



Quarterly Report

for 2nd Quarter ending March 31, 2014

Prepared in accordance with
OTC Pink Basic Disclosure Guidelines
(v. 1.0 January 3, 2013)

Voip-Pal.com, Inc.
10900 NE 4th Street, Suite 2300
Bellevue, WA, 98004

CUSIP: 92862Y109

TRADING SYMBOL: VPLM

1) The exact name of the issuer and its predecessor (if any)

The name of the issuer is Voip-Pal.com, Inc. (the “Company” or the “Issuer”). From its inception in 1997 to 2004, the issuer’s name was All American Casting International, Inc., and from 2004 to 2006, the issuer’s name was VOIP MDI.com.

2) The address of the issuer’s principal executive offices

The Issuer’s principal executive offices are located at 10900 NE 4th Street, Suite 2300, Bellevue, WA 98004. The Issuer’s telephone number is 1-888-605-7780. The Issuer’s e-mail is info@voip-pal.com. The Issuer maintains the following website: www.voip-pal.com.

The Issuer’s investor relations contact can be reached at 954-252-0616 or IR@voip-pal.com.

3) Security Information

Trading Symbol: VPLM

Exact title and class of securities outstanding: Common Stock

CUSIP: 92862Y109

Par or Stated Value: \$0.001

Total shares authorized: 900,000,000 as of: March 31, 2014

Total shares outstanding: 886,902,009 as of: March 31, 2014

Preferred share information:

Exact title and class of securities outstanding: Preferred Stock

CUSIP: none

Par or Stated Value: \$0.01

Total shares authorized: 1,000,000 as of: March 31, 2014

Total shares outstanding: Nil as of: March 31, 2014

Transfer Agent

Presidents Stock Transfer

217-515 West Pender St.

Vancouver, BC V6C 1E1 Canada

(604)-876-5526

The transfer agent is registered under the Exchange Act and operates under the regulatory authority of the SEC and FINRA.

List any restrictions on the transfer of security: Depository Trust & Clearing Corporation (DTCC): chill on stock deposits.

Describe any trading suspension orders issued by the SEC in the past 12 months: None.

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

Stock Purchase Agreement for Voip-Pal.com Inc. to acquire Digifonica (International) Limited

4) Issuance History

With the exception of the 6,682,000 Free Trading shares issued on October 25, 2013, all shares have been issued with the appropriate restrictive legend. For more details, see table below.

VPLM STOCK ISSUANCE FROM MARCH 31, 2013 TO MARCH 31, 2014				
Date	Amount of	Price Per	Shares Issued To	Services Provided
April 18, 2013	15,500,000	\$0.00613	Five Nine Global	debt settlement
April 18, 2013	15,500,000	\$0.00613	Five Nine Global	debt settlement
May 8, 2013	2,900,000	\$0.00700	Richard Inza	professional services
May 8, 2013	750,000	\$0.00700	William Inza	professional services
May 8, 2013	250,000	\$0.00700	Lisa DeRosa	professional services
May 8, 2013	100,000	\$0.00700	Cory Fabiano	professional services
May 8, 2013	3,000,000	\$0.04600	Undiscovered Equities	professional services
May 8, 2013	3,000,000	\$0.03500	Colin Tucker	professional services
May 8, 2013	3,000,000	\$0.03500	Thomas Sawyer	professional services
May 10, 2013	10,000,000	\$0.00314	Dennis Chang	debt settlement
May 13, 2013	2,446,982	\$0.00613	VHB International Ltd	debt settlement
May 13, 2013	2,000,000	\$0.00613	TK Investments	debt settlement
July 18, 2013	265,656,895	\$0.07000	Digifonica Intellectual	acquisition of Digifonica
July 24, 2013	20,000,000	\$0.07000	Uranus International	professional services
July 24, 2013	10,000,000	\$0.07000	Uranus International	professional services
July 26, 2013	3,000,000	\$0.07000	Carl Mattera	professional services
August 15, 2013	29,318,000	\$0.00200	Locksmith Financial	debt settlement
August 15, 2013	2,000,000	\$0.07000	Colin Tucker	professional services
August 15, 2013	2,000,000	\$0.07000	Thomas Sawyer	professional services
October 22, 2013	70,000,000	\$0.02770	Locksmith Financial	debt settlement
October 25, 2013	800,000	\$0.07000	Johan Emil V. Bjorsell	professional services
October 25, 2013	40,000,000	\$0.01276	Locksmith Financial	debt settlement
October 25, 2013	6,682,000	\$0.01276	Locksmith Financial	debt settlement
November 4, 2013	800,000	\$0.07000	Pentti Huttunen	professional services
November 4, 2013	800,000	\$0.07000	Gavin McMillan	professional services
November 4, 2013	400,000	\$0.07000	Fuad Arafa	professional services
November 4, 2013	400,000	\$0.07000	Estrellita Gonzalez	professional services
November 6, 2013	700,000	\$0.07000	Clay S. Perreault	professional services
November 6, 2013	200,000	\$0.07000	Steve Nicholson	professional services
November 7, 2013	1,250,000	\$0.08000	Locksmith Financial	debt conversion
November 21, 2013	200,000	\$0.07000	Rod Thomson	professional services
November 26, 2013	300,000	\$0.07000	Pentti Huttunen	professional services
November 26, 2013	300,000	\$0.07000	Gavin McMillan	professional services
November 26, 2013	100,000	\$0.07000	Johan Emil V. Bjorsell	professional services
November 26, 2013	1,250,000	\$0.08000	Locksmith Financial	debt conversion
December 13, 2013	3,000,000	\$0.07000	Digifonica Intellectual	professional services
December 13, 2013	26,843,105	\$0.17000	Digifonica Intellectual	acquisition of Digifonica

December 13, 2013	10,000,000	\$0.17000	Digifonica Intellectual	acquisition of Digifonica
December 31, 2013	-5,000,000	\$0.03500	Brent Russell	shares returned to Treasury
December 31, 2013	-5,000,000	\$0.03500	Francis Assifuah	shares returned to Treasury
December 31, 2013	1,250,000	\$0.08000	Locksmith Financial	debt conversion
February 18, 2014	300,000	\$0.12000	1187437 Alberta Ltd.	debt conversion
March 16, 2014	166,667	\$0.12000	Nassim Khonsari	debt conversion
March 25, 2014	250,000	\$0.10000	David Kosen	debt conversion
March 27, 2014	250,000	\$0.10000	Lisa DeRosa	debt conversion
March 31, 2014	200,000	\$0.10000	Greg Fontana	debt conversion

5) Financial Statements

The Issuer is providing the following financial statements for the period ending March 31, 2014:

- A. Consolidated Balance sheets;
- B. Consolidated Statements of Loss and Deficit
- C. Consolidated Statements of Cash Flows; and
- D. Notes to the Consolidated Financial Statements.

These unaudited financial statements are incorporated by reference herein and attached as Exhibit A.

6) Describe the Issuer's Business, Products and Services

- A. a description of the issuer's business operations;

Voip-Pal.com, Inc. ("Voip-Pal", "Company") is a publicly traded corporation (OTC Pink: [VPLM](#)) incorporated in December of 1997 in the State of Nevada and headquartered in Bellevue, Washington. Voip-Pal is a technical leader in the broadband Voice-over-Internet Protocol ("VoIP") market with the ownership and development of a portfolio of leading edge VoIP Patent Applications.

Voip-Pal's primary products are VoIP related patented technology acquired through the Company's acquisition of Digifonica (International) Limited, a privately held company registered in Gibraltar ("Digifonica"). The Company has spent several years and millions of dollars testing and developing this valuable technology. They are currently seeking to monetize the patents through a sale or licensure.

- B. Date and State (or Jurisdiction) of Incorporation: December 1997 in Nevada.

- C. The Issuer's primary and secondary SIC Codes are 4813 and 4899.

- D. The issuer's fiscal year end date is September 30th.

- E. principal products or services, and their markets;

Voip-Pal's intellectual property value is derived from five recently-issued (or announced) USPTO patents; including one foundational patent and four others that build upon the former. Voip-Pal inventions described in these patents provide the means to integrate VoIP services with any of the Telco systems to create a seamless service using either Legacy telephone numbers or IP addresses, and enhance the performance and value of VoIP implementations worldwide. Voip-Pal patented technology provides: Universal numbering ubiquity; Network value as defined by Metcalfe; the imperative of interconnect, termination, and recompense for delivery of calls by other networks; Regulatory compliance in regulated markets; Interconnection of VoIP

networks to mobile and fixed networks; and Maintenance of uninterrupted VoIP calls across fixed, mobile, and WiFi networks.

Voice over IP (Internet Protocol), or VoIP, has been and continues to be a green field for innovation that has spawned numerous inventions, greatly benefitting consumers large and small across the globe. Brands such as Vonage, Skype, and Magic Jack are well-known retail VoIP implementations. However, VoIP is used in many other places that we may not realize and by practically every modern telephony system vendor, network supplier, and retail and wholesale carrier.

Whether you place a call directly through a VoIP service retailer or make a long-distance call over a traditional phone system or mobile carrier, you are likely to use VoIP somewhere along the way. In our everyday communications VoIP is rapidly expanding towards ubiquity. Wherever a metered VoIP call is routed, it is likely already benefitting from a Voip-Pal invention.

About Voip-Pal's Patents

1. **Lawful Intercept (LI):** ("Intercepting VoIP communications and other data communications") US Patent Application, Publication No. **20100150138**, ([Link to Lawful Intercept USPTO filing](#)): This patent was issued on April 16, 2013 with the number 8,422,507. Lawful Intercept Continuation patent application was filed with the USPTO. This Continuation leverages patented technology for instant and text messages, and inherits the same Priority date of November 29, 2007. A Response in Europe has also been filed. Lawful Intercept is a revolutionary technology that addresses the national and international demands by governments to enable law agencies the ability to perform scheduled and live intercepts on VoIP telephone conversations. Network Service providers such as Skype may soon want to be in compliance with government regulations regarding Lawful Intercept. The advantage of this patent is that it is truly undetectable by the intercept target; as opposed to many prior art technologies. Various governments are considering legislating Lawful Intercept as a mandatory technology for any VoIP provider.
2. **Routing, Billing and Rating engine (RBR):** ("Producing routing messages for VoIP communications") US Patent Application, Publication No. **20100150328**, ([Link to RBR USPTO filing](#)): This patent was issued on September 24, 2013, with the number 8,542,815. A Response to Europe has also been filed. The Company believes that this patent application technology will be the foundation of any modern commercial VoIP system. It is an essential patent to all VoIP communications. RBR has taken millions of investment dollars and several years to develop and solidify into perhaps the most important architectural solution for VoIP.
3. **Mobile Gateway:** US Patent Application, Publication No. **20110122827**, ([Link to Mobile Gateway USPTO filing](#)): This patent was issued on January 14, 2014 with the number 8,630,234. The Company believes that Mobile Gateway technology can be applied to any modern cell phone allowing Internet calls to be transparent for the users. All current commercial techniques for making cell phone Internet calls require the users to make additional actions, which are not necessary with the Mobile Gateway patent application. Mobile Gateway is a sophisticated application that uses a telephone's existing mobile network and accesses local reserved phone numbers from the call origination site, thus enabling the user to make a long distance or international call at the local call billing rate.
4. **Enhanced 911:** ("Emergency Assistance calling for VoIP communications") US Patent Application, Publication No. **20100172345**, ([Link to Enhanced 911 USPTO filing](#)): This patent was issued on September 17, 2013 with the number 8,537,805. Enhanced 911 technology satisfies

the major requirement for the emergency response system which is the ability to call back the person making an emergency call to 9-1-1 in the event of a dropped connection. Currently 70% of all emergency calls to 9-1-1 are made via mobile or VoIP telephones and that number continues to increase. The major challenge for emergency response personnel is the ability to trace the call from a 911 mobile or VoIP caller since wireless telephones are not linked to a fixed location or address

5. **Advanced Interoperability Solutions:** (“Uninterrupted Transmission of Internet Protocol Transmissions during Endpoint Changes”) US Patent Application, Publication No. **20120170574**, ([Link to Advanced Interoperability Solutions USPTO filing](#)): This patent was issued on March 18, 2014 with the number 8,675,566. This technology demonstrates the future of Internet voice communication – calls should not be dropped when roaming from one transport provider to another. The Uninterrupted Transmission technology allows for seamless transition from one Internet access point to another providing continuous, uninterrupted connectivity of a mobile device.
6. **Allocating Charges for Communications Services:** US Patent Application, Publication No. **20140016764** ([Link to Allocating Charges for Communications Services USPTO filing](#)): A Notice of Allowance was mailed for this patent from the USPTO on February 27, 2014. The technology associated with this patent application strengthens the RBR patent and enhances the billing aspect of the RBR and its implementation. The Company believes that this technology will play a vital role as VoIP communications replaces legacy telephony and new fees and tariffs are assessed. System vendors, network providers, and mobile carriers are able to utilize this routing and metering technology to make VoIP more manageable and reliable

7) Describe the Issuer’s Facilities

Office space is leased for administrative purposes through Regus Management Group LLC.

8) Officers, Directors, and Control Persons

A. Names of Officers, Directors, and Control Persons.

Name	Position	Share Ownership
Dr. Thomas E. Sawyer	Chairman, CEO and Director	5,000,000 common
<u>Employment History:</u> Former Chairman and CEO of NACT Telecommunications, Inc. and former Chief Technology Officer of Global Light Telecommunications, Inc. Currently serving as Chairman and Founder of Sacred Circle Health Care, Inc. In addition, Dr. Sawyer currently serves as Director of five other companies – Quadrant 4 Systems, Cedar Band Corporation, First European Investment Foundation and AIM Holdings Company LTD.		
Dennis Chang	President and Director	15,325,800 common
<u>Employment History:</u> Current President of Voip-Pal.com Inc. since September 3, 2009. Former Sr. Business Management Consultant for Antares Corporation from January 2003 through November 2010.		
Dr. Colin Tucker	Deputy Chairman	5,000,000 common
<u>Employment History:</u> Former Director and CEO of Hutchison 3G, currently serving as Director of four companies – Montise plc, Jersey Telecom Ltd., Zamano plc and SAT Ltd		

Professor Edwin Candy	Director	3,000,000 common
<p>Employment History: Former Technology Director of Hutchison 3G, now currently serving as a Strategic Technology advisor for the 3 Group and providing innovation guidance, strategic advice and consultancy services through his own company Strategitel Limited.</p>		

Digifonica Intellectual Properties (DIP) Limited	Control person	295,500,000 common
(Beneficial owner: Emil Malak)		

B. Legal/Disciplinary History. None of the foregoing persons have, in the last five years, been the subject of:

1. A conviction in a criminal proceeding or named as a defendant in a pending criminal proceeding (excluding traffic violations and other minor offenses);
2. The entry of an order, judgment, or decree, not subsequently reversed, suspended or vacated, by a court of competent jurisdiction that permanently or temporarily enjoined, barred, suspended or otherwise limited such person's involvement in any type of business, securities, commodities, or banking activities;
3. A finding or judgment by a court of competent jurisdiction (in a civil action), the Securities and Exchange Commission, the Commodity Futures Trading Commission, or a state securities regulator of a violation of federal or state securities or commodities law, which finding or judgment has not been reversed, suspended, or vacated; or
4. The entry of an order by a self-regulatory organization that permanently or temporarily barred suspended or otherwise limited such person's involvement in any type of business or securities activities.

C. Beneficial Shareholders.

Name	Amount	Percent
Digifonica Intellectual Properties (DIP) Limited Suite 41-42 Victoria House, 26 Main Street, Gibraltar (Beneficial owner: Emil Malak)	295,500,000	33.32%
Talisman Financial Inc. 76 Dean Street, Belize City, Belize (Controlling Individual: Justin West, President)	70,000,000	7.89%

9) Third Party Providers

Legal Counsel

Ryan L. Thomas & Associates
Attorneys at Law
2740 E. 1700 N.
Layton, Utah 84040

The McGearly Law Firm, P.C.
1600 Airport Fwy, Suite 300
Bedford, TX 76021

Stubbs Alderton & Markiles, LLP
15260 Ventura Blvd., 20th Floor
Sherman Oaks, CA 91403

Alverson Taylor Mortensen & Sanders
7401 W. Charleston Blvd.
Las Vegas, NV 89117

Accountant or Auditor:

Eric F. Gurr
Certified Public Accountant
1156 South State Street, Suite 202
Orem, Utah 84097

Investor Relations

Rich Inza
Firm: RMJ Consulting LLC
Phone: 1-954-251-0616
Email: IR@voip-pal.com

10) Issuer Certification

I, Thomas E. Sawyer, certify that:

1. I have reviewed this annual disclosure statement of VoIP-PAL.com, Inc.;
2. Based on my knowledge, this disclosure statement does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this disclosure statement; and
3. Based on my knowledge, the financial statements, and other financial information included or incorporated by reference in this disclosure statement, fairly present in all material respects the financial condition, results of operations and cash flows of the issuer as of, and for, the periods presented in this disclosure statement.

Date: May 23, 2014



Dr. Thomas E. Sawyer
Chairman and CEO

EXHIBIT A

VOIP PAL.com, Inc.

(A development stage company)

INTERIM CONSOLIDATED FINANCIAL STATEMENTS

(Unaudited - prepared by management)

March 31, 2014

INTERIM CONSOLIDATED BALANCE SHEETS

INTERIM CONSOLIDATED STATEMENTS OF LOSS AND DEFICIT

INTERIM CONSOLIDATED STATEMENTS OF CASH FLOWS

INTERIM CONSOLIDATED STATEMENT OF STOCKHOLDERS' EQUITY

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS

April 21, 2014

VOIP PAL.com, Inc.
(A development stage company)

CONSOLIDATED BALANCE SHEETS
(Unaudited - prepared by management)
March 31, 2014
(Expressed In U. S. Dollars)

	March 31, 2014	Sept. 30, 2013
ASSETS		
CURRENT		
Cash	\$ 114,095	\$ 7,671
Inventory	-	5,000
	<u>114,095</u>	<u>12,671</u>
OTHER		
Intellectual VoIP communications patent Properties	11,407,318	11,407,318
VoIP products, licenses and smart phone applications costs	62,076	62,076
Goodwill (Note 3)	14,366,922	8,103,593
TOTAL ASSETS	\$ 25,950,411	\$ 19,585,658

LIABILITIES		
CURRENT		
Accounts payable	\$ 23,187	\$ 83,750
Convertible notes (Note 4)	10,000	-
Loans payable (Notes 5)	-	1,457,105
Due to a Related Party (Note 6)	-	8,238
TOTAL LIABILITIES	33,187	1,549,093

STOCKHOLDERS' EQUITY

SHARE CAPITAL (Note 8)	32,578,872	23,945,010
DEFICIT	(6,661,648)	(5,908,445)
	<u>25,917,224</u>	<u>18,036,565</u>
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	\$ 25,950,411	\$ 19,585,658

Going Concern (Note 1)

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

VOIP PAL.com, Inc.
(A development stage company)

INTERIM CONSOLIDATED STATEMENTS OF LOSS AND DEFICIT
For the Six Months Ended March 31, 2014
(Unaudited - prepared by management)
(Expressed In U. S. Dollars)

	Three Months Ended March 31, 2014	Six Months Ended March 31, 2014
REVENUE	\$ -	\$ -
EXPENSES		
Bank service charges	984	1,911
DIDX fees	612	1,224
Director fees	20,000	30,000
Foreign exchange losses (gains)	(525)	(518)
Inventory adjustment	-	5,000
Investor relations	20,060	30,060
IT support	5,657	21,241
Legal fees	33,659	43,894
Market News	-	-
Office and general	1,818	8,162
Patent application expenses	51,713	145,373
Server hosting service fees	2,443	4,885
Stock based compensation (See Notes 8(nn),(pp))	-	455,000
Stock Exchange listing fees	-	-
Stock transfer agent fees	3,768	5,663
Website support services and development costs	1,308	1,308
Total expenses	141,497	753,203
NET LOSS FOR THE PERIOD	(141,497)	(753,203)
DEFICIT, BEGINNING OF THE PERIOD	(6,520,151)	5,908,445)
DEFICIT, END OF THE PERIOD	\$ (6,661,648)	\$ (6,661,648)

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

VOIP PAL.com, Inc.
(A development stage company)

INTERIM CONSOLIDATED STATEMENTS OF CASH FLOWS

For the Six Months Ended March 31, 2014

(Unaudited - prepared by management)

(Expressed In U. S. Dollars)

	Three months ended <u>March 31, 2014</u>	Six months ended <u>March 31, 2014</u>
Cash Flows from Operating Activities		
Net loss	\$ (141,497)	\$ (753,203)
Add items not affecting cash:		
Adjustment to inventory on hand	-	5,000
Stock based compensation	-	455,000
Changes in non-cash working capital:		
Accounts payable and accrued liabilities	<u>(5,762)</u>	<u>(28,135)</u>
Cash Flows From Operations	<u>(147,259)</u>	<u>(321,338)</u>
Cash Flows from Investing Activities		
-	<u>-</u>	<u>-</u>
Cash Flows Used In Investing Activities	<u>-</u>	<u>-</u>
Cash Flows from Financing Activities		
Due to related party	-	(8,238)
Convertible loan proceeds	136,000	136,000
Common shares issued for cash at \$0.08/share	<u>-</u>	<u>300,000</u>
Cash Flows Provided by Financing Activities	<u>136,000</u>	<u>427,762</u>
Increase (decrease) in cash	(11,259)	106,424
Cash, beginning of the period	<u>125,354</u>	<u>7,671</u>
Cash, end of the period	<u>\$ 114,095</u>	<u>\$ 114,095</u>

Non-cash transactions – Note 6

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

VOIP PAL.com, Inc.
(A development stage company)

INTERIM CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY
For the period September 30, 2008 to December March 31, 2014
(Unaudited – prepared by management)
(Expressed in U. S. dollars)

	Common Shares		Convertible Preferred Shares		Additional	Deficit	
	<u>Par Value</u>		<u>Par Value</u>		Paid-in	Accumulated	
	<u>Number</u>		<u>Number</u>		<u>Capital</u>	During the	<u>Total</u>
						Development	
						<u>Stage</u>	
Balance at September 30, 2008 (Note 1)	88,075,066	\$ 88,075	1,000,000	\$ 10,000	\$ 1,741,925	\$ (1,606,198)	\$ 233,802
Common shares issued for services at \$0.01	6,000,000	6,000	-	-	54,000	-	60,000
Net loss for the year	-	-	-	-	-	(60,000)	(60,000)
Balance at September 30, 2009	94,075,066	94,075	1,000,000	10,000	1,795,925	(1,666,198)	233,802
Common shares issued for services at \$0.01	250,000	250	-	-	2,250	-	2,500
Preferred shares converted to common shares	9,350,000	9,350	(93,500)	(935)	(8,415)	-	-
Net loss for the year	-	-	-	-	-	(285,471)	(285,471)
Balance at September 30, 2010	103,675,066	103,675	906,500	9,065	1,789,760	(1,951,669)	(49,169)
Preferred shares converted to common shares	71,550,000	71,550	(715,500)	(7,155)	(64,395)	-	-
Common shares issued for services at \$0.021	1,000,000	1,000	-	-	20,000	-	21,000
Common shares issued for cash at \$0.02465	2,028,398	2,028	-	-	47,972	-	50,000
Common shares issued for cash at \$0.0240	2,083,333	2,083	-	-	47,917	-	50,000
Preferred shares converted to common shares	9,100,000	9,100	(91,000)	(910)	(8,190)	-	-
Common shares issued for debt at \$0.003	28,151,563	28,152	-	-	56,303	-	84,455
Common shares issued for services at \$0.0085	250,000	250	-	-	1,875	-	2,125
Net loss for the year	-	-	-	-	-	(436,986)	(436,986)
Balance at September 30, 2011	217,838,360	217,838	100,000	1,000	1,891,242	(2,388,655)	(278,575)

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

VOIP PAL.com, Inc.
(A development stage company)

INTERIM CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY (cont'd)
For the period September 30, 2008 to March 31, 2014
(Unaudited – prepared by management)
(Expressed in U. S. dollars)

	Common Shares		Convertible Preferred Shares		Additional Paid-in Capital	Deficit Accumulated During the Development Stage	Total
	<u>Number</u>	<u>Par Value</u>	<u>Number</u>	<u>Par Value</u>			
Common shares issued for debt at \$0.0041	44,000,000	\$ 44,000	-	\$ -	\$ 136,000	\$ -	\$ 180,000
Common shares issued for services at \$0.01	7,500,000	7,500	-	-	67,500	-	75,000
Common shares issued for cash at \$0.0025	12,000,000	12,000	-	-	18,000	-	30,000
Common shares issued for debt at \$0.003	5,200,000	5,200	-	-	10,400	-	15,600
Preferred shares converted to common shares	10,000,000	10,000	(100,000)	(1,000)	(9,000)	-	-
Common shares issued for services cancelled	(7,500,000)	(7,500)	-	-	(67,500)	-	(75,000)
Common shares issued for debt at \$0.002	20,000,000	20,000	-	-	20,000	-	40,000
Net loss for the year	-	-	-	-	-	(138,386)	(138,386)
Balance at September 30, 2012	309,038,360	309,038	-	-	2,066,642	(2,527,041)	(151,361)
Common shares issued for debt at \$0.002	30,000,000	30,000	-	-	30,000	-	60,000
Repurchase of capital stock at \$0.04	(9,000,000)	(9,000)	-	-	(351,000)	-	(360,000)
Common shares issued for debt at \$0.00613	35,446,982	35,447	-	-	181,813	-	217,260
Common shares issued for services at \$0.007	4,000,000	4,000	-	-	24,000	-	28,000
Common shares issued for services at \$0.046	3,000,000	3,000	-	-	135,000	-	138,000
Common shares issued as directors'							
incentives at \$0.035	6,000,000	6,000	-	-	204,000	-	210,000
incentives at \$0.07	7,000,000	7,000	-	-	483,000	-	490,000
Common shares issued for acquisition of							
Digifonica (Int'l) Ltd. at \$0.07	265,656,895	265,657	-	-	18,330,325	-	18,595,982
Common shares issued for debt at \$0.00314	10,000,000	10,000	-	-	21,452	-	31,452
Common shares issued for debt at \$0.002	29,318,000	29,318	-	-	29,318	-	58,636
Common shares issued for services at \$0.07	30,000,000	30,000	-	-	2,070,000	-	2,100,000
Net loss for the year	-	-	-	-	-	(3,381,404)	(3,381,404)
Balance at September 30, 2013	720,460,237	720,460	-	-	23,224,550	(5,908,445)	18,036,565

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

VOIP PAL.com, Inc.
(A development stage company)

INTERIM CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY (cont'd)
For the period September 30, 2008 to March 31, 2014
(Unaudited – prepared by management)
(Expressed in U. S. dollars)

	Common Shares		Convertible Preferred Shares		Additional Paid-in Capital	Deficit Accumulated During the Development Stage	Total
	<u>Number</u>	<u>Par Value</u>	<u>Number</u>	<u>Par Value</u>			
Common shares issued for debt at \$0.01277	70,000,000	\$ 70,000	-	\$ -	\$ 823,900	\$ -	\$ 893,900
Common shares issued for debt at \$0.01276	46,682,000	46,682	-	-	548,952	-	595,634
Common shares issued for cash at \$0.08	3,750,000	3,750	-	-	296,250	-	300,000
Common shares issued as directors' incentives at \$0.035	3,000,000	3,000	-	-	102,000	-	105,000
Common shares issued for acquisition of Digifonica (Int'l) Ltd. at \$0.17	36,843,105	36,843	-	-	6,226,485	-	6,263,328
Common shares issued for services at \$0.07	5,000,000	5,000	-	-	345,000	-	350,000
Common shares issued for debt at \$0.12	466,667	467	-	-	55,533	-	56,000
Common shares issued for debt at \$0.10	700,000	700	-	-	69,300	-	70,000
Net loss for the period	-	-	-	-	-	(753,203)	(753,203)
Balance at March 31, 2014	886,902,009	886,902	-	-	31,691,970	(6,661,648)	25,917,224

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

VOIP PAL.com, Inc.
(A development stage company)

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS

(Unaudited - prepared by management)

March 31, 2014
(Expressed In U.S. Dollars)

NOTE 1. NATURE AND CONTINUANCE OF OPERATIONS

VOIP PAL.com, Inc. was incorporated in the state of Nevada in September 1997 as All American Casting International, Inc.

Since March 2004, the Company has been in the development stage of becoming a VoIP re-seller, a provider of a proprietary transactional billing platform tailored to the points and air mile business and provider of anti-virus applications for smart phones. All business activities prior to March 2004 have been abandoned and written off to deficit.

In December 2013, the Company completed the acquisition of Digifonica (International) Limited, a private company incorporated on September 7, 2004 in Gibraltar.

These interim consolidated financial statements have been prepared on the basis of a going concern, which contemplates the realization of assets and discharge of liabilities in the normal course of business. The Company is in various stages of product development and continues to incur losses and, at March 31, 2014, had an accumulated deficit of \$6,661,648 (September 30, 2013 - \$5,908,445). The ability of the Company to continue operations as a going concern is dependent upon raising additional working capital, settling outstanding debts and generating profitable operations. Should the going concern assumption not continue to be appropriate, further adjustments to carrying values of assets and liabilities may be required. There can be no assurance that capital will be available as necessary to meet these continued development and operating costs or, if the capital is available, that it will be on the terms acceptable to the Company. The issuances of additional stock by the Company may result in a significant dilution in the equity interests of its current shareholders. Obtaining commercial loans, assuming those loans would be available, will increase the Company's liabilities and future cash commitments. If the Company is unable to obtain financing in the amounts and on terms deemed acceptable, its business and future success may be adversely affected.

NOTE 2. BASIS OF PRESENTATION

Principles of Consolidation

These interim consolidated financial statements have been prepared on a consolidated basis and include the accounts of the Company and its wholly owned subsidiary Digifonica (International) Limited. All significant intercompany transactions and balances have been eliminated. As at March 31, 2014, this subsidiary had activities.

Use of Estimates

The preparation of these interim consolidated financial statements required management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amount of revenues and expenses during the reporting period. Actual results could differ from these estimates. Where estimates have been used financial results as determined by actual events could differ from those estimates.

Comparative Figures

Comparative figures have been reclassified where applicable to conform to the presentation used in the current period.

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NOTE 3. GOODWILL

Goodwill is related to the acquisition of Digifonica (International) Limited.

NOTE 4. Convertible Notes

As at March 31, 2014, convertible notes of \$10,000 are convertible to shares of the Company at a price of \$0.10 per share.

NOTE 5. LOANS PAYABLE

As at March 31, 2014, loans of \$Nil (September 30, 2013 - \$1,457,105) are payable on demand and bear interest of 5.5% per annum. Accrued interest of \$Nil (September 30, 2013 - \$32,429) is included in accounts payable. Included in the amount outstanding at September 30, 2013, is \$360,000 for the repurchase of common stock by the Company (Note 7(x)). On October 15, 2013, the Company issued 70,000,000 common shares at a deemed price of \$0.01277 per share pursuant to a debt settlement agreement in settlement of loans and accrued interest totaling \$893,900. On October 23, 2013, the Company issued a further 46,682,000 common shares at a deemed price of \$0.012759392 per share in settlement of the balance of loans and accrued interest totaling \$595,634.

NOTE 6. RELATED PARTY TRANSACTIONS

At March 31, 2014, \$Nil (September 30, 2013- \$8,238) is due to the President and Director for cash loans and expenses incurred on behalf of the Company. These amounts are unsecured and have no specific terms of repayment. Included in accounts payable is \$Nil (September 30, 2013 - \$2,271 for Company expenses paid for by a director.

During the period ended March 31, 2014, \$30,000 (2013 - \$7,000) was paid out in director fees to directors of the Company; 3,000,000 common shares at a deemed price of \$0.035 per share were issued to a director as stock based compensation.

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(A development stage company)

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NOTE 7. SUPPLEMENTAL CASH FLOW INFORMATION

a) Non-cash financing activities

Shares issued for debt settlement arrangements	\$ 126,000	\$ 1,615,534
Repurchase of capital stock	\$ -	\$ -
Shares issued for the acquisition of Digifonica(International) Limited	\$ -	\$ 6,263,328-

NOTE 8. SHARE CAPITAL

Capital Stock

Authorized (Note 9):

900,000,000 common voting shares with a par value of \$0.001 each
1,000,000 convertible preferred shares with a par value of \$0.01 each

Issued and outstanding (Note 8(n))

	March 31, 2014		September 30, 2013	
	Number of	Value	Number of	Value
	Shares	\$	Shares	\$
Common voting shares	886,902,009	886,902	720,460,237	720,460
Common shares held in treasury	-	-	10,000,000	-
Convertible preferred shares	-	-	-	-
Additional paid-in capital		31,691,970		23,224,550
Total	886,902,009	32,578,872	730,460,237	23,945,010

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(A development stage company)

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS

(Unaudited - prepared by management)

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(Expressed In U.S. Dollars)

NOTE 8. SHARE CAPITAL (continued)

- a) During the 2009 fiscal year, 6,000,000 common shares were issued at a deemed price of \$0.01 per share for consulting services.
- b) During the last quarter of the 2010 fiscal year, 93,500 convertible preferred shares were converted into 9,350,000 common voting shares.
- c) During the first half of the 2010 fiscal year, 250,000 common shares at a deemed price of \$0.01 per share were issued to a third party for IT support services.
- d) During the month of October 2010, 83,000 convertible preferred shares were converted into 8,300,000 common voting shares.
- e) On January 7, 2011, 100,000 convertible preferred shares were converted into 10,000,000 common voting shares.
- f) On January 14, 2011, 10,000 preferred shares were converted to 1,000,000 common voting shares.
- g) On January 14, 2011, 1,000,000 common voting shares at a deemed price of \$0.021 per share were issued from treasury to a third party for IP consulting services.
- h) During April 2011, 330,000 convertible preferred shares were converted into 33,000,000 common voting shares.
- i) On May 19, 2011, 80,000 convertible preferred shares were converted into 8,000,000 common voting shares.
- j) During May 2011, the Company issued a total of 2,028,398 common voting shares at a deemed price of \$0.02465 per share for gross cash proceeds of \$50,000.
- k) On June 10, 2011, 112,500 convertible preferred shares were converted into 11,250,000 common voting shares.
- l) On June 10, 2011, the Company issued 2,083,333 common voting shares at a deemed price of \$0.0240 per share for gross cash proceeds of \$50,000.
- m) On July 15, 2011, 91,000 convertible preferred shares were converted into 9,100,000 common shares.

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NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS

(Unaudited - prepared by management)

March 31, 2014
(Expressed In U.S. Dollars)

NOTE 8. SHARE CAPITAL (continued)

- n) During July 2011, the Company issued, to the vendors 10,000,000 common voting shares at a deemed price of \$0.035 per share in exchange for all the issued and outstanding shares of Bleam Technology Ventures Inc. ("Bleam"), a private company. The proposed acquisition has not been recorded in the books of the Company as the acquisition of "Bleam" is in dispute and still pending resolution of the dispute. The Company is not using the "Bleam" technology as access was never provided. All shares were returned to the Company's treasury and cancelled on December 31, 2013. The "Bleam" officers have resigned or removed from the Company's Board of Directors.
- o) On September 19, 2011, the Company issued 28,151,563 common shares at a price of \$0.003 per share pursuant to debt settlement with third parties.
- p) On September 23, 2011, the Company issued 250,000 common shares at a deemed price of \$0.0085 to a director for director fees.
- q) On October 12, 2011, the Company issued 44,000,000 common shares at a deemed price of \$0.00409 per share pursuant to debt settlement arrangement for \$180,000 with a third party.
- r) On October 12, 2011, the Company issued 12,000,000 common shares at a price of \$0.0025 for gross cash proceeds of \$30,000 pursuant to a private placement arrangement.
- s) On October 12, 2011, the Company issued 7,500,000 common shares at a deemed price of \$0.01 per share for Investor Relations services. The contract was subsequently cancelled and the shares returned to treasury and cancelled.
- t) On May 31, 2012, the Company issued 5,200,000 common shares at a deemed price of \$0.003 per share pursuant to debt settlement arrangement for \$15,600 with a third party.
- u) During June 2012, a total of 100,000 convertible preferred shares were converted into 10,000,000 common shares.
- v) On July 31, 2012, the Company issued 20,000,000 common shares at a deemed price of \$0.002 per share pursuant to debt settlement arrangement for \$40,000 of loans.
- w) On October 19, 2012, the Company issued 30,000,000 common shares at a deemed price of \$0.002 per share pursuant to debt settlement arrangement for \$60,000 of loans and accrued interest payable with a third party.
- x) On March 12, 2013, the Company repurchased 9,000,000 common shares at a price of \$0.04 per share. These shares were returned to treasury and cancelled.

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NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS

(Unaudited - prepared by management)

March 31, 2014
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NOTE 8. SHARE CAPITAL (continued)

- y) On April 18, 2013, the Company issued 31,000,000 common shares at a price of \$0.00613 per share pursuant to debt settlement arrangement dated April 18, 2013 for \$190,000 of loans with a third party.
- z) On May 8, 2013, the Company issued 4,000,000 common shares at a deemed price of \$0.007 per share for services pursuant to a management consulting agreement dated October 24, 2012.
- aa) On May 8, 2013, the Company issued 3,000,000 common shares at a deemed price of \$0.046 per share for services pursuant to a consulting agreement dated April 8, 2013.
- bb) On May 8, 2013, the Company issued 3,000,000 common shares at a deemed price of \$0.035 per share as stock based incentive to a new director who accepted the appointment on May 1, 2013.
- cc) On May 8, 2013, the Company issued 3,000,000 common shares at a deemed price of \$0.035 per share as stock based incentive to a new director who accepted the appointment on May 4, 2013.
- dd) On May 10, 2013, the Company issued 10,000,000 common shares at a deemed price of \$0.00314 per share to the President and Director of the Company in settlement of \$31,452 of debt pursuant to debt settlement arrangement dated September 12, 2012.
- ee) On May 13, 2013, the Company issued to a third party 2,000,000 common shares at a deemed price of \$0.00613 per share in settlement of debt of \$12,260 pursuant to debt settlement arrangement dated May 2, 2013.
- ff) On May 13, 2013, the Company issued to a third party 2,446,982 common shares at a deemed price of \$0.00613 per share in settlement of debt of \$15,000 pursuant to debt settlement arrangement dated January 16, 2013.
- gg) On July 18, 2013, the Company issued 265,656,895 common shares at a deemed price of \$0.07 per share to the "Seller" pursuant to the terms of the share purchase agreement to acquire Digifonica (International) Limited.
- hh) On July 24, 2013, the Company issued 30,000,000 common shares at a deemed price of \$0.07 per share to a company owned by an "engineer" for continued technical services and support in respect of the patent applications; patents and continuance of these patents.

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NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS

(Unaudited - prepared by management)

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NOTE 8. SHARE CAPITAL (continued)

- ii) On July 26, 2013, 3,000,000 common shares were issued by the Company to a director at a deemed price of \$0.07 as stock based compensation.
- jj) On August 15, 2013, the Company issued to a third party 29,318,000 common shares at a deemed price of \$0.002 per share in settlement of debt consisting of accrued interest and principle totaling \$58,636 pursuant to a debt settlement arrangement.
- kk) On August 15, 2013, 2,000,000 common shares (in total 4,000,000 common shares) of the Company were issued at a deemed price of \$0.07 per share to each of two directors as stock based compensation.
- ll) On October 15, 2013, 70,000,000 common shares of the Company were issued at a deemed price of \$0.01277 per share pursuant to a debt settlement agreement in settlement of loans and accrued interest totaling \$893,900.
- mm) On October 23, 2013, 46,682,000 common shares were issued at a deemed price of \$0.012759392 per share in settlement of balance of loan principle and accrued interest totaling \$595,634.
- nn) During the quarter ending December 31, 2013, the Company issued 5,000,000 common shares at a deemed price of \$0.07 per share to various "IT Engineers" for continued technical services and support in respect of the patent applications; patents and continuance of these patents.
- oo) On December 13, 2013, the Company issued 36,843,105 common shares at a deemed price of \$0.17 per share to the "Seller" pursuant to the terms of the share purchase agreement to acquire Digifonica (International) Limited.
- pp) On December 13, 2013, the Company issued 3,000,000 common shares at a deemed price of \$0.035 per share to a director of the Company as stock based compensation.
- qq) During the quarter ending December 31, 2013, the Company issued 3,750,000 common shares at a deemed price of \$0.08 per share for cash pursuant to a financing agreement with a third party.
- rr) On February 18, 2014 and March 6, 2014, the Company issued an aggregate of 466,667 common shares at a price of \$0.12 per share for debt pursuant to the terms of the convertible loan agreements with two third parties.
- ss) During March 2014, the Company issued a total of 700,000 common shares at a price of \$0.10 per share for debt pursuant to the terms of the convertible loan agreements with various third parties.

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NOTE 9. SUBSEQUENT EVENT

On April 1, 2014, the Company increased its authorized share capital from 900 million common voting shares to 990 million common voting shares.