PERK LABS INC.

Consolidated Financial Statements

For the Years Ended November 30, 2022 and 2021

(Expressed in Canadian Dollars)

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SATURNA GROUP
CHARTERED PROFESSIONAL ACCOUNTANTS LLP
Suite 1605, 1166 Alberni Street
Vancouver, BC Canada V6E 3Z3

INDEPENDENT AUDITOR'S REPORT

To the Shareholders of Perk Labs Inc.

Opinion

We have audited the consolidated financial statements of Perk Labs Inc. (the "Company"), which comprise the consolidated statements of financial position as at November 30, 2022 and 2021, and the consolidated statements of operations and comprehensive loss, changes in shareholders' equity, and cash flows for the years then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Company as at November 30, 2022 and 2021, and its consolidated financial performance and its consolidated cash flows for the years then ended in accordance with International Financial Reporting Standards.

Basis for Opinion

We conducted our audits in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material Uncertainty Related to Going Concern

We draw attention to Note 2 in the consolidated financial statements, which indicates that the Company incurred a net loss of $3,378,469 and used cash of $2,161,913 for operating activities during the year ended November 30, 2022 and, as of that date, had a deficit of $42,896,148. As stated in Note 2, these events or conditions, along with other matters as set forth in Note 2, indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Other Information

Management is responsible for the other information. The other information comprises the information included in the Management's Discussion and Analysis, but does not include the consolidated financial statements and our auditor's report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information, and in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with International Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. In preparing the consolidated financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control;
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management;
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern; and
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Company to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision, and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

The engagement partner on the audit resulting in this independent auditor's report is Henry Chow.

Saturna Group LLP

Saturna Group Chartered Professional Accountants LLP

Vancouver, Canada

February 17, 2023

PERK LABS INC.
Consolidated Statements of Financial Position
(Expressed in Canadian Dollars)

As at	Note(s)	**November 30, 2022**	November 30, 2021
ASSETS			
Current			
Cash and cash equivalents		**$ 315,117**	$ 1,287,468
Amounts receivable		**9,977**	29,579
Marketable securities	6	**11,041**	987,828
Inventory		**1,519**	9,074
Prepaid expenses and deposits	7	**99,875**	83,360
		437,529	2,397,309
Property and equipment	8	**40,079**	135,221
Marketable securities	6	**–**	651,994
Intangible assets		**234**	–
Total assets		**477,842**	3,184,524
LIABILITIES			
Current			
Accounts payable and accrued liabilities	19	**$ 190,133**	$ 302,110
Current portion of lease liabilities	20	**56,964**	99,702
Deferred revenue		**2,571**	–
		249,668	401,812
Lease liabilities		**–**	56,964
Total liabilities		**249,668**	458,776
SHAREHOLDERS' EQUITY			
Share capital	9	**37,046,054**	36,359,451
Reserves	9,10	**6,078,268**	5,883,976
Deficit		**(42,896,148)**	(39,517,679)
Total shareholders' equity		**228,174**	2,725,748
Total liabilities and shareholders' equity		**$ 477,842**	$ 3,184,524

Going concern (note 2)
Commitments (note 20)
Subsequent events (note 22)

Approved and authorized for issue by the Board of Directors on February 17, 2023:

/s/ Kirk Herrington Director

/s/ James Topham Director

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

PERK LABS INC.
Consolidated Statements of Operations and Comprehensive Loss
(Expressed in Canadian Dollars)

	Note(s)	Year ended November 30, 2022	November 30, 2021
Revenue	16	$ **31,587**	$ 28,947
Cost of sales		**22,280**	27,439
Gross margin		**9,307**	1,508
Operating expenses			
Depreciation	8	**95,141**	97,052
General and administration	11	**1,176,414**	1,169,643
Research and development	12	**675,448**	920,927
Sales and marketing	13	**385,854**	577,495
Share-based compensation	9,10,19	**242,042**	442,345
Total operating expenses		**2,574,899**	3,207,462
Loss before other income (expenses)		**(2,565,592)**	(3,205,954)
Other income (expenses)			
Foreign exchange loss		**(5,379)**	(6,008)
Gain on sale of property and equipment		**27,917**	–
Gain on sale of marketable securities	6	**192,763**	258,054
Gain on settlement of debt		**5,147**	–
Government subsidies and grants	17	**25,275**	322,617
Impairment of investment in joint venture		–	(1)
Interest expense	20	**(18,278)**	(32,820)
Interest income		**4,396**	4,876
Other income		**53**	22
Unrealized gain (loss) on marketable securities	6	**(1,044,771)**	1,171,902
Total other income (expenses)		**(812,877)**	1,718,642
Net loss and comprehensive loss for the year		**$ (3,378,469)**	**$** (1,487,312)
Basic and diluted loss per share		**$ (0.02)**	$ (0.01)
Weighted average number of shares outstanding		**193,663,015**	173,653,486

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

PERK LABS INC.
Consolidated Statements of Changes in Shareholders' Equity
(Expressed in Canadian Dollars)

	Number of Shares		Share Capital		Reserves		Deficit		Total Shareholders' Equity
Balance, November 30, 2021	182,313,919	$	36,359,451	$	5,883,976	$	(39,517,679)	$	2,725,748
Shares issued for cash	14,670,138		522,016		–		–		522,016
Share issuance costs	–		(18,930)		–		–		(18,930)
Shared issued for services	5,249,690		135,767		–		–		135,767
Shares issued under RSU plan	460,917		47,750		(47,750)		–		–
Share-based compensation	–		–		242,042		–		242,042
Net loss for the year	–		–		–		(3,378,469)		(3,378,469)
Balance, November 30, 2022	**202,694,664**	**$**	**37,046,054**	**$**	**6,078,268**	**$**	**(42,896,148)**	**$**	**228,174**

	Number of Shares		Share Capital		Reserves		Deficit		Total Shareholders' Equity
Balance, November 30, 2020	152,474,995	$	33,568,508	$	5,518,697	$	(38,030,367)	$	1,056,838
Shares issued for cash	26,569,000		2,612,718		–		–		2,612,718
Share issuance costs	–		(125,508)		–		–		(125,508)
Shared issued for services	1,826,126		162,693		–		–		162,693
Stock options exercised	60,000		14,766		(5,766)		–		9,000
Warrants exercised	687,173		54,974		–		–		54,974
Shares issued under RSU plan	696,625		71,300		(71,300)		–		–
Share-based compensation	–		–		442,345		–		442,345
Net loss for the year	–		–		–		(1,487,312)		(1,487,312)
Balance, November 30, 2021	**182,313,919**	**$**	**36,359,451**	**$**	**5,883,976**		**(39,517,679)**	**$**	**2,725,748**

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

PERK LABS INC.
Consolidated Statements of Cash Flows
(Expressed in Canadian Dollars)

	Year ended November 30, 2022	November 30, 2021
Cash provided by (used in)		
Operating activities		
Net loss	**$ (3,378,469)**	$ (1,487,312)
Items not affecting cash:		
Depreciation	**95,141**	97,052
Gain on sale of marketable securities	**(192,763)**	(258,054)
Gain on sale of property and equipment	**(27,917)**	–
Gain on settlement of debt	**(5,147)**	–
Interest expense on lease liability	**18,278**	32,820
Impairment of investment in joint venture	–	1
Shares issued for services	**135,767**	162,693
Share-based compensation	**242,042**	442,345
Unrealized loss (gain) on marketable securities	**1,044,771**	(1,171,902)
	(2,068,297)	**(2,182,357)**
Net change in non-cash working capital	**(93,616)**	(22,691)
	(2,161,913)	(2,205,048)
Investing activities		
Acquisition of property and equipment	**–**	(2,354)
Acquisition of intangible assets	**(234)**	–
Proceeds from the sale of property and equipment	**27,917**	–
Proceeds from the sale of marketable securities	**776,773**	269,044
	804,456	266,690
Financing activities		
Proceeds from share issuances	**522,016**	2,676,692
Share issuance costs	**(18,930)**	(125,508)
Repayment of lease liabilities	**(117,980)**	(109,475)
	385,106	2,441,709
Net increase (decrease) in cash	**(972,351)**	503,351
Cash and cash equivalents, beginning of the year	**1,287,468**	784,117
Cash and cash equivalents, end of the year	**$ 315,117**	$ 1,287,468

Supplemental cash flow information (note 15)

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

1. NATURE OF OPERATIONS

Perk Labs Inc. ("Perk Labs" or the "Company") was incorporated under the laws of the Province of British Columbia on October 24, 2014. The Company's office is located at Suite 1755, 555 Burrard Street, Vancouver, British Columbia, V7X 1M9.

The Company's common shares trade on the Canadian Securities Exchange ("CSE") under the symbol PERK (formerly GET) and began trading on September 7, 2016; on the OTCQB under the symbol PKLBF (formerly GLNNF); and on the Frankfurt Stock Exchange under the symbol PKLB (formerly GJT).

These consolidated financial statements include the accounts of Perk Labs Inc. and its three wholly owned subsidiaries: Perk Hero Software Inc. (formerly Glance Pay Inc.); Perk Hero USA Inc. (formerly Glance Pay USA Inc.); and Perks Technologies Inc. (formerly Glance Coin Inc.).

The Company's principal business is operating an online ordering, payments and loyalty platform. The company offers merchants three main products: online ordering, digital dine-in and custom branded apps and distributes its products through a unique digital franchise business model. The Company launched its *Glance Pay* application in August 2016 and officially launched *Perk Hero* on April 2, 2020. *Perk Hero* is a digital loyalty management platform that enables merchants to provide their customers with digital rewards and a more engaging and convenient customer experience.

2. GOING CONCERN

These consolidated financial statements have been prepared on the basis that the Company will continue as a going concern, which assumes that the Company will be able to realize its assets and satisfy its liabilities in the normal course of business for the foreseeable future. Management is aware, in making its going concern assessment, of material uncertainties related to events and conditions that may cast significant doubt upon the Company's ability to continue as a going concern. During the year ended November 30, 2022, the Company incurred a net loss from operations of $3,378,469 and used cash of $2,161,913 for operating activities. As of that date, the Company had an accumulated deficit of $42,896,148.

The Company is continuing to enhance its mobile and online ordering platform. The continued operations of the Company are dependent on future profitable operations, management's ability to manage costs, and the future availability of equity or debt financing. Whether and when the Company can generate sufficient operating cash flows to pay for its expenditures and settle its obligations as they fall due subsequent to November 30, 2022 is uncertain. These consolidated financial statements do not reflect the adjustments to the carrying values of assets and liabilities and the reported expenses and statement of financial position classifications that would be necessary were the going concern assumption inappropriate and the impact of those adjustments could be material.

The outbreak of the novel coronavirus COVID-19, which was declared a pandemic by the World Health Organization on March 11, 2020, led to adverse impacts on the Canadian and global economies, disruptions of financial markets, and created uncertainty regarding potential impacts to the Company's supply chain and operations. The COVID-19 pandemic has impacted and could further impact the Company's operations and the operations of the Company's suppliers and vendors as a result of quarantines, facility closures, and travel and logistics restrictions.

The extent to which the COVID-19 pandemic impacts the Company's business, results of operations and financial condition will depend on future developments, which are highly uncertain and cannot be predicted, and to what extent normal economic and operating conditions can resume.

2. GOING CONCERN (continued)

The war in Ukraine, which started in February 2022, has generated globally a significant negative impact on consumption and GDP, driving inflation to historical highs. As a measure of managing inflation, the government of Canada has increased interest rates through 2022 and it may continue in 2023. These negative economic factors in the market could further impact operations and the ability to obtain funding to support growth.

Even after the COVID-19 pandemic has subsided and due to the uncertainty in the events over the war in Ukraine and the inflation, the Company may experience adverse impacts to its business as a result of any economic recession or depression that has occurred or may occur in the future; therefore, the Company cannot reasonably estimate the impact at this time on our business, liquidity, capital resources, and financial results.

3. BASIS OF PREPARATION

a) Statement of compliance

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

b) Basis of measurement

These consolidated financial statements have been prepared on a historical cost basis except for financial instruments that are measured at fair value. In addition, these consolidated financial statements have been prepared using the accrual basis of accounting except for cash flow information.

c) Presentation and functional currency

The presentation and functional currency of the Company and its subsidiaries is the Canadian dollar.

d) Foreign currency transactions

Transactions in currencies other than the functional currency are recorded at the rates of exchange prevailing on the dates of the transactions. At each financial position date, monetary assets and liabilities that are denominated in foreign currencies are translated at the rates prevailing at the date of the consolidated statement of financial position. Income and expenses are translated at the exchange rate in the month they are recorded in the consolidated statement of operations. Foreign exchange differences are recognized in the consolidated statement of operations. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

e) Basis of consolidation

These consolidated financial statements include the accounts of the Company and its wholly owned subsidiaries on a consolidated basis after elimination of intercompany transactions and balances. Subsidiaries are entities the Company controls where it is exposed, or has rights, to variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the relevant activities of the entity.

f) Reclassifications

Certain of the prior year figures have been reclassified to conform to the current year's presentation.

3. BASIS OF PREPARATION (continued)

g) Critical accounting judgments and estimates

The preparation of consolidated financial statements in accordance with IFRS requires management to make judgments, estimates, and assumptions that affect the application of policies and reported amounts of assets and liabilities, income, and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgments about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

Significant areas requiring the use of estimates include the carrying values of marketable securities, useful lives and carrying values of property and equipment and intangible assets, useful lives, carrying values, and the incremental borrowing rate used for the right-of-use assets and lease liabilities, recognition of deferred income tax assets, and the fair value of share-based compensation.

Judgments made by management in the application of IFRS that have significant effect on the consolidated financial statements include the incremental borrowing rate used in the valuation of right-of-use assets and lease liabilities, and the application of the going concern assumption which requires management to take into account all available information about the future, at least but not limited to twelve months from the reporting period.

4. SIGNIFICANT ACCOUNTING POLICIES

a) Cash and cash equivalents

Cash and cash equivalents in the consolidated statements of financial position is comprised of cash held at financial institutions and cash on hand. The Company considers all highly liquid investments with a maturity of three months or less at the time of issuance, are readily convertible to known amounts of cash, and are subject to insignificant risk of changes in fair value to be cash equivalents.

b) Marketable securities

Marketable securities are comprised of equity instruments of publicly traded companies reported at fair value with any realized and unrealized gains or losses recognized in the consolidated statement of operations.

c) Inventory

The Company holds inventories of products for resale which include gift cards, consumer goods and processed food items. Inventories are stated at the lower of cost and net realizable value. Cost is determined using the first-in first-out method. Net realizable value is the estimated selling price less costs of disposal in the ordinary course of business.

d) Property and equipment

Property and equipment are measured at cost less accumulated depreciation and impairment losses.

The cost of an item of property and equipment consists of the purchase price, any costs directly attributable to bringing the asset to the location and condition necessary for its intended use, and an initial estimate of the costs of dismantling and removing the item and restoring the site on which it is located.

4. SIGNIFICANT ACCOUNTING POLICIES (continued)

d) Property and equipment (continued)

An item of equipment is derecognized upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on disposal of the asset, determined as the difference between the net disposal proceeds and the carrying amount of the asset, is recognized in the consolidated statement of operations.

Where an item of equipment comprises major components with different useful lives, the components are accounted for as separate items of property and equipment. Expenditures incurred to replace a component of an item of property and equipment that is accounted for separately, including major inspection and overhaul expenditures, are capitalized.

Depreciation commences when the equipment is put into use. Depreciation is recognized in the consolidated statement of operations using the following rates:

Computer equipment	2 years straight-line
Furniture and equipment	3 years straight-line

Leasehold improvements and right-of-use assets are amortized on a straight-line basis over the term of the lease.

e) Intangible assets

The Company's intangible assets are carried at cost less accumulated amortization and impairment. Intangible assets are capitalized when the costs can be measured reliably and it is probable that the future economic benefits that are attributable to the asset will flow to the Company. Costs that do not meet the definition of capitalization under IAS 38, Intangible Assets, are expensed as incurred. Intangible assets are tested for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable through future discounted net cash flows from the use or disposal of the asset.

f) Impairment

At each financial reporting date, the carrying amounts of the Company's long-lived assets are reviewed to determine whether there is any indication that those assets are impaired. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment, if any. Where the asset does not generate cash flows that are independent from other assets, the Company estimates the recoverable amount of the cash generating unit to which the asset belongs.

An asset's recoverable amount is the higher of fair value less costs to sell, and value in use. Fair value is determined as the amount that would be obtained from the sale of the asset in an arm's length transaction between knowledgeable and willing parties. 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 assessment of the time value of money and the risks specific to the asset. If the recoverable amount of an asset or cash generating unit is estimated to be less than it carrying amount, the carrying amount of the asset is reduced to its recoverable amount and the impairment loss is recognized in the consolidated statement of operations.

4. SIGNIFICANT ACCOUNTING POLICIES (continued)

g) Financial instruments

IFRS 9, Financial Instruments ("IFRS 9"), uses a single approach to determine whether a financial asset is measured at amortized cost or fair value, replacing the multiple rules in IAS 39. Under IFRS 9, the classification of financial assets is based on two criteria: the Company's business objectives for managing the assets; and whether the financial instruments' contractual cash flows represent "solely payments of principal and interest" on the principal amount outstanding (the "SPPI test"). Financial assets are required to be reclassified only when the business model under which they are managed has changed.

(i) Financial assets

The Company initially recognizes financial assets at fair value on the date the Company becomes a party to the contractual provisions of the instrument. The Company recognizes a financial asset when the contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows on the financial asset in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred.

Under IFRS 9, financial assets are initially measured at fair value. In the case of a financial asset not categorized as fair value through profit or loss ("FVTPL"), transaction costs are capitalized as a component of the financial asset. Transaction costs of financial assets carried at FVTPL are expensed in the consolidated statement of operations.

Subsequent classification and measurement of financial assets depend on the Company's business objective for managing the asset and the cash flow characteristics of the asset:

(a) Amortized cost

Financial assets held for collection of contractual cash flows that meet the SPPI test are measured at amortized cost. Interest income is recognized as other income (expense) in the consolidated financial statements, and gains (losses) are recognized in the consolidated statements of operations when the asset is derecognized or impaired.

(b) Fair value through other comprehensive income ("FVTOCI")

Financial assets held to achieve a particular business objective other than short-term trading are designated at FVTOCI. IFRS 9 also provides the ability to make an irrevocable election at initial recognition of a financial asset, on an instrument-by-instrument basis, to designate an equity investment that would otherwise be classified as FVTPL and that is neither held for trading nor contingent consideration arising from a business combination to be classified as FVTOCI. There is no recycling of gains or losses through the consolidated statements of operations. Upon derecognition of the asset, accumulated gains or losses are transferred from Other Comprehensive Income "(OCI") directly to accumulated deficit.

(c) Fair value through profit or loss ("FVTPL")

Financial assets that do not meet the criteria for amortized cost or FVTOCI are measured as FVTPL.

4. SIGNIFICANT ACCOUNTING POLICIES (continued)

g) Financial instruments (continued)

(ii) Financial liabilities

The Company initially recognizes financial liabilities at fair value on the date at which the Company becomes a party to the contractual provisions of the instrument. The Company derecognizes a financial liability when its contractual obligations are discharged or cancelled or expire. The subsequent measurement of financial liabilities is determined based on their classification as follows:

(a) Fair value through profit or loss ("FVTPL")

Derivative financial instruments entered into by the Company that do not meet hedge accounting criteria are classified as FVTPL. Gains or losses on these types of financial liabilities are recognized in the consolidated statement of operations.

(b) Amortized cost

All other financial liabilities are classified as amortized cost using the effective interest method. The effective interest rate is the rate that discounts estimated future cash payments over the expected life of the financial instrument, or where appropriate, a shorter period. Gains and losses are recognized in the consolidated statement of operations when the liabilities are derecognized as well as through the amortization process.

(iii) Impairment

Under IFRS 9, the Company is required to apply an expected credit loss ("ECL") model to all debt financial assets not held at FVTPL, where credit losses that are expected to transpire in future years are provided for, irrespective of whether a loss event has occurred or not as at the statement of financial position date. For trade receivables, the Company has applied the simplified approach under IFRS 9 and has calculated ECLs based on lifetime expected credit losses taking into consideration historical credit loss experience and financial factors specific to the debtors and general economic conditions. The Company has assessed the impairment of its amounts receivable using the expected credit loss model and no material difference was noted. The following table summarizes the measurement categories under IFRS 9 for each class of the Company's financial assets and liabilities:

	Measurement category under IFRS 9
Financial assets	
Cash and cash equivalents	Amortized cost
Amounts receivable (except GST receivable)	Amortized cost
Marketable securities	FVTPL
Financial liabilities	
Accounts payable and accrued liabilities	Amortized cost
Lease liabilities	Amortized cost

4. SIGNIFICANT ACCOUNTING POLICIES (continued)

h) Share capital

(i) Common shares

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

(ii) Equity units

Proceeds received on the issuance of units comprised of common shares and warrants are allocated on the residual value method where proceeds are allocated to the common shares up to their fair value as determined by the current quoted trading price on the issue date, and the balance, if any, to the reserve for the warrants.

Proceeds received on the issuance of units comprised of common shares and warrants are allocated on the residual value method where proceeds are allocated to the common shares up to their fair value as determined by the current quoted trading price on the issuance date, and the balance, if any, to the reserve for the warrants.

(iii) Non-monetary consideration

Where share capital is issued, or received, as non-monetary consideration and the fair value of the asset received or given up is not readily determinable, the fair value of the shares is used to record the transaction. The fair value of the shares is based on the trading price of those shares on the appropriate stock exchange on the date of the agreement to issue or receive shares as determined by the Board of Directors.

i) Share-based compensation

Stock options

The stock option plan allows Company employees and consultants to acquire shares of the Company. The fair value of share options granted is recognized as an expense over the vesting period with a corresponding increase in equity. An individual is classified as an employee when the individual is an employee for legal or tax purposes (a direct employee) or provides services similar to those performed by a direct employee (a consultant). The fair value is measured at grant date and recognized over the period during which the options vest.

The fair value of the options granted to employees is measured using the Black-Scholes option pricing model taking into account the terms and conditions upon which the options were granted. At each financial position reporting date, the amount recognized as an expense is adjusted to reflect the actual number of share options that are expected to vest.

The fair value of share options granted to non-employees is recognized as an expense in the consolidated statement of operations unless they are related to the issuance of shares and is recorded at the fair value of the services received. Direct costs related to the issuance of common shares is recorded as a reduction of share capital.

When the value of services received in exchange for the share-based compensation cannot be reliably estimated, the fair value is measured by use of a valuation model. The expected life used in the model is adjusted based on management's best estimate for the effects of non-transferability, exercise restrictions, and behavioral considerations. The number of options expected to vest is reviewed and adjusted at the end of each reporting period such that the amount recognized for

4. SIGNIFICANT ACCOUNTING POLICIES (continued)

i) Share-based compensation (continued)

Stock options (continued)

services received as consideration for the equity instruments granted shall be based on the number of equity instruments that eventually vest.

All share-based compensation is reflected in reserves until exercised. Upon exercise, shares are issued from treasury and the amount reflected in reserves is credited to share capital, adjusted for any consideration paid.

Restricted share units

The Company recognizes compensation expense for RSUs awarded based on the grant-date fair value of the common shares. The grant-date fair value, which is determined by multiplying the Company's share price by the number of RSUs granted, is amortized over the vesting period and is included in compensation expense with a corresponding increase in reserves. If RSUs are for services that have been provided and are non-cancellable, the Company recognizes the full cost of the RSUs on the date of grant. The amount recognized is adjusted to reflect the number of RSUs expected to eventually vest.

j) Income (loss) per share

The Company presents basic and diluted income (loss) per share data for its common shares, calculated by dividing the income (loss) attributable to common shareholders of the Company by the weighted average number of common shares outstanding during the period. Diluted income per share is determined by adjusting the income (loss) attributable to common shareholders and the weighted average number of common shares outstanding for the effects of all dilutive potential common shares. Diluted loss per share equates to basic loss per share, as the effects of potentially dilutive common shares would be anti-dilutive. At November 30, 2022, the Company has 33,320,573 (2021 – 19,807,240) potentially dilutive shares outstanding.

k) Provisions

Provisions are recognized where a legal or constructive obligation has been incurred as a result of past events; it is probable that an outflow of resources embodying economic benefit will be required to settle the obligation; and a reliable estimate of the amount of the obligation can be made. If material, provisions are measured at the present value of the expenditures expected to be required to settle the obligation.

l) Revenue recognition

The Company's accounting policy for revenue recognition under IFRS 15, Revenue from Contracts with Customers, follows a five-step model to determine the amount and timing of revenue to be recognized:

1. Identifying the contract with a customer;
2. Identifying the performance obligations within the contract;
3. Determining the transaction price;
4. Allocating the transaction price to the performance obligations; and
5. Recognizing revenue when/as performance obligation(s) are satisfied.

4. SIGNIFICANT ACCOUNTING POLICIES (continued)

l) Revenue recognition (continued)

The Company recognizes revenue in the following areas:

The Company derives transaction revenue on payment processing and commission fees charged to merchants on its application and website that include restaurants, drop shipping clients, digital gift cards and parking venues. Specific transaction prices and performance obligations are determined for each of the agreements that the Company has with vendors on its platform. With these types of transactions, it was determined that the Company is acting as an agent and thus the Company recognizes revenue on these transactions on a net basis when the amounts have been received by the Company.

The Company derives licensing revenue on fees charged to franchisees and licensees of its platform. Specific transaction prices and performance obligations are determined for each of the agreements that the Company has with franchisees and licensees. Revenue is recognized as performance obligations are fulfilled by the Company.

The Company derives merchant-branded app revenue from the fees charged for the development of a custom app to merchants. Transaction price and performance obligation are determined by the agreements. Revenue is recognized as performance obligations are fulfilled by the Company.

The Company derives subscription revenue from fees charged for its online ordering and digital dine-in services. Revenue is recognized over time on a monthly basis for the length of the contract and revenue is reported on a gross basis.

The Company used to derive product revenue from the sales of products and gift cards on its website and its mobile application in which it acted as the principal as it bore inventory risk and was responsible for fulfillment. Each sale was treated as a separate transaction and performance obligations were considered fulfilled when the orders were shipped. These revenues were reported on a gross basis. However, the Company shifted the focus of its business and discontinued this service in early 2022.

m) Income taxes

Income tax is recognized in the consolidated statement of operations except to the extent that it relates to items recognized directly in equity, in which case it is recognized in equity. Current tax expense is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the year end, adjusted for amendments to the tax payable with regards to previous years.

Deferred tax is provided using the liability method providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The following temporary differences are not provided for: goodwill not deductible for tax purposes; the initial recognition of assets or liabilities in a transaction that is not a business combination and that affect neither accounting nor taxable income; and differences relating to investments in subsidiaries to the extent that they will probably not reverse in the foreseeable future. The amount of deferred tax provided is based on the expected manner of realization or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the statement of financial position date.

A deferred tax asset is recognized only to the extent that it is probable that future taxable income will be available against which the asset can be utilized.

4. SIGNIFICANT ACCOUNTING POLICIES (continued)

m) Income taxes (continued)

Additional income taxes that arise from the distribution of dividends are recognized at the same time as the liability to pay the related dividend.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Company intends to settle its current tax assets and liabilities on a net basis.

n) Contingencies

The Company recognizes loss contingency provisions for probable losses when management is able to reasonably estimate the loss. When the estimated loss lies within a range, the Company records a loss contingency provision based on its best estimate of the probable loss. If no particular amount within that range is a better estimate than any other amount, the mid-point of the range is used. As information becomes known, a loss contingency provision is recorded when a reasonable estimate can be made. The estimates are reviewed at each reporting date and the estimates are changed when expectations are revised. An outcome that deviates from the Company's estimate may result in an additional expense or release in a future reporting period.

o) Government grants

The Company recognizes government grants when there is a reasonable assurance that the Company will comply with the conditions of the grant and the grant will be received. Government grants receivable are recorded in the amounts receivable on the consolidated statement of financial position. The Company recognizes government grants in the consolidated statement of operations in the same period as the expenses for which the grant is intended to compensate. In cases where a grant becomes receivable as compensation for expenses already incurred in period periods, the grant is recognized in the consolidated statement of operations in the period in which it becomes receivable.

5. ADOPTION OF NEW STANDARDS

Amendment to IAS 1, Classification of Liabilities as Current or Non-Current

On January 23, 2020, and amended on July 15, 2020, the IASB issued an amendment to IAS 1, Classification of Liabilities as Current or Non-Current ("IAS 1") and has been revised to: i) clarify that the classification of liabilities as current or non-current should be based on rights that are in existence at the end of the reporting period; (ii) clarify that classification is unaffected by expectations about whether an entity will exercise its right to defer settlement of a liability; and (iii) make clear that settlement refers to the transfer to the counterparty of cash, equity instruments, other assets, or services.

The amendment to IAS 1 is effective for annual reporting periods on or after January 1, 2023 and is applied retrospectively. Early adoption of this amendment is permitted. The Company does not expect the impact of this amendment to be significant to its consolidated financial statements.

(Expressed in Canadian Dollars)

5. ADOPTION OF NEW STANDARDS (continued)

Amendment to IAS 8, Accounting Policies, Changes in Accounting Estimates and Errors

On February 12, 2021, the IASB issued an amendment to IAS 8, Accounting Policies, Changes in Accounting Estimates and Errors ("IAS 8") to introduce the definition of an accounting estimate and include other amendments to help entities to distinguish changes in accounting estimates from changes in accounting policies.

The amendment to IAS 8 is effective for annual reporting periods on or after January 1, 2023 and early adoption is permitted. The Company does not expect the impact of this amendment to be significant to its consolidated financial statements.

Other new standards and amendments to standards and interpretations are not effective for the year ended November 30, 2022 and have not been early adopted by the Company and are not expected to have a material impact on the Company's consolidated financial statements.

6. MARKETABLE SECURITIES

	2020 Fair Value	Additions and transfers	Proceeds from sale	Realized gain on sale	Unrealized gain (loss)	2021 Fair Value
Current						
Better Plant Sciences Inc. (shares)	$ 180,000	$ 90,000	$ (231,109)	$ 231,109	$ (225,000)	$ 45,000
Better Plant Sciences Inc. (warrants)	106,910	-	-	-	(75,715)	31,195
Euro Asia Pay (shares)	-	43,958	(37,935)	26,945	878,665	911,633
	286,910	133,958	(269,044)	258,054	577,950	987,828
Non-**current**						
Better Plant Sciences Inc. (shares)	90,000	(90,000)	-	-	-	-
Euro Asia Pay (shares)	-	58,042	-	-	593,952	651,994
	90,000	(31,958)	-	-	593,952	651,994
Total	**$ 376,910**	**$ 102,000**	**$ (269,044)**	**$ 258,054**	**$ 1,171,902**	**$ 1,639,822**

	2021 Fair Value	Additions and transfers	Proceeds from sale	Realized gain on sale	Unrealized gain (loss)	2022 Fair Value
Current						
Better Plant Sciences Inc. (shares)	$ 45,000	$ -	$ (15,355)	$ 15,355	$ (33,962)	$ 11,038
Better Plant Sciences Inc. (warrants)	31,195	-	-	-	(31,192)	3
Hero Innovation Group (shares)	911,633	651,994	(761,418)	177,408	(979,617)	-
	987,828	651,994	(776,773)	192,763	(1,044,771)	11,041
Non-current						
Hero Innovation Group (shares)	651,994	(651,994)	-	-	-	-
	651,994	(651,994)	-	-	-	-
Total	**$ 1,639,822**	**$ -**	**$ (776,773)**	**$ 192,763**	**$ (1,044,771)**	**$ 11,041**

(Expressed in Canadian Dollars)

6. MARKETABLE SECURITIES (continued)

Better Plant Sciences Inc. (formerly Yield Growth Corp.) ("BPS")

BPS announced on February 14, 2022 a reverse merger transaction between BPS, FreedomX Metaversive Networks Inc. and 1233392 B.C. Ltd. The trading of BPS common shares is currently halted until the transaction is finalized and permission to resume has been obtained from the Canadian Securities Exchange.

During the year ended November 30, 2022, the Company sold 74,000 (2021 – 270,000) shares of BPS for proceeds of $15,355 (2021 - $231,109) resulting in a realized gain of $15,355 (2021 - $231,109). On January 19, 2022, BPS announced a stock consolidation on the basis of one (1) post-consolidated common share for every ten (10) pre-consolidated common shares.

At November 30, 2022, the Company held 61,000 BPS common shares with a fair value of $11,038.

At November 30, 2022, the fair value of the 546,000 (2021 – 546,000) BPS warrants was $3 (2021 - $31,195) calculated using the Black-Scholes option pricing model assuming no expected dividends, an expected life remaining of 0.9 (2021 – 1.9) years, volatility of 85% (2021 – 131%), and a risk-free rate of 4.53% (2021 – 1.00%). For the year ended November 30, 2022, the Company recognized an unrealized loss of $31,192 (2021 - $75,715) on the BPS warrants.

Hero Innovation Group Inc. (formerly Euro Asia Pay Holdings Inc.) ("HRO")

On February 25, 2021, HRO completed its initial public offering of shares at a price to the public of $0.25 per share. Perk Labs owns 8,500,000 shares of HRO which it received as part of a licensing agreement dated October 14, 2017, as amended on September 30, 2018. HRO shares are subject to both a pooling and an escrow agreement.

On June 28, 2022, the Company entered into a share transfer agreement for the sale of 2,539,000 remaining released shares of Hero Innovation Group Inc. at $0.08 per share, for total proceeds of $203,120. On August 15, 2022 the company also entered into a share purchase agreement to sell its remaining balance of 5,100,000 escrow common shares at $0.08 per share, for total proceeds of $408,000.

For the period ended November 30, 2022, the Company sold its remaining 8,343,000 (2021 – 157,000) shares of EAP for proceeds of $761,418 (2021 - $37,935) resulting in a realized gain of $177,408 (2021 - $26,945).

7. PREPAID EXPENSES AND DEPOSITS

		November 30, 2022		November 30, 2021
Deposit on office premises	**$**	**49,697**	$	49,697
Other prepaid expenses		**50,178**		33,663
	$	**99,875**	$	83,360

(Expressed in Canadian Dollars)

8. PROPERTY AND EQUIPMENT

	November 30, 2020	Additions	November 30, 2021	Disposals	November 30, 2022
Cost					
Computer equipment	$ 173,594	$ 2,354	$ **175,948**	$ (46,862)	**$ 129,086**
Furniture and fixtures	20,787	–	**20,787**	(9,599)	**11,188**
Leasehold improvements	220,474	–	**220,474**	–	**220,474**
Right of use lease asset	274,710	–	**274,710**	–	**274,710**
	$ 689,565	$ 2,354	$ **691,919**	$ (56,461)	**$ 635,458**

	November 30, 2020	Depreciation	November 30 2021	Depreciation	November 30 2022
Accumulated depreciation					
Computer equipment	$ 172,256	$ 1,901	$ **174,157**	$ (45,905)	**$ 128,252**
Furniture and fixtures	19,823	964	**20,787**	(9,599)	**11,188**
Leasehold improvements	220,474	–	**220,474**	–	**220,474**
Right of use lease asset	47,093	94,187	**141,280**	94,185	**235,465**
	$ 459,646	$ 97,052	$ **556,698**	$ 38,681	**$ 595,379**
Balance	$ 229,919		$ **135,221**		**$ 40,079**

9. SHARE CAPITAL

a) Common shares

Authorized:

Unlimited number of common shares without par value.

Issued:

On July 17, 2020, the Company filed a Short Form Base Shelf Prospectus with the British Columbia Securities Commission and using Multilateral Instrument 11-102 Passport System, filed the prospectus in all the provinces and territories of Canada. On July 29, 2020, the Company announced that it established an at-the-marketing equity program that allows the Company to issue and sell up to $2,000,000 of common shares in the capital of the Company from treasury to the public, from time to time, at the Company's discretion. On February 17, 2022, the Company announced the renewal of its at-the-marketing equity program that allows the Company to issue and sell up to $4,000,000 of common shares in the capital of the Company from treasury to the public, from time to time, at the Company's discretion.

(i) Shares issued for services

During the year ended November 30, 2022, the Company issued an aggregate of 5,249,690 (2021 – 1,826,126) common shares with a fair value of $135,767 (2021 - $162,693) for consulting services. The fair value of common shares issued was based on the end of day trading price of the Company's common share on the day prior to the date of issuance.

(Expressed in Canadian Dollars)

9. SHARE CAPITAL (continued)

a) Common shares (continued)

(ii) Shares issued for equity financing

During the year ended November 30, 2022, the Company closed a private placement for 7,672,138 units at a price of $0.042 per unit for proceeds of $322,230, including 476,190 units issued to officers and directors of the Company for proceeds of $20,000. Each unit consisted of one common share and one common share purchase warrant, with each warrant having an exercise price of $0.05 per share for a period of 24 months from the date of issue.

During the year ended November 30, 2022 the Company issued 6,998,000 (2021 – 15,641,000) common shares through its at-the-market offering, at an average price of $0.029 (2021 - $0.10) per share for gross proceeds of $199,786 (2021 - $1,570,780) less commissions of $5,994 (2021 - $47,123) for net proceeds of $193,793 (2021 - $1,523,657).

In July 2022, the Company announced that it had ended its at-the-market equity program.

b) Warrants

	Number of warrants		Weighted Average Exercise Price
Balance, November 30, 2020	3,836,845	$	0.08
Exercised	(687,173)		0.08
Balance, November 30, 2021	3,149,672		0.08
Granted	7,672,138		0.05
Expired	(3,149,672)		0.08
Balance, November 30, 2022	**7,672,138**	**$**	**0.05**

Expiry Date	Remaining Life (Years)	Number of Warrants		Exercise Price
March 28, 2024	1.33	7,672,138	$	0.05

c) Restricted share units

The Company has established a long-term Restricted Share Unit ("RSU") incentive plan for executives and certain employees. This plan was finalized and approved at the Company's Annual General Meeting held on June 10, 2020 and amendments to the plan were approved at the Company's AGM held on June 9, 2021. Awards generally vest over a three-year period (100% cliff vesting on the third anniversary date). The Board or Compensation Committee may, in its sole, discretion, determine vesting conditions for RSUs and the method of vesting. The Company's policy is to issue common shares for RSUs in the same month in which they vest.

The fair value of the RSUs granted was estimated on grant date using the fair value of the Company's common shares on the date of grant. For RSUs issued prior to June 10, 2020, the closing share price of the Company's common shares on the day that the RSU plan was finalized and approved was used to determine the fair value of the RSUs.

During the year ended November 30, 2022, the Company issued 460,917 (2021 – 696,625) common shares relating to the vesting of RSUs, which resulted in the transfer of $47,750 (2021 - $71,300) from reserves to share capital.

(Expressed in Canadian Dollars)

9. SHARE CAPITAL (continued)

c) Restricted share units (continued)

	Number of RSUs	Weighted Average Issue Price	
Balance, November 30, 2020	5,916,053	$	0.08
Granted	4,654,390		0.10
Vested, issued and released	(696,625)		0.10
Forfeited	(1,118,750)		0.09
Balance, November 30, 2021	**8,755,068**	$	0.09
Granted	13,853,289		0.02
Vested, issued and released	(460,917)		0.10
Forfeited	(1,919,005)		0.08
Balance, November 30, 2022	**20,228,435**	**$**	**0.04**

Expiration Dates	Outstanding RSUs	Weighted Average Issue Price	
June 1, 2022 – September 1, 2024	5,201,638	$	0.09
October 1, 2022 – April 5, 2025	4,415,415		0.05
March 1, 2024 – May 1, 2025	10,611,382		0.02
	20,228,435	**$**	**0.04**

For the year ended November 30, 2022, the Company recognized share-based compensation expenses of $236,049 (2021 – $385,429) related to RSUs granted and vested, of which $227,209 (2021 - $338,655) were granted to officers and directors of the Company.

10. STOCK OPTIONS

The Company is authorized to grant options to directors, officers, employees, and consultants to acquire common shares under the 2016 Incentive Stock Option Plan (the "Plan"). The essential elements of the Plan provide that the aggregate number of shares of the Company's common shares issuable pursuant to options granted under the Plan together with the Company's RSU plan may not exceed 15% of the issued common shares of the Company from time to time. Options granted under the Plan may have a maximum term of five (5) years. The exercise price of options granted under the Plan will not be less than $0.05. Stock options granted under the Plan vest immediately subject to vesting terms which may be imposed at the discretion of the Directors. Stock options granted under the Plan are to be settled with the issuance of equity instruments.

For the year ended November 30, 2022, the Company recognized share-based compensation expenses of $5,993 (2021 - $56,916) related to stock options granted of which a recovery of $745 (2021 – expenses of $7,297) was related to the fair value of options granted to officers and directors of the Company.

(Expressed in Canadian Dollars)

10. STOCK OPTIONS (continued)

The following summarizes the stock options outstanding.

	Number of Options		Weighted Average Exercise Price
Balance, November 30, 2020	7,451,000	$	0.21
Granted	1,420,000		0.07
Forfeited	(212,500)		0.06
Expired	(696,000)		0.13
Exercised[1]	(60,000)		0.15
Balance, November 30, 2021	**7,902,500**	$	0.19
Granted	1,500,000		0.05
Forfeited	(2,685,000)		0.15
Expired	(1,297,500)		0.07
Outstanding, November 30, 2022	**5,420,000**	**$**	**0.20**
Exercisable, November 30, 2022	**3,045,000**	**$**	**2.35**

1. The share price at the date options were exercised was $0.155 on February 4, 2021, $0.38 on February 25, 2020 and $0.11 on March 16, 2020.

	Exercise Price	Weighted Average Remaining Life	Options Outstanding (#)	Options Exercisable (#)
$	0.05	3.79	1,450,000	100,000
	0.10	1.99	620,000	520,000
	0.11	1.57	350,000	350,000
	0.14	1.44	200,000	25,000
	0.15	1.43	1,245,000	495,000
	0.16	1.40	1,155,000	1,155,000
	0.18	2.26	50,000	50,000
	1.46	0.15	350,000	350,000
$	**0.20**	**2.05**	**5,420,000**	**3,045,000**

The fair value of options granted was estimated on the date of grant using the Black-Scholes option pricing model assuming no expected dividends, and the following weighted-average assumptions:

	November 30 2022	November 30 2021
Risk-free interest rate	**1.56%**	0.36%
Expected volatility	**156.7%**	160.1%
Expected option life (in years)	**5.0**	3.5
Expected forfeiture rate	**5%**	5%

The weighted average fair value of stock options granted during the year ended November 30, 2022 was $0.04 (2021 - $0.05).

(Expressed in Canadian Dollars)

11. GENERAL AND ADMINISTRATION EXPENSES

	Year Ended **November 30, 2022**	November 30, 2021
Bank charges and interest	**$ 57,945**	$ 20,862
Consulting fees	**1,825**	700
Directors' fees (note 19)	**48,333**	140,000
Insurance	**13,617**	13,811
Investor relations	**262,068**	46,510
Legal, accounting, and auditing	**105,674**	183,714
Office	**39,184**	52,131
Rent	**74,965**	68,995
Transfer agent and filing fees	**94,149**	102,168
Travel	**2,850**	231
Wages and benefits (note 19)	**475,804**	540,521
	$ 1,176,414	$ 1,169,643

12. RESEARCH AND DEVELOPMENT EXPENSES

	Year Ended **November 30, 2022**	November 30, 2021
Consulting	**$** 226,495	$ 382,602
Information technology	81,355	80,798
Wages and benefits (note 17)	367,598	457,527
	$ 675,448	$ 920,927

13. SALES AND MARKETING EXPENSES

	Year Ended **November 30, 2022**	November 30, 2021
Consulting fees	**146,135**	156,241
Promotions and events	**9,093**	13,915
Sales and marketing	**85,068**	205,379
Travel	**5,076**	86
Wages and benefits	**140,482**	201,874
	$ 385,854	$ 577,495

(Expressed in Canadian Dollars)

14. SEGMENTED INFORMATION

The Company has one operating segment with assets located in Canada and the USA. The USA operating segment does not exceed 10% of reported revenue or 10% of the combined assets of the Company. The geographic segments have been aggregated into a single operating segment based on similar economic characteristics.

15. SUPPLEMENTAL CASH FLOW INFORMATION

	Year Ended November 30 2022	Year Ended November 30 2021
Non-cash investing and financing activities		
Transfer of reserves upon vesting of RSUs	**$ 47,750**	$ 71,300
Transfer of reserves upon exercise of stock options	**–**	5,766
Supplementary disclosures		
Income taxes paid	**–**	–
Interest paid on lease liabilities	**(18,278)**	(32,820)
Interest received	**4,396**	4,876

16. REVENUE

The breakdown of revenue for the years ended November 30, 2022 and 2021, is as follows:

	Year Ended November 30 2022	Year Ended November 30 2021
Licensing revenue	**$ 16,250**	$ 7,500
Transaction revenue	**8,023**	6,045
Product revenue	**267**	15,402
Subscription revenue	**1,047**	–
Custom-branded app revenue	**6,000**	–
	$ 31,587	$ 28,947

17. GOVERNMENT SUBSIDIES AND GRANTS

For the year ended November 30, 2022, the Company received $20,000 (2021 - $nil) from the Innovate BC Innovator Skills Initiative (ISI) grant. This program provides companies with up to $10,000 towards an eligible student's payroll for a maximum of two students per intake year (May – April).

For the year ended November 30, 2022, the Company received $5,275 (2021 - $38,653) from the Digital Skills for Youth (DS4Y) funded by the Government of Canada which provides up to $25,500 per employee so youth (aged 15-30) can successfully transition to the workforce.

In April 2020, the Government of Canada announced the Canada Emergency Wage Subsidy ("CEWS") in order to help employers keep and/or return employees to work in response to challenges posed by the COVID-19 pandemic. In the second quarter of 2020, the Company determined that it met the employer eligibility criteria and applied for the CEWS in order to retain employees on payroll. For the year ended November 30, 2022, the Company received $Nil (2021 - $210,677) under this program which is reflected in government subsidies and grants in other income. There are no unfulfilled conditions or other contingencies attached to the current CEWS.

(Expressed in Canadian Dollars)

17. GOVERNMENT SUBSIDIES AND GRANTS (continued)

On October 9, 2020, the Government of Canada announced the creation of the new Canada Emergency Rent Subsidy ("CERS") program to replace the Canada Emergency Commercial Rent Assistance ("CECRA") for small businesses program, which ended on September 30, 2020. In contrast to the CECRA, which required commercial property owners to apply instead of their small business tenants, the CERS provides support directly to qualifying tenants and property owners. For the year ended November 30, 2022, the Company received $Nil (2021 - $52,743) under this program which is reflected in government in government subsidies and grants in other income. There are no unfulfilled conditions or other contingencies attached to the current CERS.

For the year ended November 30, 2021, the Company received $15,000 from the Information and Communications Technology Council (ICTC) Work-Integrated Learning Digital program that provides a subsidy of up $7,500 per student to eligible Canadian companies in emerging ICT sectors to hire students.

For the year ended November 30, 2021, the Company received $5,544 under the BC Increased Employment Incentive which provides a one-time refundable tax credit for employees.

18. INCOME TAXES

A reconciliation of income taxes at statutory rates with the reported taxes is as follows:

	November 30, 2022	November 30, 2021
Loss before income taxes	**$ (3,378,469)**	$ (1,487,312)
Statutory Canadian corporate tax rate	**27%**	27%
Income tax recovery at statutory rate	**(912,187)**	(401,574)
Permanent differences and other	**35,236**	41,438
True up of prior year differences	**36,450**	251,279
Changes in substantive tax rate of foreign jurisdiction	**2,915**	371
Change in unrecognized deferred income tax assets	**837,586**	108,486
	$ -	$ -

The significant components of the Company's deferred income tax assets are as follows:

	November 30, 2022	November 30, 2021
Deferred income tax assets		
Non-capital losses carried forward	**9,738,247**	9,034,623
Property and equipment	**371,786**	363,586
Investments	**602,062**	384,391
Share issuance costs	**38,821**	130,730
	10,750,916	9,913,330
Tax benefits not recognized	**(10,750,916)**	(9,913,330)
	$ -	$ -

(Expressed in Canadian Dollars)

18. INCOME TAXES (continued)

At November 30, 2022, the Company has non-capital tax losses of approximately $36,156,300 available for carry-forward to reduce future years' income taxes, expiring as follows:

Expiry Date	Amounts
2034	$ 52,600
2035	275,500
2036	1,749,700
2037	6,109,800
2038	12,678,100
2039	7,771,400
2040	1,939,200
2041	2,963,200
2042	2,616,800
	$ 36,156,300

19. RELATED PARTY TRANSACTIONS

Key management personnel are those persons having the authority and responsibility for planning, directing, and controlling activities of the entity, directly or indirectly. The key management personnel of the Company are the members of the Company's executive management team and Board of Directors. Compensation provided to key management personnel is as follows:

	November 30, 2022	November 30, 2021
Directors' fees	**$ 48,333**	$ 140,000
Remuneration and fees	**473,207**	649,508
Share-based compensation	**226,464**	345,952
	$ 748,004	$ 1,135,460

At November 30, 2022, the Company owed $6,667 (2021 - $6,667) to a director of the Company which is included in accounts payable and accrued liabilities.

At November 30, 2022, the Company owed $16,800 (2021 - $20,974) to the Company's Chief Technology Officer which is included in accounts payable and accrued liabilities.

Amounts due to related parties are unsecured, do not bear interest, and are classified as a current liability due to their nature and expected time of repayment.

20. COMMITMENTS AND LEASE LIABILITIES

On June 1, 2020, the Company commenced a three-year lease for its office premises. It is a triple net lease with a base rent of $9,485 per month in Year 1; $9,716 per month in Year 2; and $9,947 per month in Year 3. Upon commencement of the lease, the Company recognized a right-of-use asset and a lease liability. The incremental borrowing rate used to determine the lease liability was 17.5%, which is the Company's estimated cost of external financing.

(Expressed in Canadian Dollars)

20. COMMITMENTS AND LEASE LIABILITIES (continued)

The following is a continuity schedule of lease liabilities for the year ended November 30, 2022.

Balance, November 30, 2020	**$**	**233,321**
Lease payments		(109,475)
Interest expenses on lease liabilities		32,820
Balance, November 30, 2021		**156,666**
Lease payments		(117,980)
Interest expenses on lease liabilities		18,278
Balance, November 30, 2022	**$**	**56,964**

21. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

a) Fair value of financial assets and liabilities

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether the price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Company takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date.

Under IFRS 13, Fair Value Measurement, establishes a fair value hierarchy that prioritizes the input to valuation techniques used to measure fair value as follows:

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).

The fair value hierarchy requires the use of observable market inputs whenever such inputs exist.

	Fair value measurements using			
	Quoted prices in active markets for identical instruments (Level 1) $	**Significant other observable inputs (Level 2) $**	**Significant unobservable inputs (Level 3) $**	**Total $**
Marketable securities	11,038	3	-	11,041

The fair values of other financial instruments, including cash, accounts payable and accrued liabilities, and lease liabilities, approximate their fair values due the short-term nature of the financial instrument.

b) Market risk

Market risk is the risk of loss that the fair value of future cash flows of a financial instrument held by the Company will fluctuate because of changes in market prices. The Company faces market risk from changes in market factors such as interest rates, foreign exchange rates, and commodity and equity prices.

21. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (continued)

(b) Market risk (continued)

(i) Interest rate risk

Interest rate risk consists of two components: to the extent that payments made or received on the Company's monetary assets and liabilities are affected by changes in the prevailing market interest rates, the Company is exposed to interest rate cash flow risk; and to the extent that changes in prevailing market rates differ from the interest rate in the Company's monetary assets and liabilities, the Company is exposed to fair value interest rate risk.

Current financial assets and financial liabilities are generally not exposed to significant cash flow interest rate risk because of their short-term nature, fixed interest rates, and maturity.

The Company may be exposed to fair value interest rate risk if the prevailing market rates increase or decrease compared to the interest rates associated with its financial assets. Management does not believe this risk is significant.

(ii) Foreign currency risk

Foreign currency risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate due to changes in foreign exchange rates. The Company is exposed to foreign currency risk to the extent that monetary assets and liabilities are denominated in a foreign currency.

The Company is exposed to foreign currency risk with respect to its US denominated bank account. At November 30, 2022, financial instruments were converted at a rate of $1.3508 per US dollar (2021 - $1.2792 per US dollar). A 10% change in foreign exchange rates is not expected to have a material impact on the Company's consolidated financial statements.

The Company has not entered into any foreign currency contracts to mitigate foreign currency risk.

(iii) 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. Financial instruments that potentially subject the Company to credit risk consist primarily of cash and cash equivalents. The Company limits its exposure to credit risk by placing its cash and cash equivalents with a high credit quality financial institution in Canada. For amounts receivable, the Company limits its exposure to credit risk by dealing with what management believes to be financially sound counterparties.

The Company's financial assets are not subject to material credit risk as it does not anticipate significant loss for non-performance.

(iv) Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in raising funds to meet commitments associated with financial instruments, or the proposed transaction. As at November 30, 2022, the Company had $190,133 of accounts payable and accrued liabilities which are expected to be settled within one year. The Company manages liquidity risk by maintaining adequate cash balances when possible.

21. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (continued)

b) Market risk (continued)

(iv) Liquidity risk (continued)

The Company's expected source of cash flow in the upcoming year will be through sales and debt or equity financing. Cash and cash equivalents at November 30, 2022 and expected cash flows for the next 12 months are not sufficient to fund the Company's ongoing operational and expansion needs. The Company will need funding through equity or debt financing, entering into joint venture agreements, or a combination thereof. On July 29, 2020, the Company announced an at-the-market equity program that allows the Company to issue and sell up to $2,000,000 of common shares in the capital of the Company from treasury to the public, from time to time, at the Company's discretion.

On February 17, 2022, the Company announced the renewal of its at-the-market equity program that allows the Company to issue and sell up to $4,000,000 of common shares in the capital of the Company from treasury to the public, from time to time, at the Company's discretion. On July 14, 2022, the Company announced the end of its at-the-market equity program.

(v) Capital risk management

The Company manages its capital to ensure that it will be able to continue as a going concern while maximizing the return to stakeholders through a suitable debt and equity balance appropriate for an entity of the Company's size and status. The Company's overall strategy remains unchanged from last year.

The capital structure of the Company consists of equity attributable to common shareholders, comprised of issued capital, reserves, and deficit. The availability of new capital will depend on many factors including positive stock market conditions, the Company's track record, and the experience of management. The Company is not subject to any external covenants on its capital and there was no material change from the prior year.

(vi) Price risk

The Company is exposed to price risk with respect to its marketable securities. The Company's marketable securities consist of common shares and share purchase warrants held in publicly-traded companies and profitability depends upon the market price of the common shares in the public market. The market price for common shares of publicly-traded companies can fluctuate significantly, and there is no assurance that the future market price will not decrease significantly.

22. SUBSEQUENT EVENTS

Subsequent to November 30, 2022, the Company granted 1,958,664 RSUs to directors and officers with vesting dates between January 3, 2026 and February 1, 2026, including 1,200,000 RSUs to directors and 758,664 RSUs to the Chief Executive Officer of the Company. RSUs issued to Directors and Officers vest in three years.

Subsequent to November 30, 2022, the Company issued 1,930,116 common shares for the vesting of RSUs, which included 116,198 common shares issued to the Chief Executive Officer and 1,777,668 common shares issued to the Directors of the Company.

Subsequent to November 30, 2022, the Company issued 2,265,384 common shares to settle amounts payable, including the issuance of 2,149,999 common shares to the Chief Technology Officer of the Company.

22. SUBSEQUENT EVENTS (continued)

On December 1, 2022, the Company approved a non-brokered private placement offering of convertible debentures units at a price of $10,000 per debenture unit. Each debenture unit consists of: (i) a 15% unsecured convertible debenture of the Company in the principal amount of $10,000; and (ii) 200,000 common share purchase warrants. The Company issued 2 debenture units for proceeds of $20,000.

On January 3, 2023, the Company entered into a binding letter of intent ("LOI") to combine with GetIt Technologies Inc ("GetIt"). The terms of the binding LOI are as follows:

- The Company will acquire 100% of the outstanding shares of Getit in exchange for a number of shares of Perk equal to 90% of the issued and outstanding shares of the Company prior to the completion of the transaction;
- Perk will change its name and rebrand as "Getit Local";
- Ryan Hardy, the CEO of Getit, will be appointed as CEO and Jonathan Hoyles will remain with the Company as inhouse legal counsel;
- On closing of the Transaction, two members of Perk's board of directors will be stepping down and two new directors will be appointed representing Getit;
- A "break fee" will be payable by the terminating party if either party terminates the LOI without cause or for convenience prior to the completion of the Transaction.

On January 3, 2023, the Company appointed a new director and entered into a compensation agreement for $60,000 per annum, payable in RSUs.