TrustBIX Inc.

Interim Condensed Consolidated
Financial Statements
(Unaudited)
December 31, 2022

TrustBIX Inc.
Interim Condensed Consolidated Statements of Financial Position
(Unaudited)
As at December 31, 2022

	December 31, 2022 $	September 30, 2022 $
Assets		
Current assets		
Cash	199,198	126,881
Accounts receivable	35,211	70,385
Inventory	180,144	74,811
Deposits and prepaid expenses	38,772	86,067
	453,325	358,144
Property and equipment (note 5)	30,026	32,424
Intangible assets (note 6)	1,326,135	1,475,615
Right-of-use assets (note 7)	27,895	32,389
Investment (note 8)	178,101	180,244
	2,015,482	2,078,816
Liabilities		
Current liabilities		
Accounts payable and accrued liabilities (note 19)	1,088,132	655,325
Unearned revenue	562,439	390,170
Promissory notes (note 9)	255,750	251,250
Loan payable (note 10)	87,260	121,568
Lease liability (note 7)	4,700	8,039
	1,998,281	1,426,352
Loan payable (note 10)	476,390	613,045
Lease liability (note 7)	24,746	26,017
	2,499,417	2,065,414
Shareholders' Deficit		
Share capital issued (note 11(a))	12,764,699	12,764,699
Warrants (note 11(b))	370,630	370,630
Contributed surplus	3,311,812	3,156,389
Deficit	(16,931,076)	(16,278,316)
	(483,935)	13,402
	2,015,482	2,078,816

Nature of operations and going concern (note 1)

Approved by the Board of Directors

(Signed) "Hubert Lau" Director   (Signed) "Lap SAndrew Kao" Director

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

TrustBIX Inc.

Interim Condensed Consolidated Statements of Changes in (Deficiency) Equity

(Unaudited)

For the three-month periods ended December 31, 2022 and 2021

	Share capital $	Warrants $	Contributed surplus $	Deficit $	Total $
Balance – October 1, 2022	12,764,699	370,630	3,156,389	(16,278,316)	13,402
Net loss for the period	-	-	-	(652,760)	(652,760)
Stock-based compensation (note 11(c))	-	-	155,423	-	155,423
Balance – December 31, 2022	12,764,699	370,630	3,311,812	(16,931,076)	(483,935)
Balance – October 1, 2021	9,457,445	468,408	1,923,782	(12,061,545)	(211,910)
Net loss for the period	-	-	-	(609,126)	(609,126)
Common shares issued in private placement, net of share issue costs (notes 11(a))	684,591	-	-	-	684,591
Stock-based compensation (note 11(c))	-	-	1,251	-	1,251
Balance – December 31, 2021	10,142,036	468,408	1,925,033	(12,820,299)	(135,194)

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

TrustBIX Inc.

Interim Condensed Consolidated Statements of Loss and Comprehensive Loss
(Unaudited)

For the three month periods ended December 31, 2022 and 2021

	December 31, 2022 $	December 31, 2021 $
Revenue		
Licence	73,398	44,064
Hardware and installation	79,633	73,556
Professional and development services	64,923	89,970
Maintenance	200,870	214,671
	418,824	422,261
Expenses		
Wages and management fees (note 11(c))	533,339	412,290
Professional fees	139,839	140,889
Consulting fees	187,896	225,287
Amortization and depreciation	156,372	14,215
Office	81,738	88,665
Research and development (note 17)	27,928	67,065
Hardware costs and supplies	50,645	41,206
Travel, trade shows and conferences	18,810	5,524
Advertising and promotion	35,349	6,726
Foreign exchange (gain) loss	2,990	(2,767)
	1,234,906	999,100
Loss before other (expenses) income and income taxes	(816,082)	(576,839)
Other (expenses) income		
Foreign exchange remeasurement on investment (note 8)	(2,143)	(3,275)
Interest income	411	1,013
Interest expense	(5,909)	(1,960)
Accretion expense	(33,556)	(28,065)
Gain on refinancing of loan payable (note 10)	204,519	-
	163,322	(32,287)
Loss before income taxes	(652,760)	(609,126)
Income taxes	-	-
Net loss and comprehensive loss for the period	(652,760)	(609,126)
Basic and diluted loss per share (note 12)	(0.01)	(0.02)

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

TrustBIX Inc.

Interim Condensed Consolidated Statements of Cash Flows
(Unaudited)

For the three month periods ended December 31, 2022 and 2021

	December 31, 2022 $	December 31, 2021 $
Cash provided by (used in)		
Operating activities		
Net loss for the period	(652,760)	(609,126)
Adjustments to reconcile net loss to cash flows from operating activities:		
Gain on refinancing of loan payable (note 10)	(204,519)	-
Stock-based compensation (note 11(c))	155,423	1,251
Amortization and depreciation	156,372	14,215
Accretion expense	33,556	28,065
Interest expense	5,909	1,960
Unrealized foreign exchange loss on investment (note 8)	2,143	3,275
Interest income on investment (note 8)	-	(899)
Cash used in operating activities before changes in items of working capital	(503,876)	(561,259)
Net change in items of non-cash working capital (note 15)	432,212	(175,922)
	(71,664)	(737,181)
Investing activities		
Purchase of property and equipment	-	(1,900)
	-	(1,900)
Financing activities		
Proceeds committed to convertible debenture (note 19)	150,000	-
Proceeds from issuance of common shares in private placement (note 11(a))	-	696,000
Share issue costs (note 11(a))	-	(20,409)
Lease payments (note 7)	(6,019)	(13,276)
	143,981	662,315
Increase (decrease) in cash during the period	72,317	(76,766)
Cash – Beginning of period	126,881	450,167
Cash – End of period	199,198	373,401

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

1 Nature of operations and going concern

TrustBIX Inc.'s (the Company or TrustBIX) business operations consist of information solutions for the agri-food industry including:

- the sale, installation and support of software and computer systems for auction markets and livestock dealers;
- the sale, installation and support of software for livestock feedlots;
- the sale, installation and support of data capture and carcass grading systems for pork plants;
- internet based applications that provide animal tracking and management;
- the sale, installation and support for Business InfoXchange (BIX); and
- the sale of solutions to track, protect and identify the movement of high-value moveable equipment

The Company and its wholly owned subsidiaries, ViewTrak Technologies Inc. (ViewTrak) and Insight Global Technology Inc. (Insight) are incorporated and domiciled in Canada. The Company and its subsidiaries' principal office is located at 10607 – 82 Street, Edmonton, Alberta.

Going concern

These interim condensed consolidated financial statements have been prepared on a going concern basis in accordance with International Financial Reporting Standards (IFRS), which contemplates the realization of assets and satisfaction of liabilities in the normal course of business as they come due.

As at December 31, 2022, the Company had a net working capital deficit of $1,544,956 compared to $1,068,208 as at September 30, 2022. For the three-month period ended December 31, 2022, the Company incurred a net loss of $652,760 (2021 – $609,126) and net cash used in operating activities of $71,664 (2021 – ($737,181)). As at December 31, 2022, the Company had an accumulated deficit of $16,931,076 (September 30, 2022– $16,278,316). In addition, the Company also has lease commitments in the amount of $29,446 as disclosed in note 7.

Current operations have been financed primarily from the issue of promissory notes totaling $250,000 (note 9), as well as non-brokered private placements described in subsequent events in note 19.

Management is actively pursuing new business opportunities related to the BIX and Insight platforms as well as acquisitions to expand the business, and the sale of equity securities to increase working capital.

Additionally, the Company continues to apply for provincial and/or federal government grant and funding programs including Protein Industries Canada (PIC) and Industrial Research Assistance Program (IRAP) (note 17). The Company also has a contribution agreement with Western Economic Diversification Canada (WD) for a repayable financial contribution under the Regional Relief and Recovery Fund (note 10).

The outcome of such efforts is dependent on a number of factors outside of the Company's control. The nature of the technology sector, availability of government grants and current financial equity market conditions, including the impact of a novel strain of the coronavirus (COVID-19) and macroeconomic conditions (as disclosed in note 3), make the success of any future financing ventures and the other management strategies uncertain. There can be no assurance that management's efforts will be successful. This uncertainty casts significant doubt upon the Company's ability to continue as a going concern and, accordingly, the appropriateness of the use of accounting principles applicable to going concern.

These interim condensed consolidated financial statements do not reflect the adjustments to the carrying values of assets and liabilities and the reported revenues and expenses that would be necessary if the Company were unable to realize its assets and settle its liabilities as a going concern in the normal course of operations. Such adjustments could be material.

2 Basis of presentation

These interim condensed consolidated financial statements of the Company have been prepared in accordance with IFRS, as applicable to interim financial reports including International Accounting Standard 34, Interim Financial Reporting, and should be read in conjunction with the annual consolidated financial statements of the Company for the year ended September 30, 2022, which have been prepared in accordance with IFRS, as issued by the International Accounting Standards Board.

These interim condensed consolidated financial statements were authorized for issue by the Board of Directors on February 27, 2023.

Basis of measurement

These interim condensed consolidated financial statements have been prepared in Canadian dollars, which is the Company's presentation and functional currency, and are prepared on a going concern and historical cost basis, except for financial instruments, which are measured at fair value.

New accounting pronouncements not yet adopted

The following IFRS standards have been recently issued by the IASB. Pronouncements that are irrelevant or not expected to have a significant impact have been excluded.

Amendments to IAS 1: Classification of Liabilities as Current or Non-current

The amendment clarifies the requirements relating to determining if a liability should be presented as current or non-current in the statement of financial position. Under the new requirement, the assessment of whether a liability is presented as current or non-current is based on the contractual arrangements in place as at the reporting date and does not impact the amount or timing of recognition. The amendment applies retrospectively for annual reporting periods beginning on or after January 1, 2024. The Company is currently evaluating the potential impact of these amendments on the Company's consolidated financial statements.

3 Recent developments and impact on estimation uncertainty

The COVID-19 pandemic has had, and continues to have, a significant impact around the world, prompting governments and businesses to implement restrictions on travel and business operations and quarantine. The COVID-19 pandemic has at times significantly curtailed economic activity and caused significant volatility and disruption in financial markets. The COVID-19 pandemic and the measures taken by many countries in response have affected and could in the future materially impact the Company's business, results of operations and financial condition.

Aspects of the Company's business continue to be affected by the COVID-19 pandemic, with a number of the Company's employees working remotely and the reactivation of certain travel and business development activities.

Macroeconomic conditions, including inflation, rising interest rates and currency fluctuations, have direct and indirect impacts on the Company's business. The Company believes these factors have impacted, and could in the future materially impact, the Company's results of operations and financial condition.

4 Acquisition of Insight

On March 7, 2022, pursuant to the terms of the definitive agreement, the Company acquired 100% of the issued and outstanding shares of Insight for up to 30,000,000 common shares of the Company priced at $0.18 per share (Consideration Shares). The Insight shareholders will receive 10,000,000 Consideration Shares (subject to certain resale restrictions) on closing, and an additional amount of up to 20,000,000 Consideration Shares (subject to applicable escrow and resale restrictions) may be issued by the Company based on the satisfaction of certain financial metrics over the twelve months after the closing of the transaction, as follows:

i) a further 5,000,000 Consideration Shares on Insight attaining Net Revenue of $500,000 and Target Profit of $150,000;

ii) a further 7,500,000 Consideration Shares on Insight attaining cumulative Net Revenue of $750,000 and cumulative Target Profit of $225,000; and

iii) a further 7,500,000 Consideration Shares on Insight attaining cumulative Net Revenue of $1,000,000, cumulative Target Profit of $300,000, and achieving a minimum of 50% recurring revenue (continuing subscriptions and rollover renewals of the Insight Solution).

Net Revenue includes the sales of Insight products and related services, net of returns, discounts, shipping, taxes, duties and other such amounts. Target Profit is defined as Net Revenue, minus cost of goods sold, including installation and support, and direct operating expenses, including all sales and technical activities. Net Revenue and Target Profit are calculated in accordance with the Company's accounting standards and corporate policies.

Any Consideration Shares which have not been released pursuant to the escrow agreement within twelve months of the closing date, shall be cancelled without recourse. As of December 31, 2022, no Consideration Shares have been released pursuant to the escrow agreement.

The Company applied the optional concentration test permitted under IFRS 3 to the acquisition which resulted in the acquired assets being accounted for as an asset acquisition. The amounts recognized on the date of acquisition of the identifiable assets were as follows:

	$
Assets acquired:	
Inventory	9,450
Software	1,790,550
Assets acquired	1,800,000
Share consideration (30,000,000 common shares)	1,800,000

Software acquired is amortized over the useful life of three years on a straight-line basis (note 6).

5 Property and equipment

	Computer hardware $	**Computer software $**	**Office furniture and equipment $**	**Total $**
As at September 30, 2022				
Cost	109,304	19,708	15,086	144,098
Accumulated depreciation	(81,686)	(19,009)	(10,979)	(111,674)
Net book value as at September 30, 2022	27,618	699	4,107	32,424
Cost – as at September 30, 2022 and December 31, 2022	109,304	19,708	15,086	144,098
Accumulated depreciation – as at September 30, 2022	(81,686)	(19,009)	(10,979)	(111,674)
Depreciation	(2,034)	(161)	(203)	(2,398)
Accumulated depreciation – as at December 31, 2022	(83,720)	(19,170)	(11,182)	(114,072)
Net book value as at December 31, 2022	25,584	538	3,904	30,026

6 Intangible assets

	BIX software **$**	**Trademarks** **$**	**Insight software** **$**	**Total** **$**
As at September 30, 2022				
Cost	244,959	8,092	1,790,550	2,043,601
Accumulated amortization	(244,692)	-	(323,294)	(567,986)
		-	-	
Net book value as at September 30, 2022	267	8,092	1,467,256	1,475,615
Cost – as at September 30, 2022 and December 31, 2022	244,959	8,092	1,790,550	2,043,601
Accumulated amortization – as at September 30, 2022	(244,692)	-	(323,294)	(567,986)
Amortization	(267)	-	(149,213)	(149,480)
Accumulated amortization – as at December 31, 2022	(244,959)	-	(472,507)	(717,466)
Net book value as at December 31, 2022	-	8,092	1,318,043	1,326,135

Trademarks are indefinite-lived intangible assets and are not amortized. Insight software was acquired as part of the purchase of Insight (note 4).

7 Leases

Below is a summary of the activity related to the Company's right-of-use (ROU) assets for the period ended December 31, 2022.

	$
ROU assets as at September 30, 2022	32,389
Depreciation	(4,494)
ROU assets as at December 31, 2022	27,895

The following is a summary of the activity related to the Company's lease liabilities for the period ended December 31, 2022:

	$
ROU lease liabilities as at September 30, 2022	34,056
Lease payments	(6,019)
Accretion of lease liabilities	1,409
ROU lease liabilities as at December 31, 2022	29,446
Of which are	
Current lease liabilities	4,700
Non-current lease liabilities	24,746
	29,446

The Company's estimated cash outflows related to the lease obligation for the 12 months ending are as follows:

	$
December 31, 2023	9,629
December 31, 2024	9,878
December 31, 2025	10,126
December 31, 2026	10,375
December 31, 2027	2,609
	42,617

8 Investment

On November 7, 2019, TrustBIX invested US$250,000 in a Calgary, Alberta-based company, Provision Analytics Inc., through a convertible debenture offering maturing in 24 months. It accrued simple interest on an annual basis at the rate of 2.5% per annum.

The investment plus accrued interest was converted into non-marketable preferred shares on November 23, 2021 at the transaction price of US$262,997 ($333,427). No significant changes were recorded to initial fair value measurement as at December 31, 2022 (note 13). As at December 31, 2022, the Company holds US$131,498 non-marketable equity securities in Provision Analytics, after selling half of the investment during the year ended September 30, 2022.

The Company does not have control or significant influence over Provision Analytics and has no participation in its policy-making processes. Each preferred share shall be convertible, at the option of the holder into common shares.

9 Promissory notes

On August 15, 2022 the Company issued a promissory note totaling $50,000 repayable in 60 days at an interest rate of 1% per month on the unpaid principal.

On September 15, 2022 the Company issued a promissory note totaling $200,000 repayable in 60 days at an interest rate of 0.5% per month on the unpaid principal.

The Company is currently negotiating the terms of repayment with the holders of the promissory notes.

The components of the promissory notes at December 31, 2022 are as follows:

	$
Principal value of promissory notes	250,000
Accrued interest	5,750
	255,750

10 Loan payable

On July 27, 2020, the Company entered into a contribution agreement with WD for a repayable financial contribution under the Regional Relief and Recovery Fund. Under the contribution agreement, WD supported the Company with an investment of $1,000,000 for general working capital requirements (the "Contribution"). Repayment of the Contribution commences on January 31, 2023 and continues in equal monthly instalments until the Contribution is fully repaid by December 31, 2025. The Contribution is unsecured and non-interest bearing, unless repayment is not made as scheduled. Interest is calculated at an average bank rate plus 3%, compounded monthly, on repayments not made as scheduled. The interest calculation ends when repayments are back on schedule.

The loan payable was initially recognized at a fair value of $506,300. The initial carrying value of the loan payable was calculated using the effective interest rate method, discounting estimated cash flows using the Company's effective interest rate of 18%.

On December 29, 2022, the repayment terms were revised, changing the amount of the monthly installment payments and extending the final installment payment to December 31, 2027. As at December 31, 2022, the original Contribution was derecognized from the interim condensed consolidated statements of financial position and a new loan payable was recognized at a fair value of $563,649, resulting in a gain on refinancing of loan payable of $204,519 in other income in the interim condensed consolidated statements of loss and comprehensive loss.

The short-term and long-term components of loan payable at December 31, 2022 are as follows:

	$
Current loan payable, net of interest accretion	87,260
Non-current loan payable	476,390
	563,650

Anticipated cash outflows on the loan payable as at December 31, 2022 are as follows:

	$
December 31, 2023	12,000
December 31, 2024	60,000
December 31, 2025	309,336
December 31, 2026	309,336
December 31, 2027	309,328
	1,000,000

11 Share capital

Authorized

Unlimited common shares, with no par value

Unlimited preferred shares, voting, convertible, designated as Series 1 and Series 2

a) Common shares Issued

	Number	**$**
Balance as at September 30, 2021	38,385,913	9,457,445
Issued pursuant to private placement	4,406,250	684,591
Balance as at December 31, 2021	42,792,163	10,142,036
Balance as at September 30, 2022 and December 31, 2022	79,649,831	12,764,699

Private placement of 4,406,250 shares

On December 31, 2021, the Company completed a non-brokered private placement, which consisted of the issuance of 4,406,250 common shares at a subscription price of $0.16 per common share for gross proceeds of $705,000. Share issue costs of $20,409 have been netted against share capital issued.

b) Warrants

	Number	$
Balance as at September 30, 2021 and December 31, 2021	10,749,645	468,408
Balance as at September 30, 2022 and December 31, 2022	6,324,334	370,630

The expiration dates of warrants outstanding as at December 31, 2022 were as follows:

Expiration date	Warrants outstanding number	Exercise price $
September 13, 2023	1,475,445	0.30
October 4, 2023	4,848,889	0.30
	6,324,334	0.30

c) Stock options and compensation expense

A summary of the stock options outstanding as at December 31, 2022 and 2021 and changes during the periods ended on those dates is as follows:

	December 31, 2022		December 31, 2021	
	Number	**Weighted average exercise price $**	**Number**	**Weighted average exercise price $**
Outstanding – Beginning of period	12,731,848	0.21	2,972,404	0.40
Granted	2,900,000	0.05	-	-
Forfeited	(425,000)	0.12	(147,222)	0.46
Outstanding – End of period	15,206,848	0.18	2,825,182	0.39
Options exercisable – End of period	10,309,348	0.19	2,716,787	0.39

As at December 31, 2022, the Company's stock option plan allows a maximum of 15,849,966 common shares of the Company for issuance.

During the three months ended December 31, 2022, the Company granted 2,900,000 options to directors, officers, employees and non-employees, exercisable at $0.05 and vest 100% immediately, for a five month term.

The fair value of the options granted to non-employees was measured at the value of services the Company received.

The Company used the Black-Scholes option pricing model to estimate the fair value of the options granted to directors, officers, employees. The Company considered historical volatility of its common shares as well as industry benchmarking in estimating its future stock price volatility. The risk-free interest rate for the expected life of the options was based on the yield available on government benchmark bonds with an approximate equivalent remaining term at the time of the grant. The expected life is based on the contractual term, taking into account expected director, employee and non-employee exercise and expected post-vesting employment termination behaviour. The following assumptions were used to estimate the Black-Scholes fair value of the options granted during the three months ended December 31, 2022:

Annualized volatility	112.7%
Risk-free interest rate	4.3%
Expected life of options in years	0.5
Dividend rate	nil%
Exercise price	$0.05
Market price on date of grant	$0.065
Fair value	$0.027

Stock-based compensation expense for the three months ended December 31, 2022 was $155,423 (2021 – $1,251), with a corresponding increase in contributed surplus included in shareholders' equity.

The following table summarizes information on stock options outstanding as at December 31, 2021:

Exercise price $	Number outstanding	Weighted average remaining contractual life in years	Options exercisable
0.05	2,900,000	0.64	2,900,000
0.10	6,250,000	4.38	3,312,500
0.15	801,663	0.83	801,663
0.20	700,000	0.09	500,000
0.30	2,665,000	4.09	905,000
0.50	1,590,000	0.99	1,590,000
0.60	300,185	2.75	300,185
	15,206,848	2.85	10,309,348

12 Loss per share

	December 31, 2022 $	December 31, 2021 $
Net loss	(652,760)	(609,126)
	#	#
Weighted average number of common shares outstanding – basic and diluted	59,649,831	38,385,913
	$	$
Basic and diluted loss per share	(0.01)	(0.02)

For the three-month periods ended December 31, 2022 and 2021, potential shares issuable in exchange for warrants and all stock-based payment awards have been excluded in the diluted loss per share calculation as their effects would have been anti-dilutive. Consideration Shares (note 4) that have not been released from escrow have also been excluded.

13 Financial instruments

For accounting recognition and measurement purposes, cash, accounts receivable, accounts payable and accrued liabilities, promissory notes and loan payable are classified as amortized cost. The carrying value of cash, accounts receivable and accounts payable and accrued liabilities and promissory notes approximates their fair value due to the immediate or short-term maturity of these financial instruments. The loan payable was measured using the estimated incremental borrowing rate and approximates fair value.

Financial instruments recognized on the interim condensed consolidated statements of financial position dates at fair value are classified in a hierarchy based on the significance of the estimates used in their measurement, as follows:

- Level 1 – Quoted prices in active markets for identical assets or liabilities.
- Level 2 – Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.
- Level 3 – Inputs for the asset or liability that are not based on observable market data.

The non-marketable equity securities in Provision Analytics (note 8) are an investment in a privately held company without readily determinable market values and is classified as Level 3.

During the three months ended December 31, 2022 and 2021, there have been no transfers between levels of the fair value hierarchy.

14 Related party transactions and balances

During the periods ended December 31, 2022 and 2021, the Company incurred the following amounts in the normal course of business and they have been valued at amounts that are considered established and agreed to by the related parties:

	2022 **$**	**2021** **$**
Sublease rental income from a company controlled by a director and from a company controlled by family members of a director	984	2,868
Consulting fees to a company controlled by family members of a director	3,728	5,103
Office and administrative services to family members of a director	17,524	9,633
Project management services to a company controlled by a member of key management	52,500	103,950

The compensation to key management during the periods ended December 31, 2022 are as follows:

	2022 $	2021 $
Salaries, management fees and short-term employee benefits	142,307	111,279
Stock-based compensation	81,384	-
Consulting fees to a company controlled by a member of key management	8,768	26,303
	232,459	137,582

During the three months ended December 31, 2022, the Company granted 1,320,000 stock options with a fair value of $35,266 to directors and members of key management, exercisable at $0.05 per option (note 11(c)).

Accounts payable

Accounts payable and accrued liabilities as at December 31, 2022 and September 30, 2022 include the following amounts due to:

	December 31, 2022 $	September 30 2022 $
Salaries and management fees	55,795	-
Company controlled by a member of key management for project management services	45,638	78,750
Member of key management for consulting fees	8,768	17,535
Family members of a director for other services	3,316	3,986
	113,517	100,271

15 Supplementary cash flow information

Changes in items of non-cash working capital during the periods ended December 31, 2022 and 2021 are as follows:

	2022 $	2021 $
Accounts receivable	35,174	69,803
Inventory	(105,333)	(7,093)
Deposits and prepaid expenses	(47,295)	(303,012)
Accounts payable and accrued liabilities (note 19)	282,807	137,508
Unearned revenue	172,269	(73,128)
	432,212	(175,922)

16 Liquidity risk

The Company's liabilities have the following amounts that mature within one year:

	$
Accounts payable and accrued liabilities (note 19)	1,088,132
Promissory notes (note 9)	255,750
Loan payable (note 10)	87,260
Lease liability (note 7)	4,700

The Company's long-term liabilities include a loan payable for $476,390 (note 10) and a lease liability for $24,746 (note 7).

Anticipated cash outflows on the loan payable and lease liability as at September 30, 2022 are disclosed in note 10 and 7, respectively.

Liquidity risk is the risk the Company will encounter difficultly in meeting financial obligations as they come due. See note 1 for additional disclosure on the Company's financial condition. The Company manages its liquidity risk through the management of its capital structure and financial leverage. It also monitors its cash position to its actual cash position and timing of payments to suppliers, ensuring that sufficient funds are available when payments come due. The Board of Directors reviews and approves any material transactions out of the ordinary course of business.

17 Government assistance

Government assistance consists of grants from PIC and IRAP. These grants are accounted for as a reduction of related expenditures and are recorded when there is reasonable assurance that the Company has complied with the terms and conditions of the approved grant program.

PIC

On March 31, 2021 the Company signed an agreement with PIC, Farmers Edge Inc., and OPIsystems Inc. to create a platform for Canada's plant-based food, feed and ingredient sector. The project is partially funded through PIC, up to a maximum of $334,057.

For the three months ended December 31, 2022 and 2021, the Company recognized funding of $2,507 (2021 – $38,968) in research and development expenses.

IRAP

On April 1, 2021, the Company received approval of funding up to $300,000 from the IRAP, to develop traceability of products and sustainability metrics for poultry produced using Arden Biotechnology Ltd.'s natural feed supplement, Sustavian.

For the three months ended December 31, 2022 and 2021, the Company recognized funding of $54,366 (2021 – $26,770) in research and development expenses.

Wage subsidy

For the three months ended December 31, 2022 and 2021, the Company received $nil (2021 – $8,214) from the Canada Emergency Wage Subsidy, which is netted against wages and benefits on the interim condensed consolidated statements of loss and comprehensive loss.

18 Segment disclosures

Management has organized the Company under two reportable segments: ViewTrak, the development and sale of information solutions for the livestock industry and related services, and BIX, which leverages blockchain-derived technology and unique incentive solutions to deliver independent validation of food provenance and sustainable production practices within the agri-food supply chain.

	Three months ended December 31, 2022		
	ViewTrak **$**	**BIX** **$**	**Consolidated** **$**
Revenue from external customers	352,474	66,350	418,824
Expenses	(799,943)	(278,591)	(1,078,534)
Amortization and depreciation	(6,892)	(149,480)	(156,372)
Other income (expenses)	163,322	-	163,322
Net loss	(291,039)	(361,721)	(652,760)

For the three months ended December 31, 2022, BIX includes $149,213 of amortization and depreciation related to Insight software (note 6).

	Three months ended December 31, 2021		
	ViewTrak **$**	**BIX** **$**	**Consolidated** **$**
Revenue from external customers	347,899	74,362	422,261
Expenses	(638,522)	(346,363)	(984,885)
Amortization and depreciation	(13,686)	(529)	(14,215)
Other income (expenses)	(32,287)	-	(32,287)
Net loss	(336,596)	(272,530)	(609,126)

Geographical segmentation

The Company’s segments are managed on a worldwide basis. Substantially all of the Company’s assets are located in Canada.

The following is a summary of revenue by geographic location in which the Company’s customers are located for the three months ended:

	December 31, 2021 $	**December 31, 2020 $**
Canada	209,851	221,003
United States	206,468	109,253
Other	2,505	89,976
	418,824	420,232

19 Subsequent events

Convertible debenture financing

On December 23, 2022, the Company announced a non-brokered private placement in the form of convertible debentures (the “Debentures”) with an interest rate of ten percent to be paid in cash.

As at December 31, 2022, the Company received an aggregate principal amount of $150,000, committed for the purchase of the Debentures and included in accounts payable and accrued liabilities. The Company received conditional acceptance from the TSX Venture Exchange on January 9, 2023, and final acceptance on January 27, 2023, to close this Debenture financing. Subsequently, the Company repaid $75,000 of the Debentures.

Private placement

On January 31, 2023, the Company announced that, subject to regulatory approval, it intends to complete a non-brokered private placement of up to 14,285,714 common shares at a price of $0.035 per common share for gross proceeds of up to $500,000. On February 10, 2023, the Company received conditional acceptance from the TSX Venture Exchange, and announced the closing of an initial tranche of 7,142,857 common shares for gross proceeds of $250,000. On February 24, 2023, the Company announced the closing of a second tranche of 4,614,282 common shares for gross proceeds of $161,500.