SPARTA CAPITAL LTD.
(o/a SPARTA GROUP)

UNAUDITED CONSOLIDATED
INTERIM FINANCIAL STATEMENTS

FOR THE THREE- AND SIX-MONTH PERIODS ENDED
MARCH 31, 2024 AND 2023

390 Bay Street, Suite 1400
Toronto, ON
M5H 2Y2
www.spartagroup.ca

Sparta Capital Ltd.

Unaudited Consolidated Interim Statements of Financial Position

As at	Note	March 31 2024	September 30 2023
		$	$
Current assets			
Cash		1,088,589	930,828
Accounts receivable		305,462	549,972
Inventories		8,460	8,460
Prepaid expenses		283,438	31,508
		1,685,949	1,520,768
Non-current assets			
Equipment	7	56,944	82,902
Right-of-use assets	8	1,023,081	238,030
		1,080,025	320,932
Total assets		2,765,974	1,841,700
Current liabilities			
Accounts payable and accrued liabilities		521,805	646,051
Income taxes payable		139,620	20,163
Notes payable	9	1,592,239	1,825,376
Current portion of lease liabilities	8	588,947	108,791
		2,842,611	2,600,381
Non-current liabilities			
Convertible debentures payable	10	294,374	278,975
Derivative liabilities		102,055	102,055
Long term portion of lease liabilities		423,211	126,405
		819,640	507,435
Total liabilities		3,662,251	3,107,816
Share capital		10,960,676	10,760,676
Share subscriptions receivable		(99,500)	(99,500)
Contributed surplus		1,346,336	1,256,836
Option reserve		291,340	380,840
Equity portion of convertible debentures		750	750
Deficit		(13,244,919)	(13,123,636)
Total equity attributable to the equity holders of the Corporation		(745,317)	(824,034)
Deficiency attributable to non-controlling interest		(150,960)	(442,082)
		(896,277)	(1,266,116)
		2,765,974	1,841,700
Going concern	2		

Approved on behalf of the Board:

Signed:________________________ Director

Signed:____________________ Director

See accompanying notes to the consolidated financial statements.

Sparta Capital Ltd.

Unaudited Consolidated Interim Statements of Comprehensive Loss

For the three & six-month periods ending March 31	Note	Three-month period 2024	Three-month period 2023	Six-month period 2024	Six-month period 2023
		$	$	$	$
Revenue		2,025,251	2,684,717	4,831,913	4,852,781
Expenses					
Product costs		699,963	1,113,916	1,668,903	1,985,832
Salaries and benefits		566,079	653,245	1,338,151	1,224,085
Consulting fees		257,906	187,478	448,678	344,391
Depreciation of right-of-use assets		152,674	95,366	286,245	190,732
Occupancy		98,093	88,372	170,798	157,520
Office		80,451	72,533	201,970	132,704
Professional fees		51,875	23,334	87,581	36,203
Interest and bank charges		46,687	17,286	88,854	47,367
Insurance		39,306	24,371	69,530	55,139
Licenses and fees		23,992	10,514	40,229	46,959
Automotive		16,210	16,019	34,584	40,431
Transportation		14,030	51,687	47,656	118,552
Depreciation of equipment		12,979	13,298	25,958	26,860
Accretion on convertible debentures		7,700	11,300	15,400	11,300
Repairs and maintenance		4,522	14,366	12,375	15,240
Marketing		865	3,766	1,510	40,058
Business development		780	107,123	2,330	136,339
Bad debts		-	11,430	-	11,430
Exchange (gains) losses		(18,548)	1,416	(22,978)	18,974
Total expenses		2,055,564	2,516,820	4,517,774	4,640,116
Income (loss) before income taxes		(30,313)	167,897	314,139	212,665
Provision for (recovery of) income taxes		26,300	-	144,300	-
Net income (loss) and comprehensive income (loss) for the period		**(56,613)**	**167,897**	**169,839**	**212,665**
Net income (loss) and comprehensive income (loss) attributable to:					
Shareholders	15	(97,684)	(33,033)	(121,283)	(163,003)
Non-controlling interests	15	41,071	200,930	291,122	375,668
		(56,613)	167,897	169,839	212,665
Net income (loss) per share basic and diluted	12	(0.000)	0.001	0.001	0.001

See accompanying notes to the consolidated financial statements.

Sparta Capital Ltd.

Unaudited Consolidated Interim Statements of Changes in Equity

	Note	Number of common shares	Share capital	Contributed surplus	Option reserve	Share subscription receivable	Equity portion of convertible debentures	Deficit	Non-controlling interest	Total
			$	$	$	$	$	$	$	$
Balance, October 1, 2023		234,153,923	10,760,676	1,256,836	380,840	(99,500)	750	(13,123,636)	(442,082)	(1,266,116)
Net income (loss) for the period		-	-	-	-	-	-	(23,599)	250,051	226,452
Balance, December 31, 2023		234,153,923	10,760,676	1,256,836	380,840	(99,500)	750	(13,147,235)	(192,031)	(1,039,664)
Expiry of options		-	-	89,500	(89,500)	-	-	-	-	-
Private Placement		10,000,000	200,000							200,000
Net income (loss) for the period		-	-	-	-	-	-	(97,684)	41,071	(56,613)
Balance, March 31, 2024		244,153,923	10,960,676	1,346,336	291,340	(99,500)	750	(13,244,919)	(150,960)	(896,277)
Balance October 1, 2022		213,720,590	10,145,368	923,888	636,173	(20,000)	52,250	(12,710,749)	(779,858)	(1,752,928)
Private placement		1,666,667	50,000	-	-	-	-	-	-	50,000
Net income (loss) for the period		-	-	-	-	-	-	(68,671)	113,439	44,768
Balance December 31, 2022		215,387,257	10,195,368	923,888	636,173	(20,000)	52,250	(12,779,420)	(666,419)	(1,658,160)
Private placement		18,766,666	563,000	-	-	(280,000)	-	-	-	283,000
Non-controlling interest		-	-	-	-	-	-	(61,297)	61,297	-
Net income (loss) for the period		-	-	-	-	-	-	(33,033)	200,930	167,897
Balance March 31, 2023		234,153,923	10,758,368	923,888	636,173	(300,000)	52,250	(12,873,750)	(404,192)	(1,207,263)

See accompanying notes to the consolidated financial statements.

Sparta Capital Ltd.

Unaudited Consolidated Interim Statements of Cash Flows

		Three-month period		Six-month period	
For the three & six-month periods ending March 31	Note	2024	2023	2024	2023
		$	$	$	$
Cash provided by (used in):					
Operations:					
Net income (loss) and comprehensive loss for the period		(56,613)	167,897	169,839	212,665
Items not involving cash:					
Depreciation of equipment		12,979	13,298	25,958	26,860
Accretion on convertible debentures		7,700	11,300	15,400	11,300
Depreciation of right-of-use assets		152,674	95,366	286,245	190,732
Interest on lease liabilities		23,419	7,653	41,795	16,812
Interest on notes payable		14,026	7,252	28,125	18,041
		154,185	302,766	567,362	476,410
Change in non-cash working capital:					
Accounts receivable		488,171	(136,150)	244,510	(197,590)
Prepaid expenses		(263,099)	(37,044)	(251,930)	(25,335)
Accounts payable and accrued liabilities		(264,482)	147,432	(124,246)	211,206
Income taxes payable		1,457	-	119,457	-
Current portion of lease liabilities		19,290	(85,303)	480,156	(139,747)
Net cash flows from operating activities		135,522	191,701	1,035,309	324,944
Investing:					
Right-of-use assets		-	-	(1,071,296)	-
Cash flows used in investing		-	-	(1,071,296)	-
Financing:					
Proceeds from share issuance		200,000	283,000	200,000	333,000
Lease liabilities		(176,974)	(23,715)	255,010	(78,289)
Notes payable		(254,415)	(125,000)	(261,262)	(128,537)
Cash flows from financing		(231,389)	134,285	193,748	126,174
Increase (decrease) in cash		(95,867)	325,986	157,761	451,118
Cash,beginning of period		1,184,456	666,217	930,828	541,085
Cash, end of period		1,088,589	992,203	1,088,589	992,203

See accompanying notes to the consolidated financial statements.

1. Reporting Entity and Nature of Operations

Sparta Capital Ltd. (the "Corporation" or "Sparta") (with its subsidiaries, the "Company") was incorporated pursuant to the provisions of the Business Corporations Act (Alberta) on February 24, 1988. The Company maintains its head office at 390 Bay Street, Suite 1400, Toronto, Ontario, M5H 2Y2 and registered office at Suite 1600, Dome Tower, 333 - 7th Avenue S.W. Calgary, Alberta, T2P 2Z1. The Corporation's common shares are publicly listed on the TSX Venture Exchange under the symbol "SAY". All subsidiary companies are incorporated pursuant to the laws of the province of Ontario.

The Corporation seeks to leverage its expertise in product development, manufacturing, distribution, sales, and service across a range of complementary products. In addition, Sparta engages in exploring future investment opportunities to increase shareholder value.

The voting-controlled subsidiaries of the Corporation, the Corporations' equity and voting interests therein and their principal activities as at September 30 were as follows:

	Equity interest at September 30,		Voting interest at September 30,		
Name of subsidiary	2023	2022	2023	2022	Principal activity
Re-ECO Tech Electronic Conversions Ltd. ("Re-ECO Tech Electronic")	20%	20%	60%	60%	Electronics recycling and resale
Illumineris Inc.	51%	51%	51%	51%	Product distribution
Sparta Health Group Ltd.	10%	10%	51%	51%	Product distribution and installation
Illumineris Power Systems Ltd.	10%	10%	51%	51%	Product resale and repair services
Supernova Performance Technologies Ltd. ("Supernova")	100%	100%	100%	100%	Product development
Sparta Technologies 4 Mining Ltd.	100%	100%	100%	100%	Product development
Newport Environmental Technologies Ltd.	100%	100%	100%	100%	Inactive

The Corporation's equity interest is net of non-controlling interests. Non-controlling interests result from shares of subsidiaries issued to parties other than the Corporation which includes voting and non- voting shares. The ownership structures of subsidiaries that are not wholly owned include shares held in trust by an external trustee for future issuance to employees and consultants of the subsidiaries.

2. Going Concern

These consolidated financial statements have been prepared on a going concern basis which presumes that the Company will realize its assets and discharge its liabilities in the normal course of business.

For the period ended March 31, 2024, the Company realized net loss of $56,613 (2023 – income of $167,897), and negative cash flow from operations of $95,867 (2022 positive – $325,986) and at that date had an accumulated deficit of $13,244,919 (2023 – deficit of $12,873,750) and a working capital deficiency of $1,156,662 (2023 – deficiency of $1,423,941).

In order to meet the Company's future working capital requirements, it will be required to attract additional funds through the issue of debt or equity. Additional capital requirements are dependent on uncertain future events, including but not limited to the results of the evaluation of other business growth opportunities, the level of growth in product sales and distribution. There can be no assurance that capital will be available as necessary to attain profitable operations or, if the capital is available, that it will be on terms acceptable to the Company.

These conditions indicate the existence of a material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern. If the going concern assumption were not appropriate for these consolidated financial statements, then material adjustments could be necessary to the balance sheet classifications and carrying values of assets and liabilities.

3. Basis of Presentation

Statement of Compliance

The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) and were authorized for issue by the Corporation's Board of Directors on May 29, 2024.

Consolidation

These consolidated financial statements incorporate the accounts of the Corporation and its subsidiaries. Sparta is the ultimate parent corporation of the consolidated group. Subsidiaries are consolidated from the date on which the Corporation obtains control and continue to be consolidated until control ceases. Control is established when the Corporation has the power to govern the financial and operating policy decisions of the entity so as to obtain benefits from the entity's activities, and generally exists where more than 50% of the voting power of the entity is held by the Corporation. The financial statements of the subsidiaries are prepared for the same reporting period as the Corporation, using consistent accounting policies. All material intercompany transactions and balances are eliminated in full upon consolidation.

Where the ownership of a subsidiary is less than 100%, and a non-controlling interest exists, the proportionate amount of any gains or losses of that subsidiary are attributed to the non-controlling interest even if it results in a deficit. A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction.

Basis of measurement

The consolidated financial statements have been prepared on the historical cost basis and are presented in Canadian dollars, which is the Corporation's functional currency.

Use of estimates and judgments

The preparation of the consolidated financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income, and expenses. On an ongoing basis, management evaluates its judgements and estimates in relation to assets, liabilities, revenue, and expenses. Management uses historical experience and various other factors it believes to be reasonable under the given circumstances as the basis for its judgments and estimates. Actual outcomes may differ from these estimates under different assumptions and conditions. These estimates are reviewed periodically, and adjustments are made to income as appropriate in the period they become known. Items for which actual results may differ materially from these estimates and judgements are as follows:

Stock based compensation and share purchase warrants not issued as part of a unit – estimates for forfeiture rates, volatility, expected dividend yield and expected life.

Revenue recognition and contracts in progress – Revenue on a construction contract is recognized on a percentage-of-completion basis. In applying the accounting policy on construction contracts, judgment is required in determining the estimated costs to complete the contract. These estimates are reviewed as at each reporting period.

Fair value of private company investments – Where the fair values of investments in private companies recorded on the statement of financial position cannot be derived from active markets, they are determined using a variety of valuation techniques. The inputs to these models are derived from observable market data where possible, but where observable market data is not available, judgement is required to establish fair value and this value may not be indicative of recoverable value.

Going concern – At the end of each reporting period, management exercises judgement in assessing the Company's ability to continue as a going concern by reviewing its performance, resources, and future obligations. The conclusion that the Company will be able to continue as a going concern is subject to critical judgments of management with respect to assumptions surrounding the short and long-term operating budgets, expected profitability, investment and financing activities and management's strategic planning. The assumptions used in management's going concern assessment are derived from actual operating results along with industry and market trends.

Income taxes – Provisions for taxes are made using the best estimate of the amount expected to be paid based on a qualitative assessment of all relevant factors. The Company reviews the adequacy of these provisions at the end of the reporting period. However, it is possible that at some future date an additional liability could result audits by taxing authorities. Where the outcome of these tax-related matters is different form the amounts that were initially recorded, such differences will affect the tax provisions in the period in which such determination is made.

Leases – the Company uses judgement to determine the incremental borrowing rate used to calculate the initial liability and corresponding asset. The incremental borrowing rates is the rate of interest that a lessee would have to pay to borrow over a similar term, with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment.

Expected credit losses on financial assets – Determining an allowance for expected credit losses ("ECLs") for all debt financial assets not held at fair value through profit or loss requires management to make assumptions about the historical patterns for the probability of default, the timing of collection and the amount of incurred credit losses, which are adjusted based on management's judgment about whether economic conditions and credit terms are such that actual losses may be higher or lower than what the historical patterns suggest.

Convertible debentures – The fair value attributable to liability and equity components in convertible debentures.

Acquisitions – whether the assets acquired, and liabilities assumed constitute a business as defined in IFRS 3 and if the integrated set of activities, including inputs, and processes acquired, are capable of being conducted and managed as a business.

Accounting for non-controlling interest – subsidiary shares issued and held in trust for employees or consultants is treated as non-controlling interest since, due to the arrangement and intention, the related portion of income and equity is not expected to attribute to shareholders of the Company.

4. Significant Accounting Policies

a) Cash

The Company considers all investments with maturities of three months or less and demand bank loans that are utilized periodically for day-to-day operations to be cash equivalents.

b) Foreign Currency Translation

Monetary assets and liabilities are translated into Canadian dollars at the rate of exchange prevailing at the balance sheet date. The functional and reporting currency for all subsidiaries and the Corporation is the Canadian Dollar. All other assets and liabilities are translated at the exchange rates applicable at the time of the relevant transaction. Revenues and expenses are translated at the average exchange rate for each reporting period.

c) Inventories

Inventories are recorded at the lower of cost and net realizable value on a specific item basis and includes expenditures incurred in acquiring the inventories, production or conversion costs and other costs incurred in bringing the items to their current location and condition. Net realizable value is the estimated selling price less necessary costs to sell.

d) Equipment

Equipment consists of computer equipment, vehicles and machinery and equipment and are recorded at cost less accumulated depreciation and accumulated impairment losses. Costs includes all expenditures incurred to bring the asset to the location and condition necessary for them to be operating in the manner intended by management.

Depreciation is recognized based on the cost of the item less its estimated residual value over its estimated useful life on a straight-line basis at the following rate:

Computer equipment	3 years
Vehicles	3 – 5 years
Machinery and equipment	5 – 7 years

An asset's residual life, useful life and depreciation method are reviewed, and adjusted if appropriate on an annual basis.

An item of equipment and any significant part initially recognized is derecognized upon disposal or when no future economic benefits are expected from its use. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of loss and comprehensive loss when the asset is derecognized.

e) Impairment of non-financial assets

The Company determines at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset or cash-generating unit's ("CGU's") fair value less costs to sell and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount which is the higher of value in use or fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs to sell, recent market transactions are considered, if available. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated for valuation multiples or other available fair value indicators. Impairment losses are recognized in the consolidated statements of loss and comprehensive loss in those expense categories consistent with the function of the impaired asset.

For assets, excluding goodwill, an assessment is made at each reporting date of whether there is any indication that previously recognized impairment losses may no longer exist or may have decreased. If an indication exists, the Company estimates the asset or CGU's recoverable amount. A previously recognized impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's or CGU's recoverable amount since the last impairment loss was recognized. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount nor exceed the carrying amount that would have been determined, net of amortization, had no impairment loss been recognized for the asset in prior years. Such reversal is recognized in the consolidated statements of loss and comprehensive loss.

f) Leases

At inception of a contract, the Company assess whether a contract is, or contains, a lease based on whether the contract conveys the right to control the use of an identified assets for a period of time in exchange for consideration. The Company then recognizes a right-of-use asset ("RUA") and a lease liability at the lease commencement date. The RUA is initially measured based on the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of the costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received. The assets are depreciated to the earlier of the end of the useful life of the RUA or the lease term using the straight-lice method. The lease term includes periods covered by an option to extend if the Company is reasonably certain to exercise that option.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Company's incremental borrowing rate. The lease liability is measured at amortized cost using the effective interest method. It is remeasured when there is a change in the Company's estimate of the amount expected to be payable under a residual value guarantee, if there is a change in future lease payments arising from a change in an index or rate, or if the Company changes its assessment whether it will exercise a purchase, extension or termination option.

When the lease liability is remeasured, the amount of the remeasurement is recognized as a corresponding adjustment to the carrying amount of the RUA or is recorded in profit or loss if the carrying amount of the RUA has been reduced to zero.

g) Revenue Recognition

The Company uses the following five-step contract-based analysis of transactions to determine if, when and how much revenue can be recognized:

1. Identify the contract with a customer;
2. Identify the performance obligation(s) in the contract;
3. Determine the transaction price;
4. Allocate the transaction price to the performance obligation(s) in the contract; and
5. Recognize revenue when or as the Company satisfies the performance obligation(s).

Revenue is measured at the fair value of the consideration received or receivable, considering contractually defined terms of payment and excluding taxes or duty. The following specific recognition criteria must also be met before revenue is recognized:

Service revenue

Service revenue includes transportation and recycling services. Revenue from services rendered is recognized when the services are performed.

h) Income Taxes

Income taxes are calculated using the liability method of accounting for income tax. Temporary differences arising from the difference between the tax basis of an asset or liability and its carrying value on the balance sheet are used to calculate deferred income tax liabilities or assets. Deferred income tax liabilities or assets are calculated using tax rates anticipated to apply in the periods that the temporary differences are expected to reverse. The effect on deferred tax assets and liabilities of a change in tax rates is recognized in income in the period in which that substantive enactment occurs. A deferred tax asset is recognized to the extent that it is probable that future taxable profits will be available against which the deductible temporary differences can be utilized.

i) Stock Based Compensation

The compensation expense related to incentive options issued to employees is recognized using the grant date fair value over the vesting period of the stock options whereas consultant's warrants and options issued to non-employees are recognized at the current fair value as earned under the terms of the agreement. The fair value of stock options is determined using the Black-Scholes option pricing model.

j) Private Placement Units

When the Company issues private placement units, the value attributed to the warrants is measured using the residual method. This method allocates value first to the more easily measurable component based on fair value and the residual to the less easily measurable component, if any. The Company considers the fair value of its shares to be the more easily measurable component and is valued with reference to the market price. The residual value is attributed to the warrants, if any is recorded as a separate component of equity.

k) Earnings (Loss) Per Share

Earnings (loss) per share is computed by dividing the net loss for the year by the weighted average of shares outstanding during the reporting year. Diluted earnings/loss per share is calculated using the treasury stock method to determine the dilutive effect from the exercise of stock options, share purchase warrants and convertible debentures. This assumes that any proceeds received from in-the-money options and share purchase warrants would be used to buy back common shares at the average market price for the period.

l) Compound Financial Instruments

Compound financial instruments issued by the Company are comprised of convertible debt that can be converted to share capital at a fixed price, at the option of the holder. The liability component of a compound financial instrument is recognized initially at the fair value, which is equal to the net present value of future cash flows applying an interest rate at the date of issue of a similar liability that does not have an equity convertible option. The equity component is recognized initially as the difference between the fair value of the compound financial instrument as a whole and the fair value of the liability component. Any directly attributable transaction costs are allocated to the liability and equity components in proportion to their initial carrying amounts.

Subsequent to initial recognition, the liability component of a compound financial instrument is measured at amortized cost using the effective interest method. The equity component of a compound financial instrument is not re-measured after initial recognition.

Interest, losses, and gains relating to the financial liability are recognized in profit or loss.

m) Financial Instruments

Recognition

The Company classifies and measures financial instruments in accordance with IFRS 9 *'Financial Instruments'* ("IFRS 9"). A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. Financial assets and financial liabilities, including derivatives, are recognized on the statements of financial position when the Company becomes a party to the financial instrument or derivative contract.

Classification

The Company classifies its financial instruments in the following measurement categories: (a) those to be measured subsequently at FVTPL; (b) those to be measured subsequently at fair value through other comprehensive income ("FVTOCI"); and (c) those to be measured at amortized cost. The classification of financial assets depends on the business model for managing the financial assets and the contractual terms of the cash flows. Financial liabilities are classified as those to be measured at amortized cost unless they are designated as those to be measured subsequently at FVTPL (irrevocable election at the time of recognition). For assets and liabilities measured at FVTPL, gains and losses are recorded in profit and loss.

The Company reclassifies financial assets when its business model for managing those assets changes.
Financial liabilities are not reclassified.

FVTPL

This category includes derivative instruments as well as quoted equity instruments which the Company has not irrevocably elected, at initial recognition or transition, to classify at FVTOCI. This category would also include debt instruments whose cash flow characteristics fail the solely principal and interest ("SPPI") criterion or are not held within a business model whose objective is either to collect contractual cash flows, or to both collect contractual cash flows and sell. Financial assets in this category are recorded at fair value with changes recognized in profit or loss.

FVTOCI

Equity instruments that are not held-for-trading can be irrevocably designated to have their change in FVTOCI instead of through profit or loss. This election can be made on individual instruments and is not required to be made for the entire class of instruments. Attributable transaction costs are included in the carrying value of the instruments. Financial assets at FVTOCI are initially measured at fair value and changes therein are recognized in other comprehensive income (loss). As at September 30, 2023 and 2022, the Company did not have any financial assets at FVTOCI.

Amortized cost

This category includes financial assets that are held within a business model with the objective to hold the financial assets to collect contractual cash flows that meet the SPPI criterion. Financial assets classified in this category are measured at amortized cost using the effective interest method.

Measurement

All financial instruments are required to be measured at fair value on initial recognition, plus, in the case of a financial asset or financial liability not at FVTPL, transaction costs that are directly attributable to the acquisition or issuance of the financial asset or financial liability. Transaction costs of financial assets and financial liabilities carried at FVTPL are expensed in profit or loss. Financial assets and financial liabilities with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest.

Financial assets that are held within a business model whose objective is to collect the contractual cash flows, and that have contractual cash flows that are solely payments of principal and interest on the principal outstanding are generally measured at amortized cost at the end of the subsequent accounting periods. All other financial assets including equity investments are measured at their fair values at the end of subsequent accounting periods, with any changes taken through profit and loss or other comprehensive income (loss) (irrevocable election at the time of recognition). For financial liabilities measured subsequently at FVTPL, changes in fair value due to credit risk are recorded in other comprehensive income (loss).

The Company’s classification of financial assets and liabilities is summarized below:

	Classification
Cash	Amortized cost
Accounts receivable	Amortized cost
Investments	FVTPL
Accounts payable and accrued liabilities	Amortized cost
Notes payable	Amortized cost
Lease liabilities	Amortized cost
Convertible debentures payable	Amortized cost

Expected credit loss impairment model

IFRS 9 introduced a single ECL impairment model, which is based on changes in credit quality since initial application. The adoption of the ECL impairment model had resulted in a provision of ECL recorded on the Company’s consolidated statements of loss and comprehensive loss.

A maximum 12-month allowance for ECL is recognized from initial recognition reflecting the portion of lifetime cash shortfalls that would result if a default occurs in the 12 months after the reporting date, weighted by the risk of a default occurring.

A lifetime ECL allowance is recognized if a significant increase in credit risk is detected after the instruments initial recognition reflecting lifetime cash shortfalls that would result over the expected life of a financial instrument.

A lifetime ECL allowance is recognized for credit impaired financial instruments.

The Company assumes that the credit risk on a financial asset has increased significantly if it is more than 60 days past due. The Company considers a financial asset to be in default when the borrower is unlikely to pay its credit obligations to the Company in full or when the financial asset is more than 120 days past due.

The carrying amount of a financial asset is written off (either partially or in full) to the extent that there is no realistic prospect of recovery. This is generally the case when the Company determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts.

Derecognition

Financial assets

The Company derecognizes financial assets only when the contractual rights to cash flows from the financial assets expire, or when it transfers the financial assets and substantially all the associated risks and rewards of ownership to another entity. Gains and losses on derecognition are generally recognized in the consolidated statements of loss and comprehensive loss.

Financial liabilities

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

Fair value hierarchy

The determination of fair values requires judgement is based on market information, where available and appropriate. The Company classifies fair value measurements using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy h as the following levels:

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

n) Private company investments

All privately held investments (including options, warrants and conversion features) are initially recorded at the transaction price, being the fair value at the time of the acquisition. At the end of each reporting period, the fair value of an investment may (depending upon circumstances) be adjusted using one or more of the valuation indicators described below. These are included in Level 3 of the fair value hierarchy.

The determination of fair value of the Company's privately held investments at other than initial cost, is subject to certain limitations. Financial information for private companies in which the Company has investments, may not be available and, even if available, that information may be limited and/or unreliable.

Use of valuation approach described below may involve uncertainties and determinations based on management's judgment and any value estimated from these techniques may not be realized or realizable.

Company-specific information is considered when determining whether the fair value of a privately held investment should be adjusted upward or downward at the end of each reporting period. In addition to company-specific information, the Company will also consider trends in general market conditions and the share performance of comparable publicly traded companies when valuing privately held investments.

The fair value of a privately held investment may be adjusted if:

i. There has been a significant subsequent equity financing provided by outside investors at a valuation different than the current value of the investee company, in which case the fair value of the investment is set to the value at which that financing took place;
ii. There have been significant corporate, political or operating events affecting the investee company, in management's opinion have a material impact on the investee company's prospects and therefore its fair value. In these circumstances, the adjustment to the fair value of the investment will be based on management's judgment and any value estimated may not be realized or realizable;
iii. The investee company is placed into receivership or bankruptcy;

iv. Based on the financial information received from the investee company, it is apparent to the Company that the investee company is unlikely to be able to continue as a going concern;

v. Release by the investee company of positive/negative operational results; and

vi. Important positive/negative management changes by the investee company that the Company's management believes will have a very positive/negative impact on the investee company's ability to achieve its objectives and build value for shareholders/

Adjustments to the fair value of a privately held investment will be based upon management's judgement and any value estimated may not be realized or realizable. The resulting values for non-publicly traded investments may differ from values that would be realized if a ready market exited.

In addition, the amounts at which the Company's privately held investments could be currently disposed of any differ from the carrying value assigned.

o) Government assistance

Government grants, consisting of grants, subsidies, and investment tax credits, are recorded as a reduction of the related expense or the cost of the asset acquired. Government grants are recognized when there is reasonable assurance that the Company has met or will meet the requirements of the approved grant program and there is reasonable assurance that the grant will be received.

Grants that compensate the Company for expenses incurred are recognized in profit or loss in reduction thereof on a systematic basis in the same years in which the expenses are recognized. Grants that compensate the Company for the cost of an asset are recognized in profit or loss on a systematic basis over the useful life of the asset.

p) Segment reporting

Segment reporting is based on the operating (business) segments of the Company. An operating segment is a component of the Company that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to the transactions with any of the Company's other components. An operating segment's operating results are reviewed regularly by the chief executive officer to make decisions about resources to be allocated to the segment and assess its performance, and for which discrete financial information is available. Segment results that are reported to the chief executive officer include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Those incomes, expenses, assets, liabilities and other balances which cannot be allocated to a particular segment on a reasonable basis are reported as unallocated.

The company has the following reportable business segments: Electronics Recycling and Safety Products
Transactions among the business segments are recorded at cost. Inter segment sales and purchases are eliminated from the total.

q) Recent Accounting Pronouncements

Certain pronouncements have been issued by the IASB that are mandatory for accounting periods after September 30, 2023. There are currently no such pronouncements that are expected to have a significant impact on the Company's consolidated financial statements.

5. Equipment

Equipment Consists of the following:

	Computer equipment	Machinery and equipment	Vehicles	Totals
	$	$	$	$
Cost				
As at September 30, 2022	2,000	384,717	30,000	476,717
Additions (disposals)	-	-	-	-
As at September 30, 2023	2,000	384,717	30,000	416,717
Additions (disposals)	-	-	-	-
As at March 31, 2024	2,000	384,717	30,000	416,717
Accumulated depreciation				
As at September 30, 2022	2,000	248,812	30,000	280,812
Depreciation	-	53,003	-	53,003
Disposals	-	-	-	-
As at September 30, 2023	2,000	301,815	30,000	333,815
Depreciation	-	25,958	-	25,958
Disposals	-	-	-	-
As at March 31, 2024	2,000	327,773	30,000	359,773
Net book value				
As at September 30, 2023	-	82,902	-	82,902
As at March 31, 2024	-	56,944	-	56,944

6. Right of use assets and lease liabilities

a) Right of use assets

	Building lease	Vehicle leases	Totals
	$	$	$
Cost			
As at September 30, 2022	1,532,081	375,237	1,907,318
Additions	-	-	-
As at September 30, 2023	1,532,081	375,237	1,907,318
Additions	1,071,296	-	-
As at March 31, 2024	2,603,377	375,237	2,978,614
Accumulated depreciation			
As at September 30, 2022	1,200,129	87,695	1,287,824
Depreciation	306,416	75,048	381,464
As at September 30, 2023	1,506,545	162,743	1,669,288
Depreciation	248,721	37,524	286,245
As at March 31, 2024	1,755,266	200,267	1,955,533
Net book value			
As at September 30, 2023	331,952	287,542	238,030
As at March 31, 2024	848,111	174,970	1,023,081

b) Lease liabilities

	Building lease	Vehicle leases	Totals
	$	$	$
As at September 30, 2022	373,413	270,345	643,758
Additions	-	-	-
Lease interest expense	13,052	14,460	27,512
Payments during the year	(356,874)	(79,200)	(436,074)
As at September 30, 2023	29,591	205,605	235,197
Additions	1,034,310	-	1,034,310
Lease interest expense	36,048	5,747	41,795
Payments during the period	(259,544)	(39,600)	(299,144)
As at March 31, 2024	840,405	171,752	1,012,158
Current portion	509,747	79,200	588,947
Non-current portion	330,658	92,553	423,211

7. Notes payable

Notes Payable consists of the following:

	2024	2023
	$	$
Promissory notes assumed in respect to Supernova, bearing interest at 3% per annum, unsecured and no fixed terms of repayment	1,365,070	1,336,061
Promissory notes issued as consideration for the assets purchased in Re-ECO Tech Electronic with interest at 11% per annum, unsecured and no fixed terms of repayment	-	397,801
Non-interest-bearing promissory notes unsecured with no fixed terms of repayment	227,169	352,169
Promissory note payable, bearing interest at 10% per annum, unsecured and repayable December 2023	-	-
	1,592,239	2,086,031

Interest for the period was $14,026 (2023 - $7,252)

8. Convertible debentures

Convertible Debenture Summary

	2024	2023
	$	$
Beginning balance	245,355	245,355
Issuance of convertible debentures	350,000	350,000
Convertible debentures derecognized on modification	(200,000)	(200,000)
Repayment of convertible debentures	(50,000)	(50,000)
Conversion	(18,308)	(18,308)
Fair value of derivative liability	(160,024)	(160,024)
Accretion expense	127,351	111,952
Closing Balance	294,374	278,975

On February 6, 2023, l convertible debenture with a face value of $20,000 was converted and 666,667 common shares were issued.

On October 5th, 2022, the company extended the conversion period and modified the conversion terms of existing debentures with face value of $200,000. Additionally on October 5, 2022, the Company issued new debentures with the face value of $150,000. The debentures are convertible as follows:

- At a price of $0.05 per share until October 5, 2023
- At the greater of $0.10 per share or the market value of the shares on the TSXV as of the date of conversion up until the maturity date of August 31, 2024 (the "Maturity Date").

The conversion features offer a variable price and a variable number of shares to settle the debentures, the conversion feature has been accounted for as a derivative liability under IFRS. Accordingly, the fair value of the conversion feature, being $160,024 of the issuance proceeds was allocated to the derivative liability. The amount allocated to the debentures is then accreted to the amount owing upon maturity over the period to the Maturity Date.

The fair value of the derivative liability at the date of issuance was determined using the Binomial valuation model with probabilities of the three potential conversion prices. The following assumptions were used:
The probability of a conversion at $0.05 was assumed to be 50%; and the fair value of this outcome was estimated to be $114,237 based on the Black-Scholes valuation model with the following inputs: share price of $0.04; expected life of 1.91 year; $nil dividends; 198% volatility; risk-free interest rate of 3.85%; and a conversion price of $0.05.

The probability of a conversion at $0.10 per share was assumed to be 40% and the fair value of this outcome was estimated to be $41,840 based on the Black-Scholes valuation model with the following inputs: share price of $0.04; expected life of 1.91 year; $nil dividends; 198% volatility; risk-free interest rate of 3.85%; and a conversion price of $0.10.

The probability a conversion at greater than $0.10 per share was assumed to be 10% and the fair value of this outcome was estimated to be $3,947 based on the Black-Scholes valuation model with the following inputs: share price of $0.04; expected life of 1.91 year; $nil dividends; 198% volatility; risk-free interest rate of 3.85%; and a conversion price of $0.23.

The fair value of the derivative liability at the reporting date was determined using the Binomial valuation model with probabilities of the three potential outcomes. The following assumptions were used:

The probability of a conversion at $0.05 was assumed to be 50%; and the fair value of this outcome was estimated to be $87,630 based on the Black-Scholes valuation model with the following inputs: share price of $0.03; expected life of .92 year; $nil dividends; 166% volatility; risk-free interest rate of 3.99%; and a conversion price of $0.05.

The probability of a conversion at $0.10 per share was assumed to be 40% and the fair value of this outcome was estimated to be $13,621 based on the Black-Scholes valuation model with the following inputs: share price of $0.03; expected life of 0.92 years; $nil dividends; 166% volatility; risk-free interest rate of 3.99%; and a conversion price of $0.10.

The probability a conversion at greater than $0.10 per share was assumed to be 10% and the fair value of this outcome was estimated to be $804 based on the Black-Scholes valuation model with the following inputs: share price of $0.03; expected life of 0.92 years; $nil dividends; 166% volatility; risk-free interest rate of 3.99%; and a conversion price of $0.23. Management estimated the greatest share price to be the peak point from the prior 5 years of $0.23 per share.

As a result, the Company recognized a gain on the revaluation of the embedded derivative of $57.969 for the year ended September 30, 2023 ($nil in 2022).

9. Share capital

Authorized

The authorized share capital of the Corporation consists of an unlimited number of common shares, 50,000,000 non-voting preferred shares (issuable in series, the rights, privileges, restrictions, and conditions attached to the preferred shares are to be determined by the Directors of the Corporation at time of issuance) and an unlimited number of special non-voting shares.

There are no preferred shares and no non-voting special shares issued or outstanding as at March 31, 2024.

Issued

During the period ending March 31, 2024, the Company issued 10,000,000 shares in contemplation of the startup of the TruckSuite™ Canada business later in 2024.

Options

A summary of the Corporation's outstanding stock options as at March 31, 2024 and 2023, is as follows:

	Number of options	Weighted average exercise price
		$
Balance, September 30, 2022	**13,523,000**	**0.05**
Issued	-	0.05
Exercised	-	
Expired	(5,188,000)	0.05
Balance, September 30, 2023	**8,335,000**	**0.05**
Issued	-	-
Exercised	-	-
Expired	(2,035,000)	0.05
Balance, March 31, 2024	**6,300,000**	**0.05**

On April 1, 2022, 900,000 options were exercised for 900,000 common shares. On July 20, 2022 200,000 options were exercised for 200,000 common shares.

On June 29, 2022, the Corporation granted stock options to a consultant for the purchase of 1,500,000 common shares of the Corporation at an exercise price of $0.05 per common share. These options expire on June 29, 2027.

None of the options will vest until various milestones of a formal work plan have been completed, presented, and agreed upon, which management estimates to be March 1st, 2024.

Stock-based compensation expense of $30,115 (2022- 21,820) was recorded based on the fair value of the stock options on the grant date using the Black-Scholes option pricing model. The assumptions applied by the Corporation in this calculation for the fair value of the options at the grant date were (a) share price of $.06 b) dividend yield 0%, c) volatility 188.76%, d) risk-free rate 3.17%, e) forfeiture rate of 0%, f) expected life of 5 years.

On November 1, 2023 2,035,000 expired unexercised.

The following summarizes the outstanding options:

Expiry date	**Exercise price**	**Outstanding**	**Exercisable**	**Weighted average remaining contractual life**
	$	#	#	(Years)
February 2, 2026	0.05	2,000,000	2,000,000	1.83
July 8, 2026	0.05	2,800,000	2,800,000	2.27
June 29, 2027	0.05	1,500,000	-	3.25
	0.05	6,300,000	4,800,000	2.36

Warrants

A summary of the Company's share purchase warrants and the changes for the years then ended, is as follows:

	Number of warrants	**Weighted average exercise price**
		$
Balance, September 30, 2022	**2,200,000**	**0.05**
Issued	20,433,333	0.05
Exercised	-	0.05
Expired	(2,200,000)	0.11
Balance, September 30, 2023	**20,433,333**	**0.05**
Issued	-	0.05
Exercised	-	0.05
Expired	-	-
Balance, March 31, 2024	**20,433,333**	**0.05**

The following summarizes the outstanding warrants:

Expiry date	**Exercise price**	**Outstanding**	**Exercisable**	**Weighted average remaining contractual life**
	$	#	#	(Years)
February 21, 2025	0.05	20,433,333	20,433,333	0.86
	0.05	20,433,333	20,433,333	0.86

10. Related Party Transactions and Balances

Key management compensation

Key management includes the Company's Directors, the CEO, CFO and President.

As at March 31, 20	**2024**	**2023**
	$	$
Consulting fees	-	36,000
Total	**-**	**36,000**

11. Capital Management

The Company's objectives when managing capital is to safeguard its ability to continue as a going concern by providing adequate working capital and maintaining cash on hand. The Company defines capital as the Company's shareholders' equity (deficiency) and loans and borrowings. At March 31, 2024 the shareholders' deficit was $896,277 (March 31, 2023 – $1,207,261) and loans and borrowings were $3,000,826 (March 31,2023 - $2,785,220). The Company manages its capital structure and adjusts it considering changes in economic conditions and the risk characteristics of the underlying assets. To maintain or adjust the capital structure, the Company may purchase shares for cancellation pursuant to normal course issuer bids, issue new shares or obtain debt financing. The Company is not currently subject to any externally imposed capital requirements.

Management anticipates that, based on the amount required to fund expenses associated with the execution of the Company's current business plan, considering the working capital deficit and the Company's projected level of future income, the Company is expected to require an injection of capital through debt or equity financing to meet its normal operating requirements for the next 12 months. Additional capital requirements are dependent on the extent of future revenues and expenses related to product development, manufacturing, sales, and promotion and in consideration of results of the evaluation of other business growth opportunities and associated capital requirements. Additional liquid capital may be sourced from the issuance of share capital, debt financing or from potential government funding in support of development of export markets.

12. Fair value and financial risk management

The Company held the following financial instruments as at March 31:

	2024	**2023**
	$	**$**
Financial assets, measured at amortized cost:		
Cash	1,088,589	992,203
Accounts receivable	305,462	708,999
Financial liabilities, measured at amortized cost:		
Accounts payable and accrued liabilities (net of HST)	521,805	904,975
Notes payable	1,592,239	2,086,031
Lease liabilities	1,012,158	442,534
Income taxes payable	113,320	-
Convertible debentures payable	294,374	256,655

The fair value of these financial instruments approximates their carrying value.

Financial risk management

The Company's risk exposures and the impact on the Company's financial instruments are summarized as follows:

Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations and arises principally from the Company's trade receivables.

The aging of accounts receivable and allowance for doubtful accounts are as follows:

As at	**March 31 2024**	**September 30 2023**
	$	**$**
Current	26,692	127,853
0-90 days	158,002	351,412
More than 90 days past due	133,003	82,942
Total accounts receivables	317,697	562,207
Allowance for doubtful accounts	(12,235)	(12,235)
Total accounts receivable, net of allowance	305,462	549,972

The Company has $149,026 (March 31, 2023 - $368,099) of accounts receivable from three (March 31, 2023 – two) customer(s), which represents 49% (2023 – 52%) of total accounts receivable.

Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting obligations associated with its financial liabilities. The Company's objective in managing liquidity risk is to maintain sufficient liquidity to meet liabilities when due by holding sufficient cash and cash equivalents to settle current liabilities and meet its anticipated working capital requirements. The Company had a cash balance at March 31, 2024 of $1,088,589 (March 31, 2023 – $992,203) and a working capital deficit of $1,156,662 (March 31, 2023 - $1,423,941).

To meet the Company's anticipated working capital requirements, it will be required to attract additional funds through the issue of debt, equity or other business means to further the development of the Company's products and to provide sufficient working capital. The Company monitors its working capital position and makes changes or reductions in expenditures to help sustain sufficient liquidity to meet liabilities on a timely basis.

The following table summarizes the maturity profile of all the Company's financial liabilities based on a contractual basis at March 31, 2024 and 2023.

At March 31, 2024	**Total**	**Less than 1 year**	**1 – 5 years**
	$	$	$
Accounts payable and accrued liabilities	635,125	635,125	-
Notes payable	1,592,239	1,592,239	-
Lease liabilities	1,012,158	588,947	423,211
Convertible debentures	294,374	294,374	-
	3,533,896	3,110,685	423,211

At March 31, 2023	**Total**	**Less than 1 year**	**1 – 5 years**
	$	$	$
Accounts payable and accrued liabilities	904,974	904,974	-
Notes payable	2,086,031	2,086,031	-

Lease liabilities	442,534	283,274	159,260
Convertible debentures	256,655	-	256,655
	3,690,194	3,274,279	415,915

Currency Risk

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign currency rates. The Company is exposed to currency risk on its U.S. dollar denominated bank accounts. The Company does not use derivative instruments to reduce its exposure to foreign currency risk. The effect of a 1% change in USD/CAD exchange rate will affect the cash balances by approximately $7,912.94.

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company is subject to interest rate risk on future cash flows as the convertible debenture, notes payable, and lease liabilities bears fixed rates of interest. Currently, management believes it is subject to minimal interest rate risk.

13. Net Income (loss) per share

Basic and diluted loss per share have been calculated based on the net loss divided by the weighted average number of common shares outstanding for the period ended March 31, 2024 and 2023. The weighted average number of common shares basic and diluted is as follows:

As at March 31,	**2024**	**2023**
Weighted average common shares	238,439,637	220,415,828
Effect of stock options and warrants	-	-
Balance, year end	238,439,637	220,415,828

The effect of options and warrants is anti-dilutive and has no impact on basic loss per share

14. Economic dependence

The Company earned $921,476 (March 31, 2023 - $1,114,361), which represents 46% (March 31, 2023 – 41%) of its revenue, from five (March 31, 2023 – three) customers.

15. Subsequent events

On May 13, 2024, the Corporation released a non-brokered private placement of up to 50,000,000 units of the Company at a price of $0.02 per Unit for gross proceeds of up to $1,000,000.