription Receivable	Accumulated Deficit	
Balance, June 30, 2021	188,468,748	188,468	3,071,906	\$ -	\$ (3,151,313)	\$ 109,061
Net loss					(235,466)	(235,466)
Balance, June 30, 2022	188,468,748	188,468	3,071,906	\$ -	\$ (3,386,780)	\$ (126,406)
Net loss					(7,630)	(7,630)
Balance, September 30, 2022	188,468,748	188,468	3,071,906	\$ -	\$ (3,394,409)	\$ (134,035)
11/30/22 Issuance of Shares to be issued	100,000	\$ 100	\$ 14,900			
11/30/22 1,000,000 shares @\$0.01	1,000,000	\$ 1,000	\$ -			
11/30/22 2,000,000 shares @\$0.01	2,000,000	\$ 2,000	\$ -			
11/30/22 1,000,000 shares @\$0.01	1,000,000	\$ 1,000	\$ -			
11/30/22 15,800,000 shares @\$0.10	15,800,000	\$ 15,800	\$ 1,564,200			
Net loss					(77,141)	(77,141)
Balance, December 31, 2022	208,368,748	208,368	4,651,006	\$ -	\$ (3,471,550)	\$ 1,387,824
1/30/23 2,250,000 shares @\$0.01	2,250,000	\$ 2,250				
2/28/23 4,080,000 shares @\$0.0125	4,080,000	\$ 4,080	\$ 46,920			
Net loss					(48,237)	(48,237)
Balance, March 31, 2023	214,698,748	214,698	4,697,926	\$ -	\$ (3,519,787)	\$ 1,392,837
4/30/23 250,000 shares @\$0.01	250,000	\$ 250				
6/30/23 4,000,000 shares @\$0.01	4,000,000	\$ 4,000				
6/30/23 2,000,000 shares @\$0.01	2,000,000	\$ 2,000				
6/30/23 2,000,000 shares @\$0.01	2,000,000	\$ 2,000				
6/30/23 4,000,000 shares @\$0.01	4,000,000	\$ 4,000				
Net loss					(912,526)	(912,526)
Balance, June 30, 2023	226,948,748	226,948	4,697,926	\$ -	\$ (4,299,306)	\$ 625,569
8/15/23 750,000 shares @\$0.01	750,000	\$ 750				
12/31/23 250,000 shares @\$0.01	250,000	\$ 250				
Net loss					(774,923)	(774,923)
Balance, June 30, 2024	227,948,748	227,948	4,697,926	\$ -	\$ (5,074,228)	\$ (148,354)

The accompanying notes are an integral part of these financial statements

VERIFY SMART CORP.
STATEMENTS OF CASH FLOW

	<u>Year Ended</u> <u>June 30, 2024</u>		<u>Year Ended</u> <u>June 30, 2023</u>
Operating activities:			
Net gain (loss)	\$ (774,923)	\$	(912,526)
Adjustment to reconcile net loss to net cash provided by operations:			
Changes in assets and liabilities:			
Accounts Payable	\$ 746,080	\$	781,749
Loan Receivable - Related Party	(9,500)		(35,500)
Loan Payable	19,600		100,000
Loan Receivable - Perverserance	341,500		(1,580,000)
Loan Payable - Perverserance	(336,500)		-
Shares to be Issued Adjustment	-		(15,000)
Net cash provided by operating activities	<u>(13,743)</u>		<u>(1,661,277)</u>
Investing activities:			
Depreciation	-		-
Net cash provided by financing activities	-		-
Net increase in cash	-		-
Financing activities:			
Common Stock	1,000		1,664,500
Net cash provided by financing activities	<u>1,000</u>		<u>1,664,500</u>
Net increase in cash	(12,743)		3,223
Cash, beginning of period	13,260		10,037
Cash, end of period	<u>\$ 517</u>	\$	<u>13,260</u>
Cash paid during the period			
Taxes	\$ -	\$	-
Interest	<u>\$ -</u>	\$	<u>-</u>

See Notes to Financial Statements

VERIFY SMART CORP.
(A Development Stage Company)

NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2024
(Stated in U.S. Dollars)

Note 1. ORGANIZATION AND DESCRIPTION OF BUSINESS

Verify Smart Corp. (the "Company") was incorporated under the laws of the State of Nevada on May 31, 2006 as Treasure Explorations Inc. The Company was originally formed to engage in the acquisition, exploration and development of natural resource properties. Effective March 25, 2009, the Company changed its name and commenced activity developing and selling internet security software for the prevention of credit and debit card fraud. Currently the Company is providing innovative technology through its exclusive global patent for Two-Factor and Multi-Factor Authentication (2FA and MFA). This disruptive technology patent verifies a user in an electronic transaction. A United States Patent (# 8,285,648 B2), South Korean Patent (#10-1309594) and a Canadian patent (#2664680) was granted with the Company securing exclusive licensing rights. "2FA and MFA" technology is currently used thousands of times every second by nearly five (5) billion concurrent users across nearly all transactional platforms. The Company has licensed a multitude of financial institutions, telecommunications and crypto currency companies as well as Microsoft.

Basis of Presentation

The accompanying consolidated financial statements ("CFS") were prepared in conformity with accounting principles generally accepted in the United States ("U.S. GAAP").

Note 2. GOING CONCERN

The accompanying financial statements have been prepared assuming the Company will continue as a going concern. As shown in the accompanying financial statements, the Company has incurred a net loss since inception of \$5,074,228 for the period from May 31, 2006 (inception) to June 30, 2024, had stockholders' equity of \$(148,354), and had revenue from operations of \$229,624 in licensing financial institutions, telecommunications and crypto currency companies as well as Microsoft.

The future of the Company is dependent upon its ability to obtain financing and upon future profitable operations from the development and marketing of its projects. The Company's management plans to continue the operations of the Company as a going concern by actively developing and marketing its technology solutions. Management plans to raise additional capital for the development and marketing of its projects primarily through the issuance of shares of common stock and or the issuance of debt securities, or any structure management deems appropriate. It may also raise additional capital by selling interests in its projects. There can be no

assurance that the Company will be successful in marketing and developing its projects or in securing financing. These financial statements do not include any adjustments relating to the recoverability and classification of recorded assets, or the amounts of and classification of liabilities that might be necessary in the event the Company cannot continue in existence.

NOTE 3 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A summary of significant accounting policies applied in the presentation of the condensed unaudited consolidated financial statements are as follows:

Property and Equipment

Property and equipment are recorded at cost. Major additions and improvements are capitalized. The cost and related accumulated depreciation of equipment retired or sold, are removed from the accounts and any differences between the underappreciated amount and the proceeds from the sale or salvage value are recorded as a gain or loss on sale of equipment. Depreciation is computed using the straight-line method over the estimated useful life of the assets.

Impairment of Long-Lived Assets

The Company assesses the impairment of long-lived assets whenever events or changes in circumstances indicate that the carrying amount may not be recoverable, in accordance with Accounting Standards Codification, ASC Topic 360, *Property, Plant and Equipment*. An asset or asset group is considered impaired if its carrying amount exceeds the undiscounted future net cash flow the asset or asset group is expected to generate. If an asset or asset group is considered impaired, the impairment to be recognized is measured by the amount by which the carrying amount of the assets exceeds its fair value. If estimated fair value is less than the book value, the asset is written down to the estimated fair value and an impairment loss is recognized. There were no long-lived assets or impairment charges for the years ended June 30, 2024 and 2023.

Revenue Recognition

The FASB issued ASC 606 as guidance on the recognition of revenue from contracts with customers in May 2014 with amendments in 2015 and 2016. Revenue recognition will depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. The guidance also requires disclosures regarding the nature, amount, timing and uncertainty of revenue and cash flows arising from contracts with customers.

Use of Estimates

The preparation of condensed unaudited consolidated financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the condensed unaudited consolidated financial statements and the reported amounts of revenues and

expenses during the reporting period. Such estimates include allowance for collectible receivables and deferred tax valuation allowances. Actual results could differ from such estimates.

Cash and Cash Equivalents

The Company considers all highly liquid investments purchased with an original maturity of three-months or less to be cash equivalents. There were no cash equivalents at June 30, 2024 or 2023 respectively.

Income Taxes

The Company accounts for income taxes in accordance with FASB ASC 740, "Income Taxes," which requires that the Company recognize deferred tax liabilities and assets based on the differences between the financial statement carrying amounts and the tax bases of assets and liabilities, using enacted tax rates in effect in the years the differences are expected to reverse. Deferred income tax benefit (expense) results from the change in net deferred tax assets or deferred tax liabilities. A valuation allowance is recorded when it is more likely than not that some or all deferred tax assets will not be realized.

The Company has adopted the provisions of FASB ASC 740-10-05 Accounting for Uncertainty in Income Taxes. The ASC clarifies the accounting for uncertainty in income taxes recognized in an enterprise's financial statements. The ASC prescribes a recognition threshold and measurement attribute for the financial statement recognition and measurement of a tax position taken or expected to be taken in a tax return. The ASC provides guidance on de-recognition, classification, interest and penalties, accounting in interim periods, disclosure and transition. Open tax years, subject to IRS examination include 2016 – 2023, with no corporate tax returns filed for the years ending 2016 to 2023.

Net Loss Per Share, basic and diluted

Basic loss per share has been computed by dividing net loss available to common shareholders by the weighted average number of common shares issued and outstanding for the period. For the year ended June 30 2024 shares outstanding but not yet issued (850,000, as described in Note 5 below) have been excluded as a common stock equivalent in the diluted loss per share because their effect would be anti-dilutive.

Fair Value of Financial Instruments

Effective January 1, 2008, fair value measurements are determined by the Company's adoption of authoritative guidance issued by the FASB, with the exception of the application of the statement to non-recurring, non-financial assets and liabilities, as permitted. Fair value is defined in the authoritative guidance as the price that would be received to sell an asset or paid to transfer a liability in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants at the measurement date. A fair value hierarchy was established, which prioritizes the inputs used in measuring fair value into three levels as follows:

Level 1 – Valuation based on unadjusted quoted market prices in active markets for identical assets or liabilities.

Level 2 – Valuation based on, observable inputs (other than level one prices), quoted market prices for similar assets such as at the measurement date; quoted prices in the market that are not active; or other inputs that are observable, either directly or indirectly.

Level 3 – Valuation based on unobservable inputs that are supported by little or no market activity, therefore requiring management’s best estimate of what market participants would use as fair value.

Concentration and Credit Risk

Financial instruments and related items, which potentially subject the Company to concentrations of credit risk consist primarily of cash. The Company places its cash with high credit quality institutions. At times, such deposits may be in excess of the FDIC insurance limit of \$250,000. The Company did not have cash on deposit in excess of such limit on June 30, 2024 and 2023.

Research and Development

The Company accounts for research and development costs in accordance with Accounting Standards Codification subtopic 730-10, *Research and Development* ("ASC 730-10"). Under ASC 730-10, all research and development costs must be charged to expense as incurred. Accordingly, internal research and development costs are expensed as incurred. Third-party research and development costs are expensed when the contracted work has been performed or as milestone results have been achieved as defined under the applicable agreement. Company-sponsored research and development costs related to both present and future products are expensed in the period incurred. The Company incurred research and development expenses of \$0 and \$0 during the years ending June 30, 2024 and 2023, respectively.

Issuance of Common Stock

The issuance of common stock for other than cash is recorded by the Company at par value or market value based on the closing price of the common stock on the date of any such grant.

Basic and Diluted Net Income (Loss) Per Share

The Company computes net income (loss) per share in accordance with codification ASC 260, Earnings Per Share, which requires presentation of both basic and diluted earnings per share ("EPS") on the face of the income statement. Basic EPS is computed by dividing net income (loss) available to common shareholders (numerator) before and after discontinued operations, by the weighted average number of common shares outstanding (denominator) during the period, including contingently issuable shares where the contingency has been resolved. Diluted EPS gives effect to all dilutive potential common shares outstanding during the period using the treasury stock method and convertible preferred stock using the if-converted method. In computing diluted EPS, the average stock price for the period is used in determining the number

of shares assumed to be purchased from the exercise of stock options or warrants. Diluted EPS excludes all dilutive potential shares if their effect is anti-dilutive.

Foreign Currency Translation

The Company's functional and reporting currency is the United States dollar. Monetary assets and liabilities denominated in foreign currencies are translated in accordance with ASC 830, Foreign Currency Matters, using the exchange rate prevailing at the balance sheet date. Gains and losses arising on settlement of foreign currency denominated transactions or balances are included in the determination of income. Foreign currency transactions are primarily undertaken in Canadian dollars. The Company has not, to the date of these financial statements, entered into derivative instruments to offset the impact of foreign currency fluctuations.

Comprehensive Loss

Codification ASC 220, Comprehensive Income, establishes standards for the reporting and display of comprehensive loss and its components in the financial statements. At June 30, 2024, the Company had no items that represent a comprehensive loss and, therefore, has not included a schedule of comprehensive loss in the financial statements.

Common Stock Non-Monetary Consideration

In situations where common stock is issued and the fair value of the goods or services received is readily determinable, the fair value of the common stock is used to measure and record the transaction. The fair value of the common stock issued in exchange for the receipt of goods and services is based on the par value of the stock or stock price as of the earliest of the date at which:

- i) counterparty's performance is complete;
- ii) commitment for performance by the counterparty to earn the common shares is reached; or
- iii) common stock is issued if they are fully vested and non-forfeitable at that date.

Stock-Based Compensation

The Company has adopted FASB ASC Topic 505, *Equity*, and FASB ASC Topic 718, *Compensation – Stock Compensation* to account for its stock options and similar equity instruments issued. Accordingly, compensation costs attributable to stock options or similar equity instruments granted to employees are measured at the fair value at the grant date and expensed over the expected vesting period. Transactions in which goods or services are received from non-employees in exchange for the issuance of equity instruments are accounted for based on the fair value of the consideration received or the fair value of the equity instruments issued, whichever is more reliably measurable.

Provision for Taxes

Income taxes are provided based upon the liability method of accounting pursuant to FASB ASC Topic 740 *Income Taxes* (“ASC 740”). Under this approach, deferred income taxes are recorded to reflect the tax consequences in future years of differences between the tax basis of assets and liabilities and their financial reporting amounts at each year-end. A valuation allowance is recorded against deferred tax assets if management does not believe the Company has met the “more likely than not” standard imposed by ASC 740 to allow recognition of such an asset.

Impact of New Accounting Standards

Management does not believe that any recently issued, but not yet effective accounting pronouncements, if adopted, would have a material effect on the accompanying condensed unaudited consolidated financial statements.

Note 4. ACCOUNTS PAYABLE

At June 30, 2024, the Company was indebted for non-interest-bearing loans, with no formalized terms of repayment, for \$246,090, of which \$40 was an advance from a director.

At June 30, 2024 the Company has \$1,553,603 in Accounts Payable, which includes, in part, \$1,345,000 in accrued payroll expenses and \$208,603 in professional fees.

Note 5. CAPITAL STOCK

a) Common Stock

As of June 30, 2024, the Company had 227,948,748 shares of common stock issued and outstanding.

b) Shares To Be Issued

As of June 30, 2024, the Company had 850,000 shares of common stock (the “Anbeca Shares”) that were to be issued as part of an amended agreement with Anbeca Marketing Corp (see Note 6) had not been issued (Anbeca Shares cannot be issued at this time because Anbeca is a Canadian company and there is a cease trade order in effect in Canada pertaining to the Company’s common stock).

Note 6. COMMITMENTS AND CONTRACTUAL OBLIGATIONS

Assured Mobile Technologies

Effective July 8, 2014, the Company entered into an assignment agreement (the “Assignment Agreement”) with Assured Mobile Technologies LLC (“Assignor”) wherein the Assignor assigned its entire right, title and interest in and to Patent No. 8,285,648 entitled “System and Method For

Verifying A User's Identity In Electronic Transactions" to the Company. In exchange the Company will issue a total of 15,000,000 shares of Common Stock and a 50% cash payment of any license granted in relation to the patent. On September 9, 2014, the Company issued 3,050,000 shares of common stock pursuant to instructions from the Licensor and the balance of 11,950,000 shares issuable which the Company is unable to issue due to the recipients being Canadian citizens and the cease trade order in Canada.

Effective April 2, 2018, the Company entered into a new License and Assignment Agreement (the "New License Agreement") which provided in part the following: granting the Company 50% of any "Settlement Damages" (as defined in the New License Agreement) from the Bank of America lawsuit settlement, and 90% of all Settlement Damages from any future Patent defense or infringement cases against a third party. Pursuant to the New License Agreement the Company agreed to issue an additional 9,000,000 shares of Common Stock to the Licensor/Assignor (as defined in the New License Agreement) for the rights granted to all Patents issued and pending. In addition, the Company agreed to pay a 5% royalty to the patent owners on all other license agreements. The Company also agreed to provide the Licensor/Assignor a monthly draw of either \$7,500, \$3,500 or \$0 from Licensee/ Assignee depending on the minimum cash in the Company's checking account at the designated time of distribution, which will be applied against the Bank of America settlement and/or any Patent Royalty Distributions. At the time of payment, if the Company's checking account has a minimum balance of \$50,000, then Licensor/Assignor will receive \$7,500. If at the time of payment, the Company's checking account only has a minimum balance of \$35,000 and less than \$50,000, then Licensor/Assignor will receive only \$3,500. If at the time of payment, the Company's checking account only has a minimum balance less than \$35,000, then payments will be withheld until the next monthly cycle. In the event the balance in the account in the monthly cycle is less than \$35,000, then the Licensor/ Assignor will not be entitled to the draw for that particular month. Any draw that does not meet the \$35,000 minimum requirement will not be accrued for that month. The monthly draw payments will cease once monies, if any, from the Bank of America settlement have been distributed and/or any Patent Royalty Distributions have started, whichever is sooner. There remains a total of 20,950,000 shares of common stock issuable which the Company is unable to issue due to the recipients being Canadian citizens and the cease trade order in Canada. Such shares are carried as a current liability until the time they are issued.

Anbeca Marketing Corp.

On May 10, 2018, the Company entered into a contractor agreement with Anbeca Marketing Corp ("Anbeca") to retain Anbeca to provide management consulting and real estate marketing services. Pursuant to the contractor agreement, in consideration for the services Anbeca performed they purchased 2,500,000 shares of the Company stock for a one-time payment of \$25,000. The shares cannot be issued at this time as Anbeca is a Canadian company and there is a cease trade order in effect in Canada. Such shares are carried as a current liability until the time they are issued. The contractor agreement also provided that the Company would issue Anbeca an additional 2,500,000 shares of common stock based on revenues generated by Anbeca of annual gross sales exceeding \$2,500,000.

In July 2020, the parties agreed to amend the contractor agreement to reduce the number of shares of common stock issuable to Anbeca to 850,000 as the Company had paid \$16,500 on behalf of Anbeca to an outside consultant, which the Company is unable to issue due to Anbeca being a Canadian entity and the cease trade order in Canada.

Agreements with Mobile Safe Zones, LLC

On June 11, 2018 the Company entered into a Membership Interest Purchase and Distribution Agreement and a Reseller Agreement with Mobile Safe Zones, LLC (“MSZ”), a subsidiary of Cbros Technologies, LLC to acquire up to a non-dilutable 15% equity position in MSZ and the exclusive global rights to resell anti-texting technology for the workplace, based on the US Patent Application No. 14/947,385 and international application PCT PCT/US16/62434 entitles “LIMITING MOBILE DEVICE FUNCTIONALITY IN A VEHICLE”. This agreement provided that the Company pay MSZ a total of \$75,000 and provide up to \$100,000 of web portal design services and issue a total of 2,500,000 shares of the Company’s common stock at par value \$.001 with a market value of approximately \$750,000 at the time. To date the Company has paid MSZ \$30,000 in cash but did not provide the web portal services. Further the Company did not receive any equity position in MSZ.

Agreement with Perseverance Capital Partner, LLC

On December 14, 2021, the Company enter into a Management and Consulting Agreement (the “Management Agreement” which includes subsequent amendment) with Perseverance Capital Partner, LLC (“PCP”) a Texas limited liability company. The Company agreed to issue 50 million shares of its common stock plus incentive shares to PCP for a direct investment and management and consulting services. PCP was to assist the Company in raising up to \$5 million dollars during the next 18 months inclusive of direct investments, and private placements and to provide management services. After certain milestones are met two additional board seats will be awarded to PCP candidates after background checks, pre-resignation letters from both directors upon assuming the position, and the approval of Company management and the Board.

In October 2022 the Company agreed to issue PCP 15.8 million shares of common stock that would be due PCP per the Management Agreement, in advance of receiving the required, approved and accepted documentation by the Company within 30 days thereafter. The Company in good faith issued PCP the shares of common stock according to the terms of the agreement with PCP. As of June 30, 2023 the Loan Receivable from PCP was \$1,238,500.00.

Note 7. RELATED PARTY BALANCES AND TRANSACTIONS

Related party balances and transactions consist of the following:

As of June 30, 2024, the Company had included in accounts payable \$40 owing to its President. The amounts due have no interest, security or repayment terms.

As of June 30, 2024, the Company had a loan receivable of \$151,500 due from its President. The amount currently generates no interest however it can be paid back in whole or in parts by accrued salary or accrued salary/shares at the President's option.

On July 1, 2020, in consideration of the President's past and continued employment with the Company, the Company entered into an employment agreement with its President in order to provide the Executive with compensation and benefits. The Executive was awarded 25,000,000 restricted shares as compensation for his consistent employment since 2009. The agreement also provides for annual milestone incentive bonuses depending on Gross income. The term of the contract is for five years effective April 2020. As of June 30, 2024 accrued salary due the President is \$765,000.

Also, as of June 30, 2024, accrued salaries for officers per their employment agreements is \$580,000.

In June 2023 the Company issued 2,000,000 shares to Sandy Manata and Anthony Lalley (directors) as compensation for their service to the Company. Also, in June 2023 the Company issued 4,000,000 shares to Annamarie Seabright, COO per her amended employment agreement.

Note 8. LEGAL PROCEEDINGS

The Company is involved in litigation with Askeladden LLC (Bank of America et al, hereinafter "Askeladden") pursuant to Askeladden's petition to challenge the United States Patent licensed by the Company (the "Patent"). The Company filed with the court on June 12, 2017, a complaint that Askeladden's petition is wrongful and results in a failure to abide by a resolution of a previously settled dispute. On July 23, 2018, the Patent Trial and Appeal Board ("PTAB") ruled against the Company in the patent invalidation suit with Askeladden. The Company appealed the ruling with the Federal District Court. On August 5, 2020, the Federal Circuit Court of Appeals ruled against the Company and denied its PTAB appeal that was filed on July 30, 2020, which was its third and final amended complaint with the district court. On October 23, 2020, the Federal Circuit Court of Appeals denied the Company's motion for a rehearing and a rehearing en banc filed on September 21, 2020. The United States Supreme Court ruled that an interim director be appointed to monitor the actions of the PTAB. The Patent would have had to be officially invalidated. Therefore, the Patent remains valid until a decision is made by this interim director. We are reviewing our options with our attorneys. We formally appealed this decision with the newly appointed director. A new director was appointed and has confirmed all previous rulings. The Company is investigating all additional options and will aggressively pursue these options if in fact any are available.

On March 10, 2021, the Company retained the firm of Alexander Dubose & Jefferson LLP for a limited representation at the Supreme Court of the United States. The firm's representation will cover preparing a petition for a writ of certiorari (and petition appendix). The petition will be limited to seeking a "hold" for the decision in United States v. Arthrex, Inc., No. 19-1434 (and the cases consolidated with it); the petition will not present any other independent grounds for review.

On August 31, 2022, the 3rd Circuit Court of Appeals affirmed the dismissal of the Company's complaint against Askeladden. Although the court found the timing of the patent challenge by Askeladden suspicious it still affirmed the lower court's decision. On September 15, 2022 the Company filed for a rehearing with the 3rd Circuit Court of Appeals. On February 28, 2023, the 3rd Circuit Court of Appeals denied the Company's request for a rehearing and for designation of opinion as precedential. The Company and its counsel are considering our options, if any.

The Company is moving forward with enforcing its Patent in Canada and has engaged the law firm of Dickerson Wright, LLP to begin the process of enforcement. The Company has commenced a patent infringement suit against Equitable Bank and the Patent owner. A Patent holder was named as a defendant in a counterclaim by Equitable Bank. Both have since agreed to join the Company as plaintiffs in the case.

In January 2023, the Patent holder informed the Company counsel that they are withdrawing as plaintiffs in the Equitable Bank case. In May, 2023 the Company and Equitable Bank agreed to a settlement and a license agreement and filed the appropriate papers with the Federal Court of Canada.

Also in January 2023 an email was received from the Patent holder making false accusations about the Company and accusing the Company of breach of the License Agreement. The Company responded the next day in writing providing facts which the Company believes show the Company abided by the terms of the New License Agreement. There has been no communication between the parties since the Company's response. However, the Company will continue to honor the New License Agreement.

The Company filed an appeal with the European Patent Office's decision to not grant the 2FA patent in Europe. On September 20, 2022 the Company was granted a postponement of the appeal hearing that was scheduled to take place on October 6, 2022 with the European Patent Office. The hearing will now take place on July 20, 2023 Although the panel agreed that the Company's Patent was superior to the prior art, certain language in the patent was not consistent with the claims and the panel's decision was not to grant the patent.

On November 2, 2022 the Company filed an action against Joseph BenMoshe in the Superior Court of New Jersey, Bergen County to recover funds he is holding in escrow for the Company. However, Mr. BenMoshe claims that he sent the funds to the court. We are in the process of contacting the court to release the funds. BenMoshe also filed an action against the Company and its Board to collect money he believes is owed to him by the Company. We are refuting those claims and the case is pending.

Note 9. GENERAL

On June 17, 2023 the Company filed a lawsuit in New Jersey against PCP and certain related parties, for breach of contract, violation of NDA's, tortuous interference etc. This matter has been resolved and the case dismissed.

On June 25, 2023 the Company and Stewart IT services filed a patent infringement lawsuit against the Canadian Revenue Agency (the “CRA”). Defendants were required to submit an answer by September 29, 2023. The case is currently in motion practice with each party preparing and submitting appropriate court filings. The Patent holder has retained counsel and is contesting the lawsuit. The case has been withdrawn by the Company.

On June 29, 2023, the Company filed a lawsuit in New Jersey against the Patent holder for breach of contract, tortuous interference etc. The Patent holder has not responded to the complaint. The Company withdrew the lawsuit and has reached out to the Patent holder to resolve the issue.

On June 12, 2024 the Company re-filed the lawsuit in New Jersey against the Patent holder for breach of contract, tortuous interference etc.

Note 10. SUBSEQUENT EVENTS

On September 18, 2024 the Company withdrew the lawsuit in New Jersey against the Patent holder and will re-file it in Nevada which has jurisdiction over the Patent License Agreement and where the Company is incorporated.

The Company evaluated all events or transactions that occurred after June 30, 2024, up through the date the Company issued these financial statements and found no other subsequent event(s) that require disclosure.