LANEBURY GROWTH CAPITAL LTD.
Vancouver, BC

Condensed Interim Financial Statements

Six Months Period Ended December 31, 2024

(Unaudited – Prepared by Management)

(Expressed in Canadian Dollars)

LANEBURY GROWTH CAPITAL LTD.

NOTICE OF NO AUDITOR REVIEW OF CONDENSED INTERIM FINANCIAL STATEMENTS

In accordance with National Instrument 51-102, Part 4, subsection 4.3(3)(a), if an auditor has not performed a review of the interim financial statements, they must be accompanied by a notice indicating that an auditor has not reviewed the financial statements. The accompanying condensed interim financial statements of the Company have been prepared by and are the responsibility of the Company's management. The Company's independent auditor has not performed a review of these financial statements in accordance with standards established by the Canadian Institute of Chartered Professional Accountants for a review of interim financial statements by an entity's auditor.

VANCOUVER, BC
February 27, 2025
Lanebury Growth Capital Ltd.

LANEBURY GROWTH CAPITAL LTD.
CONDENSED INTERIM STATEMENTS OF FINANCIAL POSITION
(Unaudited - Expressed in Canadian Dollars)

	Note	December 31, 2024	June 30, 2024
ASSETS			
Current assets			
Cash		$ 47,673	$ 26,539
		47,673	**26,539**
Non-current assets			
Loans receivable and accrued interest	5	4,747,257	4,248,481
Right-of-use asset	7	30,991	37,403
Investments measured at fair value	3	2,947,746	2,782,909
		7,725,994	**7,068,793**
TOTAL ASSETS		**$ 7,773,667**	**$ 7,095,332**
LIABILITIES			
Current liabilities			
Trade and other payables	9	$ 27,062	$ 50,976
Current portion of lease liability	7	18,900	18,900
Loans payable	6	6,450,053	5,667,594
		6,496,015	**5,737,470**
Non-current liabilities			
Lease liability	7	18,322	24,180
TOTAL LIABILITIES		**6,514,337**	**5,761,650**
SHAREHOLDERS' EQUITY			
Share capital	8	5,010,001	5,010,001
Reserve	8	205,239	205,239
Equity portion of debt	6	486,808	480,686
Deficit		(4,442,718)	(4,362,244)
TOTAL SHAREHOLDERS' EQUITY		**1,259,330**	**1,333,682**
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		**$ 7,773,667**	**$ 7,095,332**

Nature and continuance of operations (Note 1)

Approved and authorized for issue by the Company's Board of Directors on February 27, 2025.

"Lance Tracey"
Lance Tracey, Director

"Sheri Rempel"
Sheri Rempel, Director

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

LANEBURY GROWTH CAPITAL LTD.

CONDENSED INTERIM STATEMENTS OF NET LOSS AND COMPREHENSIVE LOSS

(Unaudited - Expressed in Canadian Dollars)

			Three months ended December 31,				Six months ended December 31,	
	Note		2024		2023		2024	2023
Expenses								
Management and consulting fees	9	$	12,758	$	14,295	$	26,145 $	26,550
Office and sundry			418		242		750	822
Professional fees			35,157		21,405		49,357	33,964
Amortization	7		3,206		(1,275)		6,412	3,051
Transfer agent and filing fees			5,801		5,400		9,249	8,895
			(57,340)		(40,067)		(91,913)	(73,282)
Other items								
Foreign exchange gain (loss)	3,6	$	114,126	$	(13,521)	$	90,210 $	(7,603)
Interest expense	6,7,9	$	(185,240)		(165,108)		(370,153)	(311,618)
Accretion expense	6,9	$	(141,186)		(68,019)		(282,020)	(133,911)
Interest income	5,10	$	263,009		136,359		526,018	245,754
Net fair value gain (loss) on investments	3	$	82,773		296		74,626	(23,313)
Expected credit loss on loans receivable	5	$	(24,097)		(206,227)		(27,242)	(207,667)
Equity loss on investments	4	$	-		(47,702)		-	(66,096)
Net gain (loss) and comprehensive gain (loss) for the period		**$**	**52,045**	**$**	**(403,989)**	**$**	**(80,474) $**	**(577,736)**
Gain (Loss) per share – basic and diluted		**$**	**0.01**	**$**	**(0.04)**	**$**	**(0.01) $**	**(0.06)**
Weighted average number of common shares outstanding - basic and diluted			**10,320,803**		**10,320,803**		**10,320,803**	**10,320,803**

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

LANEBURY GROWTH CAPITAL LTD.
CONDENSED INTERIM STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY
(Unaudited - Expressed in Canadian Dollars)

	Share capital					
	Number of shares	**Amount**	**Reserve**	**Equity portion of debt**	**Deficit**	**Total**
Balance at June 30, 2023	10,320,803	$ 5,010,001	$ 205,239	$ 415,364	$ (3,378,903)	$ 2,251,701
Equity portion of debt	-	-	-	40,620	-	40,620
Net loss for the period	-	-	-	-	(577,736)	(577,736)
Balance at December 31, 2023	**10,320,803**	**5,010,001**	**205,239**	**455,984**	**(3,956,639)**	**1,714,585**
Balance at June 30, 2024	10,320,803	5,010,001	205,239	480,686	(4,362,244)	1,333,682
Equity portion of debt	-	-	-	6,122	-	6,122
Net loss for the period	-	-	-	-	(80,474)	(80,474)
Balance at December 31, 2024	**10,320,803**	**$ 5,010,001**	**$ 205,239**	**$ 486,808**	**$ (4,442,718)**	**$ 1,259,330**

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

LANEBURY GROWTH CAPITAL LTD.
CONDENSED INTERIM STATEMENTS OF CASH FLOWS
(Unaudited - Expressed in Canadian Dollars)

	Six months ended December 31, 2024	2023
Operating activities		
Net loss for the period	$ (80,474)	$ (577,736)
Adjustments for non-cash items:		
Expected credit loss on loans receivable	27,242	207,667
Accrued interest income	(526,018)	(245,754)
Interest expense	370,153	311,618
Accretion expense	282,020	133,911
Amortization expense	6,412	3,051
Unrealized foreign exchange (gain) loss	(90,211)	9,248
Unrealized fair value (gain) loss on investments	(74,626)	23,313
Equity loss on investments	-	66,096
Changes in non-cash working capital items:		
Trade payables and other payables	(23,914)	(15,342)
Net cash used in operating activities	(109,416)	(83,928)
Investing activities		
Investments made	-	(329,847)
Net cash used in investing activities	-	(329,847)
Financing activities		
Loan proceeds received	140,000	328,200
Lease payments made	(9,450)	(9,450)
Net cash provided by financing activities	130,550	318,750
Increase (decrease) in cash	21,134	(95,025)
Cash, beginning	26,539	151,743
Cash, ending	**$ 47,673**	**$ 56,718**

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

Note 1 Nature and Continuance of Operations

Lanebury Growth Capital Ltd. ("Lanebury" or the "Company") was incorporated under the Business Corporations Act (British Columbia) on August 19, 2011, under the name NU2U Resources Corp. and subsequently changed its name to Lanebury Growth Capital Ltd. on April 25, 2017. The Company's registered and records office is located at 401 - 750 West Pender Street, Vancouver, BC, V6C 2T7.

Lanebury is an investment company with an investment strategy focused on building a portfolio of high-quality investments in technology start-ups. The Company targets investments, for the most part, that have a monthly revenue model and can be scaled easily using internet and mobile technologies.

These condensed interim financial statements have been prepared on the basis of accounting principles applicable to a going concern, which presumes the realization of assets and settlement of liabilities in the normal course of operations in the foreseeable future. The ability of the Company to continue as a going concern is dependent upon a number of factors including seeking profitable long-term investment opportunities and obtaining additional financing as required. These conditions indicate the existence of a material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern. These condensed interim financial statements do not give effect to adjustments to the carrying value and classification of assets and liabilities and related expense that would be necessary should the Company be unable to continue as a going concern. If the going concern assumption is not appropriate, material adjustments to the condensed interim financial statements could be required.

These condensed interim financial statements are presented in Canadian dollars unless otherwise indicated.

Note 2 Material Accounting Policy Information

Basis of Presentation

These condensed interim financial statements, including comparatives, have been prepared in accordance with International Accounting Standard 34, Interim Financial Reporting using accounting policies consistent with International Financial Reporting Standards ("IFRS"). Certain information and note disclosures normally included in the audited annual financial statements prepared in accordance with IFRS have been omitted or condensed. As a result, these condensed interim financial statements should be read in conjunction with the Company's audited financial statements for the year ended June 30, 2024.

Accounting standards issued but not yet effective

Other accounting pronouncements with future effective dates are either not applicable or are not expected to have a material impact on the Company's financial statements.

(Unaudited - Expressed in Canadian Dollars)

Note 3 Investments

Plank Ventures Ltd.

As at December 31, 2024, the Company held 1,973,611 shares of Plank. The shares are traded in active market and therefore fair value was estimated based on the weighted average price of trades for the period from January 1, 2024 to December 31, 2024.

For the six months ended December 31, 2024, the Company recognized a fair value gain on its investment in Plank of $64,340 (December 31, 2023 – loss of $36,354). As at December 31, 2024, the Company held 1,973,611 common shares with a carrying value of $103,022 (December 31, 2023 - 1,973,611 common shares with carrying value of $40,617).

Recital Software Corp.

On July 14, 2023, the Company invested $250,000 USD ($329,847 CAD) in a convertible promissory note issued by Recital Software Corp. ("Recital"). The note matures on July 14, 2025 and carries a 10% annual interest rate. The note is eligible to be converted into equity of Recital at a 15% discount to the next round of qualified equity financing by Recital as well as at a predetermined conversion value upon maturity.

As at December 31, 2024, the fair value of the convertible note was determined by adding the fair values of the loan component and conversion feature. The value of the loan component was measured at $271,812 using the appropriate market discount rate of 23.5%. The value of the equity component was measured at $10,226 using a Black Scholes Option Pricing Model with the following assumptions: volatility of 8.58%, expected life of 0.53 years, risk-free interest rate of 3.12% and expected dividends of Nil. During the six months ended December 31, 2024, the Company recognized a fair value gain of $10,285 (December 31, 2023 –$13,041) and $20,012 (December 31, 2023 – gain of $807) in foreign exchange gain on translation due to favorable exchange rate movement related to the note.

		December 31, 2024		**June 30, 2024**
Balance, beginning	$	375,527	$	-
Investment made		-		329,847
Fair value gain on investment		10,285		32,419
Foreign exchange translation adjustments		20,012		13,261
Balance, ending	**$**	**405,824**	**$**	**375,527**

Finhaven Technology Inc.

On July 24, 2018, the Company completed a $1,321,000 (US$1,000,000) investment in Finhaven Technology Inc. ("Finhaven") pursuant to the Simple Agreement for Future Equity (the "SAFE"). The SAFE provided an automatic conversion into common shares at a price equal to USD $33,000,000 divided by the capitalization of Finhaven no later than 90 days past September 30, 2021. During the year ended June 30, 2022, the SAFE was terminated and Finhaven issued 452,143 common shares to the Company in accordance with the SAFE formula.

During the six months ended December 31, 2024, the Company recognized a foreign exchange gain of $70,200 (December 31, 2023 – $nil).

(Unaudited - Expressed in Canadian Dollars)

Note 3 Investments (continued)

		December 31, 2024		June 30, 2024
Balance, beginning	$	1,368,700	$	322,912
Fair value gain on investments		-		1,045,788
Foreign exchange translation adjustments		70,200		-
Balance, ending	**$**	**1,438,900**	**$**	**1,368,700**

The fair value of the investment was determined based on level 2 valuation data, using the data from the recent capital raise with arm's length third party investors.

Fission Internet Software Services for Open Networks Inc.

On August 15, 2019, the Company subscribed for 640,000 common shares of Fission Internet Software Services for Open Networks Inc. ("Fission") for cash consideration of $266,000 (US$200,000).

On November 26, 2020, the Company made a $325,000 investment in Fission pursuant to the Simple Agreement for Future Equity (the "SAFE2"). The SAFE2 provides that the investment will be converted into number of preferred shares upon closing of the next equity financing round. The number of preferred shares upon conversion is to be the greater of the invested amount divided by either the post-money valuation cap of $8,000,000 divided by capitalization of Fission, or preferred shares price set in equity financing multiplied by discount rate of 80%.

On October 5, 2021, the Company made further $675,000 investment in Fission pursuant to the Simple Agreement for Future Equity (the "SAFE3"). The SAFE3 provides that the investment will be converted into number of preferred shares upon closing of the next equity financing round. The number of preferred shares upon conversion is to be the greater of the invested amount divided by either the post-money valuation cap of $8,000,000 divided by capitalization of Fission, or preferred shares price set in equity financing multiplied by discount rate of 80%.

During the year ended June 30, 2024, Fission has announced its decision to wind up operations due to prolonged financial difficulties and inability to secure additional funding. Following the announcement, the Company recorded an realized loss of $1,271,000 on its statements of net loss and comprehensive loss related to its investment in Fission.

During the six months ended December 31, 2024, the Company recognized a foreign exchange loss of $nil (December 31, 2023 – $280).

		December 31, 2024		June 30, 2024
Balance, beginning	$	-	$	1,264,800
Fair value loss on investments		-		(1,271,000)
Foreign exchange translation adjustments		-		6,200
Balance, ending	**$**	**-**	**$**	**-**

Note 3 Investments (continued)

The fair value of the investment was determined based on level 3 valuation data, using the data from internally generated financial reports and taking into account seniority of stakeholder's claims on net assets of Fission.

Premium Sound Inc.

On July 19, 2022, the Company made $500,000 investment in Premium Sound Inc. pursuant to the Simple Agreement for Future Equity (the "SAFE4"). The SAFE4 provides that the Investment will be converted into shares of Premium Sound Inc. at a price equal to the greater of the number of standard preferred shares equal to the investment divided by the lowest price per share of the standard preferred shares; or the number of SAFE4 preferred shares equal to the Investment divided by the post-money valuation cap of $24,000,000 divided by the Premium Sound Inc. capitalization upon closing of the next equity financing round. The SAFE4 allowed for a follow-on investment of $500,000 on the same terms, which the Company completed on October 20, 2022. As of December 31, 2024, the value of investment in Premium Sound Inc. is at cost of $1,000,000.

The fair value of the investment was determined based on combination of level 3 valuation data, using the data from reasonably comparable companies as well as internally generated reports.

Note 4 Equity Investments

Mobio Technologies Inc.

During the six months ended December 31, 2024, the Company did not recognize all of its share as loss was limited to bring carrying value to $nil (December 31, 2023 - net loss of $30,833) in its condensed interim statements of loss and comprehensive loss. As of December 31, 2024, the Company held 11,841,668 common shares of Mobio representing 28% ownership share with a carrying value of $nil (June 30, 2024 – 11,841,668 shares with carrying value of $nil). The purpose of the Company's investment in Mobio is to provide capital and consultations to support Mobio's technology development.

Note 5 Loans Receivable and Accrued Interest

Plank Ventures Ltd.

On September 30, 2023, the Company entered into an agreement to combine all previously outstanding loans receivable from Plank with total outstanding balance of $4,308,251 into a single promissory note. The loan is unsecured and bears interest at 12% per annum. The principal balance plus accrued interest is due and payable on December 31, 2023. At initial recognition, a discount of $46,493 was recognized against the balance of the loan to record the loan at fair value using a discount rate of 17.5%. On January 1, 2024, the loan was extended to mature on June 30, 2024. Due to the extended term, the Company recognized an equity component of $95,684 against the balance of the loan. The equity value was determined by discounting the balance of the loan at an appropriate market rate of interest of 17.5%. On June 30, 2024, the loan was again extended to mature on

(Unaudited - Expressed in Canadian Dollars)

Note 5 Loans Receivable and Accrued Interest (continued)

December 31, 2024. Due to the extended term, the Company recognized an equity component of $218,342 against the balance of the loan. The equity value was determined by discounting the balance of the loan at an appropriate market rate of interest of 23.5%. During the six months ended December 31, 2024, the Company earned interest and accretion of $502,090 on the loan (December 31, 2023 - $Nil). On December 31, 2024 the loan was again extended to mature on June 30, 2025.

Mobio Technologies Inc.

On June 22, 2023, the Company entered into an agreement to loan $200,000 to Mobio. The loan is unsecured and bears interest at 12% per annum. The principal balance plus accrued interest is due and payable on December 31, 2023. At initial recognition, a discount of $4,669 was recognized against the balance of the loan to record the loan at fair value using a discount rate of 17.5%. On January 1, 2024, the loan was extended to mature on June 30, 2024. Due to the extended term, the Company recognized an equity component of $4,584 against the balance of the loan. The equity value was determined by discounting the balance of the loan at an appropriate market rate of interest of 17.5%. On June 30, 2024, the loan was extended to further mature on December 31, 2024. Due to the extended term, the Company recognized an equity component of $10,336 against the balance of the loan. The equity value was determined by discounting the balance of the loan at an appropriate market rate of interest of 23.5%. During the six months ended December 31, 2024, the Company earned interest and accretion of $23,928 on the loan (December 31, 2023 - $12,279). On December 31, 2024, the company issued a new promissory note to replace the existing loan to Mobio. The new loan bears interest at an annual rate of 12% and matures on June 30th, 2025.

As at December 31, 2024, the Company assessed estimated credit losses on loans receivable to be $478,815 (June 30, 2024 - $451,572), the reason for the increase in loss allowance is due to management's assessment of expected credit losses considering capital structure and lack of marketability of Plank's shares.

A continuity of the loans receivable is as follows:

	December 31, 2024	June 30, 2024
Balance, beginning	$ 5,667,594	$ 4,851,354
Fair value of additional loans	133,878	14,903,167
Loans combined and reissued	-	(14,986,144)
Interest and accretion	648,581	889,437
Foreign exchange translation adjustments	-	9,780
Balance, ending	**$ 6,450,053**	**$ 5,667,594**

Expected credit loss allowance is as follows:

	December 31, 2024	June 30, 2024
Plank Ventures Ltd	457,075	431,069
Mobio Technologies Inc.	21,740	20,503
Balance, ending	**$ 478,815**	**$ 451,573**

(Unaudited - Expressed in Canadian Dollars)

Note 6 Loans Payable

On January 1, 2024, the Company entered into an agreement to combine all outstanding loans with maturity date of December 31, 2023 payable to a company controlled by an officer and majority shareholder into a single promissory note with total outstanding balance of $5,584,203. The loan is unsecured and bears interest at 12% per annum. The principal balance plus accrued interest is due and payable on June 30, 2024. Upon initial recognition the Company recognized an equity component of $119,539 against the balance of the loan. The equity value was determined by discounting the balance of the loan at an appropriate market rate of interest of 17.5%. On June 30, 2024, the loan was extended to mature on December 31, 2024. Upon extension the Company recognized an equity component of $274,741 against the balance of the loan. The equity value was determined by discounting the balance of the loan at an appropriate market rate of interest of 23.5%. During the six months ended December 31, 2024, the Company recorded interest and accretion of $631,781 (December 31, 2023 - $nil) on the loan.

On June 11, 2024, the Company entered into an agreement to borrow $25,000 from a company controlled by an officer and majority shareholder. The loan is unsecured and bears interest at 12% per annum. The principal balance plus accrued interest is due and payable on December 31, 2024. Upon initial recognition the Company recognized an equity component of $1,278 against the balance of the loan. The equity value was determined by discounting the balance of the loan at an appropriate market rate of interest of 23.5%. During the six months ended December 31, 2024, the Company recorded interest and accretion of $2,670 (December 31, 2023 - $nil) on the loan.

On July 10, 2024, the Company entered into an agreement to borrow $140,000 from a company controlled by an officer and majority shareholder. The loan is unsecured and bears interest at 12% per annum. The principal balance plus accrued interest is due and payable on December 31, 2024. Upon initial recognition the Company recognized an equity component of $6,122 against the balance of the loan. The equity value was determined by discounting the balance of the loan at an appropriate market rate of interest of 23.5%. During the six months ended December 31, 2024, the Company recorded interest and accretion of $14,130 (December 31, 2023 - $nil) on the loan.

On December 31, 2024, the Company combined and extended the maturity of existing loans with Code into a single promissory note to be mature on June 30, 2025.

Loans payable balance is as follows:

	December 31, 2024	June 30, 2024
Balance, beginning	$ 5,667,594	$ 4,851,354
Fair value of additional loans	133,878	14,903,167
Loans combined and reissued	-	(14,986,144)
Fair value on amendment of loan receivable	-	-
Interest and accretion	648,581	889,437
Foreign exchange translation adjustments	-	9,780
Balance, ending	**$ 6,450,053**	**$ 5,667,594**

(Unaudited - Expressed in Canadian Dollars)

Note 7 Lease

On October 1, 2022, the Company entered into an office lease agreement for a term of three years and four months with the option to extend it for a further 16 months until May 31, 2027. In accordance with IFRS 16, the Company recorded a right-of-use asset and a lease liability with a fair value of $80,758. Fair value was determined by discounting future lease payments at a discount rate of 20% per annum.

The Company's right-of-use asset as at December 31, 2024:

Balance, June 30, 2023	$	67,779
Addition of right-of-use asset		(20,913)
Amortization		(9,463)
Balance, June 30, 2024	**$**	**37,403**
Amortization		(6,412)
Balance, December 31, 2024	**$**	**30,991**

The Company's lease liability as at December 31, 2024:

Balance, June 30, 2023	$	68,751
Addition of right-of-use asset		(20,913)
Payments made		(18,900)
Interest accrued		14,142
Balance, June 30, 2024	**$**	**43,080**
Payments made		(9,450)
Interest accrued		3,592
Balance, December 31, 2024	**$**	**37,222**

Current portion	$	18,900
Long term portion		18,322
	$	**37,222**

Note 8 Share Capital and Reserve

Share Capital

Authorized

Unlimited number of common shares without par value.

Unlimited number of preferred shares with a par value of $100 per share.

The total number of common shares outstanding at December 31, 2024 is 10,320,803 (June 30, 2024 - 10,320,803).

(Unaudited - Expressed in Canadian Dollars)

Note 8 Share Capital and Reserve (continued)

Stock Options

The number of shares available for purchase pursuant to options granted under the stock option plan will not exceed 10% of the shares that are outstanding (on a non-diluted basis) immediately prior to the share issuance or grant of options. The plan places limits on the maximum number of options which may be granted to any one holder, insider, consultant and employees and consultants engaged in investor relations activities within any 12-month period. Options granted in relation to investor relations activities must vest in stages over 12 months with no more than 25% of the options vesting in any three-month period. The vesting period for all other options is at the discretion of the Board of Directors.

There was no stock option activity for the six months ended December 31, 2024 and 2023. Stock options outstanding and exercisable at December 31, 2024, are as follows:

Options outstanding		Exercise Price	Expiry date	Options exercisable
400,000	$	0.25	May 19, 2025	400,000

The weighted average remaining contractual life of outstanding options at December 31, 2024 is 0.38 years.

Note 9 Related Party Transactions

Balances

Included in trade and other payables is $nil (June 30, 2024 - $595) owing to a company controlled by the CFO of the Company.

Loans payable represent $6,083,337 face value of loans from Code Consulting Limited ("Code"), the majority shareholder of the Company. Code is a Canadian private investment corporation located and operating out of Vancouver, it is wholly owned and controlled by Lance Tracey, a director and officer of the Company. Loans receivable represent $4,703,419 face value of loans to Plank, a publicly traded company in which Code is also the majority shareholder, and $225,312 in loans to Mobio.

Transactions with related parties

Transactions with related parties are summarized in the tables below:

	Six months ended December 31,			
		2024		2023
Principal balance of loans received from Code	$	6,083,337	$	3,811,804
Principal balance of loans made to Plank	$	4,703,419	$	4,308,251
Principal balance of loans made to Mobio	$	225,312	$	200,000
Interest and accretion expense on loan payable to Code	$	648,581	$	435,489
Interest and accretion income on loans receivable from Plank and Mobio	$	526,018	$	245,755

(Unaudited - Expressed in Canadian Dollars)

Note 9 Related Party Transactions (continued)

Management compensation

	Six months ended December 31,			
		2024		2023
Consulting, legal, and administration fees paid to a company controlled by the CFO	$	5,670	$	9,285
Consulting fees paid to a company with common director	$	20,475	$	20,475
Lease payments made to a company with common director	$	9,450	$	9,450

All amounts due to related parties are unsecured, non-interest bearing and have no specific terms of settlement, unless otherwise noted. Transactions with related parties are also disclosed in Notes 3, 4, 5, 6 and 7.

Note 10 Capital Management

The Company manages its capital structure and makes adjustments to it, based on the funds available to the Company, in order to support future business opportunities. The Board of Directors does not establish quantitative return on capital criteria for management, but rather relies on the expertise of the Company's management to sustain future development of the business. In the management of capital, the Company includes cash balances, loans, and components of equity.

In order to carry out future projects and pay for administrative costs, the Company will raise additional funds as needed. Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company, is reasonable.

The Company is not subject to externally imposed capital requirements. There were no changes to the Company's approach to capital management during the six months ended December 31, 2024.

Note 11 Financial Instruments

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. The Company is exposed to credit risk on the loans receivable from Plank and Mobio with a carrying value of $4,987,166. The Company considered the nature of the related party relationship between Mobio, Plank and Lanebury and assessed qualitative information available to date in its evaluation of collectability of these loans. The Company determined that the loans are collectable based on the all available information about future prospects and investment assets held by investees and recorded expected credit loss of $27,242 (June 30, 2024 - $306,572) on the loans.

Note 11 Financial Instruments (continued)

Liquidity risk:

The Company's approach to managing liquidity risk is to ensure that it will have sufficient liquidity to meet liabilities when due. As at December 31, 2024, the Company had a cash balance of $47,673 (June 30, 2024 - $26,539) to settle current liabilities of $6,495,015 (June 30, 2024 - $5,737,470). The Company is in communication with its investors and lenders and expects to continue to attract capital via additional debt issuance.

Market risk:

Market risk is the risk of loss that may arise from changes in market factors such as interest rates, foreign exchange rates and equity prices.

(a) Interest rate risk – The loans to related companies bear a fixed rate of interest and accordingly are not subject to interest rate risk. The Company has a cash balance making the Company sensitive to interest rate fluctuations.

(b) Foreign currency risk – The Company is headquartered in Canada and its functional reporting currency is the Canadian dollar. The Company has significant investments in Recital and Finhaven that are denominated in US dollars. As such, the Company's results of operations are subject to foreign currency fluctuation risks and these fluctuations may adversely affect the financial position and operating results of the Company. As of December 31, 2024, the Company does not use derivative instruments to reduce its exposure to currency risk. A 10% change in the US dollar to the Canadian dollar exchange rate would impact the Company's net income by $143,890.

The Company's financial instruments measured at fair value consist of cash, SAFE investment, convertible notes and other investments.

Financial instruments measured at fair value are classified into one of three levels in the fair value hierarchy according to the relative reliability of the inputs used to estimate the fair values. The three levels of the fair value hierarchy are:

- Level 1 – Unadjusted quoted prices in active markets for identical assets or liabilities;
- Level 2 – Inputs other than quoted prices that are observable for the asset or liability either directly or indirectly; and
- Level 3 – Inputs that are not based on observable market data.

Investment in the shares of Plank Ventures Ltd., convertible notes, the SAFE investments and other investments are classified as Level 3, which use valuation techniques, including Black-Scholes option pricing model, DLOM, internally generated, and comparable public companies' data to determine the fair value.

Loan payable to Code and loans receivable from Plank and Mobio are measured at amortized cost. Upon recognition, the fair values of the loans are estimated by discounting cash flows using interest rates of debt instruments with similar terms, maturities, and risk profile. Loans receivable are further impaired based on the estimated credit loss. The carrying values approximate the fair value of the loans.