

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
ASSETS		
CURRENT		
Cash	\$ 25,525	\$ 82,750
	-	-
	25,525	87,750
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
TOTAL ASSETS	\$ 36,244,668	\$ 36,301,893
 LIABILITIES		
CURRENT		
Accounts payable	\$ 35,732	\$ 28,307
Convertible notes payable (See Note 4)	25,000	
TOTAL LIABILITIES	60,732	28,307
 STOCKHOLDERS' EQUITY		
SHARE CAPITAL (Note 8)	44,895,538	44,473,699
DEFICIT	(8,711,602)	(8,200,113)
	36,183,936	36,273,586
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	\$ 36,244,668	\$ 36,301,893

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 Ended June 30, 2015	Nine Months Ended 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 Ended <u>June 30, 2015</u>	Nine Months Ended <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 Paid-in Capital	Deficit Accumulated During the Development Stage	Total
	<i>Number</i>	<u>Par Value</u>	<u>Number</u>	<u>Par Value</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)

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VOIP PAL.com, Inc.
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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 Paid-in Capital	Deficit Accumulated During the Development 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

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VOIP PAL.com, Inc.
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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 Paid-in Capital	Deficit Accumulated During the Development Stage	Total
	Number	Par Value	Number	Par Value			
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
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)
Balance at June 30, 2014	984,875,570	984,876	-	-	43,323,823	(8,030,436)	36,278,263
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)
Balance at September 30, 2014	986,500,570	986,501	-	-	43,523,350	(8,200,113)	36,273,586

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VOIP PAL.com, Inc.
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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 Paid-in Capital	Deficit Accumulated During the Development Stage	Total
	<i>Number</i>	Par Value	Number	Par Value			
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)
Balance at December 31, 2014	<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)
Balance at March 31, 2015	<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)
Balance at June 30, 2015	<u>994,885,711</u>	<u>994,886</u>			<u>43,900,651</u>	<u>(8,711,602)</u>	<u>36,183,936</u>

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VOIP PAL.com, Inc.
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NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS

(Unaudited - prepared by management)

June 30, 2015
(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, 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.

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NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS

(Unaudited - prepared by management)

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

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	\$ _____ -	\$ _____ -

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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.

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(Expressed In U.S. Dollars)

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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NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS

(Unaudited - prepared by management)

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

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.