

# **3<sup>rd</sup> Quarter Report**

for Third Quarter ending June 30, 2015

Prepared in accordance with  
OTC Pink Basic Disclosure Guidelines  
(v. 1.1 April 25, 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”).

**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](mailto:info@voip-pal.com). The Issuer maintains the following website: [www.voip-pal.com](http://www.voip-pal.com).

The Issuer’s investor relations contact can be reached at 954-252-0616 or [IR@voip-pal.com](mailto: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: 1,040,000,000 as of: June 30, 2015

Total shares outstanding: 994,885,711 as of: June 30, 2015

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: June 30, 2015

Total shares outstanding: Nil as of: June 30, 2015

Transfer Agent

Presidents Stock Transfer

215-515 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: None.

#### 4) Issuance History

All shares have been issued with the appropriate restrictive legend. For more details, see table below.

| <b>VPLM STOCK ISSUANCE FROM JUNE 30, 2013 TO JUNE 30, 2015</b> |                  |                  |                         |                             |
|--|------------------|------------------|-------------------------|-----------------------------|
| <b>Date</b>  | <b>Amount of</b> | <b>Price Per</b> | <b>Shares Issued To</b> | <b>Services Provided</b>    |
| 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             |
| 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             |

|                    |            |           |                                |                                |
|--------------------|------------|-----------|--------------------------------|--------------------------------|
| April 2, 2014      | 5,000,000  | \$0.12000 | Thomas Sawyer                  | professional services          |
| April 2, 2014      | 2,000,000  | \$0.12000 | Emil Malak FBO Ed Candy        | professional services          |
| April 2, 2014      | 1,000,000  | \$0.12000 | Colin Tucker                   | professional services          |
| April 2, 2014      | 1,000,000  | \$0.12000 | Dennis Chang                   | professional services          |
| April 2, 2014      | 600,000    | \$0.12000 | Richard Inza                   | professional services          |
| April 2, 2014      | 300,000    | \$0.12000 | Ryan Thomas                    | professional services          |
| April 2, 2014      | 200,000    | \$0.12000 | Aaron McGearry                 | professional services          |
| April 2, 2014      | 200,000    | \$0.12000 | Tawna Skousen                  | professional services          |
| April 2, 2014      | 100,000    | \$0.12000 | Gustavo Romero                 | professional services          |
| April 2, 2014      | 100,000    | \$0.12000 | Corey Fabiano                  | professional services          |
| April 2, 2014      | 86,523,561 | \$0.12000 | Digifonica Intellectual        | acquisition of Digifonica      |
| April 8, 2014      | 100,000    | \$0.10000 | Mike Waggett                   | debt conversion                |
| April 8, 2014      | 150,000    | \$0.10000 | Mike Waggett                   | debt conversion                |
| April 10, 2014     | 300,000    | \$0.10000 | Lisa DeRosa                    | debt conversion                |
| June 13, 2014      | 400,000    | \$0.08000 | 1187437 Alberta Ltd.           | debt conversion                |
| July 3, 2014       | 300,000    | \$0.10000 | David Kosen                    | debt conversion                |
| July 28, 2014      | 125,000    | \$0.12000 | Steve R. Engh                  | debt conversion                |
| July 28, 2014      | 300,000    | \$0.12000 | Scott Morey                    | debt conversion                |
| August 1, 2014     | 300,000    | \$0.12000 | Nanita Holdings Ltd.           | debt conversion                |
| September 23, 2014 | 450,000    | \$0.08000 | David H. & Inez M. Kosen       | debt conversion                |
| September 23, 2014 | 100,000    | \$0.11000 | Corey Fabiano                  | professional services          |
| September 23, 2014 | 50,000     | \$0.11000 | John Lewis Minick              | professional services          |
| October 17, 2014   | 100,000    | \$0.08000 | Ernst Radies                   | debt conversion                |
| November 19, 2014  | 63,596     | \$0.06000 | Ryan Thomas                    | debt conversion                |
| December 5, 2014   | 500,000    | \$0.05000 | David H. & Inez M. Kosen       | debt conversion                |
| January 6, 2015    | 147,000    | \$0.05500 | Ryan Thomas                    | legal services/debt conversion |
| February 4, 2015   | 100,000    | \$0.05000 | Anna Thymis                    | debt conversion                |
| February 4, 2015   | 100,000    | \$0.05000 | Fontini Grundle                | debt conversion                |
| February 4, 2015   | 100,000    | \$0.05000 | Irene Siqueira                 | debt conversion                |
| February 4, 2015   | 100,000    | \$0.05000 | Minas Moustakis                | debt conversion                |
| February 5, 2015   | 254,545    | \$0.05000 | Ryan Thomas                    | legal services/debt conversion |
| February 11, 2015  | 500,000    | \$0.05000 | Almunir Kamdar & Naseem Kamdar | debt conversion                |
| March 9, 2015      | 200,000    | \$0.05000 | Taleeb Noormohamed             | debt conversion                |
| March 16, 2015     | 200,000    | \$0.05000 | Jody Lee Fritzke               | debt conversion                |
| March 16, 2015     | 60,000     | \$0.05000 | Lorraine Faye Fritzke          | debt conversion                |
| March 16, 2015     | 400,000    | \$0.05000 | Barry Milewski                 | debt conversion                |
| March 27, 2015     | 325,000    | \$0.05000 | Barry Milewski                 | debt conversion                |
| March 30, 2015     | 40,000     | \$0.05000 | Jody Lee Fritzke               | debt conversion                |
| March 30, 2015     | 100,000    | \$0.05000 | Ippokratis Apostolis           | debt conversion                |
| March 30, 2015     | 100,000    | \$0.05000 | Peter Koutsoumbos              | debt conversion                |
| March 30, 2015     | 100,000    | \$0.05000 | Teresa Blattman                | debt conversion                |
| March 30, 2015     | 70,000     | \$0.05000 | George Skrivanos               | debt conversion                |
| March 30, 2015     | 50,000     | \$0.05000 | Panayiotis Skrivanos           | debt conversion                |
| March 30, 2015     | 50,000     | \$0.05000 | Dimitris Skrivanos             | debt conversion                |

|                |         |           |                          |                                |
|----------------|---------|-----------|--------------------------|--------------------------------|
| March 30, 2015 | 50,000  | \$0.05000 | Irene Cholevas           | debt conversion                |
| March 30, 2015 | 100,000 | \$0.05000 | Angelo Sourcos           | debt conversion                |
| March 30, 2015 | 50,000  | \$0.05000 | Irene Siqueira           | debt conversion                |
| March 30, 2015 | 50,000  | \$0.05000 | Anna Thymis              | debt conversion                |
| March 30, 2015 | 50,000  | \$0.05000 | Nicholas Grundle         | debt conversion                |
| March 30, 2015 | 100,000 | \$0.05000 | Brian Blattman           | debt conversion                |
| March 30, 2015 | 100,000 | \$0.05000 | Gertrude Blattman        | debt conversion                |
| April 13, 2015 | 50,000  | \$0.05000 | Irene Siqueira           | debt conversion                |
| April 13, 2015 | 50,000  | \$0.05000 | Anna Thymis              | debt conversion                |
| April 13, 2015 | 50,000  | \$0.05000 | Nicholas Grundle         | debt conversion                |
| May 20, 2015   | 900,000 | \$0.04000 | Greg Elko & Melisa Elko  | debt conversion                |
| May 20, 2015   | 300,000 | \$0.04000 | Tawna Skousen            | debt conversion                |
| May 25, 2015   | 175,000 | \$0.05000 | Ryan Thomas              | legal services/debt conversion |
| June 4, 2015   | 600,000 | \$0.05000 | D. Barry Lee             | debt conversion                |
| June 8, 2015   | 400,000 | \$0.05000 | D. Barry Lee             | debt conversion                |
| June 8, 2015   | 600,000 | \$0.05000 | David H. & Inez M. Kosen | debt conversion                |
| June 8, 2015   | 300,000 | \$0.05000 | 1187437 Alberta Ltd.     | debt conversion                |
| June 8, 2015   | 500,000 | \$0.05000 | Magna Management Ltd.    | debt conversion                |
| June 16, 2015  | 100,000 | \$0.05000 | Anastasios Koutsoumbos   | debt conversion                |
| June 16, 2015  | 100,000 | \$0.05000 | Steven R. Engh           | debt conversion                |
| June 16, 2015  | 100,000 | \$0.05000 | Michael Thompson         | debt conversion                |

## 5) Financial Statements

The Issuer is providing the following financial statements for the period ending March 31, 2015:

- 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.

LEGAL PROCEEDINGS – A supplemental report has been added for this quarter to describe recent Legal Proceedings. It can be found under the title “SUPPLEMENTAL REPORT – LEGAL PROCEEDINGS – VOIP-PAL.COM INC. AS OF JUNE 30, 2015” at <http://www.otcmarkets.com/stock/VPLM/filings>

## 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 continuing development of a portfolio of leading edge VoIP Patents.

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 30<sup>th</sup>.

E. principal products or services, and their markets;

Voip-Pal's intellectual property value is derived from six recently-issued USPTO patents; including one foundational patent and five 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](#)): This patent was issued on July 8, 2014 with the number 8,774,378. The technology protected by this patent 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. **Intercepting Voice Over IP Communications and Other Data Communications:** US Patent Application, Publication No. **20130229950 A1** ([Link to Intercepting Voice Over IP Communications and Other Data Communications](#)); This patent received a Notice of Allowance on January 6, 2015 as a continuation to Lawful Intercept, Patent No. 8,422,507. The patent is expected to receive final issuance in the Calendar 2<sup>nd</sup> quarter of 2015 The technology associated with this newly allowed patent application strengthens the original Lawful Intercept patent and broadens the scope of its practical implementation. It provides a means to not only stealthily intercept phone calls, but also SMS, (text messages) MMS, (multimedia or picture messages) and video chat in real time.
8. **Uninterrupted Transmission of Internet Protocol Transmissions during Endpoint Changes:** US Patent Application, Publication No. 2014-0153477 A1 ([Link to Uninterrupted Transmission of Internet Protocol Transmissions During Endpoint Changes](#)); This patent received a Notice of Allowance on January 9, 2015 as a continuation to the Advanced Interoperability Solutions, Patent No. 8,675,566. The patent is expected to receive final issuance in the Calendar 2<sup>nd</sup> quarter of 2015 The technology associated with this newly allowed patent strengthens the parent patent in its implementation to maintain seamless communication and transition from one internet access point to another providing continuous, uninterrupted connectivity of a mobile device

## 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. Colin Tucker   | Chairman and Director | 6,000,000 common       |
| <u>Employment History:</u> Dr. Tucker was a founding member of Orange plc, a company he helped grow into a mobile network leader, generating billions in annual revenues and operating in six countries. Orange was sold to France Telecom for £25 billion (approximately \$38 billion USD). Dr. Tucker has served as a Director and CEO of Hutchison 3G where in 2003, he oversaw the deployment of the first 3G mobile network in the UK. Under his leadership Hutchison later became one of the first mobile phone operators in the world to embrace VoIP, and offer mobile applications such as Skype, Facebook and eBay. Dr. Tucker has served on the boards of many companies over his distinguished career and was listed as one of the 8 key people to know in the Telecommunications sector by Financial Times. |                       |                        |
| Emil Malak   | CEO and Director      | (see Digifonica below) |
| <u>Employment History:</u> Emil Malak is the largest single shareholder of Voip-Pal stock. He was a co-founder of Digifonica in 2003 and oversaw the development of the patents which were acquired by Voip-Pal in 2013. Mr. Malak also serves as Chairman of the Board for a biotech company currently conducting cancer research in Germany.   |                       |                        |





## **9) Third Party Providers**

### Legal Counsel

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

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### Patent Attorneys:

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Smart & Biggar  
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Vancouver, B.C. V6E 3P3 Canada

### Accountant:

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

### Investor Relations:

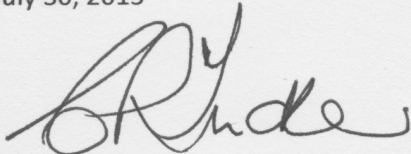
Rich Inza  
Firm: RMJ Consulting LLC  
Phone: 1-954-251-0616  
Email: [IR@voip-pal.com](mailto:IR@voip-pal.com)

**10) Issuer Certification**

I, Colin Tucker, 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: July 30, 2015

A handwritten signature in black ink, appearing to read 'Dr. Tucker', written over a horizontal line.

Dr. Colin Tucker  
Chairman

**EXHIBIT A**

***VOIP PAL.com, Inc.***

(A development stage company)

**INTERIM CONSOLIDATED FINANCIAL STATEMENTS**

(Unaudited - prepared by management)

*June 30, 2015*

**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**

July 27, 2015

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

**INTERIM CONSOLIDATED BALANCE SHEETS**  
(Unaudited - prepared by management)  
**June 30, 2015**  
(Expressed In U. S. Dollars)

|   | Jun 30, 2015         | Sept 30, 2014        |
|---|----------------------|----------------------|
| <b>ASSETS</b>   |                      |                      |
| CURRENT   |                      |                      |
| Cash  | \$ 25,525            | \$ 82,750            |
|   | -                    | -                    |
|   | <u>25,525</u>        | <u>87,750</u>        |
| OTHER   |                      |                      |
| Intellectual VoIP communications patent Properties (Note 3)         | 11,407,318           | 11,407,318           |
| VoIP products, licenses and smart phone applications costs (Note 3) | 62,076               | 62,076               |
| Goodwill (Note 3)   | 24,749,749           | 24,749,749           |
| <b>TOTAL ASSETS</b>   | <b>\$ 36,244,668</b> | <b>\$ 36,301,893</b> |
| <b>LIABILITIES</b>  |                      |                      |
| CURRENT   |                      |                      |
| Accounts payable  | \$ 35,732            | \$ 28,307            |
| Convertible notes payable (See Note 4)                              | 25,000               |                      |
| <b>TOTAL LIABILITIES</b>  | <b>60,732</b>        | <b>28,307</b>        |
| <b>STOCKHOLDERS' EQUITY</b>   |                      |                      |
| SHARE CAPITAL (Note 8)  | 44,895,538           | 44,473,699           |
| DEFICIT   | (8,711,602)          | (8,200,113)          |
|   | <u>36,183,936</u>    | <u>36,273,586</u>    |
| <b>TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY</b>                   | <b>\$ 36,244,668</b> | <b>\$ 36,301,893</b> |

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 Three and Nine Months Ended June 30, 2015**  
**(Unaudited - prepared by management)**  
(Expressed In U. S. Dollars)

|  | Three Months<br>Ended<br>June 30, 2015 | Nine Months<br>Ended<br>June 30, 2015 |
|--|--|---------------------------------------|
| REVENUE                                  | \$ -                                   | \$ -                                  |
| EXPENSES                                 |  |                                       |
| Bank service charges                     | 1,790                                  | 4,965                                 |
| Consulting fees                          | -                                      | -                                     |
| DIDX fees                                | -                                      | -                                     |
| Director fees                            | 54,500                                 | 129,528                               |
| Foreign exchange losses (gains)          | -                                      | -                                     |
| Interest Expense                         | -                                      | -                                     |
| Professional fees                        | 1,520                                  | 18,769                                |
| Investor relations                       | 9,000                                  | 29,505                                |
| IT support                               | 1,750                                  | 8,241                                 |
| Legal fees (See Note 8)                  | 136,423                                | 257,715                               |
| Management fees                          | -                                      | -                                     |
| Market news                              | -                                      | -                                     |
| Office and general                       | 1,125                                  | 4,594                                 |
| Patent application expenses              | -                                      | -                                     |
| Server hosting service fees              | -                                      | -                                     |
| Stock based compensation (See Note 8)    | 21,900                                 | 25,716                                |
| Stock exchange listing fees              | -                                      | 400                                   |
| Stock transfer agent fees                | 5,279                                  | 9,290                                 |
| Travel                                   | -                                      | -                                     |
| Website support services and development | 9,134                                  | 22,765                                |
| Total expenses                           | 242,421                                | 511,488                               |
| NET LOSS FOR THE PERIOD                  | (242,421)                              | (511,488)                             |
| DEFICIT, BEGINNING OF THE PERIOD         | (8,469,181)                            | (8,200,114)                           |
| DEFICIT, END OF THE PERIOD               | \$ (8,711,602)                         | \$ (8,711,602)                        |

*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 Three and Six Months Ended June 30, 2015**  
**(Unaudited - prepared by management)**  
(Expressed In U. S. Dollars)

|   | Three Months<br>Ended<br><u>June 30, 2015</u> | Nine Months<br>Ended<br><u>June 30, 2015</u> |
|---|---|--|
| Cash Flows from Operating Activities        |   |  |
| Net loss                                    | \$ (242,421)                                  | \$ (511,488)                                 |
| Add items not affecting cash:               |   |  |
| Stock based compensation                    | 30,650  | 52,588                                       |
| Changes in non-cash working capital:        |   |  |
| Accounts payable & convertible notes        | <u>(5,075)</u>                                | <u>36,925</u>                                |
| Cash Flows From Operations                  | <u>(216,846)</u>                              | <u>(421,975)</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        |   |  |
| Convertible loan proceeds                   | <u>177,000</u>                                | <u>364,750</u>                               |
| Cash Flows Provided by Financing Activities | <u>177,000</u>                                | <u>364,750</u>                               |
| Increase (decrease) in cash                 | (39,846)                                      | (57,225)                                     |
| Cash, beginning of the period               | <u>65,371</u>                                 | <u>82,750</u>                                |
| Cash, end of the period                     | <u>\$ 25,525</u>                              | <u>\$ 25,525</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 June 30, 2015**  
**(Unaudited – prepared by management)**  
(Expressed in U. S. dollars)

|   | Common Shares |                  | Convertible Preferred Shares |                  | Additional<br>Paid-in<br>Capital | Deficit<br>Accumulated<br>During the<br>Development<br>Stage | Total      |
|---|---------------|------------------|------------------------------|------------------|----------------------------------|--|------------|
|   | <u>Number</u> | <u>Par Value</u> | <u>Number</u>                | <u>Par Value</u> |                                  |  |            |
| <b>Balance at September 30, 2008 (Note 1)</b> |               |                  |                              |                  |                                  |  |            |
| Common shares issued for services at \$0.01   | 88,075,066    | \$ 88,075        | 1,000,000                    | \$ 10,000        | \$ 1,741,925                     | \$ (1,606,198)   | \$ 233,802 |
| Net loss for the year                         | 6,000,000     | 6,000            | -                            | -                | 54,000                           | -  | 60,000     |
|   | -             | -                | -                            | -                | -                                | (60,000)   | (60,000)   |
| <b>Balance at September 30, 2009</b>          | 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)  |
| <b>Balance at September 30, 2010</b>          | 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)  |
| <b>Balance at September 30, 2011</b>          | 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 June 30, 2015**  
**(Unaudited – prepared by management)**  
(Expressed in U. S. dollars)

|   | Common Shares |           | Convertible Preferred Shares |           | Additional<br>Paid-in<br>Capital |             | Deficit<br>Accumulated<br>During the<br>Development<br>Stage |             | Total |
|---|---------------|-----------|------------------------------|-----------|----------------------------------|-------------|--|-------------|-------|
|   | Number        | Par Value | Number                       | Par Value |                                  |             |  |             |       |
| 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 June 30, 2015**  
**(Unaudited – prepared by management)**  
(Expressed in U. S. dollars)

|   | Common Shares      |                  | Convertible Preferred Shares |                  | Additional<br>Paid-in<br>Capital | Deficit<br>Accumulated<br>During the<br>Development<br>Stage | Total             |
|---|--------------------|------------------|------------------------------|------------------|----------------------------------|--|-------------------|
|   | <i>Number</i>      | <i>Par Value</i> | <i>Number</i>                | <i>Par Value</i> | <i>Capital</i>                   | <i>Stage</i>   | <i>Total</i>      |
| 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)         |
| <b>Balance at March 31, 2014</b>  | <b>886,902,009</b> | <b>886,902</b>   | <b>-</b>                     | <b>-</b>         | <b>31,691,970</b>                | <b>(6,661,648)</b>   | <b>25,917,224</b> |
| Common shares issued for services at \$0.12                               | 10,500,000         | 10,500           | -                            | -                | 1,249,500                        | -  | 1,260,000         |
| Common shares issued for Anti-dilution purchase agreement at \$0.12       | 86,523,561         | 86,524           | -                            | -                | 10,296,303                       | -  | 10,382,827        |
| Common shares issued for debt at \$0.10                                   | 550,000            | 550              | -                            | -                | 54,450                           | -  | 55,000            |
| Common shares issued for debt at \$0.08                                   | 400,000            | 400              | -                            | -                | 31,600                           | -  | 32,000            |
| Net loss for the period   | -                  | -                | -                            | -                | -                                | (1,368,788)  | (1,368,788)       |
| <b>Balance at June 30, 2014</b>   | <b>984,875,570</b> | <b>984,876</b>   | <b>-</b>                     | <b>-</b>         | <b>43,323,823</b>                | <b>(8,030,436)</b>   | <b>36,278,263</b> |
| Common shares issued for debt at \$0.12                                   | 725,000            | 725              | -                            | -                | 86,275                           | -  | 87,000            |
| Common shares issued for services at \$0.11                               | 150,000            | 150              | -                            | -                | 15,850                           | -  | 16,000            |
| Common shares issued for debt at \$0.10                                   | 300,000            | 300              | -                            | -                | 29,700                           | -  | 30,000            |
| Common shares issued for debt at \$0.08                                   | 450,000            | 450              | -                            | -                | 31,550                           | -  | 32,000            |
| Net loss for the period   | -                  | -                | -                            | -                | -                                | (169,677)  | (169,677)         |
| <b>Balance at September 30, 2014</b>                                      | <b>986,500,570</b> | <b>986,501</b>   | <b>-</b>                     | <b>-</b>         | <b>43,523,350</b>                | <b>(8,200,113)</b>   | <b>36,273,586</b> |

*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 June 30, 2015**  
**(Unaudited – prepared by management)**  
(Expressed in U. S. dollars)

|  | Common Shares      |                   | Convertible Preferred Shares |                  | Additional<br>Paid-in<br>Capital | Deficit<br>Accumulated<br>During the<br>Development<br>Stage | Total                |
|--|--------------------|-------------------|------------------------------|------------------|----------------------------------|--|----------------------|
|  | <i>Number</i>      | <i>Par Value</i>  | <i>Number</i>                | <i>Par Value</i> | <i>Capital</i>                   | <i>Stage</i>   | <i>Total</i>         |
| Common shares issued for debt at \$0.08    | 100,000            | \$ 100            | -                            | \$ -             | 7,900                            | \$ -   | \$ 8,000             |
| Common shares issued for debt at \$0.05    | 500,000            | 500               | -                            | -                | 24,500                           | -  | 25,000               |
| Common shares issued for service at \$0.06 | 63,596             | 63                | -                            | -                | 3,752                            | -  | 3,815                |
| Net loss for the period                    | -                  | -                 | -                            | -                | -                                | (109,495)  | (109,495)            |
| <b>Balance at December 31, 2014</b>        | <u>987,164,166</u> | <u>987,164</u>    | -                            | -                | <u>43,523,350</u>                | <u>(8,309,608)</u>   | <u>36,200,906</u>    |
| Common shares issued for debt at \$0.05    | 3,095,000          | 3,095             |                              |                  | 151,655                          |  | 154,750              |
| Common shares issued for service at \$0.05 | 147,000            | 147               |                              |                  | 7,203                            |  | 7,350                |
| Common shares issued for service at \$0.06 | 254,545            | 255               |                              |                  | 15,018                           |  | 15,273               |
| Net loss for the period                    | -                  | -                 |                              |                  | -                                | (159,572)  | (159,572)            |
| <b>Balance at March 31, 2015</b>           | <u>990,660,711</u> | <u>\$ 990,661</u> |                              |                  | <u>\$ 43,697,226</u>             | <u>\$ (8,469,181)</u>  | <u>\$ 36,218,707</u> |
| Common shares issued for debt at \$0.05    | 3,540,000          | 3,540             |                              |                  | 173,460                          |  | 177,000              |
| Common shares issued for service at \$0.05 | 325,000            | 325               |                              |                  | 15,925                           |  | 16,250               |
| Common shares issued for service at \$0.04 | 360,000            | 360               |                              |                  | 14,840                           |  | 14,400               |
| Net loss for the period                    | -                  | -                 |                              |                  | -                                | (242,421)  | (242,421)            |
| <b>Balance at June 30, 2015</b>            | <u>994,885,711</u> | <u>994,886</u>    |                              |                  | <u>43,900,651</u>                | <u>(8,711,602)</u>   | <u>36,183,936</u>    |

*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)*

**June 30, 2015**  
(Expressed In U.S. Dollars)

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**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, on June 30, 2015, had an accumulated deficit of \$8,711,602 (September 30, 2014 - \$8,200,114). 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

**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.

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

*NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS*

*(Unaudited - prepared by management)*

**June 30, 2015**  
(Expressed In U.S. Dollars)

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**NOTE 3. INVESTMENT IN DIGIFONICA (INTERNATIONAL) LIMITED**

During the period ended September 30, 2014, the Company issued 36,843,105 of common shares at deemed price of \$0.17 per share, valued at \$6,263,328, to the "Seller" of Digifonica (International) Limited pursuant to the terms set out in the "Share Purchase Agreement."

During the period ended September 30, 2014, the Company issued 86,523,561 of common shares at a deemed price of \$0.12 per share, valued at \$10,382,827, to the "Seller" of Digifonica (International) Limited pursuant to an anti-dilution purchase clause in the "Share Purchase Agreement."

No independent valuation of the carrying value of the company's intellectual and goodwill costs has been performed.

**NOTE 4. CONVERTIBLE NOTES**

During the three month period ended June 30, 2015, convertible notes totaling 3,540,000 common shares were converted for a total amount of \$177,000 at a price of \$0.05 per share. During the nine month period ended June 30, 2015, convertible notes totaling 7,235,000 common shares were converted for a total of \$364,750 at prices ranging from \$0.05 - \$0.08 per share. There were \$25,000 of convertible notes outstanding as of June 30, 2015 convertible to 500,000 common shares of the Company. There were no convertible notes outstanding as of June 30, 2014. Common shares issued for convertible notes are subject to Rule 144 rules and regulations.

**NOTE 5. LOANS PAYABLE**

There were no loans outstanding at June 30, 2015 or June 30, 2014. 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**

During the three and nine month period ended June 30, 2015, \$54,500 and \$129,528, respectively, was paid out in director fees to directors of the Company. During the period three and nine month period ended June 30, 2014, \$15,000 and \$45,000, respectively, was paid out in director fees to the directors of the Company. There were no outstanding loans due to any director of the Company at June 30, 2015 or June 30, 2014.

**NOTE 7. SUPPLEMENTAL CASH FLOW INFORMATION**

|  | <u>June 30, 2015</u> | <u>June 30, 2014</u> |
|--|----------------------|----------------------|
| a) Non-cash financing activities               |                      |                      |
| Shares issued for debt settlement arrangements | \$ _____ -           | \$ _____ -           |

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

*NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS*

*(Unaudited - prepared by management)*

**June 30, 2015**  
(Expressed In U.S. Dollars)

**NOTE 8. SHARE CAPITAL**

Capital Stock

Authorized:

990,000,000 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

|                                | June 30, 2015 |            | September 30, 2014 |            |
|--------------------------------|---------------|------------|--------------------|------------|
|                                | Number of     | Value      | Number of          | Value      |
|                                | Shares        | \$         | Shares             | \$         |
| Common voting shares           | 994,885,711   | 994,886    | 986,500,570        | 986,501    |
| Common shares held in treasury | -             | -          | -                  | -          |
| Convertible preferred shares   | -             | -          | -                  | -          |
| Additional paid-in capital     |               | 43,900,651 |                    | 43,487,198 |
| Total                          | 994,885,711   | 44,895,537 | 986,500,570        | 44,473,699 |

**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.

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

*NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS*

*(Unaudited - prepared by management)*

**June 30, 2015**  
(Expressed In U.S. Dollars)

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**NOTE 8. SHARE CAPITAL (continued)**

- 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.
- 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 was not recorded in the books of the Company as the acquisition of "Bleam" was disputed and then was settled through a Mutual Release and Settlement Agreement dated March 4, 2014. 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.
- 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.

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**NOTE 8. SHARE CAPITAL (continued)**

- 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.
- 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.



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**NOTE 8. SHARE CAPITAL (continued)**

- 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.
- 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.

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**NOTE 8. SHARE CAPITAL (continued)**

(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.

tt) During April 2014, the Company issued a total of 9,000,000 common shares at a price of \$0.12 per share paid to members of the Company's Board of Directors

uu) During April 2014, the Company issued a total of 1,500,000 common shares at a price of \$0.12 per share for professional services

vv) During April 2014, the Company issued a total of 86,523,561 of common shares at a price of \$0.12 per share pursuant to the anti-dilution purchase clause of the Digifonica(International) Limited (seller) share purchase agreement

ww) During April 2014, the Company issued a total of 550,000 shares of common shares at a price of \$0.10 per share for conversion of convertible debt

xx) During June 2014, the Company issued a total of 400,000 shares of common shares at a price of \$0.08 per share for conversion of convertible debt

yy) During July 2014, the Company issued a total of 725,000 shares of common shares at a price of \$0.12 per share for conversion of convertible debt

zz) During July 2014, the Company issued a total of 300,000 shares of common shares at a price of \$0.10 per share for conversion of convertible debt

aaa) During September 2014, the Company issued a total of 450,000 shares of common shares at a price of \$0.08 per share for conversion of convertible debt

bbb) During September 2014, the Company issued a total of 150,000 shares of common shares at a price of \$0.11 per share for professional services.

ccc) On October 17, 2014, the Company issued a total of 100,000 shares of commons shares at a price of \$0.08 per share for conversion of convertible debt

ddd) On November 11, 2014, the Company issued a total of 63,596 shares of common shares at a price of \$0.06 per share for professional services and stock based compensation

eee) On December 5, 2014, the Company issued a total of 500,000 shares of common shares at at price of \$0.05 per share for conversion of convertible debt.

fff) During January – March 31, 2015, the Company issued a total of 3,095,000 shares of common shares at a price of \$0.05 per share for conversion of convertible debt.

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**NOTE 8. SHARE CAPITAL (continued)**

ggg) During January – March 31, 2015, the Company issued a total of 147,000 shares of common shares at a price of \$0.05 per share for legal fees.

hhh) During January – March 31, 2015, the Company issued a total of 254,545 shares of common shares at a price of \$0.06 per share for legal fees.

iii) During April – June 30, 2015, the Company issued a total of 3,540,000 shares of common shares at a price of \$0.05 per share for conversion of convertible debt.

jjj) During April – June 30, 2015, the Company issued a total of 325,000 shares of common shares at a price of \$0.05 per share for services.

kkk) During April – June 30, 2015, the Company issued a total of 360,000 shares of common shares at a price of \$0.04 per share for services.

Common shares issued for conversions of convertible notes and payment of professional fees are subject to Rule 144 rules and regulations.