Digicann Ventures Inc.

Consolidated Financial Statements
Years Ended December 31, 2024 and 2023

(Expressed in Canadian Dollars)

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INDEPENDENT AUDITOR'S REPORT

To the Shareholders of Digicann Ventures Inc.:

Opinion

We have audited the consolidated financial statements of Digicann Ventures Inc. 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 comprehensive income (loss), consolidated statements of changes in equity (deficit) and consolidated statements of 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 IFRS Accounting Standards.

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.

Material Uncertainty Related to Going Concern

We draw attention to Note 1 in the consolidated financial statements, which describes conditions indicating 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 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 in the *Material Uncertainty Related to Going Concern* section of our auditor's report, we have determined that there are no other key audit matters to communicate in our report.

Other Information

Management is responsible for the other information. The other information comprises the information included in the Management's Discussion and Analysis filed with the relevant Canadian securities commissions.

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 and remain alert for indications that the other information appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, 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, 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.

- 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 audit 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 group financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes 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 Graeme L. Cocke.

Baker Tilly WM LLP

CHARTERED PROFESSIONAL ACCOUNTANTS

Vancouver, B.C.
March 25, 2025

(Expressed in Canadian Dollars)

	Notes	December 31, 2024	December 31, 2023
ASSETS			
Current assets			
Cash		$ 293,907	$ 738,742
Marketable securities	4	-	450
TOTAL ASSETS		**$ 293,907**	**$ 739,192**
LIABILITIES			
Current liabilities			
Accounts payable and accrued liabilities	8, 12	$ 360,497	$ 209,808
Loans payable	10	-	70,000
Convertible loans payable	9, 12	1,046,033	1,079,716
Derivative liabilities	9	28	28
TOTAL LIABILITIES		**$ 1,406,558**	**$ 1,359,552**
SHAREHOLDERS' DEFICIT			
Share capital	11	$ 204,475,060	$ 204,391,087
Reserves	11	10,632,340	12,539,154
Accumulated other comprehensive income		(6,153)	(6,153)
Deficit		(216,084,001)	(217,414,551)
Attributable to shareholders		(982,754)	(490,463)
Non-controlling interest	6	(129,897)	(129,897)
TOTAL SHAREHOLDERS' DEFICIT		**(1,112,651)**	**(620,360)**
TOTAL LIABILITIES AND SHAREHOLDERS' DEFICIT		**$ 293,907**	**$ 739,192**

Nature of operations and going concern (Note 1)
Subsequent events (Note 19)

Approved on behalf of the Board of Directors:

"Nick Kuzyk"
Director

"Fiona Fitzmaurice"
Director

Digicann Ventures Inc.
Consolidated Statements of Comprehensive Income (Loss)
(Expressed in Canadian Dollars)

	Notes	Years ended December 31, 2024	December 31, 2023
Expenses			
Consulting and management	12	334,240	491,472
Corporate development		10,683	37,920
Finance and other costs	9, 10	254,921	2,278,833
Foreign exchange loss (gain)		-	(12,461)
Insurance		18,205	126,367
Investor communication		3,630	514
Office and sundry		9,617	68,210
Professional fees		165,034	382,852
Regulatory and transfer agent fees		74,570	152,018
Share-based payments	11	33,937	41,096
Wages and salary recoveries		(9,686)	4,834
		(895,151)	(3,571,655)
Loss before other items		(895,151)	(3,571,655)
Other items			
Gain on debt settlement	9,11	75,054	16,157,433
Gain on loan forgiveness	10	-	754,383
Gain on modification of debt	9	163,514	643,019
Derecognition of accounts payable	8	73,932	679,417
Gain on write-off of accounts receivable		-	(125)
Loss on sale of marketable securities	4	-	(81,000)
Recovery of loan receivable	7	-	225,000
Unrealized loss on marketable securities	4	(450)	(499,550)
Write-off of prepaid expenses		-	(121)
Write-off of deferred revenues	15	-	297,001
Write-off of assets		-	(652)
Net income (loss) for the year for continuing operations		**(583,101)**	**14,603,150**
Net income for the year for discontinued operations	1, 5, 16	**6,837**	**3,206,402**
Net income (loss) for the year		**(576,264)**	**17,809,552**
Other Comprehensive Income			
Items that may be reclassified subsequently to profit or loss			
Foreign exchange gain on translating foreign operations		-	(38,270)
Net and comprehensive income (loss) for the year		**$ (576,264)**	**$ 17,771,282**
Net income (loss) attributable to:			
Shareholders of Digicann Ventures Inc.		$ (576,264)	$ 17,768,798
Non-controlling interests	6	-	40,754
		$ (576,264)	**$ 17,809,552**
Net and comprehensive income (loss) attributable to:			
Shareholders of Digicann Ventures Inc.		$ (576,264)	$ 17,730,528
Non-controlling interests	6	-	40,754
		$ (576,264)	**$ 17,771,282**
Net income (loss) per share for continuing operations – basic		**$ (0.03)**	**$ 1.07**
Net income (loss) per share for discontinued operations – basic		**$ 0.00**	**$ 0.23**
Net income (loss) per share – basic		**$ (0.03)**	**$ 1.30**
Net income (loss) per share for continuing operations – diluted		**$ (0.03)**	**$ 1.06**
Net income (loss) per share for discontinued operations – diluted		**$ 0.00**	**$ 0.23**
Net income (loss) per share – diluted		**$ (0.03)**	**$ 1.29**
Weighted average number of common shares outstanding		**21,120,150**	**13,679,729**

Digicann Ventures Inc.
Consolidated Statements of Changes in Equity (Deficit)
(Expressed in Canadian Dollars)

	Share capital							
	Number of shares[1]	Amount	Share-based payments reserve	Warrants reserve	Non-controlling interest	Accumulated other comprehensive income (loss)	Deficit	Total
Balance at December 31, 2022	**4,304,762**	**$ 203,844,282**	**$ 5,046,971**	**$ 20,019,553**	**$ (170,651)**	**$ 32,117**	**$ (247,710,719)**	**$ (18,938,447)**
Fair value of options expired	-	-	(501,762)	-	-	-	501,762	-
Fair value of warrants expired	-	-	-	(12,025,608)	-	-	12,025,608	-
Shares issued for interest payment of amended convertible debentures (Notes 9 and 11)	960,000	72,000	-	-	-	-	-	72,000
Shares issued for conversion of Restricted Share Units (Note 11)	2,260,886	41,096	(41,096)	-	-	-	-	-
Shares for debt settlement (Note 11)	371,691	59,066	-	-	-	-	-	59,066
Share-based payments – Restricted Share Units (Notes 11 and 12)	-	-	41,096	-	-	-	-	41,096
Conversion of debentures (Notes 9 and 11)	9,959,333	374,643	-	-	-	-	-	374,643
Net and comprehensive income (loss) for the year	-	-	-	-	40,754	(38,270)	17,768,798	17,771,282
Balance at December 31, 2023	**17,856,672**	**$ 204,391,087**	**$ 4,545,209**	**$ 7,993,945**	**$ (129,897)**	**$ (6,153)**	**$ (217,414,551)**	**$ (620,360)**
Fair value of options expired	-	-	(1,906,814)	-	-	-	1,906,814	-
Share-based payments – Restricted Share Units (Notes 11 and 12)	-	-	33,937	-	-	-	-	33,937
Shares issued for conversion of Restricted Share Units (Note 11)	1,696,815	33,937	(33,937)	-	-	-	-	-
Shares for debt settlement (Note 11)	2,501,807	50,036	-	-	-	-	-	50,036
Net and comprehensive loss for the year	-	-	-	-	-	-	(576,264)	(576,264)
Balance at December 31, 2024	**22,055,294**	**$ 204,475,060**	**$ 2,638,395**	**$ 7,993,945**	**$ (129,897)**	**$ (6,153)**	**$ (216,084,001)**	**$ (1,112,651)**

On August 8, 2023, the Company consolidated its shares on a twenty-five (25) pre-consolidated to one (1) post-consolidated share basis. These consolidated financial statements reflect the post-consolidated shares retroactively.

Digicann Ventures Inc.
Consolidated Statements of Cash Flows
(Expressed in Canadian Dollars)

	Notes	Years ended December 31, 2024	December 31, 2023
Operating activities			
Net income (loss) for the year		$ (576,264)	$ 17,771,282
Adjustments for:			
Finance and other costs		254,921	2,219,767
Gain on debt settlement	9	(75,054)	(16,157,433)
Gain on modification of debt	9	(163,514)	(643,019)
Gain on loan forgiveness	11	-	(754,383)
Loss on sale of marketable securities	4	-	81,000
Unrealized loss on marketable securities	4	450	499,550
Shares issued for interest expense	11	-	59,066
Share-based payments	11	33,937	41,096
Deferred revenues recognized	15	-	(297,001)
Derecognition of accounts payable	8	(73,932)	(679,417)
Write-off of accounts receivable		-	125
Write-off of prepaid expenses		-	121
Foreign exchange loss		-	(12,461)
Changes in non-cash working capital items:			
Accounts receivable		6,837	98,546
Prepaids and deposits		-	56,942
Inventory		-	77,891
Accounts payable and accrued liabilities		224,621	(1,903,041)
Net cash flows received from (used in) operating activities		(367,998)	458,631
Net income for the year from discontinued operations	**1, 5, 16**	(6,837)	(3,206,402)
Net cash used in operating activities from continued operations		(374,835)	(2,747,771)
Financing activities			
Repayment of loans	10	(70,000)	-
Net cash flows used in financing activities		(70,000)	-
Investing activities			
Sale of AgraFlora Europe	16	-	608,220
Recovery of loan receivable	7	-	225,000
Proceeds from sale of marketable securities		-	2,349,038
Net cash flows provided by investing activities		-	3,182,258
Change in cash		(444,835)	434,487
Cash, beginning of year		738,742	304,255
Cash, end of year		**$ 293,907**	**$ 738,742**

Supplemental cash flow information (Note 13)

1. NATURE OF OPERATIONS AND GOING CONCERN

Digicann Ventures Inc. (the "Company" or "Digicann") was incorporated on June 24, 2004, pursuant to the Business Corporations Act (British Columbia). On August 8, 2023, the Company changed its name to Digicann Ventures Inc. from Agra Ventures Ltd. The diversified Company is focused on opportunities within and outside of the cannabis industry. The Company's corporate office and principal place of business is located at Suite 1890, 1075 West Georgia Street, Vancouver, British Columbia V6E 3C9. The Company trades on the Canadian Stock Exchange (the "CSE") under the symbol "DCNN". The Company also trades on the OTC Pink Sheets ("OTCPK") under the symbol "AGFAF" unless temporarily trading under the symbol "AGFAD" during the 20 business days after a share consolidation event.

These consolidated financial statements have been prepared on a going concern basis which assumes that the Company will be able to realize its assets and discharge its liabilities in the normal course of business for the foreseeable future. The continuing operations of the Company are dependent upon its ability to continue to raise adequate financing and to commence profitable operations in the future. Further discussion of liquidity risk has been disclosed in Note 14. At December 31, 2024, the Company has working capital deficit of $1,112,651 (December 31, 2023 – a working capital deficit of $620,360) and an accumulated deficit of $216,084,001 (December 31, 2023 - $217,414,551).

The Company generates minimal cash flow from operations and therefore relies upon the issuance of securities for financing. The Company intends to continue relying upon the issuance of securities to finance its operations to the extent such instruments are issuable under terms acceptable to the Company. While the Company has been successful in raising funds in the past, it is uncertain whether it will be able to raise sufficient funds in the future. These conditions create a material uncertainty which may cast significant doubt upon the Company's ability to continue as a going concern. If the Company is unable to secure additional financing, repay liabilities as they come due, negotiate suitable joint venture agreements, and/or continue as a going concern, then material adjustments would be required to the carrying value of assets and liabilities and the statement of financial position classifications used. These consolidated financial statements have been prepared on a going concern basis, and do not include any adjustments relating to the recovery of assets and classification of assets and liabilities that may arise should the Company be unable to continue as a going concern.

Discontinued operations

Discontinued operations are reported when a component of the Company, representing a separate major line of business or geographical area of operations with clearly distinguishable cash flows, has been disposed of or is held for sale. Classification as a discontinued operation occurs upon disposal or when the operation meets the criteria to be classified as held for sale, if earlier. Discontinued operations are reported as a separate element on the consolidated statements of comprehensive income (loss) for both the current and comparative periods. When a disposal group is classified as held for sale, assets and liabilities are aggregated and presented as separate line items, respectively, on the consolidated statements of financial position.

During the year ended December 31, 2022, the Company recognized an impairment of its 70% equity interest in the Propagation Services Canada, doing business as Boundary Bay Cannabis, ("PSC") joint venture, as a result of the termination of the management agreement with the operator of PSC. The Company sold the PSC investment on June 16, 2023 (Note 5). The sale or abandonment of the interest meets the definition of a discontinued operation per IFRS 5 *Non-current assets held for sale and discontinued operations*, the results of the discontinued operations for the year ended December 31, 2023 is disclosed in Notes 5 and 16.

During the year ended December 31, 2023, the Company entered into a Share Purchase Agreement to sell all of its shares of AgraFlora Europe GmbH ("AgraFlora Europe"). The Company sold its ownership in AgraFlora Europe on September 7, 2023. The sale of the shares meets the definition of a discontinued operation per IFRS 5 *Non-current assets held for sale and discontinued operations*, the results of the discontinued operations for the years ended December 31, 2024 and 2023 are disclosed in Note 16.

(Expressed in Canadian Dollars)

2. BASIS OF PREPARATION

Discontinued operations (continued)

During the year ended December 31, 2021, the Company sold its wholly-owned subsidiary, SUHM Investments Inc. ("SUHM"). The sale of SUHM meets the definition of a discontinued operation per IFRS 5 *Non-current assets held for sale and discontinued operations,* the results of the discontinued operations for the years ended December 31, 2024 and 2023 are disclosed in Note 16.

Basis of preparation

The consolidated financial statements of the Company have been prepared in accordance with IFRS Accounting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and interpretations of the IFRS Interpretations Committee ("IFRIC").

These consolidated financial statements were approved by the Board of Directors and authorized for issue on March 21, 2025.

Basis of Consolidation

A subsidiary is an entity the Company controls when it is exposed, or has rights, to variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the relevant activities of the entity. These consolidated financial statements include the accounts of the Company and its subsidiaries:

	Ownership Interest 2024	Ownership Interest 2023	Jurisdiction
Potluck Potions and Edibles Inc.	80%	80%	Canada
Canutra Naturals Ltd.	100%	100%	Canada
11122347 Canada Corp d/b/a Canada Cap Corp	80%	80%	Canada
1180782 B.C. Ltd. d/b/a Delta Organic Cannabis Corp.	100%	100%	Canada
11353675 Canada Corp. d/b/a CanaBeer	80%	80%	Canada
11353705 Canada Corp. d/b/a Canada Gum Corp.	80%	80%	Canada
Trichome Canabrands Inc.	100%	100%	Canada
Sanna Health Corp.[1]	100%	100%	Canada
11406426 Canada Corp. d/b/a Canada Formulations Corp	80%	80%	Canada
AgraFlora Holdings Corp. (Note 12)	100%	100%	Canada

[1] Sanna Health Corp.'s wholly-owned subsidiary Sustainable Growth Strategic Capital Corp. ("SGSCC") was dissolved on December 18, 2023.

Intercompany balances and transactions, including unrealized income and expenses arising from intercompany transactions, have been eliminated in preparing the consolidated financial statements.

Presentation and functional currency

The functional currency of the parent company is the Canadian dollar, which is also the presentation currency of the consolidated financial statements. The functional currency is the Canadian dollar for the Company's Canadian subsidiaries, and the Euro was the functional currency for AgraFlora Europe, until the sale of AgraFlora Europe on September 7, 2023.

Transactions in foreign currencies are initially recorded in the functional currency by applying exchange rates at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies at the reporting date are re-translated to the functional currency at the closing rate (the exchange rate at the reporting date). Non-monetary items that are measured at historical cost in a foreign currency are translated using the exchange rate at the date of the original transaction. Non-monetary assets and liabilities denominated in foreign currencies that are measured at fair value are re-translated to the functional currency at the exchange rate at the date that the fair value was determined. Foreign currency differences arising on re-translation are recognized in profit or loss.

2. BASIS OF PREPARATION (continued)

Presentation and functional currency (continued)

The financial results and financial position of foreign operations whose functional currency is different from the Company's presentation currency are translated as follows:

- assets and liabilities are translated at period-end exchange rates prevailing at that reporting date; and
- income and expenses are translated at average exchange rates for the period.

Exchange differences arising on translation of foreign operations are recognized in accumulated other comprehensive income as foreign exchange gain on translating foreign operations. These differences are recognized in profit or loss in the period in which the foreign operation is disposed.

Significant accounting judgments and estimates

The preparation of these consolidated financial statements using accounting policies consistent with IFRS requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent liabilities, and the reported amounts of revenues and expenses. The preparation of these consolidated financial statements also requires management to exercise judgment in the process of applying the accounting policies.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized prospectively from the period in which the estimates are revised.

Determination of functional currency

The functional currency of the Company is the currency of the primary economic environment in which it operates. Determination of the functional currency may involve certain judgments to determine the primary economic environment. The functional currency may change if there is a change in events and conditions which determine the primary economic environment.

Management has applied significant judgments related to the following:

Discontinued operations

The Company uses its judgment to determine whether a component of the Company that has been disposed of meets the criteria of a discontinued operation. The key area that involves management judgment in this determination is whether the component represents a separate major line of business or geographical area of operation.

3. MATERIAL ACCOUNTING POLICIES

Non-controlling interests

Non-controlling interests ("NCI") are recognized either at fair value or at the NCI's proportionate share of the acquiree's net assets, determined on an acquisition-by-acquisition basis. For each acquisition, the excess of total consideration, the fair value of previously held equity interests held prior to obtaining control and the NCI in the acquiree, over the fair value of the identifiable net asset acquired, is recorded as goodwill.

3. MATERIAL ACCOUNTING POLICIES (CONTINUED)

Impairment of long-lived assets

At each financial position reporting date, the carrying amounts of the Company's long-lived assets are reviewed to determine whether there is any indication that those assets are impaired. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment, if any. Where the asset does not generate cash flows that are independent from other assets, the Company estimates the recoverable amount of the cash -generating unit ("CGU") to which the asset belongs.

An asset's recoverable amount is the higher of fair value less costs of disposal and value in use. Fair value is determined as the amount that would be obtained from the sale of the asset in an arm's length transaction between knowledgeable and willing parties. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. If the recoverable amount of an asset or CGU is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount and the impairment loss is recognized in profit or loss.

Where an impairment loss subsequently reverses, the carrying amount of the asset (or CGU) is increased to the revised estimate of its recoverable amount, 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 CGU) in prior years. A reversal of an impairment loss is recognized in profit or loss.

Share capital

Common shares are classified as equity. Transaction costs directly attributable to the issue of common shares are recognized as a deduction from equity, net of any tax effects.

Where share capital is issued, or received, as non-monetary consideration and the fair value of the asset received or given up is not readily determinable, the fair value of the shares is used to measure the transaction. The fair value of the shares is based on the trading price of those shares on the appropriate stock exchange on the measurement date.

Share-based payment transactions

The share option plan allows Company employees and consultants to acquire shares of the Company. The fair value of options granted is recognized as an employee or consultant expense in profit or loss with a corresponding increase in equity. An individual is classified as an employee when the individual is an employee for legal or tax purposes (direct employee) or provides services similar to those performed by a direct employee.

Where the share options are awarded to employees, the fair value is measured at grant date, and each tranche is recognized on the graded vesting method over the period during which the options vest. The fair value of the options granted is measured using the Black-Scholes Option Pricing Model taking into account the terms and conditions upon which the options were granted. At each financial position reporting date, the amount recognized as an expense is adjusted to reflect the actual number of share options that are expected to vest.

Where share options are granted to non-employees, fair value is measured at grant date at the fair value of the goods or services received and recognized in profit or loss, unless the Company cannot estimate reliably the fair value of the good or services received, in which case the fair value of the options granted is measured using the Black-Scholes Option Pricing Model taking into account the terms and conditions upon which the options were granted. Amounts related to the issuance of shares are recorded as a reduction of share capital.

3. MATERIAL ACCOUNTING POLICIES (CONTINUED)

Share-based payments reserve

The share-based payment reserve represents employee entitlements to share-based awards that have been recognized in profit or loss in the periods during which the entitlements were accrued and have not yet been exercised. When the stock options are exercised, the corresponding amount will be transferred to share capital. If the options expire unexercised, the amount recognized is transferred to deficit.

Warrants reserve

The warrants reserve represents the fair value of the warrants issued until such time that the warrants are exercised, at which time the corresponding amount will be transferred to share capital. If the warrants expire unexercised, the amount recognized is transferred to deficit.

Income taxes

Income tax on the profit or loss for the year comprises current and deferred tax. Income tax is recognized in profit or loss except to the extent that it relates to items recognized in other comprehensive income or loss or directly in equity, in which case it is recognized in other comprehensive income or loss or equity.

Current tax expense is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at year end, adjusted for amendments to tax payable with regards to previous years.

Deferred tax is provided using the liability method, providing for unused tax loss carry forwards and temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The following temporary differences are not provided for: goodwill not deductible for tax purposes; the initial recognition of assets or liabilities that affect neither accounting nor taxable profit; and differences relating to investments in subsidiaries, associates, and joint ventures to the extent that they will probably not reverse in the foreseeable future.

The amount of deferred tax provided is based on the expected manner of realization or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the end of the reporting period applicable to the period of expected realization or settlement.

A deferred tax asset is recognized only to the extent that it is more likely than not that future taxable profits will be available against which the asset can be utilized.

Additional income taxes that arise from the distribution of dividends are recognized at the same time as the liability to pay the related dividend.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Company intends to settle its current tax assets and liabilities on a net basis.

Earnings (loss) per share

The Company presents basic and diluted earnings (loss) per share for its common shares, calculated by dividing the earnings (loss) attributable to common shareholders of the Company by the weighted average number of common shares outstanding during the period. Diluted earnings per share is determined by adjusting the earnings attributable to common shareholders and the weighted average number of common shares outstanding for the effects of all dilutive potential common shares. Diluted loss per share is equivalent to basic loss per share, as the effects of all dilutive potential common shares would be anti-dilutive.

3. MATERIAL ACCOUNTING POLICIES (CONTINUED)

Revenue recognition

The Company's accounting policy for revenue recognition is to follow a five-step model to determine the amount and timing of revenue to be recognized:

1. Identifying the contract with a customer;
2. Identifying the performance obligations within the contract;
3. Determining the transaction price;
4. Allocating the transaction price to the performance obligations; and
5. Recognizing revenue when/as performance obligation(s) are satisfied.

Revenue from the sale of hemp health products and cannabis to medical and recreational customers are recognized when the Company transfers control of the goods to the customer. In some cases, judgment is required in determining whether the customer is a business or the end consumer. This evaluation was made on the basis of whether the business obtains control of the product before transferring to the end consumer. Control of the product transfers at a point in time either upon shipment to or receipt by the customer, depending on the contractual terms.

The Company recognizes revenue in an amount that reflects the consideration that the Company expects to receive taking into account any variation that may result from rights of return.

Financial instruments

(i) Classification

The Company classifies its financial instruments in the following categories: at fair value through profit or loss ("FVTPL"), at fair value through other comprehensive income (loss) ("FVTOCI") or at amortized cost. The Company determines the classification of financial assets at initial recognition. The classification of debt instruments is driven by the Company's business model for managing the financial assets and their contractual cash flow characteristics. Equity instruments that are held for trading are classified as FVTPL. For other equity instruments, on the day of acquisition, the Company can make an irrevocable election (on an instrument-by-instrument basis) to designate them as at FVTOCI. Financial liabilities are measured at amortized cost, unless they are required to be measured at FVTPL (such as instruments held for trading or derivatives) or if the Company has opted to measure them at FVTPL. Financial assets are classified at amortized cost where the asset is held within a business model whose objective is to hold the financial asset in order to collect contractual cash flows, and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

3. MATERIAL ACCOUNTING POLICIES (CONTINUED)

Financial instruments (Continued)

(i) Classification (Continued)

The following table shows the classification of financial instruments:

Financial assets/liabilities	Classification
Cash	FVTPL
Marketable securities	FVTPL
Accounts payable and accrued liabilities	Amortized cost
Loans payable	Amortized cost
Derivative liabilities	FVTPL
Convertible loans payable	Amortized cost

(ii) Measurement

Financial assets and liabilities at amortized cost
Financial assets and liabilities at amortized cost are initially recognized at fair value plus or minus transaction costs, respectively, and subsequently carried at amortized cost less any impairment, using the effective interest method. The ‘effective interest rate’ is the rate that discounts estimated future cash flows over the expected life of the financial instrument, or where appropriate, a shorter period.

Financial assets and liabilities at FVTPL
Financial assets and liabilities at FVTPL are initially recorded at fair value and transaction costs are expensed in profit or loss. Realized and unrealized gains and losses arising from changes in the fair value of the financial assets and liabilities held at FVTPL are included in profit or loss in the period in which they arise.

Debt investments at FVTOCI
These assets are subsequently measured at fair value. Interest income calculated using the effective interest method, foreign exchange gains and losses and impairment are recognized in profit or loss. Other net gains and losses are recognized in OCI. On derecognition, gains and losses accumulated in OCI are reclassified to profit or loss.

Equity investments at FVTOCI
These assets are subsequently measured at fair value. Dividends are recognized as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognized in OCI and are never reclassified to profit or loss.

(iii) Impairment of financial assets at amortized cost

The Company recognizes a loss allowance for expected credit losses on financial assets that are measured at amortized cost. At each reporting date, the Company measures the loss allowance for the financial asset at an amount equal to the lifetime expected credit losses if the credit risk on the financial asset has increased significantly since initial recognition. If at the reporting date, the credit risk of the financial asset has not increased significantly since initial recognition, the Company measures the loss allowance for the financial asset at an amount equal to the twelve month expected credit losses. The Company shall recognize in profit or loss, as an impairment gain or loss, the amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date to the amount that is required to be recognized.

3. MATERIAL ACCOUNTING POLICIES (CONTINUED)

Financial instruments (Continued)

(iv) Convertible loans

The Company issues convertible loans from time to time, used for raising capital. The component parts of convertible loans issued by the Company are classified separately as financial liabilities and equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument. A conversion option that will be settled by the exchange of a fixed amount of cash or another financial asset for a fixed number of equity instruments issued by the Company is an equity instrument. The Company has determined that the conversion option does not meet the definition of equity. The convertible loans are accounted for as a hybrid financial instrument with separate debt and derivative liability components. The derivative liability is recorded at fair value and deducted from the face value of the debt to arrive at the liability component, which is recorded at amortized cost and is being accreted to the face value over the term to maturity of the convertible loan at the effective interest rate. The Company subsequently measures the debt component as a financial liability at amortized cost. Interest expense is recognized in operating expenses. The derivative component is subsequently measured at fair value with changes in fair value recognized in profit or loss for the year.

(v) Derecognition

Financial assets
The Company derecognizes financial assets only when the contractual rights to cash flows from the financial assets expire, or when it transfers the financial assets and substantially all of the associated risks and rewards of ownership to another entity.

Financial liabilities
The Company derecognizes a financial liability when its contractual obligations are discharged or cancelled or expire. The Company also derecognizes a financial liability when the terms of the liability are modified such that the terms and/or cash flows of the modified instrument are substantially different, in which case a new financial liability based on the modified terms is recognized at fair value.

Gains and losses on derecognition are recognized in profit or loss.

Government grants

The Company recognizes government grants initially as deferred income at fair value if there is reasonable assurance that they will be received and the Company will comply with the conditions associated with the grant; they are then recognized in profit or loss as other income on a systematic basis in the periods in which the Company recognizes the expenses for the related costs for which the grants are intended to compensate.

The benefit of a government loan at a below-market rate of interest is treated as a government grant, measured as the difference between proceeds received and the fair value of the loan based on prevailing market interest rates. A forgivable loan from the government is treated as a government grant as long as there is reasonable assurance that the Company will meet the terms for forgiveness of the loan. The amount of the grant portion which is unexpended is recognized as a deferred government grant to be recognized in profit or loss over the periods in which the entity recognizes as expenses the related costs for which the grants are intended to compensate.

Adoption of new and revised standards and interpretations

The Company adopted the following amendment to IFRS Accounting Standards that are mandatorily effective for accounting periods beginning on or after January 1, 2024. Their adoption has not had a material impact on disclosures or amounts reported in these consolidated financial statements.

3. MATERIAL ACCOUNTING POLICIES (CONTINUED)

Adoption of new and revised standards and interpretations (continued)

Amendments to IAS 1 - Presentation of Financial Statements

In October 2022, the IASB issued amendments to IAS 1, Presentation of Financial Statements titled non-current liabilities with covenants. These amendments sought to improve the information that an entity provides when its right to defer settlement of a liability is subject to compliance with covenants within 12 months after the reporting period. These amendments to IAS 1 override but incorporate the previous amendments, Classification of liabilities as current or noncurrent, issued in January 2020, which clarified that liabilities are classified as either current or non-current depending on the rights that exist at the end of the reporting period. Liabilities should be classified as non-current if an entity has a substantive right to defer settlement for at least 12 months at the end of the reporting period.

Future accounting standards

The Company has not yet adopted certain new standards, amendments and interpretations to existing standards as outlined below, which have been published but are only effective for accounting periods beginning on or after January 1, 2025 or later periods.

IFRS 18 Presentation and Disclosure in Financial Statements

In April 2024, the IASB issued IFRS 18 Presentation and Disclosure in Financial Statements. This standard aims to improve the consistency and clarity of financial statement presentation and disclosures by providing updated guidance on the structure and content of financial statements. Key changes include enhanced requirements for the presentation of financial performance, financial position, and cash flows, as well as additional disclosures to improve transparency and comparability. In addition, IFRS 18 requires entities to classify income and expenses into five categories, three of which are new – i.e. operating, investing and financing – and the income tax and discontinued operation categories. The new standard sets out detailed requirements for classifying income and expenses into each category. These amendments are effective for annual periods beginning on or after January 1, 2027. The Company is currently assessing the impact that the adoption of IFRS 18 will have on its consolidated financial statements.

Amendments to IFRS 9 and IFRS 7, Classification and Measurement of Financial Instruments

IFRS 9 requires entities to recognize financial assets and liabilities when they become party to the contractual terms and to measure them initially at fair value, adjusted for directly attributable transaction costs where applicable. The standard is being clarified to provide better guidance on the derecognition of financial liabilities, which can impact bank reconciliation processes, especially during debt restructuring based on the timing of payments on financial liabilities as compared to the actual settlement of those debts. This clarification may result in a change in the derecognition timing of financial liabilities in situations where electronic payments are involved. The Company is currently assessing the impact that the adoption of this clarification of IFRS 9 will have on its consolidated financial statements.

(Expressed in Canadian Dollars)

4. MARKETABLE SECURITIES

At December 31, 2024, the Company held the following marketable securities:

Investee	Number of Shares/Warrants	Cost $	Fair Value $
Private Companies			
Pounce Technologies – Shares	4,500,000	500,000	-
		500,000	-

At December 31, 2023, the Company held the following marketable securities:

Investee	Number of Shares/Warrants	Cost $	Fair Value $
Public Companies			
Cult Food Science Corp. – Warrants	-	-	-
Private Companies			
Pounce Technologies – Shares	4,500,000	500,000	450
		500,000	450

Cult Food Science Corp.

On September 15, 2021, the Company subscribed to a private placement of 2,000,000 units (“Cult Unit”) of Cult Food Science Corp. (“Cult”) for total cash consideration of $500,000. Each Cult Unit consists of one common share of Cult and one transferable common share purchase warrant of Cult. Each warrant will entitle the holder to acquire one Cult share at a price of $0.75 for a period of two years following the closing date of the private placement.

On November 1, 2021, the Company subscribed to a private placement of 757,575 units (“November Cult Unit”) of Cult for total cash consideration of $250,000. Each November Cult Unit consists of one common share of Cult and one transferable common share purchase warrant of Cult. Each warrant will entitle the holder to acquire one Cult share at a price of $0.75 for a period of two years following the closing date of the private placement.

The Company assigned $Nil value to the warrants as Cult was a private investment as of December 31, 2021. Cult commenced trading on the CSE on January 17, 2022.

During the year ended December 31, 2022, the Company sold 245,999 Cult shares and during the year ended December 31, 2023, the Company sold all of its remaining 2,511,576 Cult shares with a cost of $75,347 for proceeds of $91,209 and realized a gain on sale of $15,862. On November 1, 2023, all the Cult warrants have expired and the Company does not own any Cult shares or warrants at December 31, 2024 and 2023.

Pounce Technologies Inc.

On November 23, 2021, the Company purchased 4,500,000 common shares of Pounce Technologies Inc., a private company, for total cash consideration of $500,000. The fair value of this investment at December 31, 2024 was $Nil (December 31, 2023 – $450) and the Company recorded an unrealized loss of $450 for the year ended December 31, 2024 (December 31, 2023 - $499,550).

(Expressed in Canadian Dollars)

4. MARKETABLE SECURITIES (CONTINUED)

OrganiGram Holdings Inc.

During the year ended December 31, 2023, the Company received 2,278,133 common shares of OrganiGram Holdings Inc. ("OGI") pursuant to the sale of SUHM Investments Inc. in prior years (Note 16) with a fair value of $2,354,691 and sold all shares of the OGI common shares for proceeds of $2,257,829 and realized a loss on sale of $96,862. At December 31, 2024 and December 31, 2023, the Company has Nil shares in OGI.

5. PROPAGATION SERVICES CANADA INC.

In 2019, the Company acquired a 70% interest in PSC, a joint venture which has ownership of the Houweling Nurseries Ltd.'s Delta Propagation Facility (the "Facility"), consisting of 2,200,000 square feet of greenhouse space and 1,700,000 square feet of irrigation space.

On June 16, 2023, the Company mutually agreed with the operator of the Facility to effectively terminate and exit the investment in PSC and sold its investment in PSC for aggregate cash of $250,000 (Note 16). On June 16, 2023, the Company ceased equity accounting for the investment in PSC and the carrying value of the investment was $Nil, which resulted in a gain on sale of equity accounted investments of $250,000.

The Company considered PSC to be a discontinued operation as at December 31, 2022 and December 31, 2023 (Note 1). Thus, the Company impaired the investment in PSC to $Nil as at December 31, 2022 as a result of the operations being halted and the operator's termination of the management agreement with PSC. Net income or loss from discontinued operations is further detailed in Note 16.

The table below provides a continuity of the PSC investment up to the date of the sale of the PSC investment on June 16, 2023:

Opening balance, December 31, 2022	23,438,656
Adjustment of intercompany interest	(1,534,519)
Income (loss) on equity investment	(6,291,709)
Impairment on investment in joint venture	(15,612,428)
Ending balance, December 31, 2023, and 2024	**-**

As at December 31, 2023 and 2024, the Company has Nil% ownership interest in PSC.

6. NON-CONTROLLING INTEREST

The net change in non-controlling interest ("NCI") is as follows:

	11122347 $	Potluck $	Total $
As at December 31, 2022	(40,295)	(130,356)	(170,651)
Net and comprehensive income attributable to NCI	11,526	29,228	40,754
As at December 31, 2023	**(28,769)**	**(101,128)**	**(129,897)**
As at December 31, 2024	**(28,769)**	**(101,128)**	**(129,897)**

7. LOAN RECEIVABLE

Valo Therapeutics Oy

On November 3, 2021, the Company purchased $750,000 of Convertible Notes ("C Notes") from Valo Therapeutics Oy ("Valo"), a company incorporated in Helsinki, Finland. During the year ended December 31, 2022, the Company impaired the C Notes to $Nil as management assessed the collectability of the C Notes as low and also as a result of the expiration of the conversion feature.

(Expressed in Canadian Dollars)

7. LOAN RECEIVABLE (CONTINUED)

Valo Therapeutics Oy (Continued)

On August 17, 2023, the Company entered into a Purchase Agreement with a third party to sell the C Notes for aggregate cash of $225,000. During the year ended December 31, 2023, the Company recorded a loan recovery of $225,000.

8. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	December 31, 2024 $	December 31, 2023 $
Accounts payable	82,826	113,483
Amount due to related parties (Note 12)	257,671	56,325
Accrued liabilities	20,000	40,000
	360,497	**209,808**

During the year ended December 31, 2023, the Company wrote-off statute-barred accounts payable of $679,417.

During the year ended December 31, 2024, the Company wrote-off statute-barred accounts payable of $73,932.

9. CONVERTIBLE LOANS PAYABLE

	$
Convertible loans payable, December 31, 2022	**17,725,819**
Accretion	2,179,756
Interest repayments	(1,339,129)
Interest eliminated on buyback of loans payable	(1,213,711)
Gain on debt modification	(643,019)
Repayment of principal	(14,218,000)
Loan payable conversions	(1,412,000)
Convertible loans payable, December 31, 2023	**1,079,716**
Accretion	254,921
Interest repayments	(125,090)
Gain on debt modification	(163,514)
Convertible loans payable, December 31, 2024	**1,046,033**

During the year ended December 31, 2019, the Company closed a non-brokered private placement offering of 30,000 unsecured convertible loans for gross proceeds of $30,000,000 from three arm's length parties. The loans bear interest at a rate of 10% per annum, payable semi-annually in arrears on June 30 and December 31 of each year, commencing December 31, 2019.

The loans are convertible at the holders' option into: (i) that number of common shares of the Company calculated on the basis of the aggregate principal amount of the debentures being converted divided by the conversion price of $0.30 per common share (the "Conversion Price"); and (ii) a cash payment equal to the additional interest amount that such holder would have received if it had held the loan from the date of conversion to the maturity date. Holders converting their debentures will receive accrued and unpaid interest thereon for the period from and including the date of the latest interest payment date to, but excluding, the date of conversion.

9. CONVERTIBLE LOANS PAYABLE (CONTINUED)

The Company accounted for the convertible loans issued for cash as a hybrid financial instrument with separate debt and derivative liability components. The derivative liability is recorded at fair value and deducted from the face value of the debt to arrive at the liability component which is recorded at amortized cost and is being accreted to the face value over the term to maturity of the convertible loan at an effective interest rate of 15%.

At December 31, 2024 and 2023, the fair value of the derivative liability was estimated to be $28.

On May 30, 2023, the Company extended the maturity date of the convertible loans to March 12, 2024 (the "Third Amendment") with all other terms being the same. The fair value of the convertible loans immediately prior to the Third Amendment was $16,347,948, including accretion of $567,217 up to the date of the Third Amendment. Upon recognition of the Third Amendment, the Company determined the fair value of the convertible loans to be $15,704,929. This resulted in a gain on modification of debt of $643,019 which was recognized in profit or loss during the year ended December 31, 2023. On June 6, 2023, the Company satisfied the aggregate interest of $1,200,000 owing at March 12, 2023 by the issuance of 960,000 common shares with a fair value of $72,000 and recognized a gain on debt settlement of $1,128,000 during the year ended December 31, 2023. During the year ended December 31, 2024, the holders of the convertible loans granted forbearance until April 30, 2024 and agreed to extend the maturity date of the loans to March 12, 2025. Subsequent to the year ended December 31, 2024, the holders of the convertible loans agreed to extend the maturity date of the loans to March 12, 2026 (Note 19).

On October 19, 2023, the Company entered into Securities Purchase Agreements with the convertible loan holders to buy back an aggregate of $14,218,000 principal from the convertible loan holders for aggregate cash of $1,600,000 and recorded a gain on debt settlement of $12,618,000. Additionally, on completion of the Securities Purchase Agreements, the Company eliminated interest of $1,213,711 payable on the convertible loans and recorded a gain on debt settlement of $1,213,711.

During the year ended December 31, 2023, the Company issued an aggregate of 9,959,333 common shares with a fair value of $374,643 pursuant to the conversion of $1,412,000 of convertible loans and also satisfied aggregate interest of $160,366 on the conversions and recognized a gain on debt settlement of $1,197,723 (Note 11).

During the year ended December 31, 2024, the holders of the loans granted forbearance until April 30, 2024 and agreed to extend the maturity date of the Amended Loans to March 12, 2025 (the "Fourth Amendment") with all other terms being the same. The fair value of the convertible loans immediately prior to the Fourth Amendment was $1,000,000, including accretion of $12,370 up to the date of the Fourth Amendment. Upon recognition of the Fourth Amendment, the Company determined the fair value of the convertible loans to be $836,486. This resulted in a gain on modification of debt of $163,514 which was recognized in profit or loss during the year ended December 31, 2024.

During the year ended December 31, 2024, the Company issued an aggregate of 2,501,807 common shares with a fair value of $50,036 to satisfy aggregate interest of $125,090 on the loans and recognized a gain on debt settlement of $75,054 (Note 11).

10. LOANS PAYABLE

CEBA Loans

The Canada Emergency Business Account ("CEBA") loan originally launched on April 9, 2020 and was intended to support businesses during the COVID-19 pandemic. The value of the government loan received at below market rates of interest is treated as a government grant. Two of the Company's subsidiaries applied for and received the first $40,000 in funds, and the same entities applied for the additional $20,000 provided under the CEBA program. Only one subsidiary received the additional $20,000 amounts in the year ended December 31, 2020. The loans are interest-free if fully repaid on or before January 18, 2024. Repayment on or before the deadline of January 18, 2024 will result in loan forgiveness of $10,000 for a $40,000 loan and $20,000 for a $60,000 loan. On September 14, 2023, the Government of Canada announced a one-year extension of the final loan maturity date from December 31, 2025 to December 31, 2026 – subject to an interest rate of 5% per annum for CEBA loan holders in good standing. The full value of the grants has been spent in the course of business operations.

During the year ended December 31, 2023, the Company recognized a gain on forgiveness of loans of $1,680 as the Company repaid the CEBA loans on January 10, 2024. The balance of the loans at December 31, 2024 is $Nil (December 31, 2023 - $70,000).

JJ Wolf Investments Ltd. Loans

On June 2, 2020, the Company received a loan from JJ Wolf Investments Ltd. ("JJ Wolf") of $350,000. The loan matured on June 2, 2022 and bears interest at 5% per annum, compounded monthly and payable on the maturity date. The Company discounted the loan at 10% and recorded an initial fair value of $317,460 and a discount of $32,540 to be amortized over the term of the loan. The loan was payable on demand at maturity on June 2, 2022 and accrued interest at 5% per annum. On June 23, 2023, JJ Wolf agreed to forgive the full loan amount of $350,000 which resulted in loan forgiveness of $405,761 for the year ended December 31, 2023. During the year ended December 31, 2024, the Company recorded accretion on the loan of $Nil (December 31, 2023 - $9,501). At December 31, 2024 the balance of the loan is $Nil (December 31, 2023 - $Nil).

During the year ended December 31, 2021, the Company received an additional loan of $308,000. The loan has the same terms as the June 2, 2020 loan. The Company discounted the loan at 10% and recorded an initial fair value of $288,454 and recorded a discount on the loan of $19,546 to be amortized over the term of the loan. The loan was payable on demand at maturity on June 2, 2022 and accrued interest at 5% per annum. On June 23, 2023, JJ Wolf agreed to forgive the full loan amount of $308,000 which resulted in loan forgiveness of $346,942 during the year ended December 31, 2023. During the year ended December 31, 2024, the Company recorded interest on the loan of $Nil (December 31, 2023 – $8,123). At December 31, 2024 the balance of the loan is $Nil (December 31, 2023 - $Nil).

The Company recorded total gain on loan forgiveness of $752,703 during the year ended December 31, 2023 for the JJ Wolf Loans. As at December 31, 2024, the Company has total loans payable to JJ Wolf of $Nil (December 31, 2023 - $Nil).

11. SHARE CAPITAL

a) Common shares

Share consolidation:
On August 8, 2023, the Company consolidated its shares on a twenty-five (25) pre-consolidated to one (1) post-consolidated share basis. These consolidated financial statements reflect the post-consolidated shares retroactively.

11. SHARE CAPITAL (CONTINUED)

a) Common shares (Continued)

Authorized:
Unlimited number of common shares without par value.

Issued:

Year ended December 31, 2024

On April 5, 2024, the Company issued 848,407 common shares with a fair value of $16,969 pursuant to the Restricted Share Units ("RSUs") granted on April 4, 2024. On issuance of the common shares, the Company transferred $16,969 from share-based payment reserves.

On April 8, 2024, the Company issued 424,204 common shares with a fair value of $8,484 pursuant to the RSUs granted on April 4, 2024. On issuance of the common shares, the Company transferred $8,484 from share-based payment reserves.

On April 24, 2024, the Company issued 2,501,807 common shares with a fair value of $50,036 to satisfy aggregate interest of $125,090 on the debentures and recognized a gain on debt settlement of $75,054 (Note 9).

On June 13, 2024, the Company issued 424,204 common shares with a fair value of $8,484 pursuant to the RSUs granted on April 4, 2024. On issuance of the common shares, the Company transferred $8,484 from share-based payment reserves.

Year ended December 31, 2023

On January 25, 2023, the Company issued 114,258 common shares with a fair value of $28,565 to settle interest payments of $28,565 with a creditor of the Company and recognized $Nil gain or loss on debt settlement.

During the year ended December 31, 2023, pursuant to the Second Amendment, the Company issued an aggregate of 9,959,333 common shares on conversion of the convertible loans with a fair value of $374,643 pursuant to the conversion of $1,412,000 of convertible loans and also satisfied aggregate interest of $160,366 on the conversions and recognized a gain on debt settlement of $1,197,723 (Note 9).

On May 2, 2023, the Company issued 123,191 common shares with a fair value of $15,399 to settle interest payments of $15,399 with a creditor of the Company and recognized $Nil gain or loss on debt settlement.

On June 6, 2023, the Company satisfied the aggregate accrued interest on the convertible loans of $1,200,000 by the issuance of 960,000 common shares with a fair value of $72,000 pursuant to the Third Amendment and recognized a gain on debt settlement of $1,128,000 (Note 9).

On June 22, 2023, the Company issued 134,242 common shares with a fair value of $15,102 to settle interest payments of $15,102 with a creditor of the Company and recognized $Nil gain or loss on debt settlement.

On September 14, 2023, the Company issued 718,327 with a fair value of $17,958 pursuant to the conversion of RSUs granted on September 14, 2023. On issuance of the shares, the Company transferred $17,958 from share-based payment reserves.

On October 30, 2023, the Company issued 1,542,559 common shares with a fair value of $23,138 pursuant to the conversion of RSUs granted on October 27, 2023. On issuance of the shares, the Company transferred $23,138 from share-based payment reserves.

(Expressed in Canadian Dollars)

11. SHARE CAPITAL (CONTINUED)

b) Warrants outstanding

	Number of warrants	Weighted average exercise price $
At December 31, 2022	93,167	427.07
Warrants expired	(13,428)	736.29
At December 31, 2023 and 2024	79,739	375.00

Grant Date	Expiry date	Number of warrants	Exercise price $
April 30, 2020	April 30, 2025	71,111	375.00
May 25, 2020	May 25, 2025	5,531	375.00
July 8, 2020	July 8, 2025	3,097	375.00
Balance at December 31, 2024		79,739	375.00

During the year ended December 31, 2023, 13,428 warrants with exercise prices from $562.50 to $1,875.00 expired without being exercised. On expiry of the warrants, $12,025,608 was transferred out of warrants reserve to deficit.

The weighted average remaining life of the warrants outstanding is 0.34 years (December 31, 2023 – 1.60 years).

c) Stock options outstanding

Under Company's 2023 Stock Option Plan, the Company may grant options to directors, officers, employees, and consultants, provided that the maximum number of options that are outstanding at any time shall not exceed 20% of the issued and outstanding common shares of the Company. The exercise price of each option is based on the market price of the Company's common shares at the date of grant less applicable discount. The options may be granted for a maximum of ten years and vesting is determined by the Board of Directors.

Grant Date	Expiry date	Number of options	Exercise price $
April 30, 2020	April 30, 2025	21,733	281.25
Balance at December 31, 2024		21,733	281.25

	Number of options	Weighted average exercise price $
At December 31, 2022	28,371	406.75
Options expired	(133)	532.50
Options cancelled/forfeited	(3,867)	319.14
At December 31, 2023	24,371	394.46
Options expired	(2,638)	1,327.06
At December 31, 2024	21,733	281.25

The weighted average remaining life of the options outstanding is 0.33 years (December 31, 2023 – 1.24 years). All of the options granted were exercisable as at December 31, 2024 and December 31, 2023.

(Expressed in Canadian Dollars)

11. SHARE CAPITAL (CONTINUED)

c) Stock options outstanding (Continued)

During the year ended December 31, 2023, an amount of $501,762 was transferred from share-based payment reserve to deficit for options that were cancelled and expired.

During the year ended December 31, 2024, an amount of $1,906,814 was transferred from share-based payment reserve to deficit for options that were cancelled and expired.

d) Restricted Share Units

Under Company's May 25, 2022 Restricted Share Unit Plan, the Company may grant RSUs to directors, officers, employees, and consultants, provided that the maximum number of options that are outstanding at any time shall not exceed 20% of the issued and outstanding common shares of the Company. The RSUs may be granted for a maximum of ten years and vesting is determined by the Board of Directors.

On September 14, 2023, the Company granted 718,327 RSUs to Directors and Officers of the Company for a total fair value of $17,958. All of the RSUs vest immediately and expire 5 years after the grant date.

On October 30, 2023, the Company granted 1,542,559 RSUs to certain Directors and Officers for a total fair value of $23,138. All of the RSUs vest immediately and expire 5 years after the grant date.

On April 4, 2024, the Company granted 1,696,815 RSUs to certain Directors and Officers for a total fair value of $33,937. All of the RSUs vest immediately and expire 5 years after the grant date.

	Number of Restricted Share Units
At December 31, 2022	88,852
Issued	2,260,886
Converted[1]	(2,260,886)
At December 31, 2023	88,852
Issued	1,696,815
Converted[2]	(1,696,815)
At December 31, 2024	88,852

[1] The RSUs were all converted on September 14, 2023 and October 30, 2023, the market value of the shares issued was $41,096, with a weighted average value of $0.018 per share.
[2] The RSUs were all converted on April 5, 2024, April 8, 2024 and June 13, 2024, the market value of the shares issued was $33,937, with a weighted average value of $0.02 per share.

As at December 31, 2024, Restricted Share Units are outstanding are as follows:

Expiry Date	Number Issued #	Issued and exercisable #
October 7, 2027	88,852	88,852
	88,852	88,852

12. RELATED PARTY TRANSACTIONS

Related parties include key management personnel and others considered to have significant influence or control over the Company's operations. The Company has identified the directors and senior officers as key management personnel. The following table lists the compensation costs paid directly to, or to companies controlled by, key management personnel for the year ended December 31, 2024 and 2023:

(Expressed in Canadian Dollars)

12. RELATED PARTY TRANSACTIONS (CONTINUED)

Year ended December 31, 2024	Share-based payments $	Consulting and Management Fees $
Consulting fees paid/accrued to a private company controlled by the CFO	8,484	54,240
Consulting fees paid/accrued to a private company controlled by the CEO	8,485	252,000
Consulting fees paid/accrued to a Director	8,484	14,000
Consulting fees paid/accrued to a private company controlled by a Director	8,484	14,000
	33,937	334,240

Year ended December 31, 2023	Share-based payments $	Consulting and Management Fees $
Consulting fees paid/accrued to a private company controlled by the CFO	10,275	94,920
Consulting fees paid/accrued to a private company controlled by the CEO	20,547	372,225
Consulting and Directors fees paid/accrued to a private company controlled by a Director	5,137	8,000
Share-based payments to a Director	5,137	-
	41,096	475,145

Amounts due to and from related parties are unsecured, non-interest bearing and due on demand. At December 31, 2024, $257,671 (December 31, 2023 - $56,325) is owing to related parties for unpaid fees which are included in accounts payable and accrued liabilities. Refer also to Note 8.

As at December 31, 2024, the CEO holds $500,000 (December 31, 2023 – $Nil) of the principal amount of the convertible loans payable with accrued interest of $23,016 (December 31, 2023 – $Nil) for total convertible loans payable of $523,016 (December 31, 2023 – $Nil) (Note 9).

13. SUPPLEMENTAL CASH FLOW INFORMATION

Non-cash financing and investing activities along with other cash flow information during the years ended December 31, 2024 and 2023 are as follows:

	December 31, 2024 $	December 31, 2023 $
Shares issued for debt settlement	50,036	59,066
Shares issued for amendment of convertible debentures (Notes 9 and 11)	-	72,000
Shares issued for conversion of debentures (Notes 9 and 11)	-	374,643
Interest accrued on loans	254,921	2,277,682
Interest paid on loans in cash	-	-
Taxes paid	-	-

(Expressed in Canadian Dollars)

14. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

a) Classification of financial instruments

IFRS 13, *Fair Value Measurement*, establishes a fair value hierarchy that prioritizes the input to valuation techniques used to measure fair value as follows:

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. as prices) or indirectly (i.e. derived from prices); and
Level 3 – inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The Company's cash is measured using level 1 inputs and marketable securities are measured using level 2 inputs.

For the Company's derivative liabilities at level 3, the fair value was determined on a binomial lattice methodology considering both expected values with and without the conversion features of the derivative liabilities. The inputs used were the stock price on the valuation date, the risk-free rate, and a risk-adjusted discount rate, dividend yield, stock volatility and trading restrictions.

For the Company's convertible loan receivable at level 3 as of December 31, 2024, management assessed the collectability of the convertible loan receivable as low and impaired the convertible loan to $Nil as the collectability of debt component was assessed to be low, and the convertibility feature has expired (Note 9).

All other financial instruments of the Company have carrying values that approximate their fair values, due to their short-term natures.

The following is an analysis of the Company's financial assets and liabilities measured at fair value as at December 31, 2024 and December 31, 2023:

	As at December 31, 2024		
	Level 1	**Level 2**	**Level 3**
Cash	$ 293,907	-	-
Derivative liabilities (Note 9)	-	-	$ 28

	As at December 31, 2023		
	Level 1	**Level 2**	**Level 3**
Cash	$ 738,742	-	-
Marketable securities	-	$ 450	-
Derivative liabilities (Note 9)	-	-	$ 28

b) Financial risk management

The Company's risk exposures and the impact on the Company's financial instruments are summarized below:

Credit risk
Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. Financial instruments that potentially subject the Company to credit risk consist of cash. The Company's maximum exposure to credit risk associated with those financial instruments is $293,907 being the face value of those instruments at December 31, 2024 (December 31, 2023 – $738,742). The Company limits its exposure to credit risk by placing its cash with a high credit quality financial institution in Canada.

14. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (CONTINUED)

b) Financial risk management (continued)

The Company actively manages its exposure to credit risk, reducing the amount and duration of credit exposures, through close monitoring of relevant accounts. The Company's management of credit risk has not changed materially from that of the prior year.

Liquidity risk
Liquidity risk is the risk that the Company will encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset. The Company manages liquidity risk by maintaining adequate cash balances.

The Company's expected source of cash flow in the upcoming year will be through equity financing. In addition to cash on hand, the Company will need additional funding through equity or debt financing, or a combination thereof, to complete its obligations. The Company's convertible loans are due on March 12, 2025 and extended to March 12, 2026 subsequent to year end (Note 19), and the accounts payable and accrued liabilities are due on normal trade terms. The Company's management of liquidity risk has not changed materially from that of the prior year.

Market risk
Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: currency risk, interest rate risk and other price risk. The Company's exposure to and management of market risk has not changed materially from that of the prior year.

(a) Interest rate risk
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. For the Company, interest rate risk consists of two components: to the extent that payments made or received on the Company's monetary assets and liabilities are affected by changes in the prevailing market interest rates the Company is exposed to interest rate cash flow risk; and to the extent that changes in prevailing market rates differ from the interest rate in the Company's monetary assets and liabilities the Company is exposed to a change in fair value of the financial instruments. Assuming all other variables remain constant, a 1% (December 31, 2023 – 1%) change in the interest rate would result in an approximate increase of $2,939 (December 31, 2023 – increase of $7,398) in interest expense in profit or loss.

(b) Currency risk
Currency risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate due to changes in foreign exchange rates. The Company is exposed to currency risk to the extent that monetary assets and liabilities are denominated in foreign currencies. The Company has not entered into any foreign currency hedging contracts to mitigate foreign currency risk. During the year ended December 31, 2023, the Company sold AgraFlora Europe. As such, the Company is no longer exposed to material currency risk.

(c) Other price risk
Other price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of change in market prices (other than those arising from interest rate or foreign currency risk). The Company is exposed to risk of loss of those investments in the amount recorded on the consolidated statement of financial position, should those investments become listed on a stock exchange and suffer a decline in fair value, and or fail to have a market develop where those investments can be sold.

During the year ended December 31, 2024, the Company had immaterial investments with private entities, which would not have increased or decreased profit or loss by a material amount if the fair value increased or decreased by 10%.

(Expressed in Canadian Dollars)

14. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (CONTINUED)

b) Financial risk management (continued)

(d) Capital risk management

The Company manages its capital to ensure that it will be able to continue as a going concern while maximizing the return to stakeholders through a suitable debt and equity balance appropriate for an entity of the Company's size and status. The Company's overall strategy remains unchanged from last year.

The capital structure of the Company consists of shareholders' deficit, which totaled $1,112,651 at December 31, 2024 (December 31, 2023 – deficit of $620,360). The availability of new capital will depend on many factors including positive stock market conditions, and the experience of management. The Company is not subject to any external covenants on its capital.

15. DEPOSITS

On November 27, 2020, the Company signed the SGSCC Agreement. As at December 31, 2020, the Company received a deposit of $297,001 towards the sale. The sale transaction had not closed as at December 31, 2022 and the agreement was terminated during the year ended December 31, 2023. During the year ended December 31, 2023, the Company wrote-off of deferred revenues of $297,001 as a result of the termination (Note 16).

16. DISCONTINUED OPERATIONS

The following is a break-down of the net income for the period for discontinued operations for the year ended December 31, 2024:

	AgraFlora Europe GmbH $	Total $
	6,837	**6,837**

The following is a break-down of the net income for the period for discontinued operations for the year ended December 31, 2023:

	SUHM Investments Inc. $	AgraFlora Europe GmbH $	Propagation Services Canada Inc. $	Total $
	2,354,691	601,711	250,000	**3,206,402**

(Expressed in Canadian Dollars)

16. DISCONTINUED OPERATIONS (CONTINUED)

SUHM Investments Inc.

During the year ended December 31, 2023, the Company received shares of OGI with a fair value of $2,354,691 (Note 4) pursuant to the sale of SUHM and recognized a gain on sale of subsidiaries of $2,354,691.

AgraFlora Europe GmbH

On September 7, 2023, the Company entered into a Share Purchase Agreement to sell all of its shares of AgraFlora Europe GmbH for total cash proceeds of $608,220. During the year ended December 31, 2023, the Company received $608,220.

	For the year ended December 31, 2023 $
Proceeds received	608,220
Add net assets as at September 7, 2023:	
Assets	199,182
Liabilities	(192,673)
Total net assets	6,509
Gain on sale of subsidiary	**601,711**

Revenue, expenses and gains or losses relating to the discontinuance of AgraFlora Europe have been eliminated from the profit or loss from the Company's continuing operations and are shown as a single line in the Consolidated Statements of Comprehensive Loss as a discontinued operation.

	For the year ended December 31, 2024 $
Loss and net loss from operations – AgraFlora Europe	**-**
Adjustment of previously recorded balances in AgraFlora Europe	**6,837**
Net income from discontinued operations attributable to non-controlling interests	**-**
Net income from discontinued operations attributable to Shareholders of Digicann Ventures Inc.	**6,837**

(Expressed in Canadian Dollars)

16. DISCONTINUED OPERATIONS (CONTINUED)

AgraFlora Europe GmbH

	For the period ended September 7, 2023 $
Revenues	389,073
Cost of goods sold	(190,532)
Gross profit	**198,541**
Amortization	-
Other general operating costs	100,326
Travel and business development	5,191
Office expenses	36,985
Wages and salaries	94,693
Total operating expense	**237,195**
Loss and net loss from operations – AgraFlora Europe	**(38,654)**
Gain on sale of subsidiary	**640,365**
Net income (loss) from discontinued operations attributable to non-controlling interests	**-**
Net income from discontinued operations attributable to Shareholders of Digicann Ventures Inc.	**601,711**

PSC

As at December 31, 2022, the Company's 70% equity interest in the PSC joint venture was impaired as a result of the termination of the management agreement by the operator of PSC (Notes 1 and 5). The Company mutually agreed with the operator of the Facility to effectively terminate and exit the investment in PSC on June 16, 2023 and sold its investment in PSC for aggregate cash of $250,000.

The Company accounted for the PSC joint venture under the equity method, the investment was impaired during the year ended December 31, 2022 to $Nil and the investment continuity is disclosed in Note 5.

Revenue, expenses and gains or losses relating to the discontinuance of PSC have been eliminated from the profit or loss from the Company's continuing operations and are shown as a single line in the Consolidated Statements of Comprehensive Loss. As a result, the Company's prior period has been restated to present PSC as a discontinued operation. On the date of sale of the investment on June 16, 2023, the Company ceased equity accounting for PSC.

(Expressed in Canadian Dollars)

16. DISCONTINUED OPERATIONS (CONTINUED)

PSC (Continued)

	For the period ended June 16, 2023 $
Revenues	857,230
Cost of goods sold	(517,614)
Gross profit	**339,616**
Insurance	14,497
Security	111,508
Office expenses	966,724
Professional fees	1,990
Total operating expense	**1,094,719**
Loss from operations – PSC	**(755,103)**
Finance costs	(1,009,898)
Foreign exchange loss	(42)
Total other expense	(1,009,940)
Net loss from operations – PSC	**(1,765,043)**
Digicann's share of net income from discontinued operations	-
Sale of interest in PSC	250,000
Net income (loss) from discontinued operations attributable to non-controlling interests	**-**
Net income from discontinued operations attributable to Shareholders of Digicann Ventures Inc.	**250,000**

17. SEGMENTED INFORMATION

As at December 31, 2023 and 2024, the Company has only one geographic location in Canada as a result of the sale of AgraFlora Europe on September 7, 2023 (Note 16).

Selected segmented financial information is as follows:

Year ended December 31,	**2024 $**	**2023 $**
Sales from discontinued operations		
Germany[1]	**-**	198,541
Canada	-	-
Total	**-**	198,541

[1] As a result of the sale of AgraFlora Europe on September 7, 2023, sales in Germany are reflected in discontinued operations (Note 16).

Sales are attributed to the country in which they are made. During the year ended December 31, 2023, the Company sold AgraFlora Europe and thus no longer operates in Germany as at December 31, 2024 and December 31, 2023 (Note 16). As at December 31, 2024 and December 31, 2023, $Nil of the Company's long-term assets are located in Germany and all the long-term assets are located in Canada.

(Expressed in Canadian Dollars)

18. INCOME TAXES

A reconciliation of the expected income tax recovery to the actual income tax recovery is as follows:

	December 31, 2024 $	December 31, 2023 $
Net income (loss) for the year	(576,264)	17,809,552
Statutory tax rate	27%	27%
Expected income tax recovery	(155,591)	4,808,579
Change in statutory rate, foreign tax, foreign exchange, and other	-	(14,372)
Items not recognized for tax purposes	(19,082)	(5,981,406)
Non-controlling interest	-	-
Share issuance cost	9,163	11,096
Prior year deferred income tax liability unrecognized	5,784,406	(1,724,826)
Other items including effects of consolidation	5,107	(327,388)
Change in unrecognized temporary differences	(5,624,003)	3,228,317
Deferred income tax recovery	-	-

The Company did not have any tax expenses for the year ended December 31, 2023 related to continuing or discontinued operations.

The Company has the following deductible (taxable) temporary differences for which no deferred tax asset (liability) has been recognized:

	December 31, 2024 $	December 31, 2023 $
Exploration and evaluation assets	754,115	754,115
Non-capital losses	11,674,565	17,293,460
Net capital losses available	1,530,000	1,530,000
Share issuance costs	9,906	15,013
Property and equipment	38,843	38,843
Transaction cost	3,421,188	3,421,189
Intangible assets	-	-
Investments	1,620,000	1,620,000
Derivative liability	8	8
	19,048,625	24,672,628
Deferred tax assets not recognized	(19,048,625)	(24,672,628)
Net deferred tax asset	-	-

The significant components of the Company's temporary differences, unused tax credits and unused tax losses that have not been included on the consolidated statement of financial position are as follows:

	December 31, 2024 $	Expiry date range	December 31, 2023 $	Expiry date range
Non-capital losses	43,312,364	2027 to 2044	64,123,088	2027 to 2043
Net capital losses	5,314,185	No expiry date	5,314,185	No expiry date

19. SUBSEQUENT EVENTS

On September 28, 2024, the Company signed a definitive agreement in respect of a proposed reverse takeover transaction (the “RTO”) by 3Win Corp. (“3Win”) (the “Proposed Transaction”) to ultimately form the resulting issuer (the “Resulting Issuer”) expected to be named “Serewin Corp.” (the “Definitive Agreement”). Pursuant to the terms of the Definitive Agreement, it is intended that the Proposed Transaction be effected by way of a three-cornered amalgamation, share exchange, plan of arrangement or such other transaction structure as will result in 3Win becoming a wholly owned subsidiary of the Company or otherwise combining its corporate existence with that of the Company.

Pursuant to the terms of the Definitive Agreement, 3Win shall acquire all the shares of the Company, in the exchange ratio of ninety-eight shares of the Company per one share of 3Win. Upon completion of the Proposed Transaction, the resulting holders of all issued and outstanding shares of 3Win (“3Win Shares”) shall hold approximately 97.3% of the issued and outstanding common shares of the Resulting Issuer (the “Exchange Ratio”), subject to adjustment in certain circumstances and for any additional amounts invested by third parties into 3Win to satisfy any liquidity conditions imposed by the Exchange in connection with the Proposed Transaction. It is also anticipated that all securities convertible, exercisable or exchangeable for 3Win Shares will be converted or exchange (or otherwise become convertible or exercisable in accordance with their terms) into similar securities of the Resulting Issuer on substantially similar terms and conditions based on the Exchange Ratio. All outstanding stock options and common share purchase warrants of the Company are anticipated to remain in effect on substantially the same terms.

Subsequent to the year ended December 31, 2024, the holders of the convertible loans agreed to extend the maturity date of the loans to March 12, 2026 (Note 9). On March 18, 2025, the Company issued 1,000,000 common shares with a fair value of $20,000 to purchase $50,000 of the principal of the convertible loans to satisfy the interest owing on March 12, 2025.