



BEACN

BEACN WIZARDRY AND MAGIC INC.

CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
(Unaudited)

For the nine months ended September 30, 2024 and 2023

BEACN WIZARDRY AND MAGIC INC.

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**NOTICE OF NO AUDITOR REVIEW OF
INTERIM FINANCIAL STATEMENTS**

Under National Instrument 51-102, Part 4, subsection 4.3 (3) (a), if an auditor has not performed a review of the interim financial statements, they must be accompanied by a notice indicating that an auditor has not reviewed the financial statements.

The accompanying unaudited consolidated interim financial statements of the Company have been prepared by and are the responsibility of the Company's management.

The Company's independent auditor has not performed a review of these financial statements in accordance with standards established by the Chartered Professional Accountants of Canada for a review of interim financial statements by an entity's auditor.

BEACN WIZARDRY AND MAGIC INC.**CONDENSED CONSOLIDATED INTERIM STATEMENTS OF FINANCIAL POSITION**

(Unaudited: Presented in Canadian Dollars)

	Note	September 30, 2024	December 31, 2023
Assets			
Current			
Cash		\$ 454,073	\$ 226,230
Accounts receivable	5	441,204	217,888
Taxes receivable		77,722	122,600
Inventory	6	952,854	884,145
Prepaid and inventory deposits	7	1,189,283	1,101,024
		<u>3,115,136</u>	<u>2,551,887</u>
Non-current			
Property and equipment, net	8	184,532	257,686
Right-of-use asset	11	16,882	35,873
		<u>201,414</u>	<u>293,559</u>
		<u>\$ 3,316,550</u>	<u>\$ 2,845,446</u>
Liabilities			
Current			
Accounts payable and accrued liabilities		\$ 372,531	\$ 278,783
Due to related parties	13	97,891	59,721
Promissory note	9, 16	386,011	277,750
Current portion of lease liability	11, 16	17,999	26,695
		<u>874,432</u>	<u>642,949</u>
Non-current			
Lease liability	11, 16	-	11,125
Convertible loan	10	796,110	-
		<u>796,110</u>	<u>11,125</u>
		<u>\$ 1,670,542</u>	<u>\$ 654,074</u>
Shareholders' equity			
Share capital	12	7,800,903	7,141,325
Reserves	12	1,250,054	1,240,030
Deficit		(7,404,949)	(6,189,983)
		<u>1,646,008</u>	<u>2,191,372</u>
		<u>\$ 3,316,550</u>	<u>\$ 2,845,446</u>

These consolidated financial statements are approved by the Board on November 28, 2024.

Approved by the Board of Directors:

"Kevin Alexander"

Kevin Alexander

"Scott Christopher"

Scott Christopher

See the notes to the condensed consolidated interim financial statements

BEACN WIZARDRY AND MAGIC INC.**CONDENSED CONSOLIDATED INTERIM STATEMENTS OF LOSS AND COMPREHENSIVE LOSS**

(Unaudited: Presented in Canadian Dollars)

	Note	Three months ended September 30		Nine months ended September 30	
		2024	2023	2024	2023
Sales, net	14	\$ 709,373	\$ 886,786	\$ 2,268,241	\$ 1,981,810
Cost of sales		339,353	535,955	1,307,421	1,154,078
Gross profit		370,020	350,831	960,820	827,732
Expenses					
Advertising and marketing		87,999	106,295	221,567	387,071
Consulting fees	13	65,285	(17,078)	165,232	157,261
Depreciation of property and equipment	8	23,651	22,623	73,154	67,870
Depreciation of right-of-use asset	11	6,330	6,331	18,991	18,992
Office, supplies, and miscellaneous		56,980	76,761	144,505	211,436
Professional fees	13	61,512	55,392	199,930	131,342
Prototype and pre-production costs		1,522	25,129	11,594	63,955
Research and development		26,322	138,829	59,824	138,829
Rent and operating costs	10	11,465	11,269	33,855	33,810
Salaries and benefits	13	367,438	435,021	1,161,008	1,166,548
Share-based payments	12(c)	2,227	84,051	10,024	84,051
Transfer agent, filing fees and shareholder communications		15,319	6,192	31,930	23,849
Travel and related costs		3,502	16,608	9,967	22,448
Total expenses		729,552	967,423	2,141,581	2,507,462
Operating loss		(359,532)	(616,592)	(1,180,761)	(1,679,730)
Other items					
Foreign exchange gain (loss)		482	(1,842)	(11,991)	(6,899)
Interest and accretion expense	9,10,11,16	(13,783)	(3,669)	(22,214)	(22,234)
		(13,301)	(5,511)	(34,205)	(29,133)
Net loss and comprehensive loss for the period		(372,833)	(622,103)	(1,214,966)	(1,708,863)
Basic and diluted loss per share		\$ (0.01)	\$ (0.01)	\$ (0.02)	\$ (0.04)
Weighted average number of common shares outstanding - basic and diluted		53,829,956	42,784,336	53,829,956	43,755,581

See the notes to the condensed consolidated interim financial statements

BEACN WIZARDRY AND MAGIC INC.
CONDENSED CONSOLIDATED INTERIM STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY

(Presented in Canadian Dollars)

	Note	Share Capital		Reserves				Deficit	Total Shareholders' Equity
		Number of shares	Amount	Share-based payments	Warrants	Finders' Warrants	Conversion rights		
Balance, December 31, 2022 (audited)		48,496,836	\$ 6,549,672	\$ 316,638	\$ 554,193	\$ 42,697	\$ 36,040	\$ (3,944,106)	\$ 3,555,134
Shares issued on private placement	12(b), (d)	4,450,000	607,516	-	282,484	-	-	-	890,000
Share issuance costs	12(b)	-	(8,687)	-	-	-	-	-	(8,687)
Share-based payments		-	-	84,051	-	-	-	-	84,051
Net loss and comprehensive loss for the period		-	-	-	-	-	-	(1,086,760)	(1,086,760)
Balance, September 30, 2023 (unaudited)		52,946,836	7,148,501	400,689	836,677	42,697	36,040	(5,030,866)	3,433,738
Share issuance costs	12(b)	-	(7,176)	-	-	-	-	-	(7,176)
Share-based payments		-	-	(40,033)	-	-	-	-	(40,033)
Convertible loan - Conversion rights		-	-	-	-	-	(36,040)	36,040	-
Net loss and comprehensive loss for the period		-	-	-	-	-	-	(1,195,157)	(1,195,157)
Balance, December 31, 2023 (audited)		52,946,836	7,141,325	360,656	836,677	42,697	-	(6,189,983)	2,191,372
Share-based payments		-	-	10,024	-	-	-	-	10,024
Shares issued on private placement	12(b)	3,723,910	670,304	-	-	-	-	-	670,304
Share issuance costs	12(b)	-	(10,726)	-	-	-	-	-	(10,726)
Net loss and comprehensive loss for the period		-	-	-	-	-	-	(1,214,966)	(1,214,966)
Balance, September 30, 2024 (unaudited)		56,670,746	\$ 7,800,903	\$ 370,680	\$ 836,677	\$ 42,697	\$ -	(7,404,949)	\$ 1,646,008

See the notes to the condensed consolidated interim financial statements

BEACN WIZARDRY AND MAGIC INC.**CONDENSED CONSOLIDATED INTERIM STATEMENTS OF CASH FLOWS**

(Unaudited: Presented in Canadian Dollars)

	Nine months ended	
	September 30	
	2024	2023
Cash provided by (used in):		
Operating activities		
Net loss for the period	\$ (1,214,966)	\$ (1,708,863)
Items not affecting cash:		
Depreciation property and equipment	73,154	67,870
Depreciation of right-of-use asset	18,991	18,992
Share-based payments	10,024	84,051
Interest and accretion expense	22,214	22,234
Changes in non-cash working capital items:		
Accounts receivables	(223,316)	14,925
Taxes receivable	44,878	3,753
Prepaid and deposits	(88,259)	488,109
Inventory	(68,709)	(280,266)
Accounts payable and accrued liabilities	90,998	(115,568)
Due to related parties	38,170	(56,466)
Net cash used in operating activities	(1,296,821)	(1,461,229)
Investing activities		
Property and equipment	-	(95,779)
Net cash used in investing activities	-	(95,779)
Financing activities		
Proceeds from promissory note	100,000	200,000
Proceeds from convertible loan	786,510	-
Payment of lease liability	(19,821)	(21,423)
Interest paid	(1,603)	(12,167)
Proceeds from issuance of common shares	670,304	890,000
Payment of convertible loan	-	(250,000)
Payment of promissory note	-	(100,000)
Share issuance costs	(10,726)	(6,106)
Net cash provided in financing activities	1,524,664	700,304
Change in cash	227,843	(856,704)
Cash, beginning of the year	226,230	1,287,295
Cash, end of the period	\$ 454,073	\$ 430,591

See the notes to the condensed consolidated interim financial statements

BEACN WIZARDRY AND MAGIC INC.
NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2024 AND 2023
(Unaudited: Presented in Canadian Dollars)

1. NATURE OF OPERATIONS AND CONTINUANCE OF OPERATIONS

BEACN Wizardry and Magic Inc. (“BEACN” or the “Company”) was incorporated and domiciled in Canada under the Business Corporations Act (British Columbia) as a “Capital Pool Company” as defined in the TSX Venture Exchange’s (the “Exchange”) Listing Policy 2.4.

These consolidated financial statements have been prepared in accordance with IFRS Accounting Standards (“IFRS”) applicable to a going concern basis, which implies the Company will continue to realize its assets and discharge its liabilities in the normal course of business. The Company incurred a net loss of \$1,214,966 for the nine months ended September 30, 2024. To September 30, 2024, even though the Company has earned revenue from operations, the continuation of the Company as a going concern is dependent upon the ability of the Company to attain sufficient profitable operations and/or obtain necessary equity or other financing to continue operations.

The current market conditions and volatility increase the uncertainty of the Company’s ability to continue as a going concern given the need to continue research and development, purchase inventory, establish profitable sales and raise additional funds. The Company will continue to search for new or alternate sources of financing but anticipates that the current market conditions may impact the ability to source such funds. The outcome of these matters cannot be predicted at the present time. These factors indicate the existence of a material uncertainty that may cast significant doubt about the Company’s ability to continue as a going concern.

2. BASIS OF PREPARATION - STATEMENT OF COMPLIANCE

These unaudited condensed consolidated interim financial statements have been prepared in accordance with IFRS and related IFRS Interpretations Committee (“IFRICs”) as issued by the International Accounting Standards Board (“IASB”). The unaudited condensed consolidated interim financial statements have been prepared on a historical cost basis, except for financial instruments classified as financial instruments at fair value through profit and loss, which are stated at their fair value. In addition, these unaudited condensed consolidated interim financial statements have been prepared using the accrual basis of accounting except for cash flow information.

The preparation of these unaudited condensed consolidated interim financial statements in conformity with IFRS requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. Actual results may differ from these estimates.

These unaudited condensed consolidated interim financial statements, including comparatives, have been prepared on the basis of IFRS standards that are published at the time of preparation.

3. MATERIAL ACCOUNTING POLICIES

These unaudited condensed consolidated interim financial statements have been prepared in accordance with IFRS as issued by the IASB on a basis consistent with those followed in the Company’s most recent annual financial statements for the year ended December 31, 2023.

These unaudited condensed consolidated interim financial statements do not include all note disclosures required by IFRS for annual financial statements, and therefore should be read in conjunction with the annual financial statements for the year ended December 31, 2023. In the opinion of management, all adjustments considered necessary for fair presentation of the Company’s financial position, results of operations and cash flows have been included. Operating results for the nine-month period ended September 30, 2024 are not necessarily indicative of the results that may be expected for the current fiscal year ending December 31, 2024.

BEACN WIZARDRY AND MAGIC INC.**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS****FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2024 AND 2023****(Unaudited: Presented in Canadian Dollars)**

4. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

The fair values of the Company's cash, accounts receivable, accounts payable and accrued liabilities, due to related parties and promissory note approximate their carrying values.

The Company's financial instruments are exposed to certain financial risks, including credit risk, interest rate risk and liquidity risk.

a) Credit risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. The Company's primary exposure to credit risk is on its cash and accounts receivable. The Company's bank accounts are held with major banks in Canada and the United States. Accordingly, the Company believes it is not exposed to significant credit risk on its cash. Sales to retail customers are required to be settled using major credit cards, mitigating credit risk. There are no significant concentrations of credit risk, whether through exposure to individual customers, specific industry sectors and/or regions.

The Company applies the IFRS 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade receivables. To measure the expected credit losses, trade receivables are grouped based on shared credit risk characteristics and the days past due.

Trade receivables are written off where there is no reasonable expectation of recovery. Impairment losses on trade receivables are presented as net impairment losses within operating profit. Subsequent recoveries of amounts previously written off are credited against the same line item.

There was no loss allowance as at September 30, 2024 and no change in the loss allowance during the nine months ended.

b) Interest rate risk

Interest rate risk is the risk of losses that arise as a result of changes in contracted interest rates. The Company is not exposed to significant interest rate risk.

c) Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they come due. The Company controls liquidity risk by ensuring that it has sufficient cash resources to pay for its financial obligations

d) Equity market risk

The Company is exposed to price risk with respect to equity market prices. There is a potential adverse impact on the Company's ability to raise equity financing due to adverse movements in the Company's equity price or general movements in the level of the stock market. The Company monitors the movements of its equity price and the general stock market to determine the most beneficial course of action to be taken by the Company.

BEACN WIZARDRY AND MAGIC INC.**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS****FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2024 AND 2023**

(Unaudited: Presented in Canadian Dollars)

4. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (cont'd)

e) Currency risk

The Company operates internationally, resulting in exposure to changes in exchange rates which impact sales and purchases that are denominated in a currency other than the Canadian dollar. The Company currently does not use derivative instruments to hedge its exposure to those risks. The majority of the Company's manufacturing expenses are incurred in United States dollars and the Company establishes its product prices relative to its manufacturing cost, thus mitigating some of its exposure to currency fluctuations.

The Company's risk management is predominantly controlled by Management with oversight by the board of directors.

5. ACCOUNTS RECEIVABLE

	September 30, 2024	December 31, 2023
Trade receivables	\$ 441,204	\$ 217,888
	\$ 441,204	\$ 217,888

Trade receivables are amounts due from customers for goods sold in the ordinary course of business. They are generally due for settlement within 30 days and are therefore all classified as current. Trade receivables are recognized initially at the amount of consideration that is unconditional.

6. INVENTORY

	September 30, 2024	December 31, 2023
Parts and other	\$ 10,371	\$ 7,233
Finished goods	716,824	792,701
Shipping	225,659	84,211
	\$ 952,854	\$ 884,145

The costs of individual items of inventory are determined using weighted average costs. Inventories recognized as an expense during the nine months ended September 30, 2023 amounted to \$1,307,421 (2023 – \$1,154,078). These were included in cost of sales.

7. PREPAID EXPENSES

	September 30 2024	December 31, 2023
Inventory deposit on purchase order	\$ 1,171,067	\$ 1,090,195
Promotional	18,216	10,829
	\$ 1,189,283	\$ 1,101,024

BEACN WIZARDRY AND MAGIC INC.**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS****FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2024 AND 2023**

(Unaudited: Presented in Canadian Dollars)

8. PROPERTY AND EQUIPMENT

	Computer equipment and software	Moulds for Products	Furniture and Fixtures	Leasehold Improvements	Total
Balance, December 31, 2022	\$ 39,680	\$ 200,791	\$ 5,310	\$ 6,620	\$ 252,400
Additions	9,159	82,417	1,214	2,989	95,780
Depreciation	(20,176)	(66,931)	(1,732)	(1,655)	(90,494)
Balance, December 31, 2023	28,663	216,277	4,792	7,954	257,686
Depreciation	(17,597)	(52,398)	(1,307)	(1,852)	(73,154)
Balance, September 30, 2024	\$ 11,066	\$ 163,879	\$ 3,485	\$ 6,102	\$ 184,532

9. PROMISSORY NOTE

During the year ended December 31, 2020, the Company entered into a promissory note (the "Note") with a shareholder of the Company with a maturity date of December 31, 2024. The Note was without interest until December 31, 2020, and thereafter incurs interest at a rate of 4% per annum, payable quarterly. The Company can repay all or part of the Note at any time without penalty. During the year ended December 31, 2022, the Company repaid \$100,000 out of \$275,000. During the year ended December 31, 2023, the Company advanced an additional amount of \$200,000, repaid \$100,000, and incurred \$9,000 in interest expense (2022 - \$10,667).

During the nine months ended September 30, 2024, the Company was advanced an additional \$100,000 on the promissory note, repaid \$2,750, and incurred \$11,011 in interest expense (2023 - \$6,250).

10. CONVERTIBLE LOAN

On August 28, 2024, the Company entered into a convertible loan agreement (the "Loan") for an aggregate principal amount of \$786,510. The Loan bears interest at a rate of 13.5 per cent per annum, calculated and payable annually in cash and matures on February 27, 2026 (the "maturity date"). From and after the date of issue and until the maturity date, the lenders may elect to convert the amount of the Loan then outstanding, not including interest, into common shares of the Company ("Conversion Share") at a conversion price of \$0.18 per Conversion Share, in accordance with the terms of the convertible loan agreement. The Company is entitled to extend the maturity date by six months at its discretion.

During the nine months ended September 30, 2024, the Company incurred \$9,600 in interest expense in connection with the Loan (2023 - \$Nil).

11. RIGHT-OF-USE ASSET AND LEASE LIABILITY

The Company leases an office under a non-cancellable lease with a term to May 31, 2025. The unaudited condensed consolidated statements of loss and comprehensive loss disclose the following amounts relating to leases:

- Depreciation charge of right-of-use assets – \$18,991 (2023 – \$18,992);
- Interest expense (included in interest and accretion expense) – \$1,604 (2023 – \$3,123); and
- Expense relating to short-term leases (included in rent and operating costs) – \$21,425 (2023 – \$33,810).

The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, which is generally the case, the Company's incremental borrowing rate is used, being the rate that it would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms, security and conditions. To determine the incremental borrowing rate (8% per annum), the Company investigated borrowing rates at its Canadian bank at that time.

BEACN WIZARDRY AND MAGIC INC.**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS****FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2024 AND 2023**

(Unaudited: Presented in Canadian Dollars)

11. RIGHT-OF-USE ASSET AND LEASE LIABILITY (cont'd)

Right-of-use assets are generally depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis. If the Company is reasonably certain to exercise a purchase option, the right-of-use asset is depreciated over the underlying asset's useful life.

Payments associated with short-term leases and all leases of low-value assets are recognized on a straight-line basis as an expense in profit or loss. Short-term leases are leases with a lease term of 12 months or less without a purchase option and are included in rent and operating costs.

Right-of-use assets:

Balance, December 31, 2022	\$	61,196
Amortization		(25,323)
Balance, December 31, 2023	\$	35,873
Amortization		(18,991)
Balance, September 30, 2024	\$	16,882

Lease liabilities:

Balance, December 31, 2022	\$	62,469
Add: Interest		3,916
Less: Rent payments		(28,565)
Balance, December 31, 2023	\$	37,820
Add: Interest		1,604
Less: Rent payments		(21,425)
Balance, September 30, 2024	\$	17,999

	September 30,
	2024
Maturity Analysis – contractual undiscounted cash flows from minimum lease	
Short-term portion - less than one year	\$ 19,044
Total undiscounted lease liabilities	\$ 19,044

BEACN WIZARDRY AND MAGIC INC.
NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2024 AND 2023
(Unaudited: Presented in Canadian Dollars)

12. SHARE CAPITAL

(a) Authorized:

As at September 30, 2024, the authorized share capital was comprised of an unlimited number of common shares. The common shares do not have a par value. All issued shares are fully paid.

As at September 30, 2024, 4,062,900 common shares of the Company were being held in escrow pursuant to two escrow agreements. These shares will be released from escrow on October 29, 2024.

(b) Share issuances:

Fiscal 2024

On June 20, 2024, the Company completed the first tranche (the “First Tranche”) of a non-brokered private placement. Under the First Tranche, the Company issued 2,890,578 units of the Company (the “Units”) at a price of \$0.18 per Unit for gross proceeds of \$520,304.

On August 28, 2024, the Company completed the second tranche (the “Second Tranche”) of a non-brokered private placement. Under the Second Tranche, the Company issued 833,332 Units at a price of \$0.18 per Unit for gross proceeds of \$150,000.

In connection with the private placement, the Company incurred \$10,726 in share issuance costs.

Fiscal 2023

On October 3, 2023, the Company completed a non-brokered private placement (the “Offering”) of 4,450,000 units of the Company (the “Units”) at a price of \$0.20 per Unit for gross proceeds of \$890,000. Each Unit is comprised of one common share (a “Share”) and one non-transferable common share purchase warrant (a “Warrant”). Each Warrant entitles the holder to purchase one additional share for a period of three years from the closing of the Offering for \$0.45. The warrants were ascribed a value of \$282,484 using a relative fair value approach. In connection with the financing, the Company incurred \$15,863 in share issuance costs.

(c) Stock options

The Company has established a stock option plan for its directors, officers, and technical consultants under which the Company may grant options to acquire a maximum number of common shares equal to 10% of the total issued and outstanding common shares of the Company.

The continuity of options is as follows:

Expiry date	Exercise price	December 31, 2022	Granted	Expired	December 31, 2023	Expired	September 30, 2024
October 29, 2026	\$ 0.30	3,100,000	-	(25,000)	3,075,000	-	3,075,000
January 22, 2027	\$ 0.32	50,000	-	-	50,000	-	50,000
May 2, 2027	\$ 0.32	100,000	-	-	100,000	-	100,000
May 17, 2027	\$ 0.35	450,000	-	-	450,000	-	450,000
September 27, 2027	\$ 0.27	50,000	-	-	50,000	-	50,000
October 17, 2027	\$ 0.26	50,000	-	(50,000)	-	-	-
September 23, 2028	\$ 0.20	-	950,000	-	950,000	(25,000)	925,000
April 20, 2031	\$ 0.10	337,500	-	-	337,500	-	337,500
Outstanding		4,137,500	950,000	(75,000)	5,012,500	(25,000)	4,987,500
Weighted average exercise price	\$	0.29	\$ 0.20	\$ 0.27	\$ 0.27	\$ 0.20	\$ 0.27

At September 30, 2024, the weighted average remaining life of the outstanding and exercisable options is 2.81 years (December 31, 2023 – 3.56 years). The stock-based compensation expense recognized in the period ended September 30, 2024 for the vesting of options was \$10,024 (2023 - \$84,051).

BEACN WIZARDRY AND MAGIC INC.
NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2024 AND 2023
(Unaudited: Presented in Canadian Dollars)

12. SHARE CAPITAL (cont'd)

(d) Warrants

Expiry date	Exercise price	December 31, 2022	Issued	Amended	Expired	December 31, 2023	September 30, 2024
October 29, 2023	\$ 0.60	2,916,666	-	(2,916,666)	-	-	-
October 29, 2023	\$ 0.30	77,475	-	-	(77,475)	-	-
November 29, 2024	\$ 0.25	191,100	-	-	-	191,100	191,100
November 29, 2025 ^(a)	\$ 0.45	5,600,000	-	2,916,666	-	8,516,666	8,516,666
April 20, 2026	\$ 0.10	250,000	-	-	-	250,000	250,000
July 25, 2026	\$ 0.45	-	3,950,000	-	-	3,950,000	3,950,000
September 29, 2026	\$ 0.45	-	500,000	-	-	500,000	500,000
Outstanding		9,035,241	4,450,000	-	(77,475)	13,407,766	13,407,766
Weighted average exercise price		\$ 0.48	\$ 0.45	\$ -	\$ 0.30	\$ 0.44	\$ 0.44

^(a) On June 9, 2023, the exercise price of the 2,916,666 warrants was amended from \$0.60 to \$0.45 and the expiry date was extended to November 29, 2025.

At September 30, 2024, the weighted average remaining life of the outstanding warrants is 1.38 years (December 31, 2023 – 2.13 years).

13. RELATED PARTY TRANSACTIONS

The aggregate value of transactions and outstanding balances relating to key management personnel and entities over which they have control or significant influence were as follows:

For the nine months ended September 30, 2024:

	Salaries and benefits	Accounting and management services	Share-based payments	Total
Craig Fraser Chief Executive Officer, Former Director	\$ 89,377	\$ -	\$ -	\$ 89,377
Daniel Davies Chief Technology Officer, Director	\$ 89,377	\$ -	\$ -	\$ 89,377
Pacific Opportunity Capital Ltd. ⁽¹⁾	\$ -	\$ 51,765	\$ -	\$ 51,765
Liberty Brunet, Corporate Secretary	\$ 9,842	\$ -	\$ -	\$ 9,842

For the nine months ended September 30, 2023:

	Salaries and benefits	Accounting and management	Share-based payments	Total
Craig Fraser Chief Executive Officer, Director	\$ 81,693	\$ -	\$ -	\$ 81,693
Daniel Davies Chief Technology Officer, Director	\$ 81,693	\$ -	\$ -	\$ 81,693
Pacific Opportunity Capital Ltd. ⁽¹⁾	\$ -	\$ 33,000	\$ -	\$ 33,000
Kevin Alexander, Director	\$ -	\$ -	\$ 5,919	\$ 5,919
Scott Christopher, Director	\$ -	\$ -	\$ 5,919	\$ 5,919
Sarah Weber, Director	\$ -	\$ -	\$ 5,919	\$ 5,919

⁽¹⁾ Robert Doyle, former CFO, is a Senior Vice President at and shareholder of Pacific Opportunity Capital Ltd.

BEACN WIZARDRY AND MAGIC INC.
NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2024 AND 2023
(Unaudited: Presented in Canadian Dollars)

13. RELATED PARTY TRANSACTIONS (cont'd)

Amounts owing to/from related parties are non-interest bearing, unsecured, and have no fixed terms of repayment. The changes during the period were measured by the exchange amount, which is the amount agreed upon by the transacting parties. As of September 30, 2024, included in accounts payable and accrued liabilities are amounts owing to related parties of \$97,891 (2023 - \$59,721).

14. SALES

	September 30, 2024		September 30, 2023	
Geographic region:				
North America	\$	1,723,863	\$	1,455,020
Other		544,378		526,790
	\$	2,268,241	\$	1,981,810

15. CAPITAL MANAGEMENT

The Company's capital consists of shareholders' equity. The Company's objective when managing capital is to maintain adequate levels of funding to support the development of its businesses and maintain the necessary corporate and administrative functions to facilitate these activities. This is done primarily through equity financing and incurring debt. Future financing is dependent on market conditions and there can be no assurance the Company will be able to raise funds in the future. The Company invests all capital that is surplus to its immediate operational needs in short-term, highly liquid, high-grade financial instruments. There were no changes to the Company's approach to capital management during the year. The Company is not subject to externally imposed capital requirements.

16. DEBT RECONCILIATION

This section sets out an analysis of debt and the movements in debt for each of the periods presented.

	September 30, 2024		December 31, 2023	
Promissory note	\$	386,011	\$	277,750
Convertible loan		796,110		-
Lease liability		17,999		37,820
Total debt	\$	1,200,120	\$	315,570

	Convertible Loan		Promissory Note		Lease Liability		Total	
Debt as at December 31, 2022	\$	243,389	\$	175,000	\$	62,469	\$	480,858
Financing cash flows		(250,000)		100,000		(24,649)		(174,649)
Accretion expense		6,611		-		-		6,611
Interest expense		6,250		9,000		3,916		19,166
Interest payments (presented as financing cash flows)		(6,250)		(6,250)		(3,916)		(16,416)
Debt as at December 31, 2023		-		277,750		37,820		315,570
Financing cash flows		786,510		100,000		(19,821)		866,689
Interest expense		9,600		11,011		1,604		22,215
Interest payments (presented as financing cash flows)		-		(2,750)		(1,604)		(4,354)
Debt as at September 30, 2024	\$	796,110	\$	386,011	\$	17,999	\$	1,200,120