

# APT SYSTEMS INC

505 Montgomery Street, Fl 11, San Francisco, CA 94111

Phone: 415-200-1105

[www.APTsystemsinc.com](http://www.APTsystemsinc.com)

[info@aptsystemsinc.com](mailto:info@aptsystemsinc.com)

SIC Code 8742

## Quarterly Report

For the period ending: October 31, 2023 (the "Reporting Period")

### Outstanding Shares

The number of shares outstanding of our **Common Stock** was:

**2,517,822,883** as of this year ending October 31, 2023

**2,461,061,247** as of this year ending January 31, 2023

### 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 Control<sup>1</sup> of the company has occurred over this reporting period:

Yes: ☐ No: ☒

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<sup>1</sup> "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, any names used by predecessor entities, along with the dates of the name changes.

**APT SYSTEMS, INC.**

The state of incorporation or registration of the issuer and of each of its predecessors (if any) during the past five years; Please also include the issuer's current standing in its state of incorporation (e.g. active, default, inactive):

Delaware (active)

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

n/a

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

n/a

The address(es) of the issuer's principal executive office:

505 Montgomery Street, Fl 11, San Francisco, CA 94111

The address(es) of the issuer's principal place of business:

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

Same: ☒

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: n/a

**2) Security Information**

**Transfer Agent**

Name: Pacific Stock Transfer Agent  
Phone: (800) 785-7782  
Email: info@pacificstocktransfer.com  
Address: 6725 Via Austi Parkway  
Suite 300  
Las Vegas, NV 89119

**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:	APTY	
Exact title and class of securities outstanding:	Common Stock	
CUSIP:	03834Y 101	
Par or stated value:	\$0.0001	
Total shares authorized:	2,750,000,000 as of date:	October 31, 2023
Total shares outstanding:	2,517,822,883 as of date:	October 31, 2023
Number of shares in the Public Float <sup>2</sup> :	2,111,124,109 as of date:	October 31, 2023
Total number of shareholders of record:	62 shareholders as of date:	October 31, 2023

<sup>2</sup> "Public Float" shall mean the total number of unrestricted shares not held directly or indirectly by an officer, director, any person who is the beneficial owner of more than 10 percent of the total shares outstanding (a "control person"), or any affiliates thereof, or any immediate family members of officers, directors and control persons.

All additional class(es) of publicly quoted or traded securities (if any):

N/A

**Other classes of authorized or outstanding equity securities:**

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). 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>Preferred Class A Shares</u>	
CUSIP (if applicable):		
Par or stated value:	<u>.001</u>	
Total shares authorized:	<u>1,000,000</u>	as of October 31, 2023
Total shares outstanding (if applicable):	<u>0</u>	as of October 31, 2023
Total number of shareholders of record	<u>3</u>	as of October 31, 2023

Exact title and class of the security:	<u>Preferred Class B Shares</u>	
CUSIP (if applicable):		
Par or stated value:	<u>.001</u>	
Total shares authorized:	<u>1,000,000</u>	as of October 31, 2023
Total shares outstanding (if applicable):	<u>930,000</u>	as of October 31, 2023
Total number of shareholders of record	<u>5</u>	as of October 31, 2023

Exact title and class of the security:	<u>Preferred Class C Shares</u>	
CUSIP (if applicable):		
Par or stated value:	<u>.001</u>	
Total shares authorized:	<u>750,000</u>	as of October 31, 2023
Total shares outstanding (if applicable):	<u>538,000</u>	as of October 31, 2023
Total number of shareholders of record	<u>10</u>	as of October 31, 2023

**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.**

Common stock holds voting rights, which increase proportionally with the more shares the holder owns. No dividends are payable on common shares and there are no preemptive rights given.

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

Generally Preferred B, C offer paid dividends and are permitted to convert to common shares any time after a one-year holding period at a preset discount. Details as follows:

Class Preferred A shares. Holder of Series A Preferred Shares shall be entitled to cast that number of votes which is equivalent to the number of shares of Series A-- Except as otherwise required by law or by this Section 6(b), holders of the Corporation's Common Stock and Series A Preferred Shares shall vote as a single class on all matters submitted to the stockholders. The Preferred Stock shall have no redemption rights.

Class Preferred B shares. The designation of this series, which consists of 1,000,000 shares of Preferred Stock, is the Series B Convertible Preferred Stock and the face amount shall be One Dollar (\$1.00) per share. "**Conversion Price**" means ninety percent (90%) of the average Closing Sales Price of the Corporation's common stock for the two trading days immediately prior to the Conversion Date. Dividends on the Series B Preferred Stock shall accrue and shall be cumulative from the date of the first anniversary of the Issuance Date. For each outstanding share of Series B Preferred Stock, Dividends shall be payable cumulatively, at the applicable Rate, Subject to the limitations on conversions contained in Article XIV, each holder of shares of Series B Preferred Stock may, at any time following the first anniversary

of the issuance of the shares and from time to time, convert (an “**Optional Conversion**”) each of its shares of Series B Preferred Stock into a number of fully paid and non-assessable shares of Common Stock.

Class Preferred C shares. The designation of this series, which consists of 750,000 shares of Preferred Stock, is the Series C Convertible Preferred Stock and the face amount shall be One Dollar (\$1.00) per share. “**Conversion Price**” means seventy percent (70%) of the average Closing Sales Price of the Corporation’s common stock for the two trading days immediately prior to the Conversion Date. Dividends on the Series C Preferred Stock shall accrue and shall be cumulative from the date of the first anniversary of the Issuance Date. Subject to the limitations on conversions contained in Article XIV, each holder of shares of Series C Preferred Stock may, at any time following the first anniversary of the issuance of the shares and from time to time, convert (an “Optional Conversion”) each of its shares of Series C Preferred Stock into a number of fully paid and non-assessable shares of Common Stock.

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

All shares of the Series B Preferred Stock shall rank (i) prior to the Corporation’s Common Stock and any class or series of capital stock of the Corporation hereafter created (unless, with the consent of the Majority Holders obtained in accordance with Article XII hereof, such class or series of capital stock specifically, by its terms, ranks senior to or *pari passu* with the Series B Preferred Stock).

All shares of the Series C Preferred Stock shall rank (i) prior to the Corporation’s Common Stock and any class or series of capital stock of the Corporation hereafter created (unless, with the consent of the Majority Holders obtained in accordance with Article XII hereof, such class or series of capital stock specifically, by its terms, ranks senior to or *pari passu* with the Series C Preferred Stock).

The Corporation shall have the right at any time prior to conversion to redeem any shares of Series B and C Preferred Stock not previously converted, at a price per share of Series B and C Preferred Stock equal to the Face Amount plus an amount equal to (x) the Face Amount multiplied by (y) .06.

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

None

**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**

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 as of Second Most Recent Fiscal Year End: <u>Opening Balance</u> Date <u>01/31/2023</u> Common: <b>2,460,174,498</b> Preferred: <u>1,277,500</u> <sup>(1)</sup>									
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
9/14/2021	New issuance	50,000	Preferred – Series C	\$1.00	No	Cicero Consulting Group LLC – Michael Woloshin	Stock issued for cash	9/14/2021	New issuance
5/31/2022	New issuance	11,580,821	Common	\$0.0031	No	Bellridge Capital LP – Robert Klimov	Debt Conversion (Convertible Notes)	5/31/2022	New issuance
4/3/2023	New issuance	56,761,636	Common	\$0.00055	No	Bellridge Capital LP – Robert Klimov	Debt Conversion Convertible Notes)	4/3/2023	New issuance
Shares Outstanding on Date of This Report: <u>Ending Balance:</u> <u>Ending Balance:</u> Date: <u>10/31/2023</u> Common: <u>2,516,936,134</u> Preferred: <u>1,277,500</u> <sup>(1)</sup>									

Use the space below to provide any additional details, including footnotes to the table above:

- (1) Consists of the following issued and outstanding shares of the following series of Preferred Stock of our Company:
- a. Series A Preferred Stock 1,000,000
  - b. Series B Preferred Stock 65,000
  - c. Series C Preferred Stock 212,500

## B. Promissory and Convertible Notes

Indicate by check mark whether there are any outstanding promissory, convertible notes, convertible debentures, or any other debt instruments that may be converted into a class of the issuer's equity securities:

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

Date of Note Issuance	Outstanding Balance (\$)	Principal Amount at Issuance (\$)	Interest Accrued (\$)	Maturity Date	Conversion Terms (e.g. pricing mechanism for determining conversion of instrument to shares)	Name of Noteholder.  *You must disclose the control person(s) for any entities listed.	Reason for Issuance (e.g. Loan, Services, etc.)
1/8/2014	28,500	50,000	59,801	12/31/16	\$0.0001/fixed	Donald Meador	Working Capital
4/23/2015	5,000	5,000	2,802	4/23/17	\$0.01/fixed	Donald Meador	Working Capital

6/17/2015	3,000	3,000	1,068	9/1/16	N/A (Non-Convertible)	Ray Dove	Working Capital
6/28/2015	2,700	2,700	958	9/1/16	N/A (Non-Convertible)	Ray Dove	Working Capital
9/22/2015	1,950	1,950	669	12/1/16	N/A (Non-Convertible)	Ray Dove	Working Capital
10/2/2015	11,750	11,750	6,587	10/1/17	FV date issued, \$0.20	Michael Black	Working Capital
11/23/2015	3,000	3,000	1,004	12/31/18	\$9.50/fixed	Cal Dowie	Working Capital
12/8/2015	16,121	16,121	5,362	12/31/18	\$9.50/fixed	Cal Dowie	Working Capital
1/12/2016	1,500	1,500	492	1/31/19	\$9.50/fixed	Cal Dowie	Working Capital
3/10/2016	2,770	2,770	886	1/31/19	\$9.50/fixed	Cal Dowie	Working Capital
3/15/2016	2,885	2,885	920	1/31/19	\$9.50/fixed	Cal Dowie	Working Capital
6/15/2016	7,000	7,000	1,287	6/15/17	N/A (Non-Convertible)	Chris Dodigovich	Working Capital
8/11/2016	3,140	5,500	-	8/11/18	N/A (Non-Convertible)	Pacific Stock Transfer	Working Capital
8/12/2016	26,000	26,000	7,754	12/31/17	N/A (Non-Convertible)	Donald Meador	Working Capital
9/21/2016	25,909	25,909	7,574	12/31/17	N/A (Non-Convertible)	Donald Meador	Working Capital
11/14/2017	33,081	33,081	-	11/14/18	55% of lowest trading price in last 15 days.	John Fife	Working Capital
8/24/2018	25,000	25,000	11,592	2/28/19	70% of the lowest trading price the five trading days prior to conversion	Joseph Abram	Working Capital
10/26/2018	8,000	8,000	3,606	10/25/19	45% discount of FV	Parker Mitchell	Working Capital
5/20/2019	8,000	8,000	2,560	5/20/2020	N/A (Non-Convertible)	Donald Meador	Working Capital
3/10/2022	58,850	58,850	2,335	3/11/23	lowest of \$0.008 or 55% of lowest trading price in 12 prior days	Robert Klimov	Working Capital

Use the space below to provide any additional details, including footnotes to the table above:

(1) As of October 31, 2023.

#### 4) Issuer's Business, Products and Services

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

**APT Systems, Inc.** ("APT Systems", "APTY", "we", "us", "our", the "Company") is a fintech company that specializes in the creation of financial platforms and is working diligently to develop payment services to support Verifundr, an escrow platform,

along with its unique research tools for traders of all types, with a focus on gatekeeper and data protection. APT appreciates that Blockchain adoption can revolutionize not only the realm of finance but governments, insurance and personal identity among other fields. More than 90 percent of banks are researching Blockchain options and APT, as part of its payment and wallet initiative, is looking to be future compatible. We can employ Blockchain distributed ledger technology to increase transparency in our data management, create smart contracts and help to reduce fraud in various forms with escrow payments.

We maintain proprietary charting indicators and applications under the brand KenCharts that we intend to expand into tracking all currencies as well as the traditional equities markets on our Intuitrader platform. Spera stablecoin (SPRA) was built and deployed on the Prime Trust LLC platform, and the website ([buysperastablecoins.com](https://buysperastablecoins.com)) that manages the digital wallets and US Dollar transfers is on its own server. Development team completed work for its first sale of Spera stablecoins to a Public Person on June 10, 2022.

The Company sees the Verifundr escrow platform as a bridge between fintech and the old cash economy by offering both traditional banking and Blockchain options to send international payments between escrow accounts to meet the needs of an underserved global escrow market, with added attention to those transactions under US\$250,000. Verifundr will help customers to achieve safety, certainty and cost savings by servicing its escrow for transactions under US\$10,000 for a nominal flat fee.

A key element of APT's financial ecosystem is dedicated wallets to hold and exchange Spera stablecoin, which is backed by United States dollars and Company's gold reserves. Currently Spera (SPRA) has 2% gold backing on hand.

The scaled back metal recovery operations, now a division within APT, recovers gold from eScrap which may be used in part to back Spera stablecoin and also used to support gold inventory for etchings of NFT images onto 24KT gold plates.

APT had purchased its only NFT asset named 'Spera Moonshot Panda' from artist MBG, created to commemorate the first public transfer of Spera stablecoins on April 1, 2022. The sale was intended to also help launch the sale of pure gold plates that memorialize NFTs using the company's gold inventories. Our goal is to facilitate the combination of digital assets with trusted real world physical assets; and to support those artists creating NFTs by crafting gold plates from their artworks.

The Company's wholly-owned subsidiary SNAPT Games Inc served its purpose to further facilitate creative financial app development by developing and deploying games. We have acquired and developed games for handheld devices with a view to using some of the gaming technology inside of our trading and charting applications. We are looking to repurpose the subsidiary and to change the name.

The management of APT Systems, Inc. works to deliver its financial ecosystem while also strategically looking to acquire other compatible financial businesses and or applications which demonstrate strong growth potential that supports our brand and business goals.

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

The Company's active, wholly-owned subsidiary companies include:

- SNAPT Games Inc., a Delaware corporation
- **SOLD** - AUREX Trading and Recovery Inc., a Delaware corporation.

The Company's non-active, wholly-owned subsidiary companies include:

- RCSP Management Inc

**C. Describe the issuers' principal products or services.**

APT embarked on a transformative journey with the dream of revolutionizing the fintech landscape. This involved creating innovative trading platforms, financial apps, and redefining visual charting solutions for the financial markets. Currently, our focus is on building a financial platform that supports Verifundr escrow services and a trading platform backed by a true stablecoin named Spera (SPRA).

To further facilitate our business plans for engaging verified participants on the Verifundr escrow platform, we have studied and participated in Know Your Customer (KYC) and Anti-Money Laundering (AML) data management techniques. Our aim is to provide a trusted financial ecosystem supported by a true stablecoin, assisting buyers and sellers in transactions while reducing payment friction and financial fraud.

The Company has sources of modest revenue. The Company generates modest revenue from buying and accepting high grade electronic scrap for recovering precious metals. The Company wants to help keep computers, phones and other electronic equipment out of landfills. The Company can accept and help process precious metals on behalf of customers and receives fees based on the value returned to the customer. It was determined that APT will continue to selectively purchase high grade scrap material for recovering gold to support our stablecoin, Spera (SPRA) and generate revenues. The company is also separately creating gold plate prototypes to aid the company's efforts to generate revenue in the cryptocurrency and non-fungible token (NFT) space

In August of 2017, the Company launched a wholly owned Delaware subsidiary named SNAPT Games, Inc. Management admires graphic techniques used in the gaming industry and wants to selectively introduce these to its financial platforms and charting tools.

The Company continues to explore open source Blockchain technology for its platforms that include Spera stablecoin, payments including the Verifundr escrow system. The white paper for Spera was rewritten to reflect the changes and to incorporate gold for partially backing the SPRA stablecoin along with the US Dollar peg. The Company has previously stated its intent to build an escrow platform named Verifundr and created early technical documents which were used to design the user's experience and flow diagrams. The Company continues to explore how to deliver under the Verifundr brand and the development of associated products. The Company retained additional legal counsel to go over matters regarding the escrow, payments and cryptocurrency platforms, and it was formally announced that William Uchimoto, Esquire joined our team. The Company was also exploring ULEX contract arbitration, being the underpinnings of a contracts legal system and a relationship with StartUpSocieties.com to further research how this might be incorporated into corporate agreements.

The remaining steps for us, in order to begin selling our trading apps and platform subscriptions, are to finalize the programming of platforms and rewriting the existing tested software used in our products, specifically our charting tools and Intuitrader trading platform, then begin marketing campaigns, contact prospective licensees, and deliver our products, which we expect to complete after our initial contact with prospective licensees. Our Intuitrader app would be available to users on a subscription fee plan, and we plan to grant licenses for our app to financial companies and brokerage firms for use by their employees and clients. The goal is to have our product used by both handheld (tablet and Smartphone application users) and web-based trading clients alongside Verifundr members.

## 5) Issuer's Facilities

Executive offices with reception are located at 505 Montgomery Street, Floor 11, San Francisco, CA. Due to Covid and the tech industry practices, the majority of work was and is still performed by partners in situ and at premises of contracted workers.

## 6) Officers, Directors, and Control Persons

Using the table below, please provide information, as of the period end date of this report, regarding any officers, or directors of the company, individuals or entities controlling more than 5% of any class of the issuer's securities, or any person that performs a similar function, regardless of the number of shares they own. **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 in the note section.**

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 an investor 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 shareholders.

Names of All Officers, Directors and Control Persons	Affiliation with Company (e.g. Officer Title /Director/Owner of more than 5%)	Residential Address (City / State Only)	Number of shares owned	Share type/class	Ownership Percentage of Class Outstanding	Names of control person(s) if a corporate entity
Glenda Dowie	President, CEO Director, Officer	San Francisco, CA	72,000,000	Common Stock	3.2%	
Glenda Dowie	President, CEO Director, Officer	San Francisco, CA	920,000	Series A Preferred Stock	92%	



Carl Hussey	Treasurer, CFO Director, Officer	Winnipeg, MB Canada	40,000	Series A Preferred Stock	4%	
Joseph Gagnon	Secretary, CTO Director, Officer	Comptche, CA	40,000	Series A Preferred Stock	4%	

## 7) Legal/Disciplinary History

A. Identify whether any of the persons or entities listed above have, in the past 10 years, been the subject of:

1. A conviction in a criminal proceeding or named as a defendant in a pending criminal proceeding (excluding traffic violations and other minor offenses);

NO

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

NO

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

NO

4. The entry of an order by a self-regulatory organization that permanently or temporarily barred, suspended, or otherwise limited such person's involvement in any type of business or securities activities.

NO

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 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.

Neither the company nor its subsidiary is subject to any court proceeding as a defendant.

## 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.

### Securities Counsel

Name: Paden Hanson  
Firm: Pearson Butler LLC  
Address: 1802 South Jordan Parkway, Suite 200  
South Jordan, UT 84095  
Phone: 801-495-4101  
Email: paden@pearsonbutler.com

### **Legal Counsel**

Name: William Uchimoto  
Firm: W Uchimoto Law  
Address: 613 Cascades Court  
Berwyn, PA 19312  
Phone: 215-990-7416  
Email: wwuchimoto@gmail.com

### **Auditor of Record**

Firm: M&K CPAS, PLLC  
Address: 363 N. Sam Houston Parkway E.  
Suite 650  
Houston, TX 77060  
Phone: (832) 242-9950

### **Investor Relations**

Firm: None

*All other means of Investor Communication:*

Twitter: @APTysys  
[ Other ] Press Releases

### **Other Service Providers**

Provide the name of any other service provider(s) **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:  
Firm: IBN TECH LLC  
Nature of Services: Bookkeeping and Accounting  
Address: 1314 E. Las Olas Blvd #1104  
Fort Lauderdale, FL 33301  
Phone: 1-844-644-8440

Name: Matt Lourie  
Firm: Fresh Notion Financial Services  
Nature of Services: Financial Reporting Consulting  
Address: PO Box 79897  
Houston, TX 77279  
Phone: 832-277-7816

Name: Nael Braham  
Firm: Braham Accounting and Advisory LLC  
Nature of Services: Financial Reporting Consulting  
Address: 224 W 35th St Ste 500,  
#612 New York, NY 10001  
Phone: (315) 257-7453

## **9) Financial Statements**

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

- ☐ IFRS  
☒ U.S. GAAP

- B. The following financial statements were prepared by (name of individual)<sup>3</sup>:  
Financial statements are being submitted as a separate document

Describe the qualifications of the person or persons who prepared the financial statements: Chartered Accountant

Provide the following financial statements for the most recent fiscal year or quarter. For the initial disclosure statement (qualifying for Pink Current Information for the first time) please provide reports for the two previous fiscal years and any subsequent interim periods.

- a. Audit letter, **n/a**
- b. Balance Sheet; filing as separate document
- c. Statement of Income; filing as separate document
- d. Statement of Cash Flows; filing as separate document
- e. Statement of Retained Earnings (Statement of Changes in Stockholders' Equity); filing separate
- f. Financial Notes; filing as separate document

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<sup>3</sup> 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.

## 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, Glenda Dowie, certify that:

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

Dated: January 15, 2024

/s/ Glenda Dowie

### ***Interim Principal Financial Officer:***

I, Glenda Dowie, certify that:

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

Dated: January 15, 2024

/s/ Officer Glenda Dowie



**APT Systems, Inc.**

**CONSOLIDATED FINANCIAL STATEMENTS**

Quarterly report for the Period Ended October 31, 2023 and October 31, 2022  
(unaudited)

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**APT SYSTEMS, INC.**  
**Consolidated Balance Sheets**  
**(Unaudited)**

	<b>October 31, 2023</b>	<b>July 31, 2023</b>
<b>ASSETS</b>		
<b>Current Assets</b>		
Cash and cash equivalents	\$ 2,324	\$ 2,647
Restricted cash	6,261	6,261
Inventory	160	160
Prepaid expenses and other current assets	5,768	5,768
Total current assets	<u>14,512</u>	<u>14,835</u>
<b>Other Assets</b>		
Cryptocurrency assets	3,201	3,201
Precious metals	4,138	4,138
Software and website, net	192,042	192,042
Total other assets	<u>199,380</u>	<u>199,380</u>
<b>Total Assets</b>	<u><b>\$ 213,893</b></u>	<u><b>\$ 214,216</b></u>
<b>LIABILITIES AND STOCKHOLDERS' DEFICIT</b>		
<b>Current Liabilities</b>		
Accounts payable and accrued expenses	\$ 470,450	\$ 470,284
Accrued officer compensation	303,487	303,487
Convertible notes payable, net	151,617	151,617
Convertible notes payable - related party, current portion	26,276	26,276
Notes payable	77,699	77,699
Loans from related parties	34,900	31,865
Derivative liability	273,828	273,828
Cryptocurrency token liability	6,176	6,176
Total current liabilities	<u>1,344,433</u>	<u>1,341,232</u>
<b>Total Liabilities</b>	<u><u>1,344,433</u></u>	<u><u>1,341,232</u></u>
Preferred B 6% Convertible Cumulative stock \$0.001 par value, 1,000,000 shares authorized; 65,000 shares issued and outstanding as of October 31, 2023 and July 31, 2023, respectively.	90,218	90,218
Preferred C 12% Convertible Cumulative stock \$0.001 par value, 750,000 shares authorized; 212,500 and 187,500 shares issued and outstanding as of October 31, 2023 and July 31, 2023, respectively.	305,987	305,987
<b>STOCKHOLDERS' DEFICIT</b>		
Preferred A stock \$0.001 par value, 1,000,000 shares designated; 1,000,000 issued and outstanding as of October 31, 2023 and July 31, 2023, respectively.	1,000	1,000
Common stock \$0.0001 par value, 2,750,000,000 shares authorized; 2,461,061,247 shares issued; 2,460,174,498 shares outstanding as of October 31, 2023 and July 31, 2023, respectively.	251,782	251,782
Additional paid-in capital	4,249,239	4,249,239
Treasury Stock, 886,749 shares at cost as of October 31, 2023 and July 31, 2023, respectively.	(10,000)	(10,000)
Accumulated deficit	<u>(6,018,767)</u>	<u>(6,015,242)</u>
<b>Total Stockholders' Deficit</b>	<u>(1,526,745)</u>	<u>(1,523,221)</u>
<b>Total liabilities and Stockholders' Deficit</b>	<u><b>\$ 213,893</b></u>	<u><b>\$ 214,216</b></u>

The accompanying notes form part of these unaudited consolidated financial statements.

**APT SYSTEMS, INC.**  
**Consolidated Statements of Operations**  
**(Unaudited)**

	Nine Months Ended October 31, 2023	October 31, 2022	Three Months Ended October 31, 2023	October 31, 2022
Revenue	\$ 12,897	\$ 1,281	\$ 2,331	\$ 627
Cost of Goods Sold	(4,297)	-	(275)	-
<b>Gross Profit</b>	<b>\$ 8,600</b>	<b>\$ 1,281</b>	<b>\$ 2,056</b>	<b>\$ 627</b>
<b>Operating Expenses</b>				
Amortization	-	29,568	-	14,800
General and administrative	(41,776)	141,177	(5,536)	21,124
<b>Total Operating Expenses</b>	<b>(41,776)</b>	<b>170,745</b>	<b>(5,536)</b>	<b>35,924</b>
<b>Net Operating Loss</b>	<b>(33,176)</b>	<b>(169,464)</b>	<b>(3,481)</b>	<b>(35,297)</b>
<b>Other Income (Expense)</b>				
Gain (loss) on change in derivative liability	-	(127,249)	-	(41,075)
Loss on settlement of accounts payable	-	-	-	-
Gain (loss) on cryptocurrency	-	(185)	-	-
Loss on precious metals	-	(15,936)	-	(15,936)
Interest expense and amortization of debt discount	-	(153,581)	-	(23,782)
Other Income	-	35,000	-	8,111
<b>Total Other Income (Expense)</b>	<b>-</b>	<b>(261,951)</b>	<b>-</b>	<b>(72,682)</b>
Net income (loss) from continuing operations	(33,175)	(431,415)	(3,480)	(107,979)
Net loss from discontinued operations	-	-	-	-
<b>Net Income (Loss)</b>	<b>(33,175)</b>	<b>(431,415)</b>	<b>(3,480)</b>	<b>(107,979)</b>
<b>Dividends Applicable to Preferred Stock</b>	<b>(10,586)</b>	<b>(31,397)</b>	<b>-</b>	<b>(10,586)</b>
<b>Net Income (Loss) Applicable to Common Stockholders</b>	<b>\$ (43,761)</b>	<b>\$ (462,812)</b>	<b>\$ (3,480)</b>	<b>\$ (118,565)</b>
<b>Net Income (Loss) per Common Share continuing operations:</b>				
Basic and diluted	\$ (0.00)	\$ (0.00)	\$ (0.00)	\$ (0.00)
<b>Weighted average number of common shares outstanding:</b>				
Basic	2,485,606,819	2,455,970,776	2,517,822,883	2,459,110,130

The accompanying notes form part of these unaudited consolidated financial statements.



APT SYSTEMS, INC  
Statements of Stockholders' Deficit  
(Unaudited)

	Preferred B Shares	Preferred B Amount	Preferred C Shares	Preferred C Amount		Preferred A Shares	Preferred A Amount	Common Shares	Common Amount	Treasury Shares	Treasury Amount	Additional Paid-in Capital	Accumulated Deficit	Total Stockholders' Deficit
<b>Balance January 31, 2023</b>	<b>65,000</b>	<b>89,235</b>	<b>212,500</b>	<b>\$ 296,384</b>		<b>1,000,000</b>	<b>\$ 1,000</b>	<b>2,461,061,247</b>	<b>\$ 246,106</b>	<b>886,749</b>	<b>\$ (10,000)</b>	<b>\$ 4,234,308</b>	<b>\$ (5,878,303)</b>	<b>\$ (1,406,889)</b>
Issuance of preferred shares for cash	-	-	-	-		-	-	-	-	-	-	-	-	-
Issuance of common shares for conversion of notes payable	-	-	-	-		-	-	56,761,636	5,676	-	-	25,543	-	31,219
Reclassification of derivative liability to additional paid in capital	-	-	-	-		-	-	-	-	-	-	-	-	-
Accretion and dividends of Series B & C preferred stock	-	983	-	9,603		-	-	-	-	-	-	(10,586)	-	(10,586)
Consolidation adjustments to retained earnings	-	-	-	-		-	-	-	-	-	-	(26)	(107,224)	(107,250)
Net loss	-	-	-	-		-	-	-	-	-	-	-	(25,610)	(25,610)
<b>Balance April 30,2023</b>	<b>65,000</b>	<b>90,218</b>	<b>212,500</b>	<b>\$ 305,987</b>		<b>1,000,000</b>	<b>\$ 1,000</b>	<b>2,517,822,883</b>	<b>\$ 251,782</b>	<b>886,749</b>	<b>\$ (10,000)</b>	<b>\$ 4,249,239</b>	<b>\$ (6,011,138)</b>	<b>\$ (1,519,117)</b>
Issuance of preferred shares for cash	-	-	-	-		-	-	-	-	-	-	-	-	-
Issuance of common shares for conversion of notes payable	-	-	-	-		-	-	-	-	-	-	-	-	-
Reclassification of derivative liability to additional paid in capital	-	-	-	-		-	-	-	-	-	-	-	-	-
Accretion and dividends of Series B & C preferred stock	-	-	-	-		-	-	-	-	-	-	-	-	-
Consolidation adjustments to retained earnings	-	-	-	-		-	-	-	-	-	-	-	(20)	(20)
Net loss	-	-	-	-		-	-	-	-	-	-	-	(4,084)	(4,084)
<b>Balance July 31,2023</b>	<b>65,000</b>	<b>90,218</b>	<b>212,500</b>	<b>\$ 305,987</b>		<b>1,000,000</b>	<b>\$ 1,000</b>	<b>2,517,822,883</b>	<b>\$ 251,782</b>	<b>886,749</b>	<b>\$ (10,000)</b>	<b>\$ 4,249,239</b>	<b>\$ (6,015,242)</b>	<b>\$ (1,523,221)</b>
Issuance of preferred shares for cash	-	-	-	-		-	-	-	-	-	-	-	-	-
Issuance of common shares for conversion of notes payable	-	-	-	-		-	-	-	-	-	-	-	-	-
Reclassification of derivative liability to additional paid in capital	-	-	-	-		-	-	-	-	-	-	-	-	-
Accretion and dividends of Series B & C preferred stock	-	-	-	-		-	-	-	-	-	-	-	-	-
Consolidation adjustments to retained earnings	-	-	-	-		-	-	-	-	-	-	-	(44)	(44)
Net loss	-	-	-	-		-	-	-	-	-	-	-	(3,480)	(3,480)
<b>Balance October 31,2023</b>	<b>65,000</b>	<b>90,218</b>	<b>212,500</b>	<b>\$ 305,987</b>		<b>1,000,000</b>	<b>\$ 1,000</b>	<b>2,517,822,883</b>	<b>\$ 251,782</b>	<b>886,749</b>	<b>\$ (10,000)</b>	<b>\$ 4,249,239</b>	<b>\$ (6,018,767)</b>	<b>\$ (1,526,745)</b>

The accompanying notes form part of these unaudited consolidated financial statements

**APT SYSTEMS, INC.**  
**Consolidated Statements of Cash Flows**  
**(Unaudited)**

	<b>Three Months Ended</b> <b>October 31, 2023</b>	<b>October 31, 2022</b>
<b><u>CASH FLOWS FROM OPERATING ACTIVITIES</u></b>		
Net income (loss) from continuing operations	\$ (3,480)	\$ (107,979)
Adjustments to reconcile net income to net cash used in operating activities:		
Depreciation and amortization expense	-	-
Unrealized gain	-	-
Gain on change in derivative liability	-	-
Amortization of debt discount	-	-
Gain on settlement of accounts payable	-	-
Day 1 loss on derivative liability	-	-
Loss on cryptocurrency transactions	-	-
Changes in operating assets and liabilities:		
Accounts receivable	-	-
Prepaid expenses and other current assets	-	-
Inventory	-	-
Cryptocurrency assets	-	-
Accounts payable and accrued expenses	166	2,407
Derivative liability	-	41,075
Cryptocurrency token liability	-	-
<i>Net cash used in operating activities from continuing operations</i>	<u>(3,314)</u>	<u>(64,497)</u>
<i>Net cash used in operating activities from discontinued operations</i>	<u>-</u>	<u>-</u>
<i>Net cash used in operating activities</i>	<u>(3,314)</u>	<u>(64,497)</u>
<b><u>CASH FLOWS FROM INVESTING ACTIVITIES</u></b>		
Purchase of cryptocurrency assets	-	-
Purchase of precious metals	-	-
Purchase of precious metals	-	31,029
Proceeds from sale of subsidiary	-	-
Proceeds from sale of software	-	-
Purchase of software	-	14,800
<i>Net cash used in investing activities from continuing operations</i>	<u>-</u>	<u>45,829</u>
<b><u>CASH FLOWS FROM FINANCING ACTIVITIES</u></b>		
Proceeds of loan from related parties	3,035	-
Proceeds from loans	-	(1,136)
Proceeds from convertible notes and short-term notes payable, net of fees	-	14,793
Proceeds on issuance of preferred shares	-	-
Proceeds on issuance of common shares	-	-
<i>Net cash provided by financing activities from continuing operations</i>	<u>3,035</u>	<u>13,657</u>
<i>Net cash provided by financing activities from discontinued operations</i>	<u>-</u>	<u>-</u>
<i>Net Cash provided by financing activities</i>	<u>3,035</u>	<u>13,657</u>
<i>Non cash consolidation impacts on retained earnings</i>	(44)	-
<i>Effect of foreign exchange on cash</i>	-	-
<i>Net change in cash and cash equivalents</i>	(323)	(5,011)
<i>Cash and cash equivalents at beginning of period</i>	8,908	11,838
<i>Cash and cash equivalents at end of period</i>	<u>\$ 8,585</u>	<u>\$ 6,827</u>

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

# APT SYSTEMS, INC.

## Notes to Consolidated Financial Statements For the Period of Three Months Ended October 31, 2023 (Unaudited)

### **NOTE 1 - NATURE OF OPERATIONS**

APT Systems, Inc. (OTC Pink: APTY) was created to operate as an emerging growth company that engages in the creation of innovative financial platforms. We are now focused on building a financial ecosystem around the Verifundr escrow system that is a payment distribution platform which can include smart contracts and a subscription trading service that we have backed with a true stablecoin named Spera (SPRA). Streaming payments are a crucial part of the Verifundr platform and are an entirely new paradigm for transferring value beyond the current model of one-off instances. Consider you could send money for a one-time service or continuously and tied to a specific time frame. This opens up new use cases for how people get paid, whether for invoice or payroll, expense allowance or vesting. To further facilitate our business plans for verified participants on the Verifundr escrow platform, we have studied and participated in Know Your Customer (KYC) and Anti-Money Laundering (AML) data management techniques used by large financial institutions to create risk management reports and validate identity claims for persons accessing our platform. We are also developing credentials for verifying and reporting on an accredited investor's status that is useful in fund raising undertakings and then investments can be managed from an escrow account.

To support our financial apps, we intend utilizing real time and delayed financial data; along with graphic techniques pioneered in the gaming industry for charting so that the Intuitrader trading app solutions can speak to the mobile needs demanded by the next generation of traders. The Company's wholly-owned subsidiary, SNAPT Games Inc., was incorporated to facilitate our creative mobile app developments for games in support of the Intuitrader platform, which was achieved through deploying our games in The App Store.

In 2021, APT sold its subsidiary that facilitated the refining of electronic scrap to recover gold and other precious metals. The scaled back recovery operation is now a division within APT which produces, buys and holds gold to be used to partially back the Spera (SPRA) stablecoin. It was determined that APT will continue to selectively purchase high grade scrap material for recovering gold for bolstering company held inventory, and to generate revenues. The company is also separately creating etched gold plate prototypes to aid the company's efforts to generate income from within the non-fungible token (NFT) space. The 24kt gold plates, held as gold inventory to back Spera, can be etched with NFT images as contracted by their verified owners and artists.

Our goal is to provide a trusted financial ecosystem that supports buying transactions by individuals and businesses, and to reduce fraud.

In August of 2017, the Company launched a wholly owned Delaware subsidiary SNAPT Games, Inc. SNAPT Games acquired its first game app on August 24, 2017. Games are still available to play in The App Store but generate small revenues as the Company had been discussing its lost revenue concerns with Apple Inc, which included legal correspondence in regard to blocked access to our app, which has now been resolved.

On September 9, 2017, the Company formed and incorporated a second wholly owned subsidiary named RCPS Management, Inc. in Colorado. We are not actively using this corporation at this time.

The Spera (SPRA) stablecoin was launched on MainNet on April 1, 2022 in preparation for selling digital coins to the public. This completed step allows Spera to be minted and sent to a Buyer's wallet. The Company had announced Prime Trust LLC was appointed as the technology partner and account custodian to help manage wallets and custodial cash supporting Spera sales. The Company has built a complete website to manage the purchase, exchange and holding of Spera stablecoins having also completed testing for compliance. The development team conducted testing and completed the wallet for its first sale of Spera stablecoins to a Public Person in 2022.

Subsequent event: After the annual financial statements were prepared, the custodial agent was placed into receivership in June by the Nevada government agency responsible for the licensing of trust companies. We will continue to work with remaining staff and the receiver, and we will report on activities as appropriate. Company held gold reserves are currently backing the Spera stablecoin.

## **NOTE 2 – GOING CONCERN AND LIQUIDITY**

As of October 31, 2023, the Company had cash of \$8,585, insufficient revenue to meet its ongoing operating expenses, and a shareholders' deficit of \$1,526,745. The Company has not, as of yet, generated significant revenues as its key products are still under development with its subsidiaries now contributing modest revenue.

The financial statements for the Period of three months ended October 31, 2023, have been prepared on a going concern basis which assumes the Company will be able to realize its assets and discharge its liabilities in the normal course of business for the foreseeable future. The Company anticipates future losses in the development of its business raising substantial doubt about the Company's ability to continue as a going concern. The ability to continue as a going concern is dependent upon the Company generating profitable operations in the future and, or, obtaining the necessary financing to meet its obligations and repay its liabilities arising from normal business operations when they come due. Management intends to finance operating costs over the next twelve months with existing cash on hand, loans, loans from directors and, or, the sale of common stock. There is no assurance that this series of events will be satisfactorily completed.

These financial statements do not include any adjustments relating to the recoverability and classification of assets and liabilities that may be necessary if the Company is unable to continue as a going concern.

## **NOTE 3 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

### **Basis of Presentation**

The financial statements of the Company have been prepared in accordance with generally accepted accounting principles in the United States of America.

### **Financial Instruments**

Fair value measurements are determined based on the assumptions that market participants would use in pricing an asset or liability. Accounting Standards Codification ("ASC") 820-10 establishes a hierarchy for inputs used in measuring fair value that maximizes the use of observable inputs and minimizes the use of unobservable inputs by requiring that the most observable inputs be used when available. ASC 820 establishes a fair value hierarchy that prioritizes the use of inputs used in valuation methodologies into the following three levels:

Level 1: Quoted prices (unadjusted) for identical assets or liabilities in active markets. A quoted price in an active market provides the most reliable evidence of fair value and must be used to measure fair value whenever available.

Level 2: Significant other observable inputs other than Level 1 prices such as quoted prices for similar assets or liabilities; quoted prices in markets that are not active; or other inputs that are observable or can be corroborated by observable market data.

Level 3: Significant unobservable inputs which reflect a reporting entity's own assumptions about the assumptions that market participants would use for pricing an asset or liability. For example, level 3 inputs would relate to forecasts of future earnings and cash flows used in a discounted future cash flows method.

The recorded amounts of financial instruments, including cash equivalents, investments, accounts payable, accrued expenses, note payable and loan from related parties approximate their market values as of October 31, 2023 due to the intended short-term maturities of these financial instruments.

### **Derivative Financial Instruments**

Fair value accounting requires bifurcation of embedded derivative instruments such as conversion features in convertible debt or equity instruments and measurement of their fair value for accounting purposes. In assessing the convertible debt instruments, management determines if the convertible debt host instrument is conventional convertible debt and further if there is a beneficial conversion feature requiring measurement. If the instrument is not considered conventional convertible debt under ASC 470, the Company will continue its evaluation process of these instruments as derivative financial instruments under ASC 815. The Company applies the guidance in ASC 815-40-35-12 to determine the order in which each convertible instrument would be evaluated for derivative classification. The Company's policy is to evaluate for reclassification contracts with the earliest maturity date first.

Once determined, derivative liabilities are adjusted to reflect fair value at each reporting period end, with any increase or decrease in the fair value being recorded in results of operations as an adjustment to fair value of derivatives.

## Principles of Consolidation

The Company prepares its financial statements on the accrual basis of accounting. The accompanying consolidated financial statements include the accounts of the Company and its wholly owned subsidiary, all of which have a fiscal year end of January 31. All intercompany accounts, balances and transactions have been eliminated in the consolidation.

## Revenue Recognition

On February 1, 2018, we adopted Financial Accounting Standards Board (“FASB”) Accounting Standards Codification (“ASC”) 606, Revenue from Contracts with Customers (the “new revenue standard”) to all contracts using the modified retrospective method. The adoption of the new revenue standard had no material impact on our condensed consolidated financial statements as it did not require a change in revenue recognition. As such, comparative information has not been restated and continues to be reported under the accounting standards in effect for those periods.

Revenue is recognized based on the following five step model:

- Identification of the contract with a customer
- Identification of the performance obligations in the contract
- Determination of the transaction price
- Allocation of the transaction price to the performance obligations in the contract
- Recognition of revenue when, or as, the Company satisfies a performance obligation

The Company has three sources of revenue. First, the Company generates revenue by selling and generating in-app purchases from various apps and games on major app platforms. Second, the Company accepts and processes electronic scrap for recovering precious metals. Third, the Company generates transaction fee revenue for sales of the Company’s Spera Coin. Revenue is generally recognized at the point the final value and is sometimes determined by the processing mills under contract.

## *Disaggregation of Revenue*

	Three months Ended October 31, 2023	Three months Ended July 31, 2023
App sales	\$ -	\$ -
Precious metals services and recovery	2,331	6,910
Service fee from cryptocurrency transactions	-	-
<b>Total sales</b>	<b>\$ 2,331</b>	<b>\$ 6,910</b>

\* AUREX Trading and Recovery was sold in 2021 and revenues are reflected elsewhere in the 2022 financial statements

## Basic and Diluted Net Income (Loss) per Share

The Company computes net income (loss) per share in accordance with ASC 260, “*Earnings per Share*” which requires presentation of both basic and diluted earnings per share (EPS) on the face of the statement of operations. Basic EPS is computed by dividing net income (loss) available to common shareholders (numerator) by the weighted average number of common stock outstanding (denominator) during the period. Diluted EPS gives effect to all dilutive potential common stock outstanding during the period including stock options, using the treasury stock method, and convertible preferred stock, using the if converted method. In computing diluted EPS, the average stock price for the period is used in determining the number of shares assumed to be purchased from the exercise of stock options or warrants. Diluted EPS excludes all dilutive potential common stock if their effect is anti-dilutive. For the Period ended July 31, 2023, the Company did have potentially dilutive debt instruments that have been excluded from the earnings per share calculation; as such an inclusion would have been anti-dilutive due to the losses incurred in both periods. The debt instruments are convertible at both fixed and variable prices into shares of common stock as of October 31, 2023.

## Convertible Debt

The Company records a beneficial conversion feature related to the issuance of convertible debts that have conversion features at fixed or adjustable rates. The beneficial conversion feature for the convertible instruments is recognized and measured by allocating a portion of the proceeds as an increase in additional paid-in capital and as a reduction to the carrying amount of the convertible instrument equal

to the intrinsic value of the conversion features. The beneficial conversion feature will be accreted by recording additional non-cash interest expense over the expected life of the convertible notes.

#### Restricted Cash

The Company maintains a restricted cash balance related to funds received from customers related to the Company's Spera Coin. The Company is required to maintain a cash balance of 98% of the total balance of Spera Coin in the market and with a custodial agent.

#### Recently Issued Accounting Pronouncements

The Company does not believe that any recently issued effective pronouncements, or pronouncements issued but not yet effective, if adopted, would have a material effect on the accompanying consolidated financial statements.

#### **NOTE 4 – RELATED PARTY TRANSACTIONS**

Accrued officer compensation as of October 31, 2023, and July 31, 2023, was \$303,487 and \$303,487 respectively, and are related to past services. As of February 1, 2019, the President agreed to no longer have a salary accrued.

As of October 31, 2023, and July 31, 2023, the Company owed two directors of the Company a total of \$34,900 and \$31,865, respectively by way of loans. The loans are unsecured, due on demand and interest free.

#### **NOTE 5– CRYPTOCURRENCY TOKEN – SPERA**

In June 2022, the Company launched a digital token cryptocurrency ("Spera Coin") after several months of coordination and collaboration with a digital asset developer. The Company's cryptocurrency token is backed by a combination of US Dollar and gold holdings at the minimum spot price of 0.1 grams of gold. The Company must maintain gold inventory equal to 2% of the outstanding Spera Coin balance in the market.

In addition, the Company worked with the same developer to create a proprietary cryptocurrency wallet and exchange means that was fully launched in June that the Company is continuing to enhance and market. As of October 31, 2023, the Company has capitalized a total of \$203,999 in development costs associated with cryptocurrency coin, digital wallet and exchange, which is included as part of "software and website, net" on the balance sheet.

Purchasers of the Company's Spera Coin have the ability to sell the coin back to the Company at any time in exchange for US cash proceeds.

#### **NOTE 6– SOFTWARE AND WEBSITE**

The Company has software that it uses for the development of certain mobile applications. The Company recorded no amortization expense for the three months ended October 31, 2023. No impairment was recorded for the period ended October 31, 2023.

	October 31, 2023	July 31, 2023
Charting Software	\$ 138,705	\$ 138,705
Ken Chart	57,507	57,507
Website	2,080	2,080
Stablecoin build	203,999	203,999
	402,291	402,291
Accumulated amortization	(210,249)	(210,249)
Net Book Value	<u>\$ 192,042</u>	<u>\$ 192,042</u>

#### **NOTE 7– CONVERTIBLE NOTE PAYABLE**

##### Noteholder 1

On January 8, 2014 the Company issued an unsecured convertible note to one investor in the aggregate amount of \$50,000. This convertible note accrues interest at the rate of 19% per annum and is convertible at \$0.0001. The Company secured an initial extension of the convertible note to January 29, 2015 and subsequently obtained a further extension to December 31, 2016. The note has been reduced to \$28,500 through the conversions of part of the debt to unrelated third parties in prior periods.

On April 17, 2015, the Company received \$5,000 by way of an unsecured short-term loan from a non-related party for a term of 60 days that was later extended until April 23, 2017. Principal and interest at 8% per annum accrued thereon are due and payable on April 23, 2017 and is further renewable. Also, the lender has the right to convert the principal and accrued interest into shares of the Company's common stock at \$0.01 cents.

As of the quarter ended October 31, 2023, the Company is currently in discussions with the lender to further extend the maturity dates and has been verbally extended to be later written. Until such time, as that is completed, the notes are considered past due.

#### Noteholder 2

On October 2, 2015, the Company received \$12,500 by way of an unsecured short-term loan from a non-related party for a term of one year. Principal and interest at 8% per annum accrued thereon are due and payable on October 1, 2016. Also, the lender has the right to convert the principal and accrued interest into shares of the Company's common stock. The conversion rate is equal to the fair market value of the Company's common stock on the date of issuance or \$0.20 per share. This loan has been extended until October 1, 2017. This note is currently in default and Management is working with the lender to resolve the best path to retire this debt.

During the year ending January 31, 2019, the Company repaid \$750 of the note in cash. This note has a balance of \$11,750 as of October 31, 2023.

#### Noteholder 3

The Company entered into an agreement on November 14, 2017 for a new convertible note for \$155,000. The note is due and payable six months from the issuance date and bears interest at 0% per annum with an original issuance discount of \$25,000 plus \$5,000 of legal fees due at closing. If the Note is paid off prior to the due date, the Company is required to pay the face amount plus a penalty of 25%. Also noted, after 181 days from the issuance date, the Note is convertible into the shares of the Company's common stock. The conversion rate is equal to 55% of the market price during the previous 15 trading days. During the year ending January 31, 2019, the Company made multiple amendments to extend the maturity, by one month each time. The final amendment made the maturity date of the note January 31, 2019, and is now past due. On May 14, 2018, due to the variable conversion feature the note conversion feature was bifurcated from the note and recorded as a derivative liability. The noteholder has converted a total principal balance of \$150,919 into shares of common stock during prior periods.

As of October 31, 2023, the note has a remaining balance of \$33,081, and is in default.

#### Noteholder 4

The Company had executed five lending arrangements with a related party, affiliated to the CEO of the Company. The effective dates of the loans are November 24, 2015, December 8, 2015, January 14, 2016, March 10, 2016 and March 15, 2016. The loan amounts are \$3,000, \$16,121, \$1,500, \$2,770 and \$2,885, respectively, with interest accruing at 5% per annum. Repayment was due in one lump sum due and payable with varying maturity dates on or before January 31, 2019. All of these notes are convertible, at the holder's request, into shares of the Company's common stock at the rate of \$9.50 per share.

As of October 31, 2023, the notes have a remaining balance of \$26,276 and are in default.

#### Noteholder 5

The Company entered into an agreement with an accredited investor on May 21, 2021 for a new convertible note for \$33,000. The note is due and payable twelve months from the issuance date and bears interest at 8% per annum with an original issuance discount of \$3,000. If the Note is paid off prior to the due date, the Company is required to pay the face amount plus a penalty up to 50% depending on the timing. Also noted, after 181 days from the issuance date, the Note becomes convertible into the shares of the Company's common stock. The conversion rate is equal to the lower of \$0.006 or 55% of the market price during the previous 12 trading days. During the nine months ended October 31, 2022, the full principal balance and related accrued interest were converted into common shares.

As of October 31, 2023, the balance on this note is \$0

The Company entered into an additional agreement with the investor on July 28, 2021 for a new convertible note for \$27,500. The note is due and payable twelve months from the issuance date and bears interest at 8% per annum with an original issuance discount of \$2,500. If the Note is paid off prior to the due date, the Company is required to pay the face amount plus a penalty up to 50% depending on the timing. Also noted, after 181 days from the issuance date, the Note becomes convertible into the shares of the Company's common stock. The conversion rate is equal to the lower of \$0.006 or 55% of the market price during the previous 12 trading days. On April 6, 2023, the noteholder converted a total principal balance of \$27,500 and accrued interests of \$3,719 into shares of common stock.

As of October 31, 2023, the balance on this note is \$0

The Company entered into an addition agreement with the investor on March 10, 2022 for a new convertible note for \$58,850. The note is due and payable twelve months from the issuance date and bears interest at 8% per annum with an original issuance discount of \$8,850. If the Note is paid off prior to the due date, the Company is required to pay the face amount plus a penalty up to 50% depending

on the timing. Also noted the Note is convertible into the shares of the Company's common stock. The conversion rate is equal to the lower of \$0.008 or 55% of the market price during the previous 12 trading days.

As of October 31, 2023, the balance on this note is \$58,850.

#### Noteholder 6

The Company entered into an agreement on August 24, 2018 for a new convertible note for \$25,000 and received cash proceeds of \$24,000. The original issuance discount was recorded to debt discount and is amortized to interest expense over the life of the loan. The note is due and payable February 24, 2019 and bears interest at 8% per annum with no original issuance discount but includes \$1,000 of legal fees due at closing. If the note is paid off prior to the due date, the Company is required to pay the face amount plus a penalty up to 40%. The note becomes convertible 180 days after issuance into the shares of the Company's common stock. The conversion rate is equal to the 70% of the lowest trading price the five trading days prior to conversion. On February 24, 2019, due to a variable conversion feature the conversion feature was bifurcated from the note and recorded as a derivative liability.

The balance on the note as of October 31, 2023, is \$25,000, and is currently in default.

#### Noteholder 7

The Company entered into an agreement on October 26, 2018 for a new convertible note for \$8,000 and received cash proceeds of \$8,000. The note is due and payable October 25, 2019 and bears interest at 8% per annum. The note becomes convertible 180 days after issuance into the shares of the Company's common stock. The conversion rate is equal to the 55% of the trading price on the date of conversion. On October 25, 2019, due to a variable conversion feature the conversion feature was bifurcated from the note and recorded as a derivative liability.

The balance on the note as of October 31, 2023, is \$8,000, and the note is currently in default.

### Summary

The following table summarizes all convertible notes outstanding as of October 31, 2023, and July 31, 2023:

Holder	Issue Date	Due Date	Carrying Value	
			October 31, 2023	July 31, 2023
<b>Third Parties</b>				
Noteholder 1a	08/01/2014	Past Due	\$ 28,500	\$ 28,500
Noteholder 1b	23/04/2015	Past Due	5,000	5,000
Noteholder 2	02/10/2015	Past Due	11,750	11,750
Noteholder 3	14/11/2017	Past Due	33,081	33,081
Noteholder 5a	21/05/2021	Past Due	-	-
Noteholder 5b	28/07/2021	Past Due	-	-
Noteholder 5c	10/03/2022	Past Due	58,850	58,850
Noteholder 6	24/08/2018	Past Due	25,000	25,000
Noteholder 7	26/10/2018	Past Due	8,000	8,000
<b>Related Parties</b>				
Noteholder 4a	23/11/2015	Past Due	3,000	3,000
Noteholder 4b	08/12/2015	Past Due	16,121	16,121
Noteholder 4c	12/01/2016	Past Due	1,500	1,500
Noteholder 4d	10/03/2016	Past Due	2,770	2,770
Noteholder 4e	15/03/2016	Past Due	2,885	2,885
Total Convertible Notes Payable			196,457	196,457
Less: net discount on convertible notes payable			(18,564)	(18,564)
Less, current portion			(177,893)	(177,893)
Long term portion of convertible notes payable			\$ -	\$ -



## **NOTE 8 –NOTES PAYABLE**

### **Noteholder 1**

On August 12, 2016, we borrowed \$26,000 from an investor, being a non-convertible note at 5% interest, as a short-term loan to facilitate cash flow. The loan became due December 31, 2017, and is currently in default.

On September 21, 2016, we borrowed an additional \$25,909 from the investor, being a non-convertible note at 5% interest, as a short-term loan to facilitate cash flow. The loan became due December 31, 2017, and is currently in default.

On May 20, 2019, we borrowed an additional \$8,000 from the investor, being a non-convertible note at 5% interest, as a short-term loan to facilitate cash flow. The loan became due May 20, 2020, and is currently in default.

### **Noteholder 2**

The Company had executed short-term lending arrangements with a non-related party. The effective dates of the loans are June 22, 2015, June 27, 2015 and September 22, 2015. The loan amounts are \$3,000, \$2,700 and \$1,950, respectively, with interest accruing at 5% per annum. Repayment is in one lump sum due and payable on or before December 4, 2015 through January 31, 2016. The outstanding notes were extended to September and December 2016. The Company is currently in discussions with the lender to further extend the maturity date. Until such time that is completed, the note is considered past due.

### **Noteholder 3**

One of the trader agreements included monthly compensation and to this end, part of the fees were paid in cash and then part of the fees was offset with a non-convertible note for \$7,000 that was payable on or before June of 2017. The note was not paid and is now considered past due.

### **Noteholder 4**

The Company entered into a stock transfer agency agreement dated November 19, 2014, with Pacific Stock Transfer. As part of the agreement, amounts owed to the Company's previous stock transfer agent of \$7,430 were paid by Pacific Stock Transfer, of which \$2,189 is to be repaid to Pacific Stock Transfer by the Company in installments of \$250 per month beginning on January 3, 2015. Interest at 5% per annum accrues on the unpaid balance of the loan for each month. As of October 30, 2023, the balance due was \$3,140. The note was not paid and is now considered past due.

The following table summarizes all notes outstanding as of October 31, 2023, and July 31, 2023:

Holder	Issue Date	Due Date	Carrying Value	
			October 31, 2023	July 31, 2023
Third Parties				
Noteholder 1a	12/08/2016	Past Due	\$ 26,000	\$ 26,000
Noteholder 1b	21/09/2016	Past Due	25,909	25,909
Noteholder 1c	20/05/2019	Past Due	8,000	8,000
Noteholder 2a	17/06/2015	Past Due	3,000	3,000
Noteholder 2b	28/06/2015	Past Due	2,700	2,700
Noteholder 2c	22/09/2015	Past Due	1,950	1,950
Noteholder 3	15/06/2016	Past Due	7,000	7,000
Noteholder 4	11/08/2016	Past Due	3,140	3,140
Total Notes Payable			\$ 77,699	\$ 77,699

## **NOTE 9 - FAIR VALUE MEASUREMENTS**

The Company's assets and liabilities recorded at fair value have been categorized based upon a fair value hierarchy.

The following table presents information about the Company's liabilities measured at fair value on a recurring basis and the Company's estimated level within the fair value hierarchy of those assets and liabilities as of October 31, 2023, and July 31, 2023:

Fair value measured at October 31, 2023

	Total carrying value at October 31, 2023	Quoted prices in active markets (Level 1)	Significant other observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Liabilities:				
Derivative liabilities	\$ 273,828	\$ -	\$ -	\$ 273,828

Fair value measured at July 31, 2023

	Total carrying value at July 31, 2023	Quoted prices in active markets (Level 1)	Significant other observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Liabilities:				
Derivative liabilities	\$ 273,828	\$ -	\$ -	\$ 273,828

There were no transfers between Level 1, 2 or 3 during the quarter ended October 31, 2023.

#### **NOTE 11 - COMMITMENTS AND CONTINGENCIES**

The Company is required to file its annual and quarterly financial reports with SEDAR in Canada. Due to delays in filing its financial statements and other possible forms, the Company believes it may be subject to certain potentially significant penalties to be levied by the Alberta Securities Commission (ASC). These fines have now been stated to be CDN\$10,120 or approximately US\$7,500 as advised and invoiced by the ASC and have been accrued into the financial statements as of October 31, 2017. The Company is considering engaging its legal counsel to assist in reducing or eliminating these penalties and requests to file. Further correspondence has been delivered to the ASC after filing the 10-K for January 31, 2016. Management has asked counsel to reach out to the authorities to seek resolution.

The Company had retained TESO Communications as its Investor Relations and Public Relations manager and under the agreement the Company may pay the invoice with cash or by issuing shares against the invoices submitted. The Company's Board of Directors opted to issue shares before the end of the initial agreement period of January 16, 2015. To date, however, such shares have not yet been issued. The agreement represented a cash payment of \$25,000 or the issuance of 50,000 restricted common shares at the completion of the agreement which was extended to May 15, 2016. No invoice has been presented to the Company and no shares have been issued to date. It is believed this company is out of business as no further communication has been received.

APT Systems, Inc. agrees to pay Apollo Games, Inc. the amount of \$3,500 payable in the combination of \$500 cash or check, \$1,500 in preferred shares and \$1,500 in common restricted shares of APT Systems, Inc within 30 days of completion of this purchase agreement. Apollo Games, Inc. further agrees to provide marketing and administrative support for a period not less than six months from the date of the agreement first written above at the monthly rate of \$1,820 beginning on October 1, 2017. Monthly rate to be paid in the combination of 50% common stock and 50% preferred shares of APT Systems or as otherwise mutually agreed by both parties in writing. As of January 31, 2019 all amounts to be settled in shares are recorded in accounts payable as the shares have not been issued. As of April 30, 2023, \$26,660 is due to Apollo and will be settled in either cash or a combination of Series B Preferred Shares and shares of Common Stock.

In June 2018 the Company entered into an agreement with a consultant who is to provide strategic advice. The agreement is for an initial term of six months with a total fee of 15,000,000 shares of common stock. As of January 31, 2021 the shares have not been issued and the Company recorded \$71,000 to accounts payable related to this agreement. Subsequent to January 31, 2021 the company issued 15,000,000 shares to settle the outstanding payable in full.

#### **NOTE 12 - STOCKHOLDERS' DEFICIT**

##### ***Common Stock***

During the year ended January 31, 2023, the Company issued 11,580,821 shares of common stock for the conversion of \$35,669 in principal and interest of its convertible debt.

During the quarter ended April 30, 2023, the Company issued 56,761,636 shares of common stock for the conversion of \$31,219 in principal and interest of its convertible debt.

### ***Preferred Shares***

The Company created Series B preferred shares with a par value of \$0.001 and 1,000,000 shares authorized. The Series B Preferred Stock bears dividends (interest) at an annual rate of six percent (6%) payable annually and is convertible into shares of the Company's common stock at a conversion price of 90% of the average closing sale price for the Company's common stock for the two trading days prior to conversion. If insufficient shares are available, the Company is required to redeem the shares for cash. The cash redemption price for Series B preferred shares will be face value plus 6% plus accrued dividends. The Series B Preferred Stock may be redeemed by the Company at any time prior to conversion at its face amount plus accrued but unpaid dividends. The Series B Preferred Stock has a liquidation preference equal to the greater of (a) the value of the common shares into which it could be converted or (b) its face amount plus accrued but unpaid dividends. The Series B Preferred Stock is without voting rights except as required by the Delaware General Corporation Law.

The Company created Series C preferred shares with a par value of \$0.001 and 750,000 shares authorized. The Series C Preferred Stock bears dividends (interest) at an annual rate of twelve percent (12%) payable annually and is convertible into shares of the Company's common stock following the first anniversary of the issuance, at a conversion price of 70% of the average closing sale price for the Company's common stock for the two trading days prior to conversion. If insufficient shares are available, the Company is required to redeem the shares for cash. The cash redemption price for Series C preferred shares will be face value plus 12% plus accrued dividends. The Series C Preferred Stock may be redeemed by the Company at any time prior to conversion at its face amount plus accrued but unpaid dividends. The Series C Preferred Stock has a liquidation preference equal to the greater of (a) the value of the common stock into which it could be converted or (b) its face amount plus accrued but unpaid dividends. The Series C Preferred Stock is without voting rights except as required by the Delaware General Corporation Law.

During the year ended January 30, 2023, the Company issued 25,000 Series C preferred shares to a third party for cash proceeds of \$25,000.

As of July 31, 2023, the Company owes 124,999 Series C preferred shares to a vendor as payment for the development of the Spera stablecoin. The \$124,999 is included in accrued expenses on the balance sheet.

For the three months ended October 31, 2023, total dividends applicable to Series B and C Preferred Stock were nil. The Company did not declare or pay any dividends during the three months ended October 31, 2023. Although no dividends have been declared, the cumulative total of preferred stock dividends due to these stockholders upon declaration was \$90,218 as of October 31, 2023.

The carrying value of the Series B preferred shares was \$90,218 as of October 31, 2023. The carrying value of the Series C preferred shares was \$305,987 as of October 31, 2023.

The Company evaluated the Series B and C Preferred Stock and concluded that the redemption features qualify for temporary equity presentation in accordance with ASC 480-10-S99.

### ***Stock Options***

The Company adopted the 2013 Equity Incentive Plan (the "Plan") on January 31, 2012, reserving 5,500,000 shares for future issuances, of which a maximum of 2,500,000 may be issued as incentive stock options. The Plan provides for the issuance of non-statutory stock options or restricted stock to officers and employees, with an exercise price that is at least equal to the fair market value of the Company's common stock on the date of grant. Vesting terms and the lives of the options are to be determined by the Board of Directors upon grant. As of October 31, 2023 no options have been issued under this Plan.

### **NOTE 13— SUBSEQUENT EVENTS**

The Company's management reviewed all material events through December 25, 2023, the date these financial statements were available to be issued for subsequent event disclosure consideration.

Except the events listed below, management is not aware of any other significant events that occurred subsequently to the balance sheet date that would have a material effect on the consolidated financial statements thereby requiring adjustment or disclosure:

- Prime Trust went bankrupt at the end of June 2023. The company's deposits were removed from their account. At the date of the issuance of these financial statements, the settlement amount from bankruptcy remains uncertain.