Cloud3 Ventures Inc.

(Formerly Orthogonal Global Group Inc. and Web3 Ventures Inc.)

Consolidated Financial Statements

For the years ended June 30, 2024 and 2023

(Expressed in Canadian dollars)

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Licensed Public Accountants
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INDEPENDENT AUDITOR'S REPORT

To the Shareholders of Cloud3 Ventures Inc. (formerly Orthogonal Global Group Inc. and Web3 Ventures Inc.)

Opinion

We have audited the consolidated financial statements of Cloud3 Ventures Inc. (formerly Orthogonal Global Group Inc. and Web3 Ventures Inc.) and its subsidiaries (the "Company"), which comprise the consolidated statement of financial position as at June 30, 2024, and the consolidated statements of loss and comprehensive loss, changes in shareholders' equity (deficit), and cash flows for the year then ended, and notes to the consolidated financial statements, including material accounting policy information (collectively referred to as the "consolidated financial statements").

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Company as at June 30, 2024, and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB").

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Consolidated Financial Statements* section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matter - Material Uncertainty Related to Going Concern

We draw attention to Note 2 in the consolidated financial statements, which indicates that the Company incurred a net loss during the year ended June 30, 2024 and, as of that date, had a negative working capital and a deficit. As stated in Note 2, these events or conditions, along with other matters as set forth in Note 2, indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated financial statements for the year ended June 30, 2024. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. Except for the matter described in the *Emphasis of Matter - Material Uncertainty Related to Going Concern* section, we have determined the matter described below to be the key audit matter to be communicated in our report.

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Independent Auditor's Report to the Shareholders of Cloud3 Ventures Inc. (formerly Orthogonal Global Group Inc. and Web3 Ventures Inc.) *(continued)*

Key Audit Matters *(continued)*

Key audit matter	How our audit addressed the key audit matter
Revenue from digital currencies mined As described in Note 3 to the consolidated financial statements, the Company generated revenue from contracts with mining pools and provided computing power to the mining pools in exchange for digital assets. We identified the occurrence, completeness and accuracy of the Company's revenue from digital assets mined as a key audit matter.	We determined revenue from digital currencies mined as a key audit matter as it represented an area of significant risk of material misstatement given the magnitude of the revenue recognized. In addition, mining of digital currencies is an emerging industry with unique technological aspects that raise a number of auditing challenges. Given the nature of this revenue stream and related holdings, significant audit efforts are required. We performed the following procedures: ▪ Assessed the recognition and valuation processes and practices; ▪ Obtained assistance from professionals with specialized skills in distributed ledger technology, digital currencies, and cryptography; ▪ Traced digital currencies received and recognized as revenue and held directly to the blockchain; ▪ Tested the value of digital currencies received and recognized as revenue and held using the daily quoted price from a reputable source; ▪ Conducted further substantive procedures over the completeness, accuracy and valuation of revenue recognized; ▪ Assessed the Service Organization Controls Report of the third-party custodian and mining pools attesting to the appropriateness and effectiveness of the internal control systems established, and assessed the design and operating effectiveness of the Company's complementary user entity controls; and ▪ Assessed the overall presentation and disclosure in the consolidated financial statements.

Other Matter

The consolidated financial statements of the Company for the year ended June 30, 2023, were audited by another auditor who expressed an unmodified opinion on those statements on October 30, 2023.

Other Information

Management is responsible for the other information. The other information comprises Management’s Discussion and Analysis but does not include the consolidated financial statements and our auditor's report thereon. Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed on the other information obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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Independent Auditor's Report to the Shareholders of Cloud3 Ventures Inc. (formerly Orthogonal Global Group Inc. and Web3 Ventures Inc.) *(continued)*

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with IFRS as issued by the IASB, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

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Independent Auditor's Report to the Shareholders of Cloud3 Ventures Inc. (formerly Orthogonal Global Group Inc. and Web3 Ventures Inc.) *(continued)*

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements *(continued)*

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Company to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner on the audit resulting in this independent auditor's report is Sameer Parekh.

SRCO Professional Corporation

CHARTERED PROFESSIONAL ACCOUNTANTS
Authorized to practice public accounting by the
Chartered Professional Accountants of Ontario

Richmond Hill, Canada
January 22, 2025

Cloud3 Ventures Inc.
(Formerly Orthogonal Global Group Inc. and Web3 Ventures Inc.)
Consolidated Statements of Financial Position
As at June 30, 2024 and 2023
(Expressed in Canadian dollars)

	Note		June 30, 2024		June 30, 2023
ASSETS					
Current assets					
Cash		**$**	**2,525**	$	790,514
Sales tax receivable			**37,634**		23,978
Prepaid expenses and deposits	4		**4,073**		40,269
Loan receivable	5		**69,396**		84,700
Digital assets	6		**36,401**		85,293
Total current assets			**150,029**		1,024,754
Non-current assets					
Investments	7		**287,767**		512,059
Equipment	8		**-**		132,908
Convertible note receivable	9		**-**		339,452
Total assets		**$**	**437,796**	$	2,009,173
LIABILITIES					
Current					
Accounts payable and accrued liabilities	10	**$**	**374,577**	$	320,698
Total liabilities			**374,577**		320,698
SHAREHOLDERS' EQUITY					
Share capital	12		**20,359,313**		20,101,121
Reserves	12		**1,527,649**		112,757
Obligation to issue shares	12		**-**		65,439
Revaluation surplus			**72,104**		3,648
Accumulated other comprehensive loss ("AOCL")			**(98,824)**		(98,824)
Deficit			**(21,797,023)**		(18,495,666)
Total shareholders' equity			**63,219**		1,688,475
Total liabilities and shareholders' equity		**$**	**437,796**	$	2,009,173

Going concern (Note 2)
Contingencies (Note 22)
Subsequent events (Note 23)

Approved on behalf of the Board of Directors on January 22, 2025:

"David Nikzad"
Director

"Jason Hobson"
Director

Cloud3 Ventures Inc.
(Formerly Orthogonal Global Group Inc. and Web3 Ventures Inc.)
Consolidated Statements of Loss and Comprehensive Loss
For the years ended June 30, 2024 and 2023
(Expressed in Canadian dollars)

	Note		**June 30, 2024**		June 30, 2023
REVENUE	21	**$**	**113,246**	$	48,260
Cost of revenue					
Operating and maintenance costs	20		**(91,909)**		(42,621)
Depreciation	8, 20		**(48,330)**		(12,083)
Gross loss			**(26,993)**		(6,444)
EXPENSES					
Consulting and management fees	17		**381,760**		302,625
Investor relations			**68,513**		36,862
Marketing			**-**		4,137
General and administrative			**309,876**		20,461
Professional fees			**271,200**		519,932
Share based compensation	12, 17		**1,523,342**		10,448
Transfer agent and filing fees			**71,307**		36,663
Operating expenses			**(2,625,998)**		(931,128)
Other (expenses) income					
Gain on settlement of accounts payable	10		**6,706**		40,642
Loss on sale of equipment			**(56,490)**		-
Impairment of convertible note receivable	9		**(364,969)**		-
Gain on forgiveness of debt	10,11		**-**		100,997
Interest expense			**-**		(1,201)
Interest income	9		**16,116**		8,496
Foreign exchange gain (loss)			**76,224**		(31,395)
Fair value change on investments	7		**(310,506)**		8,143
Loss on revaluation of digital assets	6		**(39,856)**		(38,191)
Realized gain on disposition of digital assets	6		**24,409**		-
Other (expenses) income			**(648,366)**		87,491
Net loss for the year			**(3,301,357)**		(850,081)
Revaluation gains on digital assets	6		**68,456**		3,648
Foreign currency translation loss			**-**		(3,202)
Total loss and comprehensive loss for the year		**$**	**(3,232,901)**	$	(849,635)
Basic and diluted loss per share		**$**	**(0.40)**	$	(0.16)
Weighted average number of voting shares outstanding – basic and diluted			**8,321,632**		5,440,163

Cloud3 Ventures Inc.
(Formerly Orthogonal Global Group Inc. and Web3 Ventures Inc.)
Consolidated Statements of Changes in Shareholders' Equity
For the years ended June 30, 2024 and 2023
(Expressed in Canadian dollars)

	Note	Outstanding SVS #	Outstanding MVS #	Amount $	Obligation to issue shares $	Reserves $	Revaluation surplus $	Deficit $	AOCL $	Total $
Balance, June 30, 2022		4,866,662	-	17,903,979	-	102,309	-	(17,645,585)	(95,622)	265,081
Conversion of SVS to MVS	12	(2,400,000)	24,000	-	-	-	-	-	-	-
Private placement	12	775,237	7,752	1,550,475	-	-	-	-	-	1,550,475
Shares issued for settlement of debt	12	240,000	2,400	480,000	-	-	-	-	-	480,000
Obligation to issue shares	12	-	-	-	65,439	-	-	-	-	65,439
Share Swap	12	83,334	-	166,667	-	-	-	-	-	166,667
Share based compensation		-	-	-	-	10,448	-	-	-	10,448
Net loss for the year		-	-	-	-	-	-	(850,081)	-	(850,081)
Gain on revaluation of digital assets		-	-	-	-	-	3,648	-	-	3,648
Other comprehensive loss for the year		-	-	-	-	-	-	-	(3,202)	(3,202)
Balance, June 30, 2023		**3,565,233**	**34,152**	**20,101,121**	**65,439**	**112,757**	**3,648**	**(18,495,666)**	**(98,824)**	**1,688,475**
Private placement	12	33,485	-	66,969	(65,439)	-	-	-	-	1,530
Shares issued for services	12	20,000	-	40,000	-	-	-	-	-	40,000
Shares issued for Unstoppable Domains Inc.	12	-	15,109	37,773	-	-	-	-	-	37,773
Stock options exercised	12	5,000	-	13,450	-	(8,450)	-	-	-	5,000
RSU conversion	12	50,000	-	100,000	-	(100,000)	-	-	-	-
Conversion of MVS to SVS	12	2,474,790	(24,748)	-	-	-	-	-	-	-
Share based compensation	12	-	-	-	-	1,523,342	-	-	-	1,523,342
Gain on revaluation of digital assets		-	-	-	-	-	68,456	-	-	68,456
Net loss for the year		-	-	-	-	-	-	(3,301,357)	-	(3,301,357)
Balance, June 30, 2024		**6,148,508**	**24,513**	**20,359,313**	**-**	**1,527,649**	**72,104**	**(21,797,023)**	**(98,824)**	**63,219**

** The number of shares have been retroactively adjusted to account for the Company's 20:1 share consolidation, effective December 5, 2024*

Cloud3 Ventures Inc.
(Formerly Orthogonal Global Group Inc. and Web3 Ventures Inc.)
Consolidated Statements of Cash Flows
For the years ended June 30, 2024 and 2023
(Expressed in Canadian dollars)

	Note	June 30, 2024	June 30, 2023
Cash provided by (used in):			
Operating Activities			
Net loss for the year		$ **(3,301,357)**	$ (850,081)
Items not involving cash:			
Interest expense		**-**	1,201
Digital assets earned	6	**(113,246)**	(48,260)
Depreciation	8	**48,330**	12,083
Interest income	9	**(16,116)**	(8,496)
Loss on revaluation of digital assets	6	**39,856**	38,191
Realized gain on disposition of digital assets	6	**(24,409)**	-
Foreign exchange (gain) loss		**(23,984)**	15,020
Fair value change on investments	7	**310,506**	(8,143)
Share based compensation	12	**1,523,342**	10,448
Shares issued for services		**40,000**	-
Gain on forgiveness of debt	10, 11	**-**	(100,997)
Loss on sale of equipment		**56,490**	-
Impairment of convertible note receivable	9	**364,969**	-
Gain on settlement of accounts payable	10	**(6,706)**	(40,642)
		(1,102,325)	(979,676)
Change in non-cash working capital:			
Sales tax receivables		**(13,656)**	(19,256)
Prepaid expenses and deposits		**36,196**	(40,269)
Accounts payable and accrued liabilities		**60,585**	387,104
Cash used in operating activities		**(1,019,200)**	(652,097)
Investing Activities			
Cash advanced for loan receivable	5	**-**	(84,700)
Purchase of digital assets	6	**(1,163,910)**	-
Proceeds from sale of digital assets	6	**1,422,468**	-
Convertible note receivable	9	**-**	(171,250)
Purchase of investments	7	**(33,877)**	(247,285)
Cash provided by (used in) investing activities		**224,681**	(503,235)
Financing Activities			
Options exercised	12	**5,000**	-
Cash received for unissued shares	12	**-**	65,439
Proceeds from private placements	12	**1,530**	1,550,475
Cash provided by financing activities		**6,530**	1,615,914
(Decrease) increase in cash		**(787,989)**	460,582
Cash, beginning of the year		**790,514**	329,932
Cash, end of the year		$ **2,525**	$ 790,514

Supplemental Cash Flow Information (Note 16)

1. NATURE OF OPERATIONS

Cloud3 Ventures Inc. (formerly Orthogonal Global Group Inc. and Web3 Ventures Inc.) (the "Company") was incorporated on April 6, 1990 under the laws of the Province of British Columbia, and on June 19, 1997, the Company continued as a federal corporation under the Canada Business Corporation Act. The Company changed its name from Web3 Ventures Inc. to Orthogonal Global Group Inc. on January 8, 2024, and then to Cloud3 Ventures Inc. on July 12, 2024. The Company is primarily an investment firm focused on incubating, accelerating and developing world-class projects and applications for the decentralized Web which are utilizing blockchain, artificial intelligence, VR/AR and decentralized finance. The Company's core investment pillars are blockchain-based transparency, secured identity, verified communications, and gamification, focusing on early-stage, small, and medium enterprises. In addition, the Company mines digital assets with an operational focus on utilizing equipment to solve complex computation problems to validate transactions on different blockchains and receive Bitcoin in return for successful services. The Company's common shares trade on the Canadian Securities Exchange under the symbol "CLDV," OTC under the symbol "CLDVF" and Frankfurt Stock Exchange under the symbol "KZ2" and its registered office is located at 409-22 Leader Lane, Toronto Ontario, M5E 0B2.

2. BASIS OF PRESENTATION

(a) Statement of compliance

These consolidated financial statements have been prepared in compliance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standard Board ("IASB") and the International Financial Reporting Interpretations Committee ("IFRIC").

These audited consolidated financial statements were approved and authorized for issue by the Board of Directors on January 22, 2025.

(b) Going concern

As at June 30, 2024, the Company incurred a loss of $3,301,357 for the year then ended (2023 - $850,081), had a working capital deficiency of $224,548 (2023 – working capital of $704,056) and has accumulated losses of $21,797,023 (2023 -$18,495,666) since its inception. The Company expects to incur further losses in the development of its new business. The Company's ability to continue as a going concern is dependent upon its ability to obtain the necessary financing to meet its obligations and repay its liabilities arising from normal business operations when they come due. Management estimates that the Company has sufficient funds to maintain its operations and activities for the upcoming year. These material uncertainties may cast significant doubt as to the Company's ability to continue as a going concern.

These consolidated financial statements have been prepared on a going concern basis, which assumes that the Company will continue to realize its assets and discharge its obligations and commitments in the normal course of operations. These consolidated financial statements do not give effect to any adjustments required to realize its assets and discharge its liabilities in other than the normal course of business and at amounts different from those reflected in the accompanying consolidated financial statements.

(c) Basis of Measurement

These consolidated financial statements have been prepared on an accrual basis and are based on the historical cost basis except for certain financial assets measured at fair value. The consolidated financial statements are presented in Canadian dollars, unless otherwise noted, which is the Company's functional currency. The preparation of consolidated financial statements in compliance with IFRS requires management to make certain critical accounting estimates. It also requires management to exercise judgment in applying the Company's accounting policies.

(Expressed in Canadian dollars)

2. BASIS OF PRESENTATION (continued)

(d) Basis of consolidation

As of the date of these consolidated financial statements, the Company's structure is represented by Cloud3 Ventures Inc. as the parent company, and the following wholly owned subsidiaries:

Name	Country of incorporation	Interest
Microcoal USA Inc. (Inactive)	U.S	100%
CO2 Reduction Poland Sp.z.o.o (Inactive)	Poland	100%
Carbiopel – ESP SA (Inactive)	Poland	100%
16156754 Canada Inc. (formerly 1000147857 Ontario Inc.)* (Inactive)	Canada	100%

** On June 25, 2024, the Company's wholly-owned subsidiary 1000147857 Ontario Inc., continued under the jurisdiction of the Canada Business Corporations Act. Upon completion of the continuance, the entity's name was changed to 16156754 Canada Inc.*

These consolidated financial statements include the accounts of the Company and its subsidiaries. Subsidiaries are entities controlled by the Company. Control exists when the Company has power over an investee, when the Company is exposed, or has rights, to variable returns from the investee and when the Company has the ability to affect those returns through its power over the investee. Subsidiaries are included in the consolidated financial results of the Company from the effective date of acquisition up to the effective date of disposition or loss of control. All intercompany transactions and balances between the Company and its subsidiaries are eliminated.

(e) Functional and presentation currency

The functional currency of the Company and subsidiaries are the Canadian dollar except for the United States dollar subsidiary Microcoal USA Inc. The presentation currency used in preparing these consolidated financial statements of the Company is the Canadian dollar.

(f) Share consolidation

Unless otherwise noted, all shares and per share information relating to the Company's shares in these consolidated financial statements have been retrospectively adjusted to reflect the 20:1 share consolidation, effective December 5, 2024.

3. MATERIAL ACCOUNTING POLICY INFORMATION

(a) Foreign currency translation

Foreign currency transactions are recorded at the exchange rate as at the date of the transaction. At each statement of financial position date, any foreign currency denominated monetary assets and liabilities are translated using the period end foreign exchange rate. Non-monetary assets and liabilities in foreign currencies are translated using the historical rate. Gains and losses on transactions are included in the consolidated statements of loss and comprehensive loss.

The results and financial position of subsidiaries whose functional currency differs from that of the parent company ("foreign operations") are translated into the Canadian dollar presentation currency as follows: (i) assets and liabilities are translated at the closing rate as at the reporting date, and (ii) income and expenses are translated at the average exchange rate of transactions for the period. All resulting exchange differences are recognized as other comprehensive income (loss).

3. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

A foreign currency translation is a transaction denominated or requiring settlement in a foreign currency and is initially recorded in the functional currency of the subsidiary by applying the spot exchange rate on the date of the transaction. At the end of each reporting period, these balances are translated as: (i) foreign currency monetary assets and liabilities are translated using the prevailing exchange rate at the consolidated statements of financial position date; (ii) non-monetary items that are measured at historical cost in a foreign currency are translated using the exchange rate at the date of the transaction; (iii) non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rate when the fair value was measured; and (iv) the consolidated statement of loss and comprehensive loss items denominated in foreign currencies are translated using the average monthly exchange rates.

(b) Income taxes

Income tax expense comprises current and deferred tax. Current tax and deferred tax are recognized in net income except to the extent that it relates to a business combination or items recognized directly in equity or in other comprehensive income (loss). Current income taxes are recognized for the estimated income taxes payable or receivable on taxable income or loss for the current year and any adjustment to income taxes payable in respect of previous years. Current income taxes are determined using tax rates and tax laws that have been enacted or substantively enacted by the year-end date.

Deferred tax assets and liabilities are recognized where the carrying amount of an asset or liability differs from its tax base, except for taxable temporary differences arising on the initial recognition of goodwill and temporary differences arising on the initial recognition of an asset or liability in a transaction which is not a business combination and at the time of the transaction affects neither accounting nor taxable profit or loss.

Recognition of deferred tax assets for unused tax losses, tax credits and deductible temporary differences is restricted to those instances where it is probable that future taxable profit will be available against which the deferred tax asset can be utilized. At the end of each reporting year, the Company reassesses unrecognized deferred tax assets. The Company recognizes a previously unrecognized deferred tax asset to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

(c) Financial instruments

Financial instruments are recognized in the consolidated statements of financial position when the Company becomes a party to the contractual provisions of a financial instrument or derivative contract and are measured on initial recognition at fair value, plus, in the case of financial instruments other than those classified at fair value through profit or loss (“FVTPL”), directly attributable transaction costs.

Financial assets

Measurement of financial assets in subsequent periods depends on whether the financial instrument has been classified and measured at:

(i) amortized cost; (ii) fair value through other comprehensive income (“FVOCI”); or (iii) FVTPL. All financial assets not classified and measured at amortized cost or FVOCI are measured at FVTPL. The classification determines the method by which financial assets are carried on the consolidated statement of financial position subsequent to inception and how changes in value are recorded. The classification of financial assets depends on the business model for managing the financial assets and the contractual terms of the cush flows. As at June 30, 2024 and 2023, the Company’s convertible note receivable is measured at FVTPL at level 3.

3. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

Financial liabilities

Financial liabilities are designated as either: (i) FVTPL; or (ii) other financial liabilities. Financial liabilities, other than financial liabilities classified as FVTPL, are measured in subsequent periods at amortized cost using the effective interest method. Accounts payable and accrued liabilities are classified as other financial liabilities and carried on the consolidated statement of financial position at amortized cost.

Equity instruments

The Company subsequently measures all equity investments at fair value. On initial recognition of an equity instrument that is not held for trading, the Company may irrevocably elect to present subsequent changes in the investment's fair value in OCI. Where the Company's management has elected to present fair value gains and losses on equity investments in OCI, there is no subsequent reclassification of fair value gains and losses to the consolidated statements of loss and comprehensive loss, following the derecognition of the investment. Dividends from such investments continue to be recognized in the consolidated statements of loss and comprehensive loss as other income when the Company's right to receive payments is established. Changes in the fair value of financial assets at FVTPL are recognized in other gains/(losses) in the consolidated statements of loss and comprehensive loss as applicable. Impairment losses (and reversal of impairment losses) on equity investments measured at FVOCI are not reported separately from other changes in fair value.

Derecognition of financial assets

Financial assets are derecognized when the contractual rights to receive the cash flows from the financial asset expire, or when the Company transfers the contractual rights to a third party to receive the cash flows from the financial asset or assumes an obligation to pay the cash flows received in full to a third party without significant delay.

Derecognition of financial liabilities

Financial liabilities are derecognized when they are extinguished, which occurs when the obligation defined in the contract is fulfilled, cancelled or expires. A financial liability is fulfilled when the debtor repays the liability by paying cash, providing other financial assets, goods or services, or is otherwise legally released from the liability.

Impairment of financial assets

The Company assesses at each reporting date whether there is objective evidence that a financial asset or a group of financial assets is impaired. A financial asset is considered impaired if objective evidence that can be estimated reliably indicates that one or more events have had a negative effect on the estimated future cash flows of that asset. If a financial asset measured at amortized cost is impaired, an amount equal to the difference between its carrying value and the present value of the estimated future cash flows discounted at the original effective interest rate is recognized as an impairment loss in the consolidated statements of loss and comprehensive loss.

If it has been determined that the impairment has reversed, the carrying amount of the asset is increased to its recoverable amount to a maximum of the carrying amount that would have been determined had no impairment charge been recognized in prior periods. Reversals of impairment charges are recognized in the consolidated statements of loss and comprehensive loss in the period in which they occur.

3. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

The Company recognizes an allowance for expected credit losses ("ECLs") for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Company expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

(d) Digital Assets

Digital assets meet the definition of intangible assets in International Accounting Standards ("IAS") 38 *Intangible Assets* as they are identifiable nonmonetary assets without physical substance. They are initially recorded at cost and the revaluation method is used to measure the digital assets subsequently. Where digital assets are recognized as revenue, the fair value of the digital asset received is considered to be the cost. Under the revaluation method, increases in fair value are recorded in other comprehensive income, while decreases are recorded in the consolidated statements of loss and comprehensive loss. The Company revalues its digital assets at the end of each of its three interim financial reporting periods and at its annual financial reporting period end date. There is no recycling of gains from other comprehensive income to the consolidated statements of loss and comprehensive loss. However, to the extent that an increase in fair value reverses a previous decrease in fair value that has been recorded in the consolidated statements of loss and comprehensive loss, that increase is recorded in the consolidated statements of loss and comprehensive loss. Decreases in fair value that reverse gains previously recorded in other comprehensive income (loss) are recorded in other comprehensive income (loss).

Digital assets are measured at fair value using the quoted price on CoinAPI (Binance) – prices are then crosschecked with CoinMarketCap. Management considers this fair value to be a level 2 input under IFRS 13 *Fair Value Measurement* fair value hierarchy as the price on this source represents an average of quoted prices on multiple digital currency exchanges.

The Company's determination to classify its holding of Bitcoin ("BTC"), Ethereum ("ETH"), Non-Fungible Tokens ("NFTs"), as well as USDC, USDT, and other digital assets as current assets is based on management's assessment that its BTC, ETH, NFTs and other digital assets held at the end of the reporting period has markets with sufficient liquidity to allow conversion within the Company's normal operating cycle and the Company expects to realize the digital asset within twelve months after the reporting period. NFTs are held on an ETH blockchain and are valued using ETH at period end.

(e) Impairment of non-financial assets

The Company's identifiable tangible and intangible assets with finite useful lives are reviewed for indicators of impairment at each consolidated statement of financial position date and when events or changes in circumstances indicate that they may be impaired. Impairments are recorded when the recoverable amount of assets are less than their carrying amounts. The recoverable amount is the higher of an asset's fair value less cost of disposal or its value in use.

For impairment assessment purposes, assets are grouped at the lowest levels for which there are largely independent cash inflows (cash-generating units). As a result, some assets are tested individually for impairment and some are tested at cash-generating unit level.

Impairment losses recognized in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount, and only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation, had no impairment charge been recorded.

3. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

(f) Provisions

Provisions are recorded when a present legal, statutory or constructive obligation exists as a result of past events where it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate of the amount of the obligation can be made. The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at the statements of financial position date, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, if the effect is material, its carrying amount is the present value of those cash flows.

(g) Share-based payments

The fair value of equity settled stock options awarded to certain parties (i.e. employees for legal and tax purposes, directors and certain consultants), determined as of the date of grant, and awarded to non-employees, as of the date of delivery of service, is recognized as share based compensation expense, in the consolidated statements of loss and comprehensive loss, over the vesting period of the stock options based on the estimated number of options expected to vest, with a corresponding increase to equity. The fair value of stock options is determined using the Black- Scholes option pricing model with market related inputs as of the date of grant or the date of delivery of service. Stock options with graded vesting schedules are accounted for as separate grants with different vesting periods and fair values. Changes to the estimated number of awards that will eventually vest are accounted for prospectively.

(h) Basic and diluted loss per share

Basic earnings or loss per share represents the income or loss for the year, divided by the weighted average number of the total converted MVS to SVS and SVS outstanding during the year. Diluted earnings or loss per share represents the income or loss for the year, divided by the weighted average number of total converted MVS to SVS and SVS outstanding during the year plus the weighted average number of dilutive shares resulting from the exercise of stock options, warrants and other similar instruments where the inclusion of these would not be anti-dilutive.

(i) Revenue recognition

The Company records revenue from contracts with customers in accordance with IFRS 15, Revenue from Contracts with Customers (“IFRS 15”) as follows:
- Identify the contract with a customer;
- Identify the performance obligations in the contract;
- Determine the transaction price, which is the total consideration provided by the customer;
- Allocate the transaction price among the performance obligations in the contract based on their relative fair values; and
- Recognize revenue when (or as) the Company satisfies a performance obligation.

The Company has entered into a contract with a mining pool and has undertaken the performance obligation of providing computing power to the mining pool in exchange for non-cash consideration in the form of digital asset. Revenue is recognized upon receipt of Bitcoin in exchange for its mining activities at the fair market value of the Bitcoin received. The fair value is determined using the closing Bitcoin price per CoinAPI (Binance) benchmarked against CoinMarketCap. Management considers the prices quoted on CoinAPI to be a level 2 input under IFRS 13 Fair Value Measurement. Any difference between the fair value of digital assets recorded upon receipt from mining activities and the actual realized price upon disposal are recorded as a gain or loss on disposition of digital assets.

3. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

(j) Significant estimates and assumptions

The preparation of consolidated financial statements in accordance with IFRS requires the Company to make judgments, apart from those involving estimates, in applying accounting policies. The most significant judgments and estimates made by management in preparing the Company's consolidated financial statements include:

Revenue recognition and value of digital assets

Management has exercised significant judgment in determining appropriate accounting treatment. Management has determined that revenues should be recognized as the fair value of digital assets received in exchange for mining services on the date that digital assets are received and subsequently measured as an intangible asset. In the event authoritative guidance is enacted by the IASB, the Company may be required to change its policies which could result in a change in the Company's financial position and earnings. The digital currency market is still a new market and is highly volatile. Historical prices are not necessarily indicative of future value and a significant change in the market prices for digital currencies could have a significant impact on the Company's earnings and financial position.

Going concern

The assessment of the Company's ability to continue as a going concern and whether there are events or conditions that may give rise to significant uncertainty involves significant judgement based on historical experience and other factors, including the expectation of future events that are believed to be reasonable under the circumstances.

Stock-based compensation

The fair value of stock-based compensation requires estimates of assumptions that are used in the Black-Scholes option pricing model.

Share capital

The voting securities of the Company consist of an unlimited number of subordinate voting shares ("SVS" or "Subordinate Voting Shares") and multiple voting shares ("MVS" or "Multiple Voting Shares"). The MVS and SVS are classified as equity instruments (together the "Voting Shares"). Each MVS consist of 100 SVS.

The Company records proceeds from share issuances net of issue costs and any tax effects in shareholders' equity. Shares issued for consideration other than cash are valued based on their market value at the date the shares were granted.

The Company has adopted a residual value method with respect to the measurement of shares and warrants issued as private placement units. The residual value method first allocates the value to the more easily measurable component based on fair value and then the residual value, if any, to the less easily measurable component. The Company considers the fair value of common shares issued in a unit private placement to be the more easily measurable component. The residual balance, if any, is allocated to the attached warrants. Any fair value attributed to the warrants is recorded as reserves.

3. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

Fair value of financial assets

The estimation of fair value of investments in shares requires making certain estimates and assumptions about future events. The inputs to determine the fair value are taken from observable markets where possible but, where they are unavailable, assumptions are required in establishing fair value. The fair value measurement for investment in shares is derived using level 3 inputs based on past experience, observation of recent private sales on the underlying securities (if available) and management's expectations of future changes.

Expected credit losses

Expected credit losses are estimated for loans receivables based on historical experience and forecasted economic conditions, taking into considerations of a range of factors, including the age of the receivables and the creditworthiness of the counterparties. Determining the recoverability of an account involves estimates and assumptions, changes in which could result in different results.

Deferred tax assets

The determination of income tax is inherently complex and requires making certain estimates and assumptions about future events. Changes in facts and circumstances as a result of income tax audits, reassessments, jurisprudence and any new legislation may result in an increase or decrease in the provision for income taxes.

(k) New and revised accounting standards adopted

The Company applied for the first-time certain standards and amendments, which are effective for the fiscal year ended June 30, 2024.

Amendments to IAS 1 and IFRS Practice Statement 2: Making Materiality Judgements
IAS 1 and the IFRS PS 2, Making Materiality Judgements, was amended in February 2021 to provide guidance on the application of materiality judgments to accounting policy disclosures. The amendments to IAS 1 replace the requirement to disclose "significant" accounting policies with a requirement to disclose "material" accounting policies. The standard was adopted by the Company on July 1, 2023.

Amendments to IAS 8: Definition of Accounting Estimates
IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors was amended to clarify the relationship between accounting policies and accounting estimates by specifying that a company develops an accounting estimate to achieve the objective set out by an accounting policy and clarifying that accounting estimates are monetary amounts in the consolidated financial statements that are subject to measurement uncertainty. The amendments are required to be applied for annual reports commencing on or after January 1, 2023, with early application permitted. The Company has implemented IAS 8 and there is no impact to the financials as a result.

Amendments to IAS 12: Deferred Tax Related to Assets and Liabilities Arising from a Single Transaction
IAS 12 Deferred Tax Arising from a Single Transaction was amended to clarify that entities are required to recognize deferred taxes on transactions that on initial recognition give rise to equal amounts of taxable and deductible temporary differences. The amendments are required to be applied on or after January 1, 2023, with early application permitted. The Company has implemented IAS 12 and there is no impact to the financials as a result.

3. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

(l) Accounting standards issued but not yet effective

As at the date of authorization of these consolidated financial statements, the IASB and the IFRS Interpretations Committee had issued certain pronouncements that are mandatory for the Company's accounting periods commencing on or after July 1, 2024. Many are not applicable or do not have a significant impact to the Company and have been excluded. The Company has assessed that no material impact is expected upon the adoption of the following amendments on its consolidated financial statements:

Amendments to IAS 1: Classification of Liabilities as Current or Non-Current and Non-current Liabilities with Covenants
In January 2020 and October 2022, the IASB issued amendments to IAS 1 to specify the requirements relating to determining whether a liability should be presented as current or non-current in the consolidated statements of financial position. Under the new requirements, the assessment of whether a liability is presented as current or non-current is based on the contractual arrangements in place as at the reporting date and does not impact the amount or timing of recognition. These amendments also clarify how conditions with which an entity must comply within twelve months after the reporting period affect the classification of a liability. The amendments apply retrospectively for annual reporting periods beginning on or after January 1, 2024. These amendments are not expected to have a material impact on the Company's consolidated financial statements.

Amendments to IAS 21: The Effects of Changes in Foreign Exchange Rates
In August 2023, the IASB issued amendments to IAS 21 –The Effects of Changes in Foreign Exchange Rates in relation to Lack of Exchangeability. The amendments require entities to apply a consistent approach in assessing whether a currency can be exchanged into another currency, and in determining the exchange rate to use and the disclosures to provide when it cannot. These amendments are effective for annual reporting periods beginning on or after January 1, 2025, with early adoption permitted. The Company is assessing the potential impact of these amendments.

IFRS 18: Presentation and Disclosure in Financial Statements
In April 2024, the IASB issued IFRS 18, which replaces IAS 1 Presentation of financial statements. IFRS 18 introduces new requirements for presentation within the statement of profit or loss, including specified totals and subtotals. Furthermore, entities are required to classify all income and expenses within the statement of profit or loss into one of five categories: operating, investing, financing, income taxes and discontinued operations, whereof the first three are new. It also requires disclosure of newly defined management-defined performance measures, subtotals of income and expenses, and includes new requirements for aggregation and disaggregation of financial information based on the identified 'roles' of the primary financial statements and the notes. In addition, narrow-scope amendments have been made to IAS 7 Statement of Cash Flows. These include changing the starting point for determining cash flows from operations under the indirect method from 'profit or loss' to 'operating profit or loss' and removing the optionality around classification of cash flows from dividends and interest. In addition, there are consequential amendments to several other standards. IFRS 18 and the amendments to the other standards, is effective for annual reporting periods beginning on or after January 1, 2027, but earlier application is permitted and must be disclosed. IFRS 18 will apply retrospectively. The Company is currently evaluating the potential impact of IFRS 18 on the Company's consolidated financial statements.

The Company continues to review changes to IFRS standards. There are no other pending IFRS or IFRIC interpretations that are expected to be relevant to the Company's consolidated financial statements.

(Expressed in Canadian dollars)

4. PREPAID EXPENSES AND DEPOSITS

As at June 30, 2024 and June 30, 2023, prepaids consisted of the following:

	June 30, 2024	June 30, 2023
	$	$
Pre-paid hosting services	**-**	12,753
Hosting service deposit	**-**	14,316
Consulting services	**-**	13,200
Legal retainer	**4,073**	-
Closing balance	**4,073**	40,269

5. LOAN RECEIVABLE

As at June 30, 2023, the Company paid for certain expenditures on behalf of Orthogonal Thinker, Inc., an entity with common management, and as at June 30, 2024, the balance receivable was $69,396 (2023 - $84,700). The loan is unsecured, non-interest bearing and is due on demand. Subsequent to the year ended June 30, 2024, the entire loan receivable was settled.

6. DIGITAL ASSETS

As at June 30, 2024, digital assets consisted of NFTs and digital currencies. The details of the Company's digital currencies are as follows:

	Bitcoin		**Ethereum**		**SCAPEs NFT**		**USDC**		**USDT**		**Other**	**Total**
	Amount	Number	Amount	Number	Amount	Number	Amount	Number	Amount	Number	Amount	Amount
	$	#	$	#	$	#	$	#	$	#	$	$
Balance as at June 30, 2022	-	-	247	0.18	-	-	-	-	-	-	-	247
Digital assets earned	48,260	1.28	-	-	-	-	-	-	-	-	-	48,260
Digital assets purchased	-	-	-	-	71,329	179.00	-	-	-	-	-	71,329
Change in unrealized loss on revaluation of digital assets	-	-	-	-	(38,191)	-	-	-	-	-	-	(38,191)
Change in unrealized gain on revaluation of digital assets	3,459	-	189	-	-	-	-	-	-	-	-	3,648
Balance as at June 30, 2023	**51,719**	**1.28**	**436**	**0.18**	**33,138**	**179.00**	**-**	**-**	**-**	**-**	**-**	**85,293**
Digital assets earned	113,246	1.78	-	-	-	-	-	-	-	-	-	113,246
Digital assets purchased	146,655	1.95	103,453	24.18	-	-	133,592	98,007.47	507,882	374,270.50	272,328	1,163,910
Digital assets advanced by related party	-	-	-	-	-	-	15,304	11,111.00	-	-	-	15,304
Digital assets disposed	(395,307)	(4.94)	(99,686)	(24.36)	(7,342)	(37.00)	(176,613)	(129,710.46)	(513,733)	(374,270.50)	(229,787)	(1,422,468)
Digital assets received on sale of equipment	-	-	-	-	-	-	28,107	20,591.99	-	-	-	28,107
Realized gain (loss) on disposition of digital assets	23,095	-	(5,826)	-	492	-	(390)	-	5,844	-	1,194	24,409
Change in unrealized loss on revaluation of digital assets	-	-	-	-	(15,065)	-	-	-	-	-	(24,791)	(39,856)
Change in unrealized gain on revaluation of digital assets	66,826	-	1,623	-	-	-	-	-	7	-	-	68,456
Balance as at June 30, 2024	**6,234**	**0.07**	**-**	**-**	**11,223**	**142.00**	**-**	**-**	**-**	**-**	**18,944**	**36,401**

7. INVESTMENTS

(a) Simple Agreement for Future Equity ("SAFE") Agreements

Pursuant to the terms of the SAFE Agreements, if there is an equity financing before the agreement expires or is terminated, the investee will automatically issue to the investors either: 1) the greater of: the number of Standard Preferred Shares equal to the Purchase Amount divided by the lowest price per share of the Standard Preferred Shares, or the number of SAFE Preferred Shares equal to the Purchase Amount divided by the SAFE Price or 2) in case the agreement specifies a discount rate, a number of shares of SAFE Preferred Stock equal to the Purchase Amount divided by the Conversion Price. The Conversion Price means either the SAFE Price or the Discount Price, whichever calculation results in a greater number of shares of SAFE Preferred Stock.

The SAFE Price means the price per share equal to the Valuation Cap or Post–Money Valuation Cap divided by the Company Capitalization. The Discount Price means the price per share of the Standard Preferred Stock sold in the equity financing multiplied by the Discount Rate.

If there is a liquidation event, such as a change of control, direct listing or an initial public offering, before the expiration or termination of the SAFE Agreement, the investor will at its option either: 1) receive a cash payment equal to the purchase amount or 2) automatically receive from the investee a number of shares of common stock equal to the purchase amount divided by the liquidity price, if the investor fails to select the cash option.

Alternatively, the investor will automatically receive a portion of Proceeds, due and payable to the investor, equal to the greater of the Purchase Amount or the amount payable on the number of shares of Common Stock equal to the Purchase Amount divided by the liquidity price. Thereafter the SAFE Agreement will terminate. In connection with a cash payment through a liquidity event, if there are not enough funds to pay the investors and holders of the SAFE Agreements in full, funds will be distributed pro-rata and based on the purchase price and the remaining amounts will be covered with common stock equal to the remaining unpaid purchase price divided by the liquidity event. In a dissolution event, SAFE Agreement holders will be paid out of remaining assets prior to holders of the investee's capital stock.

The Company holds the following SAFE investments:

i. On April 25, 2022, the Company invested $30,445 into Bylines Inc., a private company, to invest in future rights to shares of Bylines Inc. capital stock. During the year ended June 30, 2024, the Company recorded a foreign exchange gain of $1,763 (June 30, 2023: $2,285). As at June 30, 2024, based upon the investee's limited capital and lack of progress with its initial projections, as well as a general market downturn in NFT (non-fungible token) projects, management has determined that the fair value of its investment has declined to $nil (June 30, 2023: $40,872).

ii. On June 10, 2022, the Company invested $33,100 into Column Inc. a private company, to invest in future rights to shares of Column Inc. capital stock. During the year ended June 30, 2024, the Company recorded a foreign exchange gain of $1,118 (June 30, 2023: $nil). As at June 30, 2024, based upon the investee's limited capital and lack of progress with its initial projections, as well as a general market downturn in NFT projects, management has determined that the fair value of its investment has declined to $nil (June 30, 2023: $33,100).

iii. On March 27, 2023, the Company invested $165,500 into Contango Digital Assets Inc., a private company, to invest in future rights to their shares. During the year ended June 30, 2024, the Company recorded a foreign exchange gain of $5,587 (June 30, 2023: $nil).

iv. On March 20, 2023, the Company invested $72,820 into Dynasty Studios, Inc, a private company, to invest in future rights to their shares. During the year ended June 30, 2024, the Company recorded a foreign exchange gain of $2,458 (June 30, 2023: $nil).

(Expressed in Canadian dollars)

7. INVESTMENTS (continued)

(b) Strategic Investment

One June 7, 2022, the Company completed a $33,100 investment in OpenPool, a private decentralized web company focused on simplifying crypto investing. During the year ended June 30, 2024, the Company recorded a foreign exchange gain of $1,118 (June 30, 2023: $nil). As at June 30, 2024, based upon the investee's limited capital, and the lack of progress with its initial projections, management has determined that the fair value of its investment has declined to $nil (June 30, 2023: $33,100).

During the year ended June 30, 2023, the Company completed a share swap with Novobeing, an AR/VR start-up company, whereby the Company issued 83,334 Subordinate Voting Shares in exchange for 1,250,000 Novobeing shares. Novobeing is a start-up, private company with little or no public information available for valuation of the shares held by the Company. On September 7, 2023, the Company closed a non-brokered private placement through the issuance of 33,485 Units at a price of $2.00 per Unit for aggregate gross proceeds of $66,969. Each Unit consists of one subordinate voting share ("SVS") of Novobeing and one SVS purchase warrant ("Warrant"). Each SVS purchase warrant entitles its holder to purchase one additional SVS at an exercise price of $4.00 per SVS for a period of 24 months from the date of issue. The Company is in its start-up stage, thinly traded, and under a Management Cease Trade Order ("MCTO") around the Valuation Date, and therefore, the valuation of the Warrant was considered negligible. As such, the fair value of one SVS was estimated to be $2.00 per share in fiscal year 2024 based on the private placement. Based upon the foregoing SVS value, management has determined a fair value of its investment to be $166,667. During the year ended June 30, 2024, the Company recorded a foreign exchange gain of $2,708 (June 30, 2023: $nil). As at June 30, 2024, based upon the investee's limited capital, and the lack of progress with its initial projections, management has determined that the fair value of its investment has declined to $nil (June 30, 2023: $166,667).

On August 30, 2023, the Company issued 15,109 MVS with a fair value of $37,773 to Pluto 11.11 Inc. a related party, in exchange for 24,084 shares of Series A-1 Preferred Stock of Unstoppable Domains Inc.

During the year ended June 30, 2024, the Company invested $33,877 in Coach K investments. During the year ended June 30, 2024, the Company recorded a foreign exchange gain of $187. This investment was represented by three NFTs. Due to the overall market condition for private sales of NFTs, management has determined the fair value of its investment has declined to $3,629.

A continuity of the Company's investments are as follows:

	June 30, 2024	June 30, 2023
	$	$
SAFE Investments - opening balance	**312,293**	63,545
Additions	**-**	238,320
Fair value change	**(73,972)**	8,143
Foreign exchange	**8,044**	2,285
SAFE Investments - closing balance	**246,365**	312,293
Strategic investments - opening balance	**199,766**	33,100
Additions	**71,650**	166,666
Fair value change	**(236,534)**	-
Foreign exchange	**6,520**	-
Strategic investments - closing balance	**41,402**	199,766
Balance	**287,767**	512,059

(Expressed in Canadian dollars)

7. INVESTMENTS (continued)

All of the Company's investments are categorized as a level 3 asset on the fair value hierarchy on the consolidated statements of financial position as at June 30, 2024 and 2023.

The following table presents the changes in fair value measurements of financial instruments classified as Level 3 for the years ended June 30, 2024 and 2023. These financial instruments are measured at fair value utilizing non-observable market inputs based on specific company information and general market conditions. The net change in unrealized gains (losses) are recognized in the consolidated statements of loss and comprehensive loss.

Significant unobservable inputs used in the fair value measurement of Level 3 investments were:

Description	**Fair value at June 30, 2024 $**	Fair value at June 30, 2023 $	**Valuation technique / Unobservable inputs**
SAFE Agreements	**246,365**	312,293	New investments / recent transactions / subsequent financings
Strategic investments	**41,402**	199,766	New investments / recent transactions / subsequent financings
	287,767	512,059	

A 10% change in the fair value (i.e. recent transaction price) of this investment will result in a corresponding $28,776 (2023 - $51,206) change in the total fair value of the investments. While this illustrates the overall effect of changing the values of the unobservable inputs by a set percentage, the significance of the impact and the range of reasonably possible alternative assumptions may differ significantly between investments, given their different terms and circumstances.

The sensitivity analysis is intended to reflect the uncertainty inherent in the valuation of these investments under current market conditions, and its results cannot be extrapolated due to non-linear effects that changes in valuation assumptions may have on the fair value of the investments.

Furthermore, the analysis does not indicate a probability of such changes occurring and it does not necessarily represent the Company's view of expected future changes in the fair value of this investment. Any management actions that may be taken to mitigate the inherent risks are not reflected in this analysis.

8. EQUIPMENT

During the year ended June 30, 2024, the Company sold its mining infrastructure for the mining of digital currencies and has ceased its mining operations.

	Equipment $	**Total $**
Cost		
Balance, June 30, 2022	-	-
Additions	144,991	144,991
Balance, June 30, 2023	144,991	144,991
Disposal	(144,991)	(144,991)
Balance, June 30, 2024	**-**	**-**

(Expressed in Canadian dollars)

8. EQUIPMENT (continued)

Accumulated depreciation		
Balance, June 30, 2022	-	-
Addition	12,083	12,083
Balance, June 30, 2023	12,083	12,083
Addition	48,330	48,330
Disposal	(60,413)	(60,413)
Balance, June 30, 2024	**-**	**-**
Net book value		
June 30, 2023	132,908	132,908
June 30, 2024	**-**	**-**

9. CONVERTIBLE NOTE RECEIVABLE

On February 13, 2023, the Company closed an unsecured convertible debenture (the "Debenture") with Novobeing (formerly known as Rocket Wellness Inc.) for $331,000. During the year ended June 30, 2023, the Company paid $165,500 and Orthogonal Thinker Inc., a related party, paid $165,500 on behalf of the Company, which formed a portion of a loan payable. The Debenture bears interest of 8% compounded annually, maturing in 12 months and the principal and interest are automatic convertible into preferred shares at the next equity financing, with a 20% discount, at the option of the debenture holders. As at June 30, 2024, based upon the investee's limited capital, inability to raise significant additional capital since executing the Debenture, subsequent maturity of the Debenture without conversion, and the investee's inability to repay the Debenture, management has recognized an impairment provision of $364,969 for the Debenture, which includes accrued interest of $24,612.

10. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

During the year ended June 30, 2024, the Company recorded a gain on settlement of its accounts payable of $6,706 (June 30, 2023 – gain of $40,642) that have been outstanding for several years without any claims from the past vendors. During the year ended June 30, 2023, the Company entered into a settlement agreement and recorded a gain on forgiveness of debt of $47,054. Accounts payable and accrued liabilities consist of:

		June 30, 2024		June 30, 2023
Accounts payable	**$**	**291,930**	$	46,417
Due to related parties		**525**		1,575
Accrued professional fees		**82,122**		272,706
Total	**$**	**374,577**	$	320,698

11. LOANS PAYABLE

During the year ended June 30, 2023, the Company entered into a settlement agreement and recorded a gain on forgiveness of debt of $53,943 owing to former directors of the Company.

On January 12, 2023, the Company entered into a promissory note agreement with Orthogonal Thinker Inc, whereby the Company had a loan payable of $480,000. The note was non-interest bearing, unsecured and due on demand. On March 21, 2023, the Company issued 240,000 SVS, 120,000 SVS warrants, 2,400 MVS and 1,200 MVS warrants to settle the loan payable. Each SVS warrant is exercisable at $3 and matures two years from the date of issuance. Each MVS warrant is exercisable at $300 and expires two years from the date of issuance.

12. SHARE CAPITAL

(a) Authorized:

On February 24, 2023, the Company filed articles of amendment to redesignate the existing class of Common Shares as SVS and authorize a class of MVS. The Company is authorized to issue unlimited number of SVS without par value and an unlimited number of MVS without par value. Each MVS consists of 100 SVS. MVS and SVS have the same priority.

i. Subordinate Voting Shares ("SVS")

Holders of SVS will be entitled to notice of and to attend at any meeting of the shareholders of the Issuer, except a meeting of which only holders of another particular class or series of shares of the Issuer will have the right to vote. At each such meeting, holders of SVS will be entitled to one vote in respect of each SVS held.

As long as any SVS remain outstanding, the Issuer will not, without the consent of the holders of the SVS by separate special resolution, prejudice or interfere with any right or special right attached to the SVS.

Holders of SVS will be entitled to receive as and when declared by the directors of the Issuer, dividends in cash or property of the Issuer. No dividend will be declared or paid on the SVS unless the Company simultaneously declares or pays, as applicable, equivalent dividends (assuming conversion of all MVS into SVS at the Conversion Ratio) on the MVS.

ii. Multiple Voting Shares ("MVS")

Holders of MVS will be entitled to notice of and to attend at any meeting of the shareholders of the Issuer, except a meeting of which only holders of another particular class or series of shares of the Issuer will have the right to vote. At each such meeting, holders of MVS will be entitled to one vote in respect of each SVS into which such MVS could then be converted (100 votes per MVS held).

The holders of the MVS are entitled to receive such dividends as may be declared and paid to holders of the SVS in any financial year as the Board may by resolution determine, on an as-converted to SVS basis. No dividend will be declared or paid on the MVS unless the Issuer simultaneously declares or pays, as applicable, equivalent dividends (on a 100-to-1 ratio to SVS) on the SVS.

On February 27, 2023, the Company converted 2,287,500 SVS to 22,875 MVS. On March 7, 2023, the Company's shareholders voluntarily converted 112,500 SVS into 1,125 MVS on a 100 to 1 basis.

On November 16, 2023, the Company converted 23,892 MVS to 2,389,225 SVS.

On October 19, 2023, the Company converted 856 MVS to 85,565 SVS.

(b) Issued and Outstanding

As at June 30, 2024, there were:

6,148,508 SVS issued and outstanding.
24,513 MVS issued and outstanding

12. SHARE CAPITAL (continued)

i) Shares issued during the year ended June 30, 2024.

On November 1, 2023, the Company issued 50,000 SVS upon the conversion of RSU's, and the Company transferred $100,000 from reserves to share capital.

During the year ended June 30, 2024, the Company issued 5,000 SVS upon the exercise of 5,000 SVS options, for gross proceeds of $5,000. The Company transferred $8,450 from reserves to share capital.

On September 7, 2023, the Company closed a non-brokered private placement through the issuance of 33,485 Units at a price of $2.00 per Unit for aggregate gross proceeds of $66,969. Each Unit consists of one subordinate voting share "SVS" of the Company and one SVS purchase warrant. Each SVS purchase warrant entitles its holder to purchase one additional SVS at an exercise price of $4.00 per SVS for a period of 24 months from the date of issue. The full proceeds were allocated to the shares under the residual value method.

On August 30, 2023, the Company issued 15,109 MVS with a fair value of $37,773 to Pluto 11.11 Inc., in exchange for 24,084 shares of Series A-1 Preferred Stock (the "Transaction") of Unstoppable Domains Inc. The fair value was determined based on the latest private placement at $2.00 per SVS, plus an estimated 25% multiple voting right premium. The transaction constitutes a related party transaction.

On July 19, 2023, the Company issued 20,000 SVS to a former director of the Company with a fair value of $40,000.

ii) Shares issued during the year ended June 30, 2023.

During the year ended June 30, 2023, the company completed a share swap with Novobeing, whereby the Company issued 83,334 SVS with a fair value of $166,667, using the Company's recent financing price per share, in exchange for 1,250,000 Novobeing shares.

On March 21, 2023, the Company completed a non-brokered private placement and issued 15,505 Units for gross proceeds of $1,550,475. Each unit consists of 50 SVS, 0.5 MVS, 25 warrants to purchase one SVS and 0.25 warrants to purchase one MVS in the capital of the Company. In aggregate, the Company issued 775,237 SVS and 7,752 MVS. Each SVS warrant is exercisable at $3 and matures two years from the date of issuance. Each MVS warrant is exercisable at $300 and matures two years from the date of issuance. No finder's fee was paid. The full proceeds were allocated to the shares under the residual value method.

On March 21, 2023, the Company issued 4,800 Units and settled $480,000 of debt (Note 11). Each unit consists of 50 SVS, 0.5 MVS, 25 warrants to purchase one SVS and 0.25 warrants to purchase one MVS in the capital of the Company. In aggregate, the Company issued 240,000 SVS and 2,400 MVS. Each SVS warrant is exercisable at $3 and matures two years from the date of issuance. Each MVS warrant is exercisable at $300 and matures two years from the date of issuance.

Obligation to issue shares

During the year ended June 30, 2023, the Company received $65,439 of subscriptions for a private placement that closed during the year ended June 30, 2024.

(Expressed in Canadian dollars)

12. SHARE CAPITAL (continued)

(c) Warrants

The following is a summary of the Company's share purchase warrant activity for the years ended June 30, 2024, and 2023.

	Number of Warrants	Number of SVS warrants	Number of MVS Warrants
Outstanding, June 30, 2022	4,825,000	-	-
Conversion	(4,825,000)	2,400,000	24,000
Issued	-	507,619	5,076
Outstanding, June 30, 2023	-	2,907,619	29,076
Issued	-	33,485	-
Outstanding, June 30, 2024	**-**	**2,941,104**	**29,076**

As at June 30, 2024, all SVS and MVS warrants are vested.

During the year ended June 30, 2023, pursuant to the amendment to redesignate the existing class of common share to SVS and MVS, the Company converted 4,825,000 warrants to 2,400,000 SVS and 24,000 MVS warrants.

On September 7, 2023, the Company closed a non-brokered private placement through the issuance of 33,485 Units at a price of $2.00 per Unit for aggregate gross proceeds of $66,969. Each Unit consists of one subordinate voting share "SVS" of the Company and one SVS purchase warrant. Each SVS purchase warrant entitles its holder to purchase one additional SVS at an exercise price of $4.00 per SVS for a period of 24 months from the date of issue.

Details of warrants outstanding as at June 30, 2024 are as follows:

Exercise price	Number of SVS Warrants Outstanding	Number of MVS Warrants Outstanding	Expiry date
$2.00	662,500	-	April 22, 2027
$200.00	-	7,688	April 22, 2027
$2.00	1,687,500	-	May 17, 2027
$200.00	-	9,188	May 17, 2027
$2.00	-	-	May 24, 2027
$200.00	-	6,125	May 24, 2027
$2.00	50,000	-	June 3, 2027
$200.00	-	1,000	June 3, 2027
$3.00	507,619	-	March 21, 2025
$300.00	-	5,075	March 21, 2025
$4.00	33,485	-	September 7, 2025
	2,941,104	29,076	

12. SHARE CAPITAL (continued)

(d) Stock options

The Company has adopted an incentive stock option plan and restricted stock option plan, which provides that the Board of Directors of the Company may from time to time, in its discretion, and in accordance with the requirements of the Exchange, grant to directors, officers, employees and technical consultants to the Company, options to purchase SVS, provided that the number of SVS reserved for issuance will not exceed 10% of the issued and outstanding SVS of the Company. Such options will be exercisable for a period of up to five years from the date of grant.

(i) Options issued during the year ended June 30, 2024

On December 6, 2023, the Company granted 115,000 incentive stock options to consultants to purchase SVS at an exercise price of $3.90 per stock option for up to five years. The stock options will vest over twelve months, with 25% vesting each quarter, starting March 6, 2024. The total grant date fair value of the options was measured at $369,681. The options were measured using the Black-Scholes Option Pricing Model with the following assumptions: Stock price - $3.90; exercise price - $3.90; expected life – 5 years; volatility – 117%; dividend yield – $0; and risk-free rate – 3.48%. As at June 30, 2024, the Company recorded stock-based compensation of $266,712.

On September 6, 2023, the Company granted 120,000 incentive stock options to consultants and management at an exercise price of $1 per stock option for up to four years. The stock options vested as follows: 113,750 vested immediately, with the remainder vesting every 3 months over a one-year period. The total grant date fair value of the options was measured at $203,283. The options were measured using the Black-Scholes Option Pricing Model with the following assumptions: Stock price - $2.00; exercise price - $1; expected life – 4 years; volatility – 117%; dividend yield – $0; and risk-free rate – 3.99%. During the year ended June 30, 2024, the Company recorded stock-based compensation of $202,790.

On September 1, 2023, the Company granted 527,500 restricted stock options to management and consultants the Company at an exercise price of $1 per stock option for up to four years. The stock options vested as follows: 332,500 vested immediately, with the remainder vesting every 3 months over a one-year period. The total grant date fair value of the options was measured at $891,464. The options were measured using the Black-Scholes Option Pricing Model with the following assumptions: Stock price - $2.00; exercise price - $1; expected life – 4 years; volatility – 116%; dividend yield – $0; and risk-free rate – 3.97%. During the year ended June 30, 2024, the Company recorded stock-based compensation of $861,844.

On July 19, 2023, the Company issued 50,000 stock options to a former director of the Company that vested immediately, are exercisable at $1 and expire on July 19, 2027. The grant date fair value of the options was measured at $85,891. The options were measured using the Black-Scholes Option Pricing Model with the following assumptions: Stock price - $2.00; exercise price - $1; expected life – 4 years; volatility – 122%; dividend yield – $0; and risk-free rate – 3.83%. During the year ended June 30, 2024, the Company recorded stock-based compensation of $85,891.

(ii) Options issued during the year ended June 30, 2023

During the year ended June 30, 2023, pursuant to the Company’s stock option plan, all outstanding stock options were cancelled at the Company’s discretion and all stock options not yet fully vested were recorded as stock-based compensation. The Company did not issue any replacement instruments.

(Expressed in Canadian dollars)

12. SHARE CAPITAL (continued)

On July 15, 2022, the Company granted incentive stock options to a consultant to purchase an aggregate of 3,750 common shares at an exercise price of $3.00 per common share for up to five years. The options issued vest 1/3 every six months for 18 months from grant date. The total grant date fair value of the options was measured at $672. The options were measured using the Black-Scholes Option Pricing Model with the following assumptions: Stock price - $0.40; exercise price - $3.00; expected life – 5 years; volatility – 120%; dividend yield – $0; and risk-free rate – 3.02%. As at June 30, 2023, all $672 was recorded as vested.

On July 4, 2022, the Company granted incentive stock options to a consultant to purchase an aggregate of 1,250 common shares at an exercise price of $3.00 per common share for up to five years. The options issued vest 1/3 every six months for 18 months from grant date. The total grant date fair value of the options was measured at $225. The options were measured using the Black-Scholes Option Pricing Model with the following assumptions: Stock price - $0.40; exercise price - $3.00; expected life – 5 years; volatility – 120%; dividend yield – $0; and risk-free rate – 3.02%. As at June 30, 2023, all $225 was recorded as vested.

The following is a summary of the Company's option activity.

	Weighted average exercise price	Number of Options
Outstanding, June 30, 2022		536,250
Issued		5,000
Cancelled and expired		(541,250)
Outstanding and Exercisable June 30, 2023	-	-
Issued	1.41	812,500
Exercised	1.00	(5,000)
Cancelled and expired	1.79	(55,000)
Outstanding as at June 30, 2024	**1.39**	**752,500**
Exercisable as at June 30, 2024	**1.19**	**644,688**

(e) Restricted Stock Units (RSUs)

On September 1, 2023, a total of 50,000 RSUs were granted and issued to David Nikzad and Jason Hobson for services rendered as part of the Company Equity Inventive Plan, which vest immediately at the time of grant and expiring ten years from issuance date. The fair value of the RSUs on the grant date was $2.00 per unit based on the latest private placement. During the year ended June 30, 2024, the units were exercised.

On January 11, 2024, 5,550 RSUs were issued to a third-party contractor for consulting services, vesting over a three-month term and expiring five years from issuance date. During the year ended June 30, 2024, the agreement was terminated and the units were cancelled. During the year ended June 30, 2024, the Company recorded stock-based compensation of $6,105.

(Expressed in Canadian dollars)

12. SHARE CAPITAL (continued)

The following is a summary of the Company's RSU activity.

	Number of RSUs
Outstanding, June 30, 2023	-
Issued	55,550
Exercised	(50,000)
Cancelled and expired	(5,550)
Outstanding and Exercisable June 30, 2024	**-**

(f) Reserve

The share-based payment reserves record items recognized as stock-based compensation expense and other share-based payments until such time that the stock options or warrants are exercised, at which time the corresponding amount will be transferred to share capital.

13. FINANCIAL INSTRUMENTS

Fair value information

As at June 30, 2024, the Company's financial instruments consist of cash, convertible note receivable, loan receivable, investments and accounts payable. The carrying values of loan receivable and accounts payable approximate their fair values because of their current nature. All financial assets and financial liabilities are recorded at fair value on initial recognition.

The categories of the fair value hierarchy that reflect the significance of inputs used in making fair value measurements are as follows:

Level 1 Unadjusted quoted prices in active markets that are accessible at the measurement date for identical, unrestricted assets or liabilities;

Level 2 Quoted prices in markets that are not active, or inputs that are observable, either directly or indirectly, for substantially the full term of the asset or liability;

Level 3 Prices or valuation techniques that require inputs that are both significant to the fair value measurement and unobservable (supported by little or no market activity);

There were no transfers between levels during the years ended June 30, 2024 and 2023.

Where the fair values of investments in private companies and convertible note receivable recorded on the consolidated statements of financial position cannot be derived from active markets, they are determined using a variety of valuation techniques. The inputs to these models are derived from observable market data where possible, but where observable market data is not available, judgment is required to establish fair value. As at June 30, 2024, if the fair value of investments increased or decreased by 10% with all other variables held constant, the corresponding investments value increase or decrease respectively would amount to approximately $28,777.

(Expressed in Canadian dollars)

13. FINANCIAL INSTRUMENTS (continued)

The following is an analysis of the Company's financial assets and liabilities measured at fair value as at June 30, 2024 and 2023:

	As at June 30, 2023		
	Level 1	**Level 2**	**Level 3**
Convertible note receivable	$ -	$ -	$ 339,452
Investments	-	-	512,059

	As at June 30, 2024		
	Level 1	**Level 2**	**Level 3**
Investments	$ -	$ -	$ 287,767

14. DIGITAL ASSETS AND RISK MANAGEMENT

Digital Assets and Risk Management

Cryptocurrency held by the Company is measured using Level 2 fair values, determined by taking the rate from CoinAPI (Binance) and benchmarked against CoinMarketCap. Digital asset prices are affected by various forces including global supply and demand, interest rates, exchange rates, inflation or deflation and global political and economic conditions. A decline in the market prices for digital assets could negatively impact the Company's future operations. The Company has not hedged the conversion of any of its sales of digital assets.

Digital assets have a limited history and the fair value historically has been relatively volatile. Historical performance of digital assets is not indicative of their future price performance.

The Company's digital assets currently consist of Bitcoin, Ethereum, NFTs and other digital assets. As at June 30, 2024, if the market price of digital currencies increased or decreased by 10% with all other variables held constant, the corresponding digital assets value increase or decrease respectively would amount to approximately $3,640.

Liquidity Risk

As at June 30, 2024, the Company held cash of $2,525 (2023 - $790,514), had working capital deficit of $224,548 (2023 – working capital of $704,056). Historically, the Company's primary source of funding has been the issuance of equity securities for cash, and advances from related companies. The Company's access to financing is always uncertain and there can be no assurance of continued access to significant equity funding or related companies. Refer to Note 2 for more details about the Company's liquidity.

Loss of Access and Customer Risk

Bitwarden is utilized to manage accesses. Bitwarden uses a triagonal emergency multi-sig access system that ensures that access is available so long as one of three parties can provide access credentials.

Interest Rate Risk

Interest rate risk is the result that the fair values and future cash flows of the Company's financial instruments will fluctuate because of changes in market interest rates. The Company currently has no interest-bearing financial instruments, so its exposure to interest rate risk is not significant.

(Expressed in Canadian dollars)

14. DIGITAL ASSETS AND RISK MANAGEMENT (continued)

Credit Risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations. The Company was mainly exposed to credit risk from holding cash, which it mitigates from holding balances with major financial institutions.

Other Price Risk

Other price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in market prices, other than those arising from interest rate risk and foreign currency risk. The Company holds investments in securities that will fluctuate in value as a result of fluctuations in estimated fair values of those securities. Furthermore, as the Company's investments are early-stage Web 3.0 development companies, market values will fluctuate subject to economic cycles and political events.

15. MANAGEMENT OF CAPITAL

The Company's objectives of capital management are to safeguard its ability to support the Company's normal operating requirements on an ongoing basis. The Company includes shareholders' equity of $63,219 in the definition of capital.

The Company sets the amount of capital required in proportion to its operating requirements and perceived risk of loss. The Company manages the capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. The Company has historically relied on the equity markets to fund its activities and is open to new sources of financing to manage its expenditures in the interest of sustaining long-term viability. The Company's capital management objectives, policies and processes have not changed over the periods presented.

Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company, is reasonable. The Company is not subject to any externally imposed capital requirements.

16. SUPPLEMENTAL CASH FLOW INFORMATION

		June 30, 2024		June 30, 2023
Interest paid	**$**	**-**	$	-
Income taxes paid		**-**		-
Reclassification of obligation to issue shares to share capital		**65,439**		-
Repayment of loan receivable through investment of digital assets		**15,304**		-
Digital assets received on sale of equipment		**28,107**		-
Shares issued for Unstoppable Domains Inc.		**37,773**		-
Restricted share units exercised		**100,000**		-

Other non-cash investing and financing activities:

On August 30, 2023, the Company issued 15,109 MVS to Pluto 11.11 Inc., in exchange for 24,084 shares of Series A-1 Preferred Stock (the "Transaction") of Unstoppable Domains Inc. The Transaction constitutes a related party transaction.

(Expressed in Canadian dollars)

16. SUPPLEMENTAL CASH FLOW INFORMATION (continued)

On May 10, 2023, the Company completed the share swap agreement with Novobeing and issued 83,334 SVS of the Company in exchange for 1,250,000 common shares of Novobeing.

On January 12, 2023, the Company entered into a $480,000 promissory note agreement with Orthogonal Thinker Inc., whereby Orthogonal Thinker Inc. paid for certain expenditures on behalf of the Company. The note was non-interest bearing, unsecured and due on demand. On March 21, 2023, the Company issued 240,000 SVS, 120,000 SVS warrants, 2,400 MVS and 1,200 MVS warrants to settle the loan payable. Each SVS warrant is exercisable at $3 and matures two years from the date of issuance. Each MVS warrant is exercisable at $300 and matures two years from the date of issuance.

17. RELATED PARTY TRANSACTIONS

The Company entered into the following transactions with related parties:

The remuneration of current directors, and former directors and key management personnel during the years ended June 30, 2024 and 2023, are as follows:

		June 30, 2024		June 30, 2023
Consulting fees and termination fees paid to a former officer	**$**	**52,713**	$	-
Management and director fees		**11,636**		69,660
Consulting fee paid to a company controlled by the former acting CFO		**7,000**		-
Consulting expenses paid to Orthogonal Thinker, Inc.		**119,196**		-
RSU's exercised by directors		**100,000**		-
Share based compensation		**902,050**		7,815
	$	**1,192,595**	$	77,745

As at June 30, 2024, the Company owed $525 (2023 - $1,575) to related parties.

All related party transactions are in the normal course of operations.

Other related party transactions:

The company has a loan receivable of $69,396 (2023 - $84,700) for expenditures paid for on behalf of Orthogonal Thinker Inc., who is a majority shareholders of the Company. The amount is non-interest bearing, unsecured and due on demand (Note 5).

On September 1, 2023, the Company granted 50,000 restricted stock options ("RSU") to management. All RSU's are allotted and reserved for issuance, and all subordinate voting shares duly vested in accordance with the terms of the RSU grant agreements shall be issued as fully paid and non-assessable shares in the capital of the Company. The RSUs vested immediately. The fair value of the restricted stock options was $100,000. These RSU's were all exercised on November 1, 2023, and the fair value of $100,000 was transferred from reserves to share capital.

On August 30, 2023, the Company issued 15,109 MVS with a fair value of $37,773 to Pluto 11.11 Inc. (one of two main shareholders of the Company), in exchange for 24,084 shares of Series A-1 Preferred Stock of Unstoppable Domains Inc. The Transaction constitutes a related party transaction.

(Expressed in Canadian dollars)

17. RELATED PARTY TRANSACTIONS (continued)

On July 19, 2023, the Company issued 20,000 SVS to a former director of the Company with a fair value of $40,000.

On January 12, 2023, the Company entered into a promissory note agreement with Orthogonal Thinker Inc, an entity with common directors, whereby the Company had a loan payable of $480,000. The note was non-interest bearing, unsecured and due on demand. On March 21, 2023, the Company issued 240,000 SVS, 120,000 SVS warrants, 2,400 MVS and 1,200 MVS warrants to settle the loan payable. Each SVS warrant is exercisable at $3 and matures two years from the date of issuance. Each MVS warrant is exercisable at $300 and matures two years from the date of issuance.

On March 27, 2023, the Company invested $165,500 into Contango Digital Assets Inc., a private company, with common directors.

On March 21, 2023, the Company completed an equity financing and debt settlement, and issued 1,015,237 SVS and 10,152 MVS for $2,030,475. As part of the financing, Pluto 11.11 Inc. ("Pluto") participated in the financing. Pluto participated in the Financing in the amount of $995,600 and acquired 497,800 SVS, 4,978 MVS, 248,900 SVS Warrants and 2,489 MVS Warrants. Prior to the Financing, Pluto held no securities of the Company, following the Financing, Pluto now owns approximately 14.43% of the issued and outstanding SVS (calculated by the total number of MVS held on an as-converted basis) on a non-diluted basis and 14.48% on a fully diluted basis.

18. SEGMENTED INFORMATION

The Company operates in one industry and geographical segment. The operating results are regularly reviewed by the chief operating decision makers to make decisions about resources and how they will be allocated to determine performance.

19. INCOME TAXES

The difference between tax expense for the year and the expected income taxes based on the statutory tax rate arises as follows:

	June 30, 2024	June 30, 2023
Loss for the year	**$ (3,301,357)**	$ (850,081)
Tax recovery based on the statutory rate of 27% (2023: 27%)	**(891,366)**	(229,522)
Non-deductible and deductible expenses	**607,460**	(35,421)
Adjustments to prior years provisions versus statutory tax returns	**(161,924)**	(6,554)
Changes in unrecognized deferred tax assets	**445,830**	271,497
	$ -	$ -

(Expressed in Canadian dollars)

19. INCOME TAXES (continued)

The nature and tax effect of the temporary differences giving rise to the deferred tax assets as at June 30, 2024 and 2023, are summarized as follows:

	June 30, 2024	June 30, 2023
Tax losses carried forward	**$ 1,098,018**	$ 896,946
Capital assets	**64,409**	4,097
	1,162,427	901,043
Unrecognized deferred tax assets	**(1,162,427)**	(901,043)
	$ -	$ -

The Company has approximately $4,066,732 of non-capital losses available, which expire through to 2043 and may be applied against future taxable income. As at June 30, 2024, the net amount which would give rise to a deferred income tax asset has not been recognized as it is not probable that such benefit will be utilized in future years.

20. COST OF REVENUE

Cost of revenue consists of site operating costs and equipment depreciation. During the year ended June 30, 2024, cost of revenue was $140,239 (2023 - $54,704).

21. REVENUE

Revenue consists of mined digital currency. During the year ended June 30, 2024, mined revenue was $113,246 (2023 - $ 48,260).

22. CONTINGENCIES

Subsequent to the year ended June 30, 2024, the Company received a letter from the legal counsel representing certain shareholders, claiming the return of their total investment of US$175,000. The letter includes certain allegations against the Company and its directors. However, management and legal counsel believes the claim is without merit and will not have a material adverse effect on the financial position or results of operations of the Company. Consequently, no provision for the claim has been recognized in the consolidated financial statements.

23. SUBSEQUENT EVENTS

On July 12, 2024, the Company completed a vertical short form amalgamation pursuant to the Canada Business Corporations Act with the Company's wholly-owned subsidiary 16156754 Canada Inc. Upon completion of the amalgamation, the resulting amalgamated company adopted the name "Cloud3 Ventures Inc.", maintained the same Articles and management as the Company, issued no securities, changed its trading symbol to "CLDV" on the CSE and "CLDVF" on the OTC Pink, and changed its ISIN and CUSIP numbers for the SVS to 18914M108 and CA18914M1086.

On July 11, 2024, the Company converted 275 MVS to 27,500 SVS.

On August 12, 2024, the Company converted 6,421 MVS to 642,095 SVS.