BLUE HORIZON GLOBAL CAPITAL CORP.

CONSOLIDATED FINANCIAL STATEMENTS

(Expressed in Canadian dollars)

For the Years Ended December 31, 2024 and 2023

INDEPENDENT AUDITOR'S REPORT

To the Shareholders of Blue Horizon Global Capital Corp.

Opinion

We have audited the consolidated financial statements of Blue Horizon Global Capital Corp. and its subsidiaries (together the "Company"), which comprise the consolidated statements of financial position as at December 31, 2024, and 2023, and the consolidated statements of loss and comprehensive loss, changes in equity (deficiency) and cash flows for the years then ended, and notes to the consolidated financial statements, including material accounting policy information.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Company as at December 31, 2024, and 2023, and its consolidated financial performance and its consolidated cash flows for the years then ended in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board ("IASB").

Basis for Opinion

We conducted our audits in accordance with Canadian generally accepted auditing standards ("GAAS"). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audits 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 audits 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.

Material Uncertainty Related to Going Concern

We draw attention to Note 1 in the consolidated financial statements, which indicates that the Company incurred a net loss of $315,505 for the year ended December 31, 2024, and, as of that date, had an accumulated deficit of $10,136,264. As stated in Note 1, these events and conditions, along with other matters as set forth in Note 1, 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 judgment, were of most significance in our audit of the consolidated financial statements as at and for the year ended December 31, 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 above in the Material Uncertainty Related to Going Concern section, we have determined that there are no key audit matters to be communicated in our report.

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Other Information

Management is responsible for the other information. The other information comprises the information included in the Management's Discussion and Analysis ("MD&A") 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 MD&A and we do not express any form of assurance conclusion thereon.

In connection with our audits of the consolidated financial statements, our responsibility is to read MD&A identified above and, in doing so, consider whether MD&A is materially inconsistent with the consolidated financial statements, or our knowledge obtained in the audits, or otherwise appears to be misstated.

We obtained the MD&A prior to the date of this auditor's report. If based on the work we have performed on this MD&A, we conclude that there is a material misstatement of this MD&A, we are required to report that fact in this auditor's report. We have nothing to report in this regard.

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 Accounting Standards 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 Audits 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 GAAS 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 GAAS, we exercise professional judgement and maintain professional skepticism throughout the audits. 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 audits 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.

- 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.

- Plan and perform the group audits to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Company as a basis for forming an opinion on the consolidated financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audits. 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 audits and significant audit findings, including any significant deficiencies in internal control that we identify during our audits.

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 determined 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 described 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 benefits of such communication.

The engagement partner on the audits resulting in this independent auditor's report is Ahmad Aslam, CPA, CA.

Zeifmans LLP

Toronto, Ontario
April 23, 2025

Chartered Professional Accountants
Licensed Public Accountants

BLUE HORIZON GLOBAL CAPITAL CORP.
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
AS AT DECEMBER 31, 2024 AND 2023
(Expressed in Canadian Dollars)

	Note	December 31, 2024	December 31, 2023
ASSETS			
Current Assets:			
Cash		$ 3,763	$ 43,080
Trade and other accounts receivable		5,822	17,283
Prepaid expenses		12,772	12,797
Total current assets		22,357	73,160
Non-current assets:			
Oil and gas property interests	8	1	1
Deposits	15	388,063	369,389
Total non-current assets		388,064	369,390
Total assets		$ 410,421	$ 442,550
LIABILITIES			
Current liabilities:			
Accounts payable and accrued liabilities		$ 257,307	$ 304,405
Reclamation & decommissioning obligation	11	485,926	367,776
Advances	7	206,559	146,915
Total current liabilities		949,792	819,096
Non-current liabilities:			
Canada emergency business account (CEBA) loan	12	60,000	60,000
Total non-current liabilities		60,000	60,000
Total liabilities		1,009,792	879,096
SHAREHOLDERS' DEFICIENCY			
Capital stock	10	9,475,603	14,953,331
Warrants	10	-	57,529
Contributed surplus	10	57,529	-
Accumulated other comprehensive income		3,761	1,081
Deficit		(10,136,264)	(15,448,487)
Total shareholders' deficiency		(599,371)	(436,546)
Total liabilities and shareholders' deficiency		$ 410,421	$ 442,550
Nature and continuance and operations and going concern	1		
Commitments and contingencies	15		
Subsequent events	21		

Approved on Behalf of the Board

"Alex Mackay"	**"Jim Hughes"**
Director	**Director**

The accompanying notes form an integral part of these consolidated financial statements

BLUE HORIZON GLOBAL CAPITAL CORP.
CONSOLIDATED STATEMENTS OF LOSS AND COMPREHENSIVE LOSS
FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023
(Expressed in Canadian Dollars)

		Year ended December 31,	
	Note	**2024**	**2023**
Revenue			
Interest income		18,674	17,695
Total revenue		18,674	17,695
Expenses			
Exploration expenses	16	(35,945)	(15,421)
Office and general expenses	17	(112,929)	(425,084)
Reversal of interest income		-	(8,004)
Total expenses		(148,874)	(448,509)
Loss before undernoted		(130,200)	(430,814)
Finance costs		(64,439)	(16,379)
Loss on disinvestment of controlling shares in a subsidiary		-	(36,919)
Impairment of investments		-	(8,844,345)
Impairment of investment in associate		-	(38,593)
Reclamation & decommissioning expenses	11	(118,150)	-
Proceeds of private placement not received		-	(650,000)
Gain (loss) on foreign exchange		(2,716)	681
Net loss for the year		(315,505)	(10,016,369)
Other comprehensive income (loss) for the year			
Exchange differences on translation of foreign operations		2,680	(720)
Total comprehensive loss for the year		(312,825)	(10,017,089)
Weighted average shares outstanding - basic and diluted	10	422,286,772	254,950,388
Loss per common share based on net loss for the year	10	$ (0.00)	$ (0.04)

The accompanying notes form an integral part of these consolidated financial statements

BLUE HORIZON GLOBAL CAPITAL CORP.
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY (DEFICIENCY)
FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023
(Expressed in Canadian Dollars)

	Share Capital						
	Number	**Amount**	**Warrants**	**Contributed surplus**	**Accumulated Other Comprehensive Income**	**Deficit**	**Total (Deficiency) Equity**
Balance, December 31, 2022	247,801,764	$ 5,638,986	$ 57,529	$ -	$ 1,801	$ (5,432,118)	$ 266,198
Net loss for the year	-	-	-	-	-	(10,016,369)	(10,016,369)
Shares issued on conversion of accounts payable (Note 10)	10,000,000	200,000	-	-	-	-	200,000
Shares issued pursuant to private placement (Note 2)	2,166,667	650,000	-	-	-	-	650,000
Shares issued pursuant to acquisition of Robotic (Note 6)	27,644,444	1,382,222	-	-	-	-	1,382,222
Shares issued pursuant to acquisition of BAM (Note 2)	99,554,560	4,977,728	-	-	-	-	4,977,728
Shares issued pursuant to acquisition of 1412 (Note 6)	42,087,890	2,104,395	-	-	-	-	2,104,395
Exchange differences on translation of foreign operations	-	-	-	-	(720)	-	(720)
Balance, December 31, 2023	429,255,325	$ 14,953,331	$ 57,529	$ -	$ 1,081	$ (15,448,487)	$ (436,546)
Balance, December 31, 2023	429,255,325	$ 14,953,331	$ 57,529	$ -	$ 1,081	$ (15,448,487)	$ (436,546)
Net loss for the year	-	-	-	-	-	(315,505)	(315,505)
Shares issued on conversion of advances (Note 9)	15,000,000	150,000					150,000
Warrants transferred on expiry	-	-	(57,529)	57,529	-	-	-
Shares issued on acquisition of BAM - cancelled during the year pursuant to Board Resolution of July 11, 2024 (Note 2)	(99,554,560)	(4,977,728)	-	-	-	4,977,728	-
Shares issued on private placement - cancelled during the year pursuant to Board Resolution of July 11, 2024 (Note 2)	(2,166,667)	(650,000)	-	-	-	650,000	-
Exchange differences on translation of foreign operations	-	-	-	-	2,680	-	2,680
Balance, December 31, 2024	342,534,098	$ 9,475,603	$ -	$ 57,529	$ 3,761	$ (10,136,264)	$ (599,371)

The accompanying notes form an integral part of these consolidated financial statements

BLUE HORIZON GLOBAL CAPITAL CORP.
CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31. 2024 AND 2023
(Expressed in Canadian Dollars)

	Year ended december 31, 2024	2023
Cash flows (used in) operating activities		
Net loss for the year	$ (315,505)	$ (10,016,369)
Impairment of investments	-	8,844,345
Impairment of investment in associate	-	38,593
Loss on divestment of controlling shares in a subsidiary	-	36,919
Accrued interest payable on advances	21,668	16,379
Reclamation & decommissioning expenses	118,150	-
Impairment of private placement	-	650,000
Accrued interest receivable on advances to Blockchains Asset Management Group	-	(19,475)
Impairment of accrued interest on advances to Blockchains Asset Management Group	-	27,480
	(175,687)	(422,128)
Changes in non-cash working capital balances		
Trade and other accounts receivable	11,461	(12,593)
Prepaid expenses	25	547
Accounts payable and accrued liabilities	(47,098)	349,104
Cash flows (used in) operating activities	(211,299)	(85,070)
Cash flows (used in) investing activities		
Increase in deposits	(18,674)	(17,693)
Proceeds from sale of investment in associate	-	3,217
Cash flows (used in) investing activities	(18,674)	(14,476)
Cash flows from financing activities		
Proceeds from advances	187,976	-
Cash flows from financing activities	187,976	-
Net change in cash	(41,997)	(99,546)
Effect of changes in foreign exchange rate	2,680	(720)
Cash, beginning of the year	43,080	143,346
Cash, end of the year	$ 3,763	$ 43,080
Supplemental Information		
Non-cash financing and investing activities		
a. Shares issued 15,000,000 on conversion of advances	$ 150,000	$ -
b. Shares issued on acquisition of BAM - cancelled during the year pursuant to Board Resolution of July 11, 2024	(4,977,728)	-
c: Shares issued on private placement - cancelled during the year pursuant to Board Resolution of July 11, 2024	(650,000)	-
d. Shares issued 10,000,000 and accounts payable converted to capital stock	-	200,000
e. Shares issued 2,166,667 and private placement made:	-	650,000
f. Share issued 99,554,560 and investment made in BAM:	-	4,977,728
g. Shares issued 42,087,890 and investment made in company 1412:	-	2,104,395
h.. Shares issued 27,644,444 and investment made in Robotics stem cell	-	1,382,222
	$ (5,477,728)	$ 9,314,345

The accompanying notes form an integral part of these consolidated financial statements

1. NATURE AND CONTINUANCE OF OPERATIONS AND GOING CONCERN

Blue Horizon Global Capital Corp. (the "Company" or "Blue Horizon") is continued under the Business Corporations Act (Ontario). The Company is an investment company whose primary objective is to identify promising companies with excellent projects, innovative technologies or both, using management's extensive experience in deal sourcing and capital combination to maximize returns for its shareholders. The Company intends to invest its funds with the aim of generating returns from capital appreciation and investment income. It intends to accomplish these goals through the identification of and investment in securities of private and publicly listed entities across a wide range of sectors and industry areas, including but not limited to the technology, software development and biotechnology industries and natural gas interests. The Company is domiciled in the province of Ontario and its head office is located at 196 Wildcat Rd., North York, Ontario, Canada. The Company trades on the Canadian Securities Exchange ("CSE") under the symbol "BHCC".

These consolidated financial statements ("consolidated statements") include the accounts of the Company and its wholly owned subsidiaries, Mooncor Energy Inc. ("Mooncor Energy"), an Alberta Corporation, Primary Petroleum Company U.S. Inc ("PPCUSA"), a Montana, USA Corporation, Primary Petroleum Company LLC ("PPCLLC"), a Montana, USA Corporation and AP Petroleum Company ("APLLC"), a Montana, USA Corporation. Subsidiaries consist of entities over which the Company is exposed to, or has rights to, variable returns as well as the ability to affect those returns through the power to direct the relevant activities of the entity. Subsidiaries are fully consolidated from the date control is transferred to the Company and are de-consolidated from the date control ceases. The consolidated statements include all the assets, liabilities, revenues, expenses and cash flows of the Company and its subsidiaries after eliminating inter-entity balances and transactions.

The Company owned 25% shares of its associate Sensor Technologies Inc. ("STI") which was accounted for using the equity method. Due to continuous losses, the investment was determined to have been fully impaired and was written off during the previous year ended December 31, 2023.

During the year ended December 31, 2023, the Company acquired approximately 20% of the issued and outstanding securities in the capital of each of StemCell BioTech Ltd. ("Robotic") and 14125339 Canada Inc. ("1412"). As at December 31, 2024 the Company did not exercise its right to have representation on the board of the companies and, as such, did not participate in the policy-making process. In addition, there were no material transactions between the Company and each of Robotic and 1412 or the interchange of managerial personnel or provision of essential technical information or operating involvement. Accordingly, the Company determined that it does not have significant influence on these investees and as such, the investment in these two companies are being valued at fair value.

The consolidated statements were approved for issue by the Board of Directors on April 23, 2025. The Board of Directors of the Company has the power to amend the consolidated financial statements after issue.

The consolidated statements have been prepared using accounting policies applicable to a going concern, which contemplates the realization of assets and settlement of liabilities in the normal course of business as they come due. The Company has a net loss of $315,505 for the year ended December 31, 2024 (2023 - 10,016,369), and has accumulated deficit of $ 10,136,264 (2023 - $15,448,487) as of December 31, 2024. and has a working capital deficiency of $927,435 (2023 – $745,936). Management estimates that the funds available as of December 31, 2024, may not be sufficient to meet the Company's potential capital and operating expenditures through to December 31, 2025. The Company will have to raise additional funds to continue operations. Although the Company has raised funds in the past, there can be no assurance that adequate funding will be available in the future, or available on terms acceptable to the Company. The challenges of securing requisite funding and the cumulative losses indicate the existence of material uncertainty that may cast significant doubt upon the Company's ability to continue as a going concern. These consolidated statements do not include any adjustments relating to the recoverability and classification of recorded asset amounts nor to the amounts or classification of liabilities that might be necessary should the Company be unable to continue as a going concern. Such adjustments could be material.

2. CANCELLATION OF SHARES

Investment in Blockchain Assets Management Group Limited ("BAM").

On December 28, 2023, pursuant to a securities purchase agreement dated December 31, 2022 with BAM, the Company acquired an aggregate of 11,111 common shares in the capital of BAM, representing approximately 10% of the issued and outstanding securities in the capital of BAM. The purchase price for the shares was $4,977,728 and this was satisfied through the issuance of an aggregate of 99,554,560 common shares in the capital of the Company at a price of $0.05 per share.

Prior to the finalization of the Company's audited consolidated financial statements for the year ending December 31, 2023, BAM submitted its financial statements for the years ended December 31, 2023, and 2022 to the Company. Note 4 to BAM's financial statements states: "Since the merger was completed, BAM has been in a state of transition awaiting relocation. The company has been actively seeking a suitable location to set up its server room and bring systems back online. Unfortunately, due to geopolitical and business environmental changes, the search for an appropriate site is still ongoing. Additionally, China's latest laws and regulations introduced in 2022 stipulate that any activities related to cryptocurrencies, mining machines, and mining operations are illegal. Consequently, the company has been in a state of suspended operations and restructuring since 2022".

Accordingly, the Company decided to terminate the acquisition of the 10% interest in the issued and outstanding securities in the capital of BAM effective as of December 31, 2023, and this has been reflected in the consolidated statements of financial position as of December 31, 2023.

During the year ended December 31, 2024, the Company contacted BAM regarding cancellation of the shares. BAM did not respond and on November 27, 2024, the Company cancelled 99,554,560 common shares of the Company that were issued pursuant to the acquisition of BAM, and this has been adjusted against opening reserves in the consolidated statements of changes in equity (deficiency) for the year ended December 31, 2024.

Private placement

In December 2023, the Company raised gross proceeds of $650,000 through a non-brokered private placement of 2,166,667 units (the "Units") of the Company at a price of $0.30 per Unit (the "Offering"). Each Unit consists of one common share and one common share purchase warrant ("Warrant"). The Company never received the proceeds of the Offering. As a result, the Company decided to terminate the private placement effective December 31, 2023, and this has been reflected in the consolidated statements of financial position as at December 31, 2023.

During the year ended December 31, 2024, the Company contacted the subscribers regarding cancellation of the shares in view that the Company never received proceeds of the Offering. None of the subscribers responded and on November 27, 2024, the Company cancelled 2,166,667 common that were issued to the subscribers in respect to the unsuccessful private placement and this has been adjusted against opening reserves in the consolidated statements of changes in equity (deficiency) for the year ended December 31, 2024. During the year ended December 31, 2024, the Company also cancelled 2,166,667 warrants that were issued to the subscribers in respect to the unsuccessful private placement.

3. BASIS OF PRESENTATION

Statement of Compliance

These consolidated financial statements have been prepared in accordance with the IFRS Accounting Standards as issued by the International Accounting Standards Board ("IASB") and interpretations of the International Financial Reporting Interpretation Committee ("IFRIC") effective as of December 31, 2024.

Basis of measurement

The consolidated financial statements have been prepared on the historical cost basis, except for certain financial assets which are measured at fair value. In addition, these financial statements have been prepared using the accrual basis of accounting, except for cash flow information. The consolidated financial statements are presented in Canadian dollars, which is the parent's functional and presentation currency. Each entity in the group determines its own functional currency. Management reviewed the primary and secondary indicators in IAS 21, the effects of changes in foreign exchange rates, and determined that the functional currency for its USA subsidiaries is US dollars and for all other subsidiaries is Canadian dollars.

Basis of consolidation

These consolidated financial statements include the accounts of the Company and its subsidiaries; Mooncor Energy, PPCUSA, PPCLLC and APLLC (collectively referred to as the "Company"). Subsidiaries consist of entities over which the Company is exposed to, or has rights to, variable returns as well as the ability to affect those returns through the power to direct the relevant activities of the entity. Subsidiaries are fully consolidated from the date control is transferred to the Company and are de-consolidated from the date control ceases. The consolidated financial statements include all the assets, liabilities, revenues, expenses and cash flows of the Company and its subsidiaries after eliminating inter-entity balances and transactions.

Significant accounting judgments, estimates and assumptions

The preparation of consolidated financial statements in conformity with IFRS requires the Company's management to make judgments, estimates and assumptions that affect the reported amounts of assets, liabilities and contingent liabilities at the date of the consolidated financial statements and reported amounts of revenue and expenses during the reporting periods. Estimates and assumptions are continuously evaluated and are based on management's experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Uncertainty about these judgments, estimates and assumptions could result in outcomes that could require a material adjustment to the carrying amount of the asset or liability affected in future periods.

The information about significant areas of estimation uncertainty considered by management in preparing the consolidated financial statements are as follows:

- Significant influence:

  Management determines its ability to exercise significant influence over an investee by looking at its percentage interest and other qualitative factors including but not limited to its voting rights, representation on the board of directors, participation in policy-making processes, material transactions between the Company and the investee, interchange of managerial personnel, provision of essential technical information and operating involvement.

- Determination of fair value

  The determination of fair value requires judgment and is based on market information, where available and appropriate. At the end of each financial reporting period, the Company's management estimates the fair value of investments based on the criteria below and reflects such valuations in the consolidated financial statements.

  All privately held investments are initially recorded at the transaction price, being the fair value at the time of acquisition. Thereafter, at each reporting period, the fair value of an investment may, depending upon the circumstances, be adjusted using one or more of the valuation indicators described below. These investments are included in Level 3 (see below).

  The determinations of fair value of the Company's privately held investments at other than initial cost are subject to certain limitations. Financial information for private companies in which the Company has investments may not be available and, even if available, that information may be limited and/or unreliable. Use of the valuation approach described below may involve uncertainties and determinations based on the Company's judgment and any value estimated from these techniques may not be realized or realizable.

  Company-specific information is considered when determining whether the fair value of a privately held investment should be adjusted upward or downward at the end of each reporting period. In addition to company-specific information, the Company will take into account trends in general market conditions and the share performance of comparable publicly traded companies when valuing privately-held investments.

  The absence of the occurrence of any of these events, any significant change in trends in general market conditions, or any significant change in share performance of comparable publicly traded companies indicates generally that the fair value of the investment has not materially changed.

  The fair value of a privately held investment may be adjusted if:

  a. there has been a significant subsequent equity financing provided by outside investors at a valuation different than the current value of the investee company, in which case the fair value of the investment is set to the value at which that financing took place;

  b. there have been significant corporate, political or operating events affecting the investee company that, in management's opinion, have a material impact on the investee company's prospects and therefore its fair value. In these circumstances, the adjustment to the fair value of the investment will be based on management's judgment and any value estimated may not be realized or realizable;

  c. the investee company is placed into receivership or bankruptcy;

  d. based on financial information received from the investee company, it is apparent to the Company that the investee company is unlikely to be able to continue as a going concern;

  e. receipt/denial by the investee company of environmental, mining, aboriginal or similar approvals, which allow the investee company to proceed/prohibit with its project(s);

  f. filing by the investee company of a National Instrument 43-101 technical report in respect of a previously non-compliant resource;

  g. release by the investee company of positive/negative exploration results; and

h. important positive/negative management changes by the investee company that the Company's management believes will have a very positive/negative impact on the investee company's ability to achieve its objectives and build value for shareholders.

Adjustments to the fair value of a privately held investment will be based upon management's judgment and any value estimated may not be realized or realizable. The resulting values for non-publicly traded investments may differ from values that would be realized if a ready market existed. In addition, the amounts at which the Company's privately held investments could be disposed of currently may differ from the carrying value assigned.

- Assets carrying values and impairment charge

In the determination of carrying values and impairment charges, management looks at the higher of recoverable amount or fair value less costs to sell in the case of assets and at objective evidence, significant or prolonged decline of fair value on financial assets indicating impairment. These determinations and their individual assumptions require that management make a decision based on the best available information at each reporting period.

- Impairment of oil and gas property interests

While assessing whether any indications of impairment exist for property interests, consideration is given to both external and internal sources of information. Information the Company considers includes changes in the market, economic and legal environment in which the Company operates that are not within its control and affect the recoverable amount of property interests. Estimates include but are not limited to estimates of the discounted future after-tax cash flows expected to be derived from the Company's oil and gas property interests, costs to sell the properties and the appropriate discount rate. Internal sources of information include the manner in which oil and gas property interests are being used or are expected to be used and indications of the expected economic performance of the assets. Reductions in oil price forecasts, increases in estimated future costs of production, increases in estimated future capital costs, reductions in the amount of recoverable oil reserves or adverse current economics can result in a write-down of the carrying amounts of the Company's property interests.

- Estimation of decommissioning and restoration costs and the timing of expenditure

The cost estimates are updated annually during the life of an oil well to reflect known developments, (e.g. revisions to cost estimates and to the estimated lives of operations), and are subject to review at regular intervals. Decommissioning, restoration and similar liabilities are estimated based on the Company's interpretation of current regulatory requirements, constructive obligations and are measured at fair value. Fair value is determined based on the net present value of estimated future cash expenditures for the settlement of decommissioning, restoration or similar liabilities that may occur upon decommissioning of the oil well. Such estimates are subject to change based on changes in laws and regulations and negotiations with regulatory authorities.

- Income, value added, withholding and other taxes

The Company is subject to income, value added, withholding and other taxes. Significant judgment is required in determining the Company's provisions for taxes. There are many transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. The Company recognizes liabilities for anticipated tax audit issues based on estimates of whether additional taxes will be due. The determination of the Company's income, value added, withholding and other tax liabilities require interpretation of complex laws and regulations. The Company's interpretation of taxation law as applied to transactions and activities may not coincide with the interpretation of the tax authorities. All tax related filings are subject to government audit and potential reassessment subsequent to the financial statement reporting period. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the tax related accruals and deferred income tax provisions in the period in which such determination is made.

- Oil and natural gas reserves

  The Company's reserves of oil and natural gas are estimated based on information compiled by the Company's qualified persons, independent geologists and engineers. The process of estimating reserves requires significant judgment in evaluating and assessing available geological, geophysical, engineering and economic data, projected rates of production, estimated commodity price forecasts and the timing of future expenditures, all of which are, by their very nature, subject to interpretation and uncertainty. The evaluation of recoverable reserves is an ongoing process impacted by current production, continuing development activities and changing economic conditions. Changes in estimates of reserves may materially impact on the carrying value of the Company's oil and gas properties, the recorded amount of depletion, the determination of the Company's obligations pursuant to decommissioning liabilities and the assessment of impairment provisions.

- Contingencies

  Refer to Note 15.

- The information about significant areas of judgment considered by management in preparing the consolidated statements is as follows:

- Going concern

  The Company's management has assessed the Company's ability to continue as a going concern and the consolidated statements continue to be prepared on a going concern basis. However, management estimates that the funds available as of December 31, 2024, will not be sufficient to meet the Company's potential capital and operating expenditures through to December 31, 2025, which may cast significant doubt upon the Company's ability to continue as a going concern. These consolidated financial statements do not include any adjustments to the recoverability and classification of recorded asset amounts and classification of liabilities that might be necessary should the Company be unable to continue as a going concern. Refer to Note 1.

- Oil and gas property expenditures

  The application of the Company's accounting policy for exploration and evaluation expenditure requires judgment to determine whether future economic benefits are likely, from future either exploitation or sale, or whether activities have not reached a stage which permits a reasonable assessment of the existence of reserves. The determination of reserves and resources is itself an estimation process that requires varying degrees of uncertainty depending on how the resources are classified. These estimates directly impact when the Company defers exploration and evaluation expenditures. The deferral policy requires management to make certain estimates and assumptions about future events and circumstances, in particular, whether an economically viable extraction operation can be established. Any such estimates and assumptions may change as new information becomes available. If, after the expenditure is capitalized, information becomes available suggesting that the recovery of the expenditure is unlikely, the relevant capitalized amount is written off in the consolidated statement of income (loss) in the period when the new information becomes available.

- Determination of functional currency

  The effects of Changes in Foreign Exchange Rates (IAS 21) define the functional currency as the currency of the primary economic environment in which an entity operates. The determination of functional currency, which is performed on an entity-by-entity basis, is based on various judgmental factors outlined in IAS 21. Based on assessment of the factors in IAS 21, primarily those that influence labour, material and other costs of goods or services received by its subsidiaries, management determined that the functional currency for the parent company is Canadian dollars and the US dollar for the Company's subsidiaries located in the USA.

- Determination of cash generating units ("CGU")

  The Company applies judgment when determining its CGUs. The Company has two distinct segments, the oil and gas business and corporate operations. The Company determined that the assets for these two segments were independent of each other and designated them as Oil and Gas CGU and the Corporate CGU.

- Deferred tax assets

  Deferred tax assets are recognized in respect of tax losses and other temporary differences to the extent it is probable that taxable income will be available against which the losses can be utilized. Judgment is required to determine the amount of deferred tax assets that can be recognized based upon the likely timing and level of future taxable income together with future tax planning strategies. As of December 31, 2024 and 2023, the Company has not recognized any deferred tax assets because it is not probable that future taxable income will be available against which the Company can use the benefits of the deferred tax assets.

4. MATERIAL ACCOUNTING POLICIES INFORMATION

The policies set out below are consistently applied to all years presented unless otherwise noted.

Oil and gas exploration and evaluation assets and oil and gas property interests

- Oil and gas exploration and evaluation assets

  Exploration and evaluation ("E&E") assets primarily relate to acquisition costs and related reclamation and decommissioning. Expenditures incurred on the acquisition of a license interest are initially capitalized on a license-by-license basis. The acquisition costs of E&E properties include the cash consideration, and the estimated fair market value of share-based payments issued for such property interests.

  Exploration costs are expensed in the period incurred. The acquisition costs are deferred until commercial reserves are proven, sold or abandoned. Commercial proven reserves are defined as the estimated quantities of crude oil, natural gas and natural gas liquids which geological, geophysical and engineering data demonstrate with a specified degree of certainty to be recoverable in future periods from known reservoirs and are considered technically feasible.

  Costs incurred subsequent to the determination of technical feasibility and commercial viability are added to the cost base of the respective item of P&E when they increase the future economic benefits of that asset. The costs of regular service and maintenance are expensed in profit or loss in the period in which they occur.

  Net proceeds from any disposal of an E&E asset are initially credited against the previously capitalized costs. Any surplus proceeds are credited to the consolidated statement of income (loss).

- Oil and gas property interests

  All directly attributable costs incurred after the technical feasibility and commercial viability of producing hydrocarbons have been demonstrated are capitalized on a field-by-field basis only when the costs increase the future economic benefits embodied in the specific asset to which they relate. All other costs are recognized in profit or loss as incurred.

Impairment of E&E assets

E&E assets are reviewed for impairment whenever facts or circumstances indicate that the cost capitalized to E&E assets may not be recoverable. If commercial reserves have not been established through the completion of E&E activities and there are no future plans for activity in that field, the E&E assets are determined to be impaired and the carrying amount is charged to income. Facts and circumstances that indicate impairment of

E&E assets include but are not limited to:

a. the period for which the Company has the right to explore a specific area has expired or will expire in the near future and is not expected to be renewed.
b. substantive expenditure on future E&E activities in a specific area is neither budgeted nor planned.
c. E&E activities in a specific area have not led to the discovery of commercially viable quantities of mineral resources and the Company has decided to discontinue such activities in a specific area.
d. sufficient data exists to indicate that, although a development in the specific area is likely to proceed, the carrying amount of the E&E asset is unlikely to be recovered in full from successful development or by sale.

Assets that are subject to amortization are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognized for the amount by which the asset's carrying amount exceeds its recoverable amount.

The recoverable amount is the higher of the net selling price and value in use. If the recoverable amount of an asset or cash generating unit is estimated to be less than its carrying amount, the carrying amount of the asset or cash generating unit is reduced to its recoverable amount. Impairment losses are recognized in the statement of loss immediately.

Where an impairment loss subsequently reverses, the carrying amount of the asset or cash generating unit is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset or cash generating unit in prior years. A reversal of an impairment loss is recognized in the statement of loss immediately.

Depletion

Depletion of oil and gas property interests within each cash-generating unit (CGU) is recognized using the unit-of-production method based on the Company's share of total proved plus probable oil and natural gas reserves before royalties as determined by independent reserve engineers.

Provisions

A provision is recognized if, as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risk specific to the liability.

Decommissioning liability

A decommissioning liability is recognized when the Company has a present legal or constructive obligation because of past events, it is probable that an outflow of resources will be required to settle the obligation, and a reliable estimate of the amount of obligation can be made. A corresponding amount equivalent to the provision is also recognized as part of the cost of the related asset. The amount recognized is management's estimated cost of decommissioning, discounted to its present value using a pre-tax risk-free rate that reflects the time value of money. Changes in the estimated timing of decommissioning or decommissioning cost estimates are dealt with prospectively by recording an adjustment to the provision and a corresponding adjustment to the related asset unless the change arises from production. The unwinding of the discount on the decommissioning provision is included as a finance cost. The actual cost incurred upon settlement of the decommissioning liability are charged against the provision to the extent the provision was established.

Income taxes

Income tax expense comprises current and deferred income tax. Income tax expense is recognized in the statement of loss, except to the extent that it relates to items recognized directly in equity or other comprehensive income.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years. Deferred tax is recognized using the liability method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognized on the initial recognition of assets or liabilities in a transaction that is not a business combination.

Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date. Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis, or their tax assets and liabilities will be realized simultaneously.

A deferred tax asset is recognized to the extent that it is probable that future taxable profits will be available against which the temporary difference can be utilized. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

Capital stock, stock options and warrants

The Company's common shares and share purchase warrants are classified as equity instruments only to the extent that they do not meet the definition of financial liability or financial asset. Incremental costs directly attributable to the issue of equity instruments are shown in equity as a deduction, net of tax, from the proceeds. Expired warrants are transferred to contributed surplus on expiry.

Income (loss) per share

Basic income (loss) per share figures is calculated using the weighted average number of common shares outstanding during the year. Diluted income (loss) per share figures is calculated based on the weighted average number of common shares outstanding adjusted for the effects of all dilutive potential shares including warrants and stock options. The effect on the diluted income (loss) per share on the exercise of the warrants and stock options would be anti-dilutive.

Share-based payments

Equity-settled share-based payments to employees and others providing similar services are measured at the fair value of the equity instruments at the grant date. The Company records compensation cost using the fair value method of accounting for share-based payments. The fair value of stock options is determined by using the Black-Scholes option pricing model. The fair value of the options is recognized over the vesting period as share-based payments expense and share-based payment reserve. When options are exercised, the proceeds received, together with any related amount in share-based payment reserve, will be credited to capital stock.

Equity-settled share-based payment transactions with parties other than employees are measured at the fair value of the goods or services received, except where that fair value cannot be estimated reliably, in which case they are measured at the fair value of the equity instruments granted, measured on the date the entity obtains the goods or the counterparty renders the service.

Financial instruments

<u>Financial assets</u>

Financial assets are classified as either financial assets at fair value through profit or loss (“FVTPL”), fair value through other comprehensive income (“FVTOCI”) or amortized cost. The Company determines the classification of financial assets at initial recognition.

Financial assets at Fair-value through profit or loss

Financial instruments classified as fair value through profit and loss are reported at fair value at each reporting date, and any change in fair value is recognized in the consolidated statements of income (loss) and comprehensive income (loss) in the period during which the change occurs. Realized and unrealized gains or losses from assets held at FVPTL are included in losses in the period in which they arise. Financial assets at FVTPL include cash and cash equivalents.

Financial assets at Fair-value through other comprehensive income

Financial assets carried at FVTOCI are initially recorded at fair value plus transaction costs with all subsequent changes in fair value recognized in other comprehensive income (loss). For investments in equity instruments that are not held for trading, the Company can make an irrevocable election (on an instrument-by-instrument bases) at initial recognition to classify them as FVTOCI. On the disposal of the investment, the cumulative change in fair value remains in other comprehensive income (loss) and is not recycled to profit or loss. Currently, the Company has no financial assets classified as held at FVOCI.

Financial assets at amortized cost

Financial assets are classified at amortized cost if the objective of the business model is to hold the financial asset for the collection of contractual cash flows, and the asset’s contractual cash flows are comprised solely of payments of principal and interest. The Company’s accounts receivable are recorded at amortized cost as they meet the required criteria. The Company’s accounts receivable is recorded at amortized cost as they meet the required criteria. A provision is recorded based on the expected credit losses for the financial asset and reflects changes in the expected credit losses at each reporting period.

<u>Financial liabilities</u>

Financial liabilities are initially recorded at fair value and subsequently measured at amortized cost, unless they are required to be measured at FVTPL (such as derivatives) or the Company has elected to measure at FVTPL. The Company’s financial liabilities include trade and other payables, Canada emergency business account loan and advances which are classified at amortized cost.

Impairment of financial assets

IFRS 9 requires an ‘expected credit loss’ model to be applied which requires a loss allowance to be recognized based on expected credit losses. This applies to financial assets measured at amortized cost. The expected credit loss model requires an entity to account for expected credit losses and changes in those expected credit losses at each reporting date to reflect changes in initial recognition.

Classification of financial instruments

Financial instruments measured at fair value are classified into one of three levels in the fair value hierarchy that reflects the significance of inputs in measuring fair value as the following:

Level 1 – quoted prices (unadjusted) in active markets for identical assets or liabilities;

Level 2 –inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. prices) or indirectly (i.e. derived from prices); and

Level 3 – inputs for the assets or liability that are not based on observable market data (unobservable inputs).

The classification of a financial instrument in the fair value hierarchy is based upon the lowest level of input that is significant to the measurement of fair value.

Foreign currencies

(i) Functional currency

The consolidated financial statements are presented in Canadian dollars, which is the parent’s functional and presentation currency. Each entity in the group determines its own functional currency. Management reviewed the primary and secondary indicators in IAS 21, the effects of changes in foreign exchange rates, and determined that the functional currency for its USA subsidiaries is US dollars and for all other subsidiaries is Canadian dollars.

(ii) Foreign operations

Under IFRS, when the Company translates the financial statements of subsidiaries from their functional currency to presentation currency, assets and liabilities are translated into Canadian dollars at the exchange rate in effect at the financial reporting date. Share capital, warrants, equity reserves, accumulated other comprehensive income, and deficit are translated into Canadian dollars at historical exchange rates. Revenues and expenses are translated into Canadian dollars at the transaction date. Foreign exchange gains and losses on translation are included in other comprehensive income. Foreign exchange differences that arise relating to balances that form part of the net investment in a foreign operation are recognized in a separate component of equity through other comprehensive income. On disposition or partial disposition of a foreign operation, the cumulative amount of related exchange difference in other comprehensive income is recognized within profit or loss in the consolidated statement of income (loss).

(iii) Foreign currency transactions

Transactions in foreign currencies are translated to the respective functional currencies of the Company’s entities at exchange rates at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies at the reporting date are translated to the functional currency at the exchange rate at that date. The foreign currency gain or loss resulting from the settlement of such transactions and from the translation at the reporting date of monetary assets and liabilities denominated in foreign currencies are recognized within profit or loss in the consolidated statement of income (loss). Non-monetary assets and liabilities denominated in foreign currencies that are measured at fair value are translated to the functional currency at the exchange rate at the date that the fair value was determined. Foreign currency differences arising on translation are recognized in the consolidated statement of income (loss). Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction.

Future accounting pronouncements

Accounting Standards issued but not yet effective

Application of new and revised accounting standards –

The Company adopted the amendments to IAS 1 Presentation of Financial Statements regarding the classification of liabilities as current or non-current and non-current liabilities with covenants, amendments to IFRS 16 Leases regarding the measurement requirements for sale and leaseback transactions, and amendments to IAS 7 Statement of Cash Flows and IFRS 7 Financial Statements: Disclosures regarding additional disclosures about supplier finance arrangements, which were effective for annual periods beginning on or after January 1, 2024. These amendments did not have a material impact on the financial statements.

Future changes in significant accounting policies - At December 31, 2024, the following standards and interpretations which may be applicable to the Company, but have not yet been applied in these financial statements, were in issue but not yet effective:

IFRS 18 Presentation and Disclosure in Financial Statements and consequential amendments to other IFRS standards:

In April 2024, the IASB released IFRS 18 Presentation and Disclosure in Financial Statements. IFRS 18 replaces IAS 1 Presentation of Financial Statements while carrying forward many of the requirements in IAS 1, IFRS 18 introduces new requirements to: i) present specified categories and defined subtotals in the statement of earnings, ii) provide disclosures on management-defined performance measures in the notes to the financial statements, iii) improve aggregation and disaggregation. Some of the requirements in IAS 1 are moved to IAS 8.

Accounting Policies, Changes in Accounting Estimates and Errors and IFRS 7 Financial Instruments:

Disclosures. The IASB also made minor amendments to IAS 7 Statement of Cash Flows and IAS 33 Earnings per Share in connection with the new standard. IFRS 18 requires retrospective application with specific transition provisions. The Company is required to apply IFRS 18 for annual reporting periods beginning on or after January 1, 2027 with early adoption permitted. The Company has not early adopted this IFRS.

Amendments to IAS 21

Lack of exchangeability requires an entity to use a consistent approach when exchanging a currency into another. If the currency is unexchangeable, a consistent approach must be used in determining the exchange rate and necessary disclosures.

The Company does not anticipate these amendments to have a significant impact on its financial statements.

5. INVESTMENT IN ASSOCIATE

During the previous year ended December 31, 2023, the Company fully impaired and wrote off its equity method investment in Sensor Technology Inc. (STI) (25% ownership stake) as no future cash inflows were expected from this investment.

6. INVESTMENTS AT FAIR VALUE

The Company did not exercise its right to have representation on the board and did not participate in the policy-making process and there were no material transactions between the Company and each of Robotic and 1412 or interchange of managerial personnel or provision of essential technical information or operating involvement. Accordingly, the Company determined that it does not have significant influence in these companies. The investments in these two companies are valued at fair value.

a) On December 28, 2023, pursuant to securities purchase agreement dated December 31, 2022 with Robotic, the Company purchased an aggregate of 27,644,444 common shares in the capital of Robotic representing approximately 20% of the issued and outstanding securities in the capital of Robotic. The purchase price is $1,382,222 and this was satisfied through the issuance of an aggregate of 27,644,444 common shares in the capital of the Company at a price of $0.05 per share.

   Robotic is a start-up company that has the North American rights to a StemcCell treatment based in Japan. The treatment has been approved and prevalent in Japan but not yet approved in either the US or Canada. The company intends to promote medical tourism to prospective North American patients requiring such treatments. Robotic also plans to set up several wellness clinics providing a range of services in Canada including physiotherapy, chiropractor, nutritionist etc. The company also envisions franchising the clinics.

   Robotic has not yet generated any revenue to date and therefore the Company has decided to value this investment at $nil on December 31, 2024 and 2023 and to reopen negotiation with Robotic so that a portion of the shares issued will be placed into escrow and shall only be released on the achievements of certain agreed upon milestones. The impairment in value of this investment has been recognized in the consolidated statements of income (loss) and comprehensive income (loss) for the year ended December 31 2023, and the value of investment in Robotic is nil as at year ended December 31, 2024

b) On December 28, 2023, pursuant to securities purchase agreement dated December 31, 2022 with 1412, the Company acquired an aggregate of 19,875,156 common shares in the capital of 1412 representing approximately 20% of the issued and outstanding securities in the capital of 1412. The purchase price is $2,484,395 and this was satisfied through cancelling $380,000 advance to Blockchains Asset Management Group (see note 7) and the issuance of an aggregate of 42,087,890 common shares in the capital of the Company at a price of $0.05 per share.

   1412 is a start-up technology company focused on developing various IT products, including data storage drives, blockchain platforms, data centers and telecommunication networks. The core knowledge comes from the lead scientist and the core technologies involve data storage using 4D algorithms to store large files in no more than 20 bytes. 1412 has successfully demonstrated the unparalleled speed and efficiency of its 4D encode and decode chip, surpassing all known data transmission technologies by multiple folds. Leveraging the power of its 4D chip technology, 1412 has developed a miniature virtual tower capable of providing internet and telecommunication services with a fraction of the traditional cost. 1412 has not filed but has plans to file for IPs developed for all its various products.

1412 has a 50% joint venture partner, Paradox, based in Hong Kong. Paradox has a sales agreement with an US based organization called World Digital Economic Organization ("WDEO") to supply 100.000 SSDs worth about $50m with estimated cost of about $5m – giving a potential net profit of about $45m on this contract to Paradox – 50% of which is attributable to 1412. The sales agreement stipulates that WDEO will give Paradox a deposit of 20% of the contract value. The first shipment was supposed to go out in June 2024. However:

a. 1412 has not executed its JV agreement with Paradox;
b. WDEO has not yet given Paradox the 20% deposit as stipulated in the sales agreement; and
c. 1412 has not yet made its first shipment.

Accordingly, the Company has decided to value this investment at $nil on December 31, 2024 and 2023 and to reopen negotiation with 1412 so that a portion of the shares issued will be placed into escrow and shall only be released on the achievements of certain agreed upon milestones. The impairment in value of this investment has been recognized in the consolidated statements of income (loss) and comprehensive income (loss) for the year ended December 31, 2023 and the value of the investment in 1412 is nil as at year ended December 31, 2024.

7. ADVANCES TO BLOCKCHAIN ASSETS MANAGEMENT GROUP

On July 13. 2022, the Company advanced $380,000 to 1412, operating as Blockchain Assets Management Group, against a promissory note receivable within 10 days on demand bearing an interest rate of 5% pa. This note is secured by a guarantee from 14125339 Canada Inc. On December 28, 2023, pursuant to securities purchase agreement dated December 31, 2022 with 1412, the Company has acquired an aggregate of 19,875,156 common shares in the capital of 1412 for $2,484,395 The purchase price has been satisfied through cancelling $380,000 advance to Blockchains Asset Management Group (see note 6) and the issuance of an aggregate of 42,087,890 common shares in the capital of the Company at a price of $0.05 per share. The Company does not expect that it will receive the interest and has therefore not accrued any interest for the years ended December 31, 2024, and 2023 and has reversed $8,004 of the interest accrued for the year ended December 2023 in the consolidated statements of income (loss) and comprehensive income (loss) for the year ended December 31 2023.

8. OIL AND GAS PROPERTY INTERESTS

The Company has an interest in 2 suspended heavy oil wells and leases and related natural gas rights in the Lloydminster area of Alberta as of December 31, 2024, and 2023. The interests are carried at a nominal amount of $1.

(Expressed in Canadian Dollars)

9. ADVANCES

	December 31, 2022	Interest	December 31, 2023	Advance	Interest	Conversion to Shares	December 31, 2024
Loan payable - 12% per annum, due on demand, owing to a former director of the Company, secured against the assets of the Company	130,535	16,380	146,915	-	18,491	-	165,406
Advance against sale of 30% of Mooncor Energy Inc. and Primary Petroleum Company USA Inc. (Note 9(i))	-	-	-	24,500	-	-	24,500
Revolving credit facility with an arm's length third party, at an interest rate of 14.96% per annum and secured by a general security arrangement, payable on demand within two years from the date of the first advance (Note (9(ii))	-	-	-	152,976	3,177	(150,000)	6,153
Advance from an an arm's length third party, unsecured, payable on demand with no interest	-	-	-	8,000	-	-	8,000
Advance from an an arm's length third party, unsecured, payable on demand with no interest	-	-	-	2,500	-	-	2,500
Total	**130,535**	**16,380**	**146,915**	**187,976**	**21,668**	**(150,000)**	**206,559**

i. The Company entered into a letter of intent ("LOI") dated April 2, 2023 with an arm's length party with respect to the sale of up to 30% of the issued and outstanding securities in the capital of its subsidiaries Mooncor Energy Inc. and Primary Petroleum Company USA Inc. The purchaser is a private company engaged in the oil trade sector. Pursuant to the terms of the LOI, the purchaser has the right to acquire up to 30% of the issued and outstanding securities in the capital of these subsidiaries for an aggregate purchase price of $300,000. The purchaser advanced $24,500 against the purchase price during the year ended December 31, 2024. However, the purchaser has not fulfilled the remaining terms and conditions of the sale as of date of the sale as of the reporting date.

ii. The Company has entered into an agreement on July 17, 2024 with an arm's length third party, ("Lender") whereby the Lender has agreed to make a $200,000 credit facility available to the Company, at a fixed rate equal to 14.96% per annum and secured by a general security agreement. The principal amount is repayable on demand within two years from the date of the first advance. As part of the agreement, the Company will pay the Lender a bonus of $40,000. The Company has recorded the $40,000 bonus payment and $3,177 accrued interest as finance costs in the consolidated statements of income (loss) and comprehensive income (loss) for the year ended December 31, 2024 (2023 - $nil). The Lender advanced $152,976 in cash and in bonus owing to it during the year ended December 31, 2024 (2023 - $nil). During the year ended December 31, 2024, $150,000 of the advance were converted into 15,000,000 common stocks of the Company at $0.01 per share including the $40,000 bonus. On December 31, 2024, advance of $6,153 remains outstanding (2023 - $nil).

(Expressed in Canadian Dollars)

10. SHAREHOLDERS' EQUITY

Capital Stock

On December 31, 2024, and 2023, the authorized share capital comprised an unlimited number of common shares without par value.

	# of Common Shares		Amount
Balance, December 31, 2022	247,801,764	$	5,638,986
Shares issued on conversion of accounts payable	10,000,000		200,000
Shares issued pursuant to private placement	2,166,667		650,000
Shares issued pursuant to acquisition of Robotic	27,644,444		1,382,222
Shares issued pursuant to acquisition of BAM	99,554,560		4,977,728
Shares issued pursuant to acquisition of 1412	42,087,890		2,104,395
Balance, December 31, 2023	429,255,325	$	14,953,331
Shares issued on conversion of advances	15,000,000		150,000
Shares issued on acquisition of BAM cancelled during the year (Note 2)	(99,554,560)		(4,977,728)
Shares issued on private placement cancelled during the year (Note 2)	(2,166,667)		(650,000)
Balance, December 31, 2024	**342,534,098**	**$**	**9,475,603**

a. During the year ended December 31, 2023 a total of 7,000,000 shares were issued at $0.02 per share to one of the ex- director against his service invoice of $140,000 and another 3,000,000 share were issued at $0.02 to the controller against his service invoice of $60,000.

b. During the year ended December 31, 2024, $150,000 of the advance relating to the $200,000 credit facility extended by an arm's length third party were converted into 15,000,000 common stocks of the Company at $0.01 per share. (See Note 9(ii))

Common Stock Purchase Warrants

	# of Warrants		Amount	Average Exercise Price	Expiry Date	Remaining Contractual Life (years)
Balance, December 31, 2022	10,600,000		57,529	0.08	27-Jun-24	-
Warrants issued - December 12, 2023	2,166,667		-		12-Dec-25	1.20
Balance, December 31, 2023	**12,766,667**		**57,529**	**-**	**-**	**-**
Warrants expired, unexercised	(10,600,000)	$	(57,529)	-	-	-
Warrants issued on private placement cancelled during the year	(2,166,667)	$	-	-	-	-
Balance, December 31, 2024	-	$	-	-	-	-

On June 27, 2024, 10,600,000 warrants issued on June 27, 2022, expired unexercised and have been transferred to contributed surplus.

(Expressed in Canadian Dollars)

2,166,667 warrants were issued pursuant to the private placement of December 12, 2023. Each Warrant entitled the holder to purchase one common share at a price of $0.35 per share for a period of two years to December 12, 2025. The fair value of the warrants issued as part of this financing was considered $nil in the audited consolidated financial statements for the year ended December 31, 2023. During the year ended December 31, 2024, the Company cancelled 2,166,667 warrants that were issued to the subscribers in respect to the unsuccessful private placement. (See Note 2).

Basic and diluted loss per share based on loss for the year

Basic and diluted loss per share based on loss for the years ended December 31 2024 and 2023 are as follows:

		Year ended December 31,		
Numerator:		**2024**		**2023**
Net (loss) for the year	**$**	**(315,505)**	**$**	**(10,016,369)**
Denominator:		**2024**		**2023**
Weighted average number of common shares outstanding - basic and diluted (i)		**422,286,772**		**254,950,388**
(Loss) per common share based on net (loss) for the year:		**2024**		**2023**
Basic and diluted	**$**	**(0.00)**	**$**	**(0.04)**

(i) The determination of the weighted average number of common shares outstanding – diluted excludes nil shares (2023 -12,766,667 shares) related to the warrants outstanding at year end which were anti-dilutive for the years ended December 31, 2024, and 2023.

11. RECLAMATION AND DECOMMISSIONING OBLIGATION

As at December 31, 2024 and 2023, the Company has provided $485,926 (2023 - $367,776) for the estimated future cost of reclamation and abandonment work on its oil and gas leases relating to the Lloydminster property in Alberta using the estimate of the Alberta Energy Regulators.

12. CANADA EMERGENCY BUSINESS ACCOUNT ("CEBA") LOAN

In the year ended December 31, 2024, the Company has a loan under the CEBA program from TD Canada Trust for an amount of $60,000 for a period to December 31, 2026. The loan was non-interest bearing until January 18, 2024, and subsequently bears interest of 5% per annum calculated monthly. Due to the lack of sufficient fund, Company has decided to utilize full term loan until December 31, 2026.

13. RELATED PARTY TRANSACTIONS AND BALANCES

Related parties include the Board of Directors, close family members, key management personnel, enterprises and others who exercise significant influence over the reporting entity. All amounts owing to related parties are unsecured, non-interest bearing and due on demand unless otherwise noted.

(Expressed in Canadian Dollars)

Included in the office and general expenses for the year ended December 31, 2024, is $nil (2023 - $123,894) for legal services and disbursements provided by Mr. Jay Vieira, former CEO and current legal counsel of the Company. During the year ending December 31, 2023, an amount of $140,000 owing to Jay Vieira was converted into 7,000,000 common shares at a price of $0.02 per share. On December 31, 2024, $18,775 (2023 - $38,775) has been included in the accounts payable for Mr. Jay Vieira for legal services and disbursements.

Key management compensation

There was no compensation of key management of the Company for the years ended December 31, 2024 and 2023. Key management are those people who have authority and responsibility for planning, directing and controlling the activities, directly or indirectly, of the Company.

14. INCOME TAXES

a) Provision for Income Taxes

Major items causing the Company's effective income tax rate to differ from the combined Canadian federal andprovincial statutory rate of 26.50% (2023 - 26.50%) were as follows:

	2024	**2023**
Income (loss) before income taxes	$ (315,505)	$ (10,016,369)
Expected income tax recovery based on statutory rate	(83,609)	(2,654,338)
Adjustment to expected income tax benefit:		
Non-deductible expenses and other	-	2,526,229
Change in deferred tax assets not recognized	(83,609)	128,109
	-	-

b) Deferred Income Tax

	2024	**2023**
Unrecognized deferred tax assets (liabilities)		
Deferred income tax assets have not been recognized in respect of the following deductible temporary differences:		
Non-capital loss carry-forwards	$ 22,328,702	$ 22,013,197
Capital loss carry-forwards	4,830,322	4,830,322
Total	$ 27,159,024	$ 26,843,519

Deferred tax asset @26.5% on above the losses of $7,197,141 (2023: $7,113,533) have not been recognized in respect of these items because it is not probable that future taxable profit will be available against which the Company can use the benefits.

(Expressed in Canadian Dollars)

15. COMMITMENTS & CONTINGENCIES

Contingent liabilities

As a result of the Company's decision to reverse the acquisition of securities in the capital of BAM and to terminate the private placement for aggregate gross proceeds of $650,000, resulting in the cancellation of these shares, the Company is subject to potential liabilities. This contingent liability arises from any potential litigation that the Company may be required to defend its decision to reverse these transactions and cancel the shares.

The outcome of any potential legal matter is uncertain at this stage, and the Company, in consultation with its legal advisors, is unable to determine the probability of a favorable or unfavorable outcome. Consequently, it is not possible to estimate the financial impact, if any, that may result from any future litigation.

No provision has been recognized in the financial statements for the potential return and cancelation of shares. The Company will continue to monitor the situation closely and will recognize a provision in future financial statements if it becomes probable that an outflow of resources will be required to settle the obligation, and a reliable estimate of the amount can be made.

The Company will update this disclosure in future periods as more information becomes available and the status of legal proceedings evolves.

Deposits

The Company is liable to undertake reclamation and abandonment work on its leases. On December 31, 2024, the Company has lodged deposits of $388,063 (2023 - $369,389) with the Alberta Energy Resource Conservation Board ("AERCB") as required by legislation.

Legal Claims

In the ordinary course of business activities, the Company is a party in certain litigation and other claims. Management believes that the resolution of such litigation and claims will not have a material effect on the consolidated financial position of the Company.

Environmental Contingencies

The Company's exploration activities are subject to various laws and regulations governing the protection of the environment. These laws and regulations are continually changing and generally becoming more restrictive. The Company conducts its operations to protect public health and the environment and believes its operations are materially in compliance with all applicable laws and regulations. The Company has made, and expects to make in the future, expenditures to comply with such laws and regulations.

16. EXPLORATION EXPENSES

The exploration costs during the years ended December 31, 2024, and 2023 were as follows:

	Year ended December 31, 2024	2023
Annual lease renewal costs and taxes	$ 24,999	$ 14,937
Land management	10,946	484
	$ 35,945	$ 15,421

(Expressed in Canadian Dollars)

17. OFFICE AND GENERAL EXPENSES

The office and general expenses during the years ended December 31, 2024, and 2023 were as follows:

	Year ended December 31, 2024	2023
Accounting services	$ 40,000	$ 41,320
Rent expense	2,200	2,400
Telephone expense	1,651	2,876
Professional fees and disbursements	17,781	114,191
Legal fees and disbursements	-	125,894
Insurance	16,041	15,769
Corporate services	34,877	121,606
Others	379	1,028
	$ 112,929	$ 425,084

Rent is an immaterial expense paid for office premises on a month-to-month basis without any lease agreement. The Company does not record the right of use asset and related lease obligation for such low value arrangements.

18. CAPITAL DISCLOSURES

The Company's objectives when managing capital are as follows:

a. To safeguard the Company's ability to continue as a going concern.
b. To raise sufficient capital to finance its exploration and development activities on its mineral exploration properties.
c. To raise sufficient capital to meet its general and administrative expenditures.

The Company considers its capital to be equity, which comprises capital stock, warrants, contributed surplus, accumulated and other comprehensive income and deficit, which on December 31, 2024, was a deficit of $599,371 (2023 – $436,546).

The Company manages its capital structure and makes adjustments to it based on general economic conditions, short-term working capital requirements, and planned exploration and development. The Company utilizes annual capital and operating expenditure budgets to facilitate the management of its capital requirement. These budgets are approved by management and updated for changes in the budgets' underlying assumptions as necessary. There have been no changes in the way the Company manages its capital during the years ended December 31, 2024, and 2023.

19. RISK MANAGEMENT

The Board of Directors has overall responsibility for the establishment and oversight of the Company's risk management framework. The Company's risk management policies are established to identify and analyze the risks faced by the Company, to set appropriate risk limits and controls, and to monitor risks and adherence to market conditions in relation to the Company's activities. Unless otherwise noted, it is management's opinion that the Company is not exposed to significant price, credit, liquidity, interest or foreign exchange risks arising from the financial instruments. There were no changes to the Company's risks, objectives, policies and procedures during the years ended December 31, 2024 and 2023.

(Expressed in Canadian Dollars)

Credit risk arises from cash and cash equivalents held with banks and credit exposure to customers, including outstanding accounts receivable. The maximum exposure to credit risk is equal to the carrying value (net of allowances) of the financial assets. The objective of managing counterparty credit risk is to prevent losses on financial assets. The Company assesses the credit quality of counterparties, taking into account their financial position, past experience and other factors.

Cash

Cash consists of bank balances and petty cash. As of December 31, 2024, the Company had cash of $3,763 (2023 - $43,080).

Interest rate risk

The interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Presently, the Company only interest-bearing liability is the advance. As this bears a fixed rate of interest, interest rate risk is considered low.

Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities. The Company's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses which may damage the Company's reputation.

The Company monitors and reviews current and future cash requirements and matches the maturity profile of financial assets and liabilities. This is generally accomplished by ensuring that cash is always available to settle financial liabilities. All the Company's financial liabilities, except for CEBA loan have contractual maturities of less than 30 days and are subject to normal trade terms.

The following items are the contractual maturities of financial liabilities:

December 31, 2024	**Carrying amount**	**Contractual cash flows**	**0 to 12 months**	**After 12 months**
Accounts payable and accrued liabilities	$ 257,307	$ 257,307	$ 257,307	$ -
CEBA loan	60,000	60,000	-	60,000
Advances	206,559	206,559	206,559	-
Reclamation and decommissioning liabilities	485,926	485,926	367,776	-
	$ 1,009,792	**$ 1,009,792**	**$ 831,642**	**$ 60,000**

December 31, 2023	**Carrying amount**	**Contractual cash flows**	**0 to 12 months**	**After 12 months**
Accounts payable and accrued liabilities	$ 304,405	$ 304,405	$ 304,405	$ -
CEBA loan	60,000	60,000	-	60,000
Advances	146,915	146,915	146,915	-
Reclamation and decommissioning liabilities	367,776	367,776	367,776	-
	$ 879,096	**$ 879,096**	**$ 819,096**	**$ 60,000**

As the Company has a working capital deficiency at December 31, 2024 of $927,435 (2023 - $745,936) liquidity risk is high.

(Expressed in Canadian Dollars)

Foreign exchange

The Company operates primarily in Canada and the United States. The presentation currency is Canadian dollar and the functional currency of the parent company is the Canadian dollar. As of December 31, 2024 and December 31, 2023, the Company's US dollar net monetary assets totaled $nil. Accordingly, a 5% change in the US dollar exchange rate as of December 31, 2024 on this amount would have resulted in an exchange gain or loss and therefore net income would have increased (decreased) by $nil.

20. SEGMENTED INFORMATION

The Company's reportable segments are strategic business units that offer different services and/or products. They are managed separately because each segment requires different strategies and involves different aspects of management expertise. The Company has decided to disclose the segment results of the oil and gas companies and corporate operations.

Mooncor Energy Inc. (MEI), Primary Petroleum (PPI), Primary Petroleum Company U.S. Inc ("PPCUSA") and AP Petroleum Company ("APLLC") are oil & gas companies.

The accounting policies of the segments are the same as those described in the summary of significant accounting policies. The Company carries out its operations through wholly-owned entities. These entities are located in Canada and the United States.

For year ended December 31, 2024

	Oil and Gas Operations	Corporate Operations	Total
Interest income	18,674	-	18,674
Total revenue	$ 18,674	$ -	$ 18,674
Expenses			
Exploration expenses	(35,945)	-	(35,945)
Office and general	-	(112,929)	(112,929)
Total expenses	$ (35,945)	$ (112,929)	$ (148,874)
(Loss) before undernoted	(17,271)	(112,929)	(130,200)
Finance costs	-	(64,439)	(64,439)
Reclamation & decommissioning expenses	(118,150)	-	(118,150)
Gain (loss) on foreign exchange	(5,869)	3,153	(2,716)
Total (loss) for the year	**$ (141,290)**	**$ (174,215)**	**$ (315,505)**
Other comprehensive income for the year			
Exchange differences on translation of foreign operations	2,680	-	2,680
Total comprehensive (loss) for the year	**$ (138,610)**	**$ (174,215)**	**$ (312,825)**

As at December 31, 2024

Total assets	$ 388,116	$ 22,305	$ 410,421

(Expressed in Canadian Dollars)

For year ended December 31, 2023

		Oil and Gas Operations		Corporate Operations		Total
Interest income		17,695		-		17,695
Total revenue	$	17,695	$	-	$	17,695
Expenses						
Exploration expenses		(15,421)		-		(15,421)
Office and general		(846)		(424,238)		(425,084)
Reversal of interest income		-		(8,004)		(8,004)
Total expenses	$	(16,267)	$	(432,242)	$	(448,509)
Income (loss) before undernoted		1,428		(432,242)		(430,814)
Finance costs		-		(16,379)		(16,379)
Loss on disinvestment of controlling shares in the subsidary		-		(36,919)		(36,919)
Impairment of fair value of investments		-		(8,844,345)		(8,844,345)
Impairment of fair value of investment in associate		-		(38,593)		(38,593)
Proceeds of private placement not received		-		(650,000)		(650,000)
Gain (loss) on foreign exchange		1,571		(890)		681
Total income (loss) for the year	**$**	**2,999**	**$**	**(10,019,368)**	**$**	**(10,016,369)**
Other comprehensive (loss) for the year						
Exchange differences on translation of foreign operations		(720)		-		(720)
Total comprehensive income (loss) for the year	**$**	**2,279**	**$**	**(10,019,368)**	**$**	**(10,017,089)**

As at December 31, 2023

Total assets	$	369,448	$	73,102	$	442,550

21. SUBSEQUENT EVENTS

Subsequent to the year end, the Company and its wholly owned subsidiary, Primary Petroleum Company USA Inc. jointly referred to as "Client" and an arm's length third party, American Geophysical Corporation, USA, ("American") entered into a marketing agreement. Under the agreement, Client agrees to allow American to act as exclusive marketing agent for the license of certain 3D Seismic Data subject to certain terms and conditions. America's fee for negotiating and handling the license of 3D data shall be ten percent of the total license fee of each individual transaction, and Client's share shall be ninety percent of the total license fee of each individual transaction. For transactions involving an agent in addition to American, the above-stated commission shall be split equally - one-half for American to cover costs of marketing, retrieval/handling, preparing all necessary paperwork, and invoicing and collection of funds, and one-half to the other agent as a marketing fee.