

LOCATION BASED TECHNOLOGIES, INC.

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Irvine, CA 92618

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info@locationbasedtech.com

Quarterly Report

For the period ending November 30, 2024 (the “Reporting Period”)

Outstanding Shares

The number of shares outstanding of our Common Stock was:

443,784,483 as of January 6, 2025

443,784,483 as of August 31, 2024

Shell Status

Indicate by check mark whether the company is a shell company (as defined in Rule 405 of the Securities Act of 1933, Rule 12b-2 of the Exchange Act of 1934 and Rule 15c2-11 of the Exchange Act of 1934):

Yes: ☐ No: ☒

Indicate by check mark whether the company's shell status has changed since the previous reporting period:

Yes: ☐ No: ☒

Change in Control

Indicate by check mark whether a Change in Control⁴ of the company has occurred during this reporting period:

Yes: ☐ No: ☒

⁴ “Change in Control” shall mean any events resulting in:

- (i) Any “person” (as such term is used in Sections 13(d) and 14(d) of the Exchange Act) becoming the “beneficial owner” (as defined in Rule 13d-3 of the Exchange Act), directly or indirectly, of securities of the Company representing fifty percent (50%) or more of the total voting power represented by the Company's then outstanding voting securities;
- (ii) The consummation of the sale or disposition by the Company of all or substantially all of the Company's assets;
- (iii) A change in the composition of the Board occurring within a two (2)-year period, as a result of which fewer than a majority of the directors are directors immediately prior to such change; or
- (iv) The consummation of a merger or consolidation of the Company with any other corporation, other than a merger or consolidation which would result in the voting securities of the Company outstanding immediately prior thereto continuing to represent (either by remaining outstanding or by being converted into voting securities of the surviving entity or its parent) at least fifty percent (50%) of the total voting power represented by the voting securities of the Company or such surviving entity or its parent outstanding immediately after such merger or consolidation.

1) Name and address(es) of the issuer and its predecessors (if any)

In answering this item, provide the current name of the issuer and names used by predecessor entities, along with the dates of the name changes.

Location Based Technologies, Inc. (formerly known as Springbank Resources, Inc.) (the “Company,” “our,” or “LBT”) was incorporated under the laws of the State of Nevada on April 10, 2006.

Location Based Technologies, Corp. (formerly known as PocketFinder, Inc.) was incorporated under the laws of the State of California on September 16, 2005. On July 7, 2006, it established PocketFinder, LLC (“LLC”), a California Limited Liability Company. On May 29, 2007, PocketFinder, Inc. filed amended articles with the Secretary of State to change its name to Location Based Technologies, Corp.

Merger

On August 24, 2007, Location Based Technologies, Corp. merged with PocketFinder, LLC. The merger was approved by the shareholders of Location Based Technologies, Corp. and PocketFinder, LLC by unanimous written consent. Location Based Technologies, Corp. was the survivor of the merger with PocketFinder, LLC.

Each Class A Membership Unit of the LLC was converted into 150,000 shares of common stock of the Company or fraction thereof and each Class C Membership Unit of the LLC was cancelled. Upon consummation of the merger, 10.9 Class A Membership Units of the LLC were converted into 1,635,000 shares of common stock of the Company.

Stock Exchange Agreement

On October 11, 2007, Location Based Technologies Corp. effected a stock exchange agreement and plan of reorganization (the “Agreement”) with Springbank Resources, Inc. (“SRI”) whereby SRI acquired all of the issued and outstanding shares of Location Based Technologies Corp. in exchange for shares of SRI’s common stock.

Subject to the terms and conditions of the Agreement, SRI issued, and the stockholders of Location Based Technologies, Corp. accepted, 55,153,500 shares of SRI’s common stock in consideration for all of the issued and outstanding shares of Location Based Technologies, Corp. The shares of SRI’s common stock were allocated to the shareholders of Location Based Technologies, Corp. in accordance with the Agreement.

The former shareholders of Location Based Technologies Corp. acquired control of SRI upon the closing of the stock exchange transaction. The exchange was accounted for as a reverse acquisition. Accordingly, for financial statement purposes, Location Based Technologies, Corp. was considered the accounting acquiror, and the related business combination was considered a recapitalization of Location Based Technologies Corp. rather than an acquisition by SRI. The historical financial statements prior to the Agreement are those of Location Based Technologies Corp., and the name of the consolidated company was changed to Location Based Technologies, Inc.

Consolidation Policy

The accompanying financial statements include the operations of the Company and its wholly owned subsidiary. Intercompany balances and transactions have been eliminated in consolidation.

Stock Split

All share and per-share amounts in the accompanying financial statements, unless otherwise indicated, have been retroactively restated to reflect a 3 for 1 stock split approved by the Board in October 2008, as if the split had been in effect since inception.

Current State and Date of Incorporation or Registration: Nevada
Standing in this jurisdiction: (e.g. active, default, inactive) Active

Prior Incorporation Information for the issuer and any predecessors during the past five years:

None

Describe any trading suspension or halt orders issued by the SEC or FINRA concerning the issuer or its predecessors since inception:

None

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

LBAS is excited to announce that it will undergo a change of management in its 2nd QTR of FY2025! Joe Scalisi, a company Founder and developer of its original tracking devices, will return as LBAS's Chief Technical Officer (CTO) - bringing new ideas and inventions along with new management and new capital funding for development and growth. Joe left LBAS to pursue an idea/invention that became known as SkyBell – a venture that has generated nearly half a billion dollars in sales, and Joe was instrumental in creating Intellectual Property (patents) that covers a substantial part of the entire video-doorbell sector. Joe is a consummate inventor and LBAS is delighted to have his creative mind back in the company.

Along with Joe comes Jon Rains as LBAS's new CEO. Jon brings a fresh direction and a visionary mindset to LBAS. With a 20-year career as a decorated law enforcement professional, Jon entered the private sector by successfully operating a firearms manufacturing facility, where he developed a passion for providing superior customer service and an ability to create innovative solutions. Jon's strategic mindset will lead to achieving new milestones and pursuing opportunities in broad areas related to "safety assurance" impacting businesses and families/home. His proven leadership abilities are poised to usher in a new direction of growth and innovation for LBAS.

The 3rd new senior manager is Richard "Rick" Perry who will serve as President of LBAS. Rick brings nearly two decades of distinguished leadership in child safety while serving as the Chief Finance and Operations Officer. This appointment reflects his exceptional expertise in managing large-scale contracts, fulfillment, and logistics, paired with an unwavering commitment to excellence. Specifically, Rick has led the development of global e-commerce platforms to streamline and centralize e-learning initiatives; he has crafted and managed high-impact infomercial campaigns that generated multi-million-dollar monthly revenue streams; secured high-value contracts and financial agreements that substantially benefit organizational interests; and was party to innovating and refining tracking systems to optimize safety initiatives to ensure both operational success and financial accountability. Further, he brings 30 years of operational leadership across startups, ongoing ventures, turnarounds, and large-scale management, both financial and operational, for thousands of employees.

Address of the issuer's principal executive office:

7545 Irvine Center Dr. Ste. 200
Irvine, CA 92618

Address of the issuer's principal place of business:

X *Check if principal executive office and principal place of business are the same address:*

Has the issuer or any of its predecessors been in bankruptcy, receivership, or any similar proceeding in the past five years?

No: ☒ Yes: ☐ If Yes, provide additional details below:

2) Security Information

Transfer Agent

Name: Broadridge Financial Solutions, Inc.
Phone: (631) 257-4154
Email: Christina.Sotiriou@broadridge.com
Address: 2 Gateway Center | 283 -299 Market Street, 15th Floor | Newark, NJ 07102

Publicly Quoted or Traded Securities:

The goal of this section is to provide a clear understanding of the share information for its publicly quoted or traded equity securities. Use the fields below to provide the information, as applicable, for all outstanding classes of securities that are publicly traded/quoted.

| | | |
|--|---------------------|------------------------------------|
| Trading symbol: | <u>LBAS</u> | |
| Exact title and class of securities outstanding: | <u>Common Stock</u> | |
| CUSIP: | <u>539573105</u> | |
| Par or stated value: | <u>\$0.001</u> | |
| Total shares authorized: | <u>450,000,000</u> | <u>as of date: January 6, 2025</u> |
| Total shares outstanding: | <u>443,784,483</u> | <u>as of date: January 6, 2025</u> |
| Total number of shareholders of record: | <u>165</u> | <u>as of date: January 6, 2025</u> |

Please provide the above-referenced information for all other publicly quoted or traded securities of the issuer.

None

Other classes of authorized or outstanding equity securities that do not have a trading symbol:

The goal of this section is to provide a clear understanding of the share information for its other classes of authorized or outstanding equity securities (e.g., preferred shares that do not have a trading symbol). Use the fields below to provide the information, as applicable, for all other authorized or outstanding equity securities.

| | | |
|---|-------------|--------------------|
| Exact title and class of the security: | <u>None</u> | |
| Par or stated value: | <u></u> | |
| Total shares authorized: | <u></u> | <u>as of date:</u> |
| Total shares outstanding: | <u></u> | <u>as of date:</u> |
| Total number of shareholders of record: | <u></u> | <u>as of date:</u> |

Please provide the above-referenced information for all other classes of authorized or outstanding equity securities.

Security Description:

The goal of this section is to provide a clear understanding of the material rights and privileges of the securities issued by the company. Please provide the below information for each class of the company's equity securities, as applicable:

1. **For common equity, describe any dividend, voting and preemption rights.**

dividend and voting rights

2. **For preferred stock, describe the dividend, voting, conversion, and liquidation rights as well as redemption or sinking fund provisions.**

NA

3. **Describe any other material rights of common or preferred stockholders.**

NA

4. **Describe any material modifications to rights of holders of the company's securities that have occurred over the reporting period covered by this report.**

NA

3) Issuance History

*The goal of this section is to provide disclosure with respect to each event that resulted in any changes to the total shares outstanding of any class of the issuer's securities **in the past two completed fiscal years and any subsequent interim period.***

Disclosure under this item shall include, in chronological order, all offerings and issuances of securities, including debt convertible into equity securities, whether private or public, and all shares, or any other securities or options to acquire such securities, issued for services. Using the tabular format below, please describe these events.

A. Changes to the Number of Outstanding Shares for the two most recently completed fiscal years and any subsequent period.

Indicate by check mark whether there were any changes to the number of outstanding shares within the past two completed fiscal years:

No: ☒ Yes: ☐ (If yes, you must complete the table below)

| Shares Outstanding <u>Opening Balance:</u> Date _____ Common: _____ Preferred: _____ | | | *Right-click the rows below and select "Insert" to add rows as needed. | | | | | | |
|--|--|--|--|---|--|--|--|---|---------------------------------|
| | | | | | | | | | |
| Date of Transaction | Transaction type (e.g., new issuance, cancellation, shares returned to treasury) | Number of Shares Issued (or cancelled) | Class of Securities | Value of shares issued (\$/per share) at Issuance | Were the shares issued at a discount to market price at the time of issuance? (Yes/No) | Individual/ Entity Shares were issued to. ***You must disclose the control person(s) for any entities listed. | Reason for share issuance (e.g. for cash or debt conversion) - OR- Nature of Services Provided | Restricted or Unrestricted as of this filing. | Exemption or Registration Type. |
| _____ | _____ | _____ | _____ | _____ | _____ | _____ | _____ | _____ | _____ |
| _____ | _____ | _____ | _____ | _____ | _____ | _____ | _____ | _____ | _____ |
| _____ | _____ | _____ | _____ | _____ | _____ | _____ | _____ | _____ | _____ |
| Shares Outstanding on Date of This Report: <u>Ending Balance:</u> Date _____ Common: _____ Preferred: _____ | | | | | | | | | |

Example: A company with a fiscal year end of December 31st 2024, in addressing this item for its Annual Report, would include any events that resulted in changes to any class of its outstanding shares from the period beginning on January 1, 2023 through December 31, 2024 pursuant to the tabular format above.

Any additional material details, including footnotes to the table are below:

B. Convertible Debt

The following is a complete list of the Company's Convertible Debt which includes all promissory notes, convertible notes, convertible debentures, or any other debt instruments convertible into a class of the issuer's equity securities. The table includes all issued or outstanding convertible debt at any time during the last complete fiscal year and any interim period between the last fiscal year end and the date of this Certification.

☐ Check this box to confirm the Company had no Convertible Debt issued or outstanding at any point during this period.

| Date of Note Issuance | Principal Amount at Issuance (\$) | Outstanding Balance (\$) (include accrued interest) | Maturity Date | Conversion Terms (e.g., pricing mechanism for determining conversion of instrument to shares) | # Shares Converted to Date | # of Potential Shares to be | Name of Noteholder (entities must have individual with voting / investment control disclosed). | Reason for Issuance (e.g., Loan, Services, etc.) |
|-----------------------|-----------------------------------|--|---------------|---|----------------------------|-----------------------------|--|--|
| | | | | | | | | |

| | | | | | | Issued Upon Conversion ⁵ | | |
|------------|-----------|-------------|------------|--------------|---|-------------------------------------|-------------------|------|
| 6/28/2012 | \$300,000 | \$673,068 | Note A | \$0.20/share | 0 | 3,365,340 | Cody Evans Estate | Loan |
| 7/9/2012 | \$50,000 | \$112,027 | Note A | \$0.20/share | 0 | 560,135 | David Alampi | Loan |
| 7/9/2012 | \$25,000 | \$56,014 | Note A | \$0.20/share | 0 | 280,070 | James Heer | Loan |
| 7/13/2012 | \$100,000 | \$223,945 | Note A | \$0.20/share | 0 | 1,119,725 | David Kuennan | Loan |
| 3/25/2013 | \$500,000 | \$1,084,795 | Note A | \$0.20/share | 0 | 5,423,975 | Marty Davis | Loan |
| 4/10/2013 | \$25,000 | \$54,130 | Note A | \$0.20/share | 0 | 270,650 | Dan Horner | Loan |
| 4/10/2013 | \$25,000 | \$54,130 | Note A | \$0.20/share | 0 | 270,650 | Brian Webb | Loan |
| 5/30/2019 | \$35,000 | \$59,024 | Note A | \$0.05/share | 0 | 1,180,480 | LBT IP LLC Note B | Loan |
| 6/21/2019 | \$53,000 | \$88,503 | Note A | \$0.05/share | 0 | 1,770,060 | LBT IP LLC Note B | Loan |
| 6/27/2019 | \$25,000 | \$41,634 | Note A | \$0.05/share | 0 | 832,680 | LBT IP LLC Note B | Loan |
| 8/5/2019 | \$6,500 | \$10,634 | Note A | \$0.05/share | 0 | 212,680 | LBT IP LLC Note B | Loan |
| 8/12/2019 | \$3,500 | \$5,708 | Note A | \$0.05/share | 0 | 114,160 | LBT IP LLC Note B | Loan |
| 8/19/2019 | \$1,300 | \$2,113 | Note A | \$0.05/share | 0 | 42,260 | LBT IP LLC Note B | Loan |
| 8/29/2019 | \$20,000 | \$32,361 | Note A | \$0.05/share | 0 | 647,220 | LBT IP LLC Note B | Loan |
| 9/30/2019 | \$10,000 | \$15,940 | Note A | \$0.05/share | 0 | 318,800 | LBT IP LLC Note B | Loan |
| 10/3/2019 | \$7,000 | \$11,142 | Note A | \$0.05/share | 0 | 222,840 | LBT IP LLC Note B | Loan |
| 10/30/2019 | \$20,000 | \$31,430 | Note A | \$0.05/share | 0 | 628,600 | LBT IP LLC Note B | Loan |
| 11/27/2019 | \$16,000 | \$24,807 | Note A | \$0.05/share | 0 | 496,140 | LBT IP LLC Note B | Loan |
| 4/20/2023 | 20,000 | \$23,943 | 4/20/2024 | \$0.05/share | 0 | 478,860 | LBT IP LLC Note B | Loan |
| 10/11/2023 | \$40,000 | \$45,556 | 10/11/2024 | \$0.05/share | 0 | 911,120 | LBT IP LLC Note B | Loan |

⁵ The total number of shares that can be issued upon full conversion of the Outstanding Balance. The number should not factor any “blockers” or limitations on the percentage of outstanding shares that can be owned by the Noteholder at a particular time. For purposes of this calculation, please use the current market pricing (e.g. most recent closing price, bid, etc.) of the security if conversion is based on a variable market rate.

| | | | | | | | | |
|------------|----------|-------------|------------|--------------|---|---------|-------------------|------|
| 2/13/2024 | \$10,000 | \$10,956 | 2/13/2025 | \$0.05/share | 0 | 219,120 | LBT IP LLC Note B | Loan |
| 3/8/2024 | \$20,000 | \$21,751 | 3/9/2025 | \$0.05/share | 0 | 435,020 | LBT IP LLC Note B | Loan |
| 3/11/2024 | \$5,000 | \$5,433 | 3/11/2025 | \$0.05/share | 0 | 108,660 | LBT IP LLC Note B | Loan |
| 4/18/2024 | \$10,000 | \$10,743 | 4/18/2025 | \$0.05/share | 0 | 214,860 | LBT IP LLC Note B | Loan |
| 5/28/2024 | \$3,920 | \$4,160 | 5/28/2025 | \$0.05/share | 0 | 83,200 | LBT IP LLC Note B | Loan |
| 6/24/2024 | \$6,800 | \$7,154 | 6/24/25 | \$0.05/share | 0 | 143,080 | LBT IP LLC Note B | Loan |
| 7/25/2024 | \$8,000 | \$8,334 | 7/25/2025 | \$0.05/share | 0 | 166,680 | LBT IP LLC Note B | Loan |
| 8/22/2024 | \$10,000 | \$10,329 | 8/22/2025 | \$0.05/share | 0 | 206,580 | LBT IP LLC Note B | Loan |
| 9/26/2024 | \$10,000 | \$10,214.00 | 9/26/2025 | \$0.05/share | 0 | 204,280 | LBT IP LLC Note B | Loan |
| 10/25/2024 | \$7,000 | \$7,083 | 10/25/2025 | \$0.05/share | 0 | 141,660 | LBT IP LLC Note B | Loan |
| 11/26/2024 | \$7,000 | \$7,009 | 10/25/2025 | \$0.05/share | 0 | 140,180 | LBT IP LLC Note B | |
| 12/20/2024 | \$14,000 | \$14,000 | 12/20/2025 | \$0.05/share | 0 | 280,000 | LBT IP LLC Note B | Loan |

Total Outstanding Balance: \$2,768,070

Total Shares: 21,489,765

Any additional material details, including footnotes to the table are below:

Note A: These notes have all matured and have been converted to demand Notes.

Note B: The Managing Member of LBT IP LLC is Gregory S. Haugen.

4) Issuer's Business, Products and Services

The purpose of this section is to provide a clear description of the issuer's current operations. Ensure that these descriptions are updated on the Company's Profile on www.OTCMarkets.com.

A. Summarize the issuer's business operations (If the issuer does not have current operations, state "no operations")

Founded in 2005 with Headquarters in Irvine, CA, Location Based Technologies Inc. (LBT) (OTCPink:LBAS) is a leading-edge service provider of Commercial vehicle, asset and personnel tracking devices along with Consumer vehicle, child/elderly and pet tracking solutions. A key focus for the Company has been on intellectual property (IP) which resulted in the Company's 28 issued patents. We have also partnered with best-in-class service providers such as Rackspace for data services, AT&T for our USA network provider, Google for our mapping, Twilio for messaging services and Staxbill as our subscription billing service. Our newest vehicle tracking devices operate on AT&T's network and are provided by ATrack Technology Inc. out of Taipei City, Taiwan. LBAS products help individuals to enhance their safety and help companies enhance the safety of employees and to achieve their goals to cut greenhouse gas emissions by minimizing out-of-route mileage, high speed driving, long idle times and allowing for better routing logistics of people and vehicles. Studies have shown a 20% decrease in fuel consumption when trackers are installed.

B. List any subsidiaries, parent company, or affiliated companies.

None

C. Describe the issuers' principal products or services.

Device sales in 1st QTR FY 2025 versus 1st QTR FY 2024 show a modest decrease as we are now past the height of LBT's efforts to replace older 3G models of devices due to U.S. telecom companies shut down their 3G networks across the country. The current Year's device sales are also negatively impacted (\$2,079 vs \$3,635 in 2024) by eliminating all advertising and outreach expenditures and the loss of Personal Tracking devices. FY 2025 sales revenue was based solely on vehicle devices sold. Monthly Recurring (Service) Revenues in 1st QTR FY 2025 versus 1st QTR FY 2024 show a decrease of 16% in recurring Service revenues (\$32,088 versus \$38,289 for the QTR respectively) primarily due to lack of availability of personal trackers to sell and customers losing 3G connectivity in Canada. Small business customers were hardest hit by unpredictable economic pressures, but future economic projections show a more robust small business environment. The company's future sales base may include more sales outreach and new products. Ongoing sales of LTE Cat M1 vehicle tracker devices will continue and thereby grow Monthly Recurring Revenues. The company will also continue to reach out to, and work with, all impacted customers that were unable to afford replacement tracking devices due to network and economic impacts.

Operating expenses continue to drop in 1st QTR FY 2025 vs. FY 2024 (\$33,315 versus \$60,214) for a 45% decrease continuing the 68% decrease in Fiscal Year of Year Total Expenses. The company has achieved a normalization of costs for hosted services and device costs. Significant system streamlining and replacement of 3rd Party service support systems have been brought in-house and have resulted in large decreases in operating expenses since April of 2023.

LBT's business solutions has continued to focus on selling fleet trackers that are small, affordable, and are environmentally sealed vehicle tracking devices with a proprietary tracking system designed to display each vehicle's location, speed, altitude, direction and an option for driver behavior alerts. Devices are designed to be quick and easy to install and provide rich features/data on easy-to-use user interfaces/apps in real time. This allows businesses to minimize their impact on the environment through more precise routing and re-routing of vehicles, to minimize time delays and engine idle time, and to maximize fuel efficiency while minimizing carbon waste.

LBT's Consumer solutions include the newest Teen Driver solution and two versions of our vehicle trackers. These devices help families know where their valuable mobile assets are through zone alerts that notify you if they go too far from where you expect them to be - right from your smart phone, tablet, or computer - no matter where you are in the world yet have Internet connectivity!

5) Issuer's Facilities

The goal of this section is to provide investors with a clear understanding of all assets, properties or facilities owned, used or leased by the issuer and the extent in which the facilities are utilized.

In responding to this item, please clearly describe the assets, properties or facilities of the issuer. Describe the location of office space, data centers, principal plants, and other property of the issuer and describe the condition of the properties. Specify if the assets, properties, or facilities are owned or leased and the terms of their leases. If the issuer does not have complete ownership or control of the property, describe the limitations on the ownership.

The company is committed to the safety, wellbeing, and mental health of all employees. Prior to COVID-19 work flexible rules, including work from home, were offered on a case-by-case basis. During COVID-19 and California's mandatory shut down of all non-essential work, employees desired to work virtually from their homes due to the dispersed locations of our employees and health concerns. Performance and productivity continue to be highly reliable as LBAS utilizes new

workflow tools and technology while allowing employees to remain safe and to benefit by eliminating work commutes/carbon impact of commuting. LBAS does not own any properties or facilities but does have an annual lease for its Irvine location.

6) All Officers, Directors, and Control Persons of the Company

Using the table below, please provide information, as of the period end date of this report, regarding all officers and directors of the company, or any person that performs a similar function, regardless of the number of shares they own.

In addition, list all individuals or entities controlling 5% or more of any class of the issuer's securities.

If any insiders listed are corporate shareholders or entities, provide the name and address of the person(s) beneficially owning or controlling such corporate shareholders, or the name and contact information (City, State) of an individual representing the corporation or entity. Include Company Insiders who own any outstanding units or shares of any class of any equity security of the issuer.

The goal of this section is to provide investors with a clear understanding of the identity of all the persons or entities that are involved in managing, controlling or advising the operations, business development and disclosure of the issuer, as well as the identity of any significant or beneficial owners.

| Individual Name (First, Last) or Entity Name (Include names of control person(s) if a corporate entity) | Position/Company Affiliation (ex: CEO, 5% Control person) | City and State (Include Country if outside U.S.) | Number of Shares Owned (List common, preferred, warrants and options separately) | Class of Shares Owned | Percentage of Class of Shares Owned (undiluted) |
|--|--|--|---|-----------------------------|---|
| David M Morse | CEO | Wilsonville, OR | 21,544,111 | Common | 4.9 |
| Desiree C Mejia | Advisory Board Member | Laguna Beach, CA | 22,240,000 | Common | 5.0 |
| Greggory S Haugen | Advisory Board Member | Orono, MN | 72,976,045 | Common | 16.4 |
| Joseph F Scalisi | Owner of more than 5% | Austin, TX | 34,719,256 | Common | 7.8 |

Confirm that the information in this table matches your public company profile on www.OTCMarkets.com. If any updates are needed to your public company profile, log in to www.OTCIQ.com to update your company profile.

7) Legal/Disciplinary History

A. Identify and provide a brief explanation as to whether any of the persons or entities listed above in Section 6 have, in the past 10 years:

1. Been the subject of an indictment or conviction in a criminal proceeding or plea agreement or named as a defendant in a pending criminal proceeding (excluding minor traffic violations);

None

2. Been the subject of the entry of an order, judgment, or decree, not subsequently reversed, suspended or vacated, by a court of competent jurisdiction that permanently or temporarily enjoined, barred, suspended or otherwise limited such person's involvement in any type of business, securities, commodities, financial- or investment-related, insurance or banking activities;

None

3. Been the subject of a finding, disciplinary order or judgment by a court of competent jurisdiction (in a civil action), the Securities and Exchange Commission, the Commodity Futures Trading Commission, a state securities regulator of a violation of federal or state securities or commodities law, or a foreign regulatory body or court, which finding or judgment has not been reversed, suspended, or vacated;

None

4. Named as a defendant or a respondent in a regulatory complaint or proceeding that could result in a “yes” answer to part 3 above; or

None

5. Been the subject of an order by a self-regulatory organization that permanently or temporarily barred, suspended, or otherwise limited such person’s involvement in any type of business or securities activities.

None

6. Been the subject of a U.S Postal Service false representation order, or a temporary restraining order, or preliminary injunction with respect to conduct alleged to have violated the false representation statute that applies to U.S mail.

None

- B. Describe briefly any material pending legal proceedings, other than ordinary routine litigation incidental to the business, to which the issuer or any of its subsidiaries is a party to or of which any of their property is the subject. Include the name of the court or agency in which the proceedings are pending, the date instituted, the principal parties thereto, a description of the factual basis alleged to underlie the proceeding and the relief sought. Include similar information as to any such proceedings known to be contemplated by governmental authorities.

1. The Apple, Inc. complaint for infringement of existing patents was filed in November 2019 by LBT IP I LLC in the U.S. District Court for the District of Delaware claiming infringement by Apple of five of LBT’s early patents (US Patent Nos. 8,497,774; 8,542,113; 8,102,256; 8,421,618; and 8,421,618). The initial Patent Trial and Appeal Board (PTAB) ruled against LBAS and that decision was appealed at the U.S. Court of Appeals for the Third Circuit.

On June 9, 2023, the U.S. Court of Appeals for the Federal Circuit issued its opinion, resulting in a significant win for LBT IP I LLC (“LBT”). The three-judge panel unanimously reversed the PTAB’s decisions with regard to three patents and remanded a fourth patent back to the PTAB for further consideration. On December 15, 2023, the PTAB issued a Final Written Decision upholding the claims of that fourth patent and Apple filed its Notice of Appeal on February 15, 2024. The briefing for that appeal was completed in October 2024 and we expect a decision by mid-2025. We remain confident that, once all appeal opportunities are exhausted, we will return to the U.S. District Court for the District of Delaware with multiple patents and claims surviving.

2. The Uber Technologies, Inc. complaint was filed in November 2021 by LBT IP II LLC (“the Company”) in the U.S. District Court for the Western District of Texas, Waco Division. The case was assigned to Judge Alan D. Albright. In general terms, the Complaint alleges infringement of U.S. Patent Nos. 7,728,724 (titled “System for Locating Individuals and Objects”); 7,598,855 (titled “Apparatus and Method for Locating Individuals and Objects Using Tracking Devices”); 8,531,289 (titled “Adaptable User Interface for Monitoring Location Tracking Devices Out of GPS Monitoring Range”); and 8,224,355 (titled “System and Method for Improved

Communication Bandwidth Utilization When Monitoring Location Information”) by Uber through use of its Uber Platform in providing its ride hailing and food delivery services.

- Uber Technologies, Inc. (“Uber”) filed a Motion to Dismiss on January 27, 2022. That motion was fully briefed, and on June 28, 2022, the Court denied the motion, in part. Uber thereafter answered the Complaint on July 12, 2022. Uber also filed a motion on February 25, 2022, seeking to have the case transferred to the U.S. District Court for the Northern District of California. That motion was granted on July 6, 2022, and the case has been transferred to the U.S. District Court for the Northern District of California. The case has been assigned to U.S. District Judge William H. Orrick, located in San Francisco. On September 23, 2022, the parties met and conferred regarding (1) initial disclosures, (2) early settlement, (3) ADR (alternative dispute resolution), and (4) a discovery plan, filed their Joint Case Management Statement, and served discovery requests on each other. Responses to those requests were served on October 24, 2022. In the meantime, the Court set October 4, 2022, for an Initial Case Management Conference with the Court. At that conference the Court set a claim construction hearing for February 24, 2023.

- In addition to the foregoing activities, Uber filed with the Patent Trial and Appeal Board (“PTAB”) four petitions seeking to invalidate the four asserted patents. An additional third party (Unified Patents) also filed a petition seeking to invalidate 8,531,289 (titled “Adaptable User Interface for Monitoring Location Tracking Devices Out of GPS Monitoring Range”). The Company filed its Preliminary Responses to those Petitions on September 9 and 14, 2022, and on December 7, 2022, the PTAB issued its Institution Decisions on all of those petitions. The PTAB agreed to institute Inter Partes Review (“IPR”) proceedings as to U.S. Patent Nos. 7,598,855 and 8,531,289. The PTAB denied Uber’s petitions as to U.S. Patent Nos. 7,728,724 and 8,224,355. Accordingly, the PTAB did not conduct IPRs on the latter two patents.

- In the meantime, the parties continued to engage in fact discovery including exchanging documents responsive to the discovery requests, and the Company’s expert continued reviewing Uber’s source code. On or around December 29, 2022, the Company served a document subpoena on Samsung Electronics America, Inc. based on information in Uber’s source code.

- On December 15, 2022, Uber filed a Motion with the Court seeking to stay (i.e., to place on hold) the district court litigation pending resolution of the review proceedings in the PTAB because two of the four asserted patents are subject to IPR proceedings. On January 5, 2023, the Company filed its Opposition to that Motion, and a hearing on that Motion was set for January 25, 2023. The district court ultimately granted Uber’s Motion, and the case was stayed pending conclusion of the IPR proceedings. Since that time, the parties engaged in IPR proceedings before the PTAB.

- On December 6, 2023, the PTAB issued its Final Written Decisions in the IPR’s for the ’855 and ’289 Patents, in which the PTAB found the inventions claimed in those patents to be “unpatentable.” In view of those decisions, the district court stayed the litigation on January 18, 2024, pending any appeals of those two PTAB decisions. The Company has appealed both of those decisions to the Federal Circuit, with briefing now completed. While oral argument for the appeals has not yet been scheduled, it is anticipated around Q2 or Q3 2025, with a written order to follow. Should the Federal Circuit reverse the PTAB’s patentability decisions, we would proceed in litigation on one or both of the appealed patents, in addition to the ’725 and ’355 Patents which remain valid and will be litigated once the district court’s stay is lifted.

8) Third Party Service Providers

Provide the name, address, telephone number and email address of each of the following outside providers. You may add additional space as needed.

Confirm that the information in this table matches your public company profile on www.OTCMarkets.com. If any updates are needed to your public company profile, update your company profile.

Securities Counsel

Name: Claire Brown
Address 1: Tonkin Torp LLP
Address 2: 888 SW 5th Avenue
Suite 1600
Portland, OR 97204
Phone: 503.802.5731
Email: Claire.brown@tonkon.com

Accountant or Auditor

Name: J. Gill
Firm: Bookkeeper, employee
Address 1: Laguna Hills, CA 92618
Address 2: _____
Phone: 949 357-5151
Email: jgill@locationbasedtech.com

Investor Relations

Name: NA

All other means of Investor Communication:

X (Twitter): <https://twitter.com/pocketfindergps>
Discord: _____
LinkedIn: _____
Facebook: <https://www.facebook.com/PocketFinder/>
[Other] https://www.youtube.com/channel/UCvSgUqQG_8yu2sBftvqmXTQ

Other Service Providers

Provide the name of any other service provider(s) that **that assisted, advised, prepared, or provided information with respect to this disclosure statement**. This includes counsel, broker-dealer(s), advisor(s), consultant(s) or any entity/individual that provided assistance or services to the issuer during the reporting period.

Name: None

9) Disclosure & Financial Information

A. This Disclosure Statement was prepared by (name of individual):

Name: David M. Morse
Title: CEO
Relationship to Issuer: Employee

B. The following financial statements were prepared in accordance with:

☐ IFRS

☒ U.S. GAAP

C. The following financial statements were prepared by (name of individual):

Name: J. Gill

Title: Bookkeeper

Relationship to Issuer: Employee

Describe the qualifications of the person or persons who prepared the financial statements:⁶ Education, USC. 14+ years of experience.

Provide the following qualifying financial statements:

- Audit letter, if audited;
- Balance Sheet;
- Statement of Income;
- Statement of Cash Flows;
- Statement of Retained Earnings (Statement of Changes in Stockholders' Equity)
- Financial Notes

Financial Statement Requirements:

- Financial statements must be published together with this disclosure statement as one document.
- Financial statements must be "machine readable". Do not publish images/scans of financial statements.
- Financial statements must be presented with comparative financials against the prior FYE or period, as applicable.
- Financial statements must be prepared in accordance with U.S. GAAP or International Financial Reporting Standards (IFRS) but are not required to be audited.

⁶ The financial statements requested pursuant to this item must be prepared in accordance with US GAAP or IFRS and by persons with sufficient financial skills.

LOCATION BASED TECHNOLOGIES, INC.
FINANCIAL STATEMENTS
FOR THE 1st QTR FISCAL YEAR 2025 ENDING November 30, 2024

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Location Based Technologies, Inc.
BALANCE SHEET

| | <u>Nov 30, 24</u> | <u>Nov 30, 23</u> |
|---|-------------------|-------------------|
| ASSETS | | |
| Current Assets | | |
| Checking/Savings | | |
| 1006 · PayPal #2 | 107.55 | 0.00 |
| 1010 · BofA - 0970 | 205.34 | 2,454.37 |
| 1020 · BofA - 1101 | <u>9,607.31</u> | <u>27,315.35</u> |
| Total Checking/Savings | 9,920.20 | 29,769.72 |
| Accounts Receivable | | |
| 1100 · Accounts Receivable | | |
| 1155 · Allowance for Sales Returns | <u>507.95</u> | <u>0.00</u> |
| Total 1100 · Accounts Receivable | <u>507.95</u> | <u>0.00</u> |
| Total Accounts Receivable | 507.95 | 0.00 |
| Other Current Assets | | |
| 1200 · Inventory | | |
| 1210 · Components | 0.00 | -68.11 |
| 1215 · Finished Goods | <u>61,621.21</u> | <u>70,613.80</u> |
| Total 1200 · Inventory | 61,621.21 | 70,545.69 |
| 1400 · Prepaid Expenses | | |
| 1415 · License Fees | 0.00 | 4,320.00 |
| 1422 · Services | <u>4,455.00</u> | <u>1,777.67</u> |
| Total 1400 · Prepaid Expenses | <u>4,455.00</u> | <u>6,097.67</u> |
| Total Other Current Assets | <u>66,076.21</u> | <u>76,643.36</u> |
| Total Current Assets | 76,504.36 | 106,413.08 |
| Fixed Assets | | |
| 2100 · Property & Equipment | | |
| 2105 · Computer and Video Equipment | 19,714.69 | 19,714.69 |
| 2110 · Computer Software (Mobile Apps) | 183,154.35 | 183,154.35 |
| 2111 · Computer Software (Internal) | 27,274.76 | 27,274.76 |
| 2117 · Machinery and Equipment | 18,888.56 | 18,888.56 |

| | | |
|--|-------------------|-------------------|
| 2120 · Office Furniture and Equipment | 4,126.09 | 4,126.09 |
| Total 2100 · Property & Equipment | 253,158.45 | 253,158.45 |
| 2250 · Accumulated Depreciation | -230,622.45 | -198,072.45 |
| Total Fixed Assets | 22,536.00 | 55,086.00 |
| Other Assets | | |
| 2500 · Intellectual Property | | |
| 2510 · Trademarks | 52,539.20 | 52,539.20 |
| Total 2500 · Intellectual Property | 52,539.20 | 52,539.20 |
| Total Other Assets | 52,539.20 | 52,539.20 |
| TOTAL ASSETS | 151,579.56 | 214,038.28 |
| LIABILITIES & EQUITY | | |
| Liabilities | | |
| Current Liabilities | | |
| Accounts Payable | | |
| 3000 · Accounts Payable | 107,556.30 | 122,890.62 |
| Total Accounts Payable | 107,556.30 | 122,890.62 |
| Credit Cards | | |
| 3005 · BofA Visa - 2493 / 4355 | 3,301.62 | 443.32 |
| 3006 · BofA Visa - 1431 | 16,306.96 | 7,794.24 |
| Total Credit Cards | 19,608.58 | 8,237.56 |
| Other Current Liabilities | | |
| 3100 · Accrued Expenses | | |
| 3114 · Payroll | 3,879.10 | 0.00 |
| 3115 · Payroll Taxes | 5,737.50 | 5,737.50 |
| 3117 · Sales Tax Payable | 1,038.82 | 1,041.27 |
| 3120 · Income Taxes | 0.00 | 1,334.00 |
| 3135 · Health Insurance | 425.40 | 0.00 |
| Total 3100 · Accrued Expenses | 11,080.82 | 8,112.77 |
| 3190 · Deferred Compensation | | |
| 3191 · Deferred Employee Compensation | | |
| 3195 · D. Morse, Jr. | 136,348.18 | 136,348.18 |
| 3196 · G. Harrison | 10,375.00 | 10,375.00 |
| Total 3191 · Deferred Employee Compensation | 146,723.18 | 146,723.18 |

| | | |
|--|---------------------|---------------------|
| 3200 · Deferred Officer Compensation | | |
| 3205 · D. Mejia | 113,517.41 | 113,517.41 |
| 3210 · D. Morse Sr. | <u>1,207,724.65</u> | <u>1,207,724.65</u> |
| Total 3200 · Deferred Officer Compensation | <u>1,321,242.06</u> | <u>1,321,242.06</u> |
| Total 3190 · Deferred Compensation | 1,467,965.24 | 1,467,965.24 |
| 3500 · Convertible Notes Payable | | |
| 3501 · Notes Payable | | |
| 3701 · Investor | 25,000.00 | 25,000.00 |
| 3702 · Investor | 100,000.00 | 100,000.00 |
| 3703 · Investor | 50,000.00 | 50,000.00 |
| 3704 · Investor | 300,000.00 | 300,000.00 |
| 3709 · Investor | 500,000.00 | 500,000.00 |
| 3716 · Investor | 25,000.00 | 25,000.00 |
| 3717 · Investor | 25,000.00 | 25,000.00 |
| 3718 · Investor | <u>100,000.00</u> | <u>500,000.00</u> |
| Total 3501 · Notes Payable | 1,125,000.00 | 1,525,000.00 |
| 4115 · Advances From Officer | 298,000.00 | 298,000.00 |
| 4131 · Notes Due on Demand | <u>1,138,987.00</u> | <u>1,138,987.00</u> |
| Total 3500 · Convertible Notes Payable | 2,561,987.00 | 2,961,987.00 |
| 3900 · Accrued Interest | | |
| 3463 · Investor | 373,068.48 | 342,986.29 |
| 3464 · Investor | 62,027.40 | 57,013.70 |
| 3465 · Investor | 123,945.22 | 113,917.82 |
| 3466 · Investor | 31,013.70 | 28,506.85 |
| 3472 · Investor | 584,794.51 | 534,657.53 |
| 3473 · Investor | 29,130.14 | 26,623.29 |
| 3474 · Investor | 29,130.14 | 26,623.29 |
| 3490 · Related Party Accrued Interest | | |
| 3491 · Dave Morse, Sr. | 687,301.31 | 624,368.16 |
| 3492 · D. Mejia | 182,739.03 | 160,745.83 |
| 3493 · Employee | 90,163.30 | 81,828.02 |
| 3494 · Employee | 27,057.99 | 24,601.28 |
| 3495 · Employee | 19,759.31 | 15,443.76 |
| 3496 · Florance Accountancy Corp. | <u>10,975.34</u> | <u>9,972.60</u> |
| Total 3490 · Related Party Accrued Interest | <u>1,017,996.28</u> | <u>916,959.65</u> |

| | | |
|--|--------------------------|--------------------------|
| Total 3900 · Accrued Interest | 2,251,105.87 | 2,047,288.42 |
| 4550 · LIP Equity LLC, prev LP Equity | | |
| 4551 · Convertible Notes | 197,300.00 | 197,300.00 |
| 4552 · Accrued Interest | 140,941.21 | 102,255.00 |
| 4550 · LIP Equity LLC, prev LP Equity - Other | 157,720.00 | 60,000.00 |
| Total 4550 · LIP Equity LLC, prev LP Equity | <u>495,961.21</u> | <u>359,555.00</u> |
| Total Other Current Liabilities | <u>6,788,100.14</u> | <u>6,844,908.43</u> |
| Total Current Liabilities | <u>6,915,265.02</u> | <u>6,976,036.61</u> |
| Total Liabilities | 6,915,265.02 | 6,976,036.61 |
| Equity | | |
| 5020 · Common Stock | 443,784.48 | 443,784.48 |
| 5025 · Common Stock To Be Issued | 2,000.00 | 2,000.00 |
| 5030 · Additional Paid-In Capital | | |
| 5040 · Offering Costs | -1,884,087.83 | -1,884,087.83 |
| 5030 · Additional Paid-In Capital - Other | <u>57,915,303.78</u> | <u>57,915,303.78</u> |
| Total 5030 · Additional Paid-In Capital | 56,031,215.95 | 56,031,215.95 |
| 5500 · Retained Earnings | 63,145,645.22 | 63,139,585.89 |
| Net Income | <u>-95,040.67</u> | <u>-99,412.87</u> |
| Total Equity | <u>-6,763,685.46</u> | <u>-6,761,998.33</u> |
| TOTAL LIABILITIES & EQUITY | <u><u>151,579.56</u></u> | <u><u>214,038.28</u></u> |

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

Location Based Technologies, Inc.
STATEMENT OF OPERATIONS AND COMPREHENSIVE LOSS

| | <u>Sep - Nov 24</u> | <u>Sep - Nov 23</u> |
|--|-------------------------|-------------------------|
| Ordinary Income/Expense | | |
| Income | | |
| 6100 · Device Sales Income | | |
| 6198 · Sales Discounts | 0.00 | 0.00 |
| 6199 · Sales Returns & Allowances | 0.00 | -621.95 |
| 6100 · Device Sales Income - Other | <u>2,079.00</u> | <u>4,257.00</u> |
| Total 6100 · Device Sales Income | 2,079.00 | 3,635.05 |
| 6200 · Service Income | | |
| 6250 · Service Income Adjustments | -540.76 | 0.00 |
| 6200 · Service Income - Other | <u>32,628.91</u> | <u>34,044.81</u> |
| Total 6200 · Service Income | 32,088.15 | 34,044.81 |
| 6700 · Shipping Income | <u>177.45</u> | <u>648.80</u> |
| Total Income | 34,344.60 | 38,328.66 |
| Cost of Goods Sold | | |
| 7100 · Device Purchases | 1,900.41 | 11,075.31 |
| 7125 · Service Costs | | |
| 7126 · PocketFinder | 0.00 | 1,593.75 |
| 7130 · PocketFinder Vehicle | 1,750.00 | 0.00 |
| 7140 · Mobile Applications | 0.00 | 156.25 |
| 7125 · Service Costs - Other | <u>6,060.69</u> | <u>6,578.24</u> |
| Total 7125 · Service Costs | 7,810.69 | 8,328.24 |
| 7250 · Shipping & Freight Costs | 0.00 | 1,230.00 |
| 7710 · Inventory Adjustment | | |
| 7712 · Obsolete Inventory | <u>0.00</u> | <u>343.75</u> |
| Total 7710 · Inventory Adjustment | <u>0.00</u> | <u>343.75</u> |
| Total COGS | <u>9,711.10</u> | <u>20,977.30</u> |
| Gross Profit | 24,633.50 | 17,351.36 |
| Expense | | |
| 8010 · Advertising, Marketing and PR | -600.00 | 1,930.87 |

| | | |
|---|------------------------|------------------------|
| 8070 · Bank Service Charges | | |
| 8072 · Viewpost | 106.97 | 105.97 |
| 8073 · PayPal | 180.00 | 180.00 |
| 8075 · Merchant Fees | 11.51 | 399.76 |
| 8076 · Shopify | 459.00 | 831.29 |
| 9120 · Credit Card Rebates | <u>-277.13</u> | <u>-521.52</u> |
| Total 8070 · Bank Service Charges | 480.35 | 995.50 |
| 8100 · Business License and Fees | | |
| 8105 · Filing Fees | | |
| 8110 · Corporate | 1,964.00 | 0.00 |
| 8120 · Transfer Agent | 1,674.79 | 1,501.73 |
| 8105 · Filing Fees - Other | <u>0.00</u> | <u>1,440.00</u> |
| Total 8105 · Filing Fees | <u>3,638.79</u> | <u>2,941.73</u> |
| Total 8100 · Business License and Fees | 3,638.79 | 2,941.73 |
| 8180 · Computer Expense | | |
| 8185 · General | 173.16 | 267.52 |
| 8190 · Web Hosting | 16,896.27 | 5,509.89 |
| 8195 · Website Expense | 747.93 | 10,952.49 |
| 8196 · Software | 1,870.86 | 1,761.26 |
| 8197 · Smart Tracker/A-Track | <u>0.00</u> | <u>2,562.50</u> |
| Total 8180 · Computer Expense | 19,688.22 | 21,053.66 |
| 8210 · Depreciation Expense | 4,173.00 | 4,173.00 |
| 8243 · Employee Benefits | 1,554.30 | 12,556.76 |
| 8245 · Finance Charge | 726.22 | 353.32 |
| 8250 · Insurance | | |
| 8260 · General Liab/Umbrella Insurance | 0.00 | 156.48 |
| 8280 · Worker's Compensation | <u>289.40</u> | <u>54.72</u> |
| Total 8250 · Insurance | 289.40 | 211.20 |
| 8320 · Miscellaneous | | |
| 8325 · Reconciliation Discrepancies | <u>0.00</u> | <u>-3,167.43</u> |
| Total 8320 · Miscellaneous | 0.00 | -3,167.43 |
| 8340 · Office Expense | 29.00 | 29.00 |
| 8390 · Payroll Expenses | 325.25 | 259.25 |
| 8392 · Payroll Taxes | 4,340.47 | 3,486.23 |
| 8400 · Postage and Shipping | 59.97 | 174.67 |

| | | |
|---|------------------------------|------------------------------|
| 8460 · Professional Fees | | |
| 8510 · Legal Fees | | |
| 8520 · Patents/Trademarks | 3,580.00 | 320.00 |
| 8530 · SEC | <u>-21,500.00</u> | <u>750.00</u> |
| Total 8510 · Legal Fees | <u>-17,920.00</u> | <u>1,070.00</u> |
| Total 8460 · Professional Fees | -17,920.00 | 1,070.00 |
| 8550 · Rent | 378.00 | 368.02 |
| 8610 · Salaries and Wages | 15,665.15 | 13,372.37 |
| 8628 · Storage | 310.20 | 0.00 |
| 8630 · Telephone Expense | | |
| 8640 · Cellular | 0.00 | 229.81 |
| 8660 · Office Lines | <u>177.17</u> | <u>176.32</u> |
| Total 8630 · Telephone Expense | <u>177.17</u> | <u>406.13</u> |
| Total Expense | <u>33,315.49</u> | <u>60,214.28</u> |
| Net Ordinary Income | -8,681.99 | -42,862.92 |
| Other Income/Expense | | |
| Other Income | | |
| 9111 · Gain on Debt Forgiveness | <u>-26,936.35</u> | <u>0.00</u> |
| Total Other Income | <u>-26,936.35</u> | <u>0.00</u> |
| Other Expense | | |
| 8396 · Penalties and Fines | 0.00 | 100.00 |
| 9010 · Interest Expense | 59,422.33 | 55,115.95 |
| 9075 · Income Taxes | | |
| 9080 · State | <u>0.00</u> | <u>1,334.00</u> |
| Total 9075 · Income Taxes | <u>0.00</u> | <u>1,334.00</u> |
| Total Other Expense | <u>59,422.33</u> | <u>56,549.95</u> |
| Net Other Income | <u>-86,358.68</u> | <u>-56,549.95</u> |
| Net Income | <u><u>-95,040.67</u></u> | <u><u>-99,412.87</u></u> |

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

Location Based Technologies, Inc.
STATEMENT OF CHANGES IN STOCKHOLDERS' EQUITY (DEFICIT)

| | <u>Preferred Stock</u> | | <u>Common Stock</u> | | <u>Common</u> | <u>Additional</u> | <u>Accumulated</u> | <u>Total</u> |
|---------------------------|------------------------|---------------|---------------------|---------------|---------------------|-------------------|--------------------|-------------------------|
| | <u>Number</u> | <u>Amount</u> | <u>Number</u> | <u>Amount</u> | <u>Stock</u> | <u>Paid-In</u> | <u>Deficit</u> | <u>Stockholders'</u> |
| | <u>of Shares</u> | | <u>of Shares</u> | | <u>To Be Issued</u> | <u>Capital</u> | | <u>Equity (Deficit)</u> |
| Balance August 31, 2024 | | | 443,784,483 | \$443,784 | 2,000 | \$ 56,031,216 | \$ (63,139,506) | \$ (6,668,456) |
| Net Loss | - | - | - | - | - | | \$ (95,040) | \$ (95,040) |
| Balance November 30, 2024 | - | - | 443,784,483 | \$443,784 | 2,000 | \$ 56,031,216 | \$ (63,234,546) | \$ (6,763,496) |

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

Location Based Technologies, Inc.

STATEMENT OF CASH FLOWS

| | Sep - Nov 24 | Sep - Nov 23 |
|--|------------------|------------------|
| OPERATING ACTIVITIES | | |
| Net Income | -95,040.67 | -99,412.87 |
| Adjustments to reconcile Net Income to net cash provided by operations: | | |
| 1100 · Accounts Receivable | - | 223.90 |
| 1200 · Inventory:1210 · Components | - | 68.11 |
| 1200 · Inventory:1215 · Finished Goods | 2,718.41 | 4,796.31 |
| 1200 · Inventory:1220 · Demos | -818.00 | 0.00 |
| 1400 · Prepaid Expenses:1410 · Insurance | - | -3,167.43 |
| 1400 · Prepaid Expenses:1415 · License Fees | 479.00 | 1,440.00 |
| 1400 · Prepaid Expenses:1422 · Services | -4,455.00 | -1,777.67 |
| 3000 · Accounts Payable | 5,421.23 | 588.69 |
| 3005 · BofA Visa - 2493 / 4355 | 2,890.52 | -620.76 |
| 3006 · BofA Visa - 1431 | 942.51 | -3,676.36 |
| 3100 · Accrued Expenses:3114 · Payroll | 664.25 | -5,190.14 |
| 3100 · Accrued Expenses:3117 · Sales Tax Payable | -23.31 | -22.65 |
| 3100 · Accrued Expenses:3135 · Health Insurance | 212.70 | 4,189.46 |
| 3100 · Accrued Expenses:3120 · Income Taxes | - | 1,334.00 |
| 3900 · Accrued Interest:3463 · Investor | 7,479.44 | 7,479.44 |
| 3900 · Accrued Interest:3464 · Investor | 1,246.58 | 1,246.58 |
| 3900 · Accrued Interest:3465 · Investor | 2,493.16 | 2,493.16 |
| 3900 · Accrued Interest:3466 · Investor | 623.29 | 623.29 |
| 3900 · Accrued Interest:3472 · Investor | 12,465.75 | 12,465.75 |
| 3900 · Accrued Interest:3473 · Investor | 623.29 | 623.29 |
| 3900 · Accrued Interest:3474 · Investor | 623.29 | 623.29 |
| 3900 · Accrued Interest:3490 · Related Prty Accrued Int:3491 · D. Morse, Sr. | 15,647.31 | 15,647.31 |
| 3900 · Accrued Interest:3490 · Related Prty Accrd Int:3492 · D. Mejia | 4,458.63 | 4,458.63 |
| 3900 · Accrued Interest:3490 · Related Prty Accrd Int:3493 · G. Harrison | 2,072.43 | 2,072.43 |
| 3900 · Accrued Interest:3490 · Related Prty Accrd Int:3494 · Eric Fronk | 610.82 | 610.82 |
| 3900 · Accrued Interest:3490 · Related Prty Accrd Int:3495 · D. Morse, Jr. | 619.65 | 619.65 |
| 3900 · Accrued Interest:3490 · Related Party Accrued Interest:3496 · Florance Accountancy Corp. | 249.31 | 249.31 |
| 4550 · LIP Equity LLC, prev LP Equity | 24,000.00 | 40,000.00 |
| 4550 · LIP Equity LLC, prev LP Equity:4552 · Accrued Interest | 10,209.38 | 5,903.00 |
| Net cash provided by Operating Activities | -3,586.03 | -6,111.46 |

INVESTING ACTIVITIES

| | | |
|---|-----------------|------------------|
| 2250 · Accumulated Depreciation | 4,173.00 | 4,173.00 |
| Net cash provided by Investing Activities | 4,173.00 | 4,173.00 |
| Net cash increase for period | 586.97 | -1,938.46 |
| Cash at beginning of period | 9,333.23 | 31,708.18 |
| Cash at end of period. | 9,920.20 | 29,769.72 |

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

LOCATION BASED TECHNOLOGIES, INC.
NOTES TO FINANCIAL STATEMENTS
Annual Report August 31, FY 2024

1. NATURE OF OPERATIONS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Business

The company supplies fleet trackers, a small, affordable, fully sealed vehicle tracking system (combined GPS, wireless and WiFi technology) designed to track and display vehicles and other mobile assets on the go. Designed to be quickly installed and features easy-to-use user interfaces including browser and apps. Our devices track vehicle location, speed and direction in near real time. Businesses can quickly and easily coordinate routing and re-routing of shipments, manage time delays and maximize fuel efficiency for company vehicles and both powered and non-powered trailers. PocketFinder's® wearable 4G LTE Cat M1/A-GPS / Wi-Fi / Cell ID smart trackers provide an ideal way for families and caregivers to keep track of people they love. Ideal for children heading to or from school, after school activities on their own or via public transportation and for seniors who value their independence. The PocketFinder® smart tracker can be accessed from a smart phone or computer to easily locate people and be alerted if they go too far.

Organization

Location Based Technologies, Inc. (formerly known as Springbank Resources, Inc.) (the "Company," "our," or "LBT") was incorporated under the laws of the State of Nevada on April 10, 2006. Location Based Technologies, Corp. (formerly known as PocketFinder, Inc.) was incorporated under the laws of the State of California on September 16, 2005. On July 7, 2006, it established PocketFinder, LLC ("LLC"), a California Limited Liability Company. On August 29, 2007, PocketFinder, Inc. filed amended articles with the Secretary of State to change its name to Location Based Technologies, Corp., and in October 2007 was merged into LBT.

Going Concern

The accompanying financial statements have been prepared in conformity with accounting principles generally accepted in the United States of America, which contemplate continuation of the Company as a going concern. The Company has incurred net losses since inception, and as of November 30, 2024, had an accumulated deficit of \$63,145,645 and negative working capital of \$6,763,685. These conditions raise substantial doubt as to the Company's ability to continue as a going concern. These financial statements do not include any adjustments relating to the recoverability and classification of recorded asset amounts or amounts and classification of liabilities that might be necessary should the Company be unable to continue as a going concern.

Management recognizes that the Company must generate additional resources to enable it to continue operations. Management intends to raise additional financing through debt and equity financing or through other means that it deems necessary, with a view to moving forward and sustaining prolonged growth in its strategy phases. However, no assurance can be given that the Company will be successful in raising additional capital. Further, even if the Company raises additional capital, there can be no assurance that the Company will achieve profitability or positive cash flow. If management is unable to raise additional capital and expected significant revenues do not result in positive cash flow, the Company will not be able to meet its obligations and may have to cease operations.

Use of Estimates

The preparation of financial statements in conformity with Generally Accepted Accounting Principle ("GAAP") requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent gains and losses at the date of the financial statements and the reported

amounts of revenues and expenses during the reporting period. Critical estimates include management's judgments associated with reserves for sales returns and allowances, allowance for doubtful accounts, inventory reserves, valuation of intangible assets and income taxes. Actual results could differ from those estimates.

Allowance for Sales returns

An allowance for sales returns is recorded as a reduction to revenue and based on management's judgment using historical experience and expectation of future conditions. As of November 30, 2024, there was no allowance for sales returns.

Inventory

Inventories are valued at the lower of cost (first-in, first-out) or market and consisted of finished goods for the Company's PocketFinder® products. Packaging costs are expensed as incurred. The Company provides for a lower-of-cost-or-market ("LCM") adjustment against gross inventory values.

Fair Value of Financial Instruments

Pursuant to FASB ASC 820 – Fair Value Measurement and Disclosures, the Company is required to estimate the fair value of all financial instruments included on its balance sheet. The carrying value of cash, accounts receivable, inventory, accounts payable and notes payable approximate their fair value due to the short period to maturity of these instruments.

Property and Equipment

Property and equipment are stated at cost less accumulated depreciation and amortization. Depreciation and amortization are calculated using the straight-line method and with useful lives used in computing depreciation ranging from 1 to 5 years. When property and equipment are retired or otherwise disposed of, the related cost and accumulated depreciation are removed from the respective accounts, and any gain or loss is included in operations. Expenditures for maintenance and repairs are charged to operations as incurred; additions, renewals and betterments are capitalized.

Intangible Assets – Trademarks

The Company capitalizes internally developed assets related to certain costs associated with trademarks. These costs include legal and registration fees needed to apply for and secure trademarks. The intangible assets acquired from other enterprises or individuals in an "arms-length" transaction are recorded at cost. As of November 30, 2024, the Company capitalized \$52,539 for trademark related expenditures.

Revenue Recognition

Revenue is recognized upon transfer of control of products or services to customers in an amount that reflects the consideration the Company expects to receive in exchange for those products or services.

Device Sales Revenue – Revenue from the sales of PocketFinder® products is recognized upon shipment to website customers and upon delivery to distributors net of an allowance for estimated returns. The allowance for sales returns is estimated based on management's judgment using historical experience and expectation of future conditions.

Service Revenue – Service revenue consists of monthly service fees initiated by the customer upon activation of a PocketFinder® device. Services fees are billed and collected in advance of the service provided for that month. Service revenue is recognized upon billing the customer.

Shipping Costs

Amounts billed to customers related to shipping and handling are classified as revenue, and the Company's shipping and handling costs are included in cost of sales.

Advertising Costs

Advertising costs are expensed as incurred. For the year ended November 30, 2024, the Company incurred \$(600) of advertising costs due to credits.

Income Taxes

The Company accounts for income taxes under FASB ASC 740 – Income Taxes. Deferred tax assets and liabilities are recognized for the future tax consequences attributable to differences between the financial statements' carrying amounts of existing assets and liabilities and their respective tax bases. Deferred tax assets and liabilities are measured using enacted tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The effect on deferred tax assets and liabilities of a change in tax rates is recognized in income in the period the enactment occurs. A valuation allowance is provided for certain deferred tax assets if it is more likely than not that the Company will not realize tax assets through future operations. The Company has included its \$800 minimum California State income tax in its provision for income taxes for the twelve months ended August 31, 2024.

2. INVENTORY

Inventory is stated at the lower of cost (first-in, first-out) or market and consists of PocketFinder® devices.

3. PROPERTY AND EQUIPMENT

Property and equipment at November 30, 2024, consisted of the following:

| | |
|---------------------------------|-------------------------|
| Machinery and equipment | \$ 18,889 |
| Computer software (mobile apps) | 183,154 |
| Computer software (internal) | 27,275 |
| Computer and video equipment | 19,715 |
| Office furniture | <u>4,126</u> |
| | \$253,158 |
| Less: accumulated depreciation | <u>(230,622)</u> |
| | <u>\$ 12,536</u> |

There was \$4,173 in depreciation expense for the twelve months ended November 30, 2024.

4. RELATED PARTY TRANSACTIONS

Advances from Officers – From time to time, the Company's officers advance funding to the Company to cover operating expenses. Cash advances from officers do not accrue interest and have no formal repayment terms. During FY 2023 through 1st QTR FY 2025, there were no advances or repayments. Total accumulated advances amounted to \$298,000 as of November 30, 2024.

Related party notes payable – In 2014, the Company converted \$1,138,987 of deferred compensation into notes payable that are due on demand and bear interest at 10% per annum. The related party notes payable balance with accrued interest, that was stopped in 2017, amounted to \$1,436,987 and \$385,669, respectively, as of November 30, 2024.

Related party convertible notes payable – In 2019, the Company received various loans totaling \$197,300 from an entity owned by shareholders. These convertible notes are due on September 1, 2022, bear interest at 12% per

annum and may be converted into shares of common stock at \$0.05 per share. The convertible notes payable balance and accrued interest amounted to \$369,020 and \$140,941 respectively at November 30, 2024.

Sale of intangible assets – From 2020 to 2022, the Company sold certain contract-related intangible assets to entities owned by shareholders. The proceeds and gain from these transactions amounted to \$1,624,120 through November 30, 2024. In addition, the Company issued common stock in connection with this sale.

5. CONVERTIBLE NOTES PAYABLE

The Company entered into seven loans in 2012 and 2013 totaling \$1,025,000. These convertible notes are due on demand and bear interest at 10% per annum. The convertible notes payable balance and accrued interest amounted to \$2,258,109 as of November 30 2024.

6. PROVISION FOR INCOME TAXES

Deferred income taxes are reported using the liability method. Deferred tax assets are recognized for deductible temporary differences and deferred tax liabilities are recognized for taxable temporary differences. Temporary differences arise from the difference between the reported amounts of assets and liabilities and their tax basis. Deferred tax assets are reduced by a valuation allowance when, in the opinion of management, it is more likely than not that some portion or all of the deferred tax assets will not be realized. Deferred tax assets and liabilities are adjusted for the effects of changes in tax laws and tax rates on the date of enactment. The Company did not provide any current or deferred U.S. federal income taxes or benefits for any of the periods presented because the Company has experienced operating losses since inception. The Company provided a full valuation allowance on the net deferred tax asset, consisting of net operating loss carry forwards, because management has determined that it is more likely than not that we will not earn sufficient income to realize the deferred tax assets during the carry forward period. The components of the Company's deferred tax asset as of August 31, 2024, are as follows:

| | |
|---|---------------------|
| Net operating loss carry forward and deductible temporary differences | \$54,415,268 |
| Valuation allowance | <u>(54,415,268)</u> |
| Net deferred tax asset | <u>\$ 0 -</u> |

A reconciliation of the combined federal and state statutory income taxes rate and the effective rate is as follows:

| | |
|---|-----------------|
| Federal tax at statutory rate | 21.00% |
| State income tax net of federal benefit | 6.98% |
| Valuation allowance | <u>(27.98%)</u> |
| - | <u>-</u> |

As of August 31, 2024, the Company had federal and state net operating loss carryforwards which can be used to offset future income tax. Deferred tax assets resulting from the net operating losses are reduced by a valuation allowance, when, in the opinion of management, utilization is not reasonably assured. These carryforwards by August may be limited upon a change in ownership or consummation of a business combination under IRC Sections 381 and 382.

10) Issuer Certification

Principal Executive Officer:

The issuer shall include certifications by the chief executive officer and chief financial officer of the issuer (or any other persons with different titles but having the same responsibilities) in each Quarterly Report or Annual Report.

The certifications shall follow the format below:

I, David M. Morse certify that:

1. I have reviewed this Disclosure Statement for Location Based Technologies Inc.'s 1st QTR FY 2025:
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.

January 13, 2025

/s/David M. Morse

Principal Financial Officer:

I, David M. Morse certify that:

1. I have reviewed this Disclosure Statement for Location Based Technologies Inc.'s 1st QTR FY 2025:
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.

January 13, 2025

David M. Morse