# STOCK TREND CAPITAL INC.

## INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
## FOR THE THREE MONTHS ENDED JULY 31, 2024, AND 2023

(Expressed in Canadian Dollars)

## NOTICE OF NO AUDITOR REVIEW

The accompanying unaudited interim condensed consolidated financial statements for Stock Trend Capital Inc. (the "**Company**") have been prepared by management. Pursuant to subsection 4.3(3)(a) of National Instrument 51-102 *Continuous Disclosure Requirements*, the Company advises that the accompanying unaudited interim condensed consolidated financial statements, which are the responsibility of management, are unaudited and have not been reviewed by the Company's auditor. The Company's auditor has not performed a review of the accompanying unaudited interim condensed financial statements in accordance with standards established by the Chartered Professional Accountants of Canada for a review of interim financial statements by an entity's auditor.

**STOCK TREND CAPITAL INC.**
**INTERIM CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION**
**AS AT**
(Unaudited - Expressed in Canadian Dollars)

| | Note | July 31, 2024 | April 30, 2024 |
|---|---|---|---|
| **ASSETS** | | | |
| Cash and cash equivalents | | **$ 317,179** | $ 380,763 |
| Sales tax receivable | | **7,525** | 24,573 |
| Investments - fair value through profit or loss | 4 | **1,665,988** | 1,693,005 |
| Prepaid expenses and deposits | | **371** | 1,483 |
| **TOTAL ASSETS** | | **$ 1,991,063** | $ 2,099,824 |
| | | | |
| **LIABILITIES AND SHAREHOLDERS' EQUITY** | | | |
| **LIABILITIES** | | | |
| Accounts payable and accrued liabilities | 10 | **$ 67,464** | $ 129,842 |
| **Total liabilities** | | **67,464** | 129,842 |
| | | | |
| **SHAREHOLDERS' EQUITY** | | | |
| Share capital | 6 | **62,541,201** | 62,541,201 |
| Reserves | 7 | **54,559** | 57,523 |
| Deficit | | **(60,672,161)** | (60,628,742) |
| Total shareholders' equity | | **1,923,599** | 1,969,982 |
| | | | |
| **TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY** | | **$ 1,991,063** | $ 2,099,824 |

Nature of operations and going concern (Note 1)

APPROVED BY THE BOARD:

Signed "Chand Jagpal", Director

Signed "Michael Galloro", Director

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

**STOCK TREND CAPITAL INC.**
**INTERIM CONDENSED CONSOLIDATED STATEMENTS OF LOSS AND COMPREHENSIVE LOSS**
**FOR THE THREE MONTHS ENDED JULY 31, 2024, AND 2023**
(Unaudited - Expressed in Canadian Dollars)

| | Note | For the three months ended July 31, 2024 | July 31, 2023 |
|---|---|---|---|
| **Revenue** | | | |
| Interest income | | $ - | $ 11,004 |
| Net unrealized (loss) gain on investments | 4,5 | **(27,017)** | 18,141 |
| | | **(27,017)** | 29,145 |
| **Operating expenses** | | | |
| General and administrative expenses | 9,10 | **19,214** | 126,928 |
| **Total operating expenses** | | **19,214** | 126,928 |
| **Loss before other income (expenses)** | | **(46,231)** | (97,783) |
| **Other income (expenses)** | | | |
| Interest expense and bank charges | | **(135)** | (47) |
| Foreign exchange (loss) gain | | **(17)** | 11,309 |
| **Total other income (expenses)** | | **(152)** | 11,262 |
| **Net loss and comprehensive loss for the period** | | **$ (46,383)** | $ (86,521) |
| **Weighted average number of common shares outstanding - basic and diluted** | | **660,242,026** | 625,196,572 |
| **Basic and diluted loss per share** | | **$ (0.00)** | $ (0.00) |

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

**STOCK TREND CAPITAL INC.**
**INTERIM CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY**
**FOR THE THREE MONTHS ENDED JULY 31, 2024, AND 2023**
(Unaudited - Expressed in Canadian Dollars)

| | Note | Number of Common Shares | Share Capital $ | Options $ | Deficit $ | Shareholders' Equity $ |
|---|---|---|---|---|---|---|
| **Balance, April 30, 2023** | | **625,196,572** | **61,756,937** | **590,753** | **(60,053,165)** | **2,294,525** |
| Cancelled/expired stock options | 7 | - | - | (403,682) | 403,682 | - |
| Net loss for the period | | - | - | - | (86,521) | (86,521) |
| **Balance, July 31, 2023** | | **625,196,572** | **61,756,937** | **187,071** | **(59,736,004)** | **2,208,004** |
| | | | | | | |
| **Balance, April 30, 2024** | | **660,242,026** | **62,541,201** | **57,523** | **(60,628,742)** | **1,969,982** |
| Cancelled/expired stock options | 7 | - | - | (2,964) | 2,964 | - |
| Net loss for the period | | - | - | - | (46,383) | (46,383) |
| **Balance, July 31, 2024** | | **660,242,026** | **62,541,201** | **54,559** | **(60,672,161)** | **1,923,599** |

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

**STOCK TREND CAPITAL INC.**

**INTERIM CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS**

**FOR THE THREE MONTHS ENDED JULY 31, 2024, AND 2023**

(Unaudited - Expressed in Canadian Dollars)

| | | 2024 | | 2023 |
|---|---|---|---|---|
| Cash flows from (used in) operating activities: | | | | |
| Net loss for the period | **$** | **(46,383)** | $ | (86,521) |
| *Items not involving cash:* | | | | |
| Unrealized loss (gain) on investments | | **27,017** | | (18,141) |
| Interest expense | | **-** | | (4,303) |
| *Change in non-cash operating working capital:* | | | | |
| Accounts payable and accrued liabilities | | **(62,378)** | | 43,757 |
| Sales tax receivable | | **17,048** | | 8,882 |
| Prepaid expenses | | **1,112** | | 6,232 |
| **Cash flows (used in) operating activities:** | | **(63,584)** | | (50,094) |
| | | | | |
| Change in cash and cash equivalents for the period | | **(63,584)** | | (50,094) |
| Cash and cash equivalents, beginning of the period | | **380,763** | | 1,102,863 |
| **Cash and cash equivalents, end of the period** | **$** | **317,179** | $ | 1,052,769 |

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

## 1. NATURE OF OPERATIONS AND GOING CONCERN

Stock Trend Capital Inc. ("Stock Trend" or "the Company") (formerly, "World Class Extractions Inc." or "WCE") was incorporated under the laws of British Columbia on December 2, 1965. The registered head office of the Company is located at 301 - 217 Queen St. West, Toronto, Ontario, M5V 0R2.

Stock Trend Capital Inc. is an investment issuer primarily focused on the Artificial Intelligence (AI) and Canadian cannabis industries. The Company intends to focus on investing in private and public entities with strong intellectual property, exceptional management and high growth potential that may be strategically positioned in the market.

The Company is listed on the Canadian Securities Exchange ("CSE") under the symbol "PUMP", the Frankfurt Stock Exchange under the symbol "WCF" and "WKN:A2PF9C", and the OTCQB Venture Market, under the symbol: "WCEXF". The Financial Industry Regulatory Authority Inc. ("FINRA") approved the Company's request to change its OTC ticker symbol from WCEXF to STOCF, effective as of the opening of market trading on May 22, 2023.

**Going Concern**

The Company incurred a net loss and comprehensive loss of $46,383 for the three months ended July 31, 2024 (2023 - $86,521). As at July 31, 2024, the Company had a history of losses and an accumulated deficit of $60,672,161 (April 30, 2024 - $60,628,742). Total cash as at July 31,2024, amounted to $317,179 (April 30, 2024 - $380,763).

The ability of the Company to continue as a going concern is dependent on achieving profitable operations, positive operating cash flows and obtaining the necessary financing. The outcome of these matters cannot be predicted at this time. The Company will continue to review the prospects of raising additional debt and equity financing to support its operations until such time that its operations become self-sustaining, to fund its operating activities and to ensure the realization of its assets and discharge of its liabilities. While the Company is exerting its best efforts to achieve the above plans, there is no assurance that any such activity will generate sufficient funds for future operations. These factors indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern.

These consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") with the assumption that the Company will be able to realize its assets and discharge its liabilities in the normal course of business for the foreseeable future rather than a process of forced liquidation. These consolidated financial statements do not include any adjustments relating to the recoverability and classification of recorded asset amounts and classification of liabilities that might be necessary should the Company be unable to continue in existence. Such adjustments could be material.

## 2. BASIS OF PRESENTATION

### Statement of Compliance and Presentation

These interim condensed consolidated financial statements including comparatives, have been prepared by the Company's management in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") applicable to the preparation of interim financial statements, including International Accounting Standard ("IAS") 34, "Interim Financial Reporting". These interim condensed consolidated financial statements do not include all disclosures required for full IFRS financial statements and should be read in conjunction with the most recent audited annual financial statements for the year ended April 30, 2024, which were prepared in accordance with IFRS as issued by IASB. The accounting policies set out in Note 3 of the audited annual financial statements for the year ended April 30, 2024, have been applied consistently to all periods presented in these interim condensed consolidated financial statements.

These interim condensed consolidated financial statements are presented in Canadian dollars except where otherwise indicated.

These interim condensed consolidated financial statements were approved and authorized for issue by the directors of the Company on September 24, 2024.

### Basis of Measurement

These interim condensed consolidated financial statements have been prepared on a historical cost basis, except for certain financial instruments which have been measured at fair value.

### Investment Entity

The Company uses the following criteria, contained within IFRS 10 - *Consolidated financial statements*, to determine if the Company meets the definition of an Investment Entity ("Investment Entity"):

- Obtain funds from one or more investors for the purpose of providing those investor(s) with investment management services;
- Commits to its investor(s) that its business purpose is to invest funds solely for returns from capital
- appreciation, investment income or both; and
- Measures and evaluates the performance of substantially all its investments on a fair value basis.

The Company has evaluated the above criteria and determined that it meets the definition of an Investment Entity. As a result of meeting the definition of an Investment Entity, subsidiaries, which otherwise would have been consolidated, are carried at fair value.

### Consolidation

The interim condensed consolidated financial statements include the accounts of the Company and its subsidiaries of which it has control. All significant intercompany balances, transactions and any unrealized gains and losses arising from intercompany transactions, have been eliminated. The Company's subsidiary is as follows:

| Entity | Country of Incorporation | Operations | Interest |
|---|---|---|---|
| 1230167 BC Ltd. | Canada | Inactive | 100% |

## 2. BASIS OF PRESENTATION (Continued)

**Consolidation (Continued)**

Subsidiaries consist of entities over which the Company is exposed to, or has rights to, variable returns as well as the ability to affect these returns through the power to direct the relevant activities of the entity. To the extent that subsidiaries provide services that relate to the Company's investment activities, they are fully consolidated from the date control is transferred to the Company and are deconsolidated from the date control ceases. The interim condensed consolidated financial statements include all the assets, liabilities, revenues, expenses and cash flows of the Company and its subsidiaries after eliminating inter-entity balances and transactions. All other investments in subsidiaries are not consolidated but are measured at fair value through profit or loss in accordance with IFRS 9.

These interim condensed consolidated financial statements comprise the financial statements of the Company and its wholly owned subsidiary 1230167 BC Ltd. All material intercompany transactions and balances between the Company and its subsidiary have been eliminated on consolidation. Intercompany balances and any unrealized gains and losses or income and expenses arising from intercompany transactions are eliminated in preparing the interim condensed consolidated financial statements.

**Significant Estimates, Assumptions and Judgements**

The preparation of the interim condensed consolidated financial statements requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, revenues and expenses. Estimates and associated assumptions applied in determining asset or liability values are based on historical experience and various other factors including other sources that are believed to be reasonable under the circumstances but are not necessarily readily apparent or recognizable at the time such estimates or assumptions are made. Actual results may differ from these estimates. The information about significant areas of estimates considered by management in preparing the interim condensed consolidated financial statements is as follows:

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

*Stock options and warrants* - Determining the fair value of warrants and stock options requires estimates related to the choice of a pricing model, the estimation of stock price volatility, the expected forfeiture rate and the expected term of the underlying instruments. Any changes in the estimates or inputs utilized to determine fair value could have a significant impact on the Company's future operating results or on other components of shareholders' equity.

## 2. BASIS OF PRESENTATION (Continued)

**Significant Estimates, Assumptions and Judgements (Continued)**

*Fair value of financial instruments* - Certain of the Company's financial assets and liabilities are measured at fair value. In estimating fair value, the Company uses market-observable data to the extent it is available. In applying the valuation technique, management is required to determine and make assumptions about the most appropriate inputs to the valuation model including the expected life, volatility, dividend yield and forfeiture rate. Such assumptions are inherently uncertain and changes in these assumptions affect the fair value estimates.

*Fair value of private company investments* - Where the fair values of investments in private companies cannot be derived from active markets, they are determined using a variety of valuation techniques. The inputs to these models are derived from observable market data where possible, but where observable market data is not available, judgment is required to establish fair value and this value may not be indicative of recoverable value. The determinations of the fair value other than initial cost is subject to certain limitations. Financial information for private companies in which the Company has investments may not be available and, even if available, that information may be limited.

*Provisions* - Provisions and contingencies arising during operations, including provisions for income or other tax matters are subject to estimation uncertainty. Management uses all information available in assessing the recognition, measurement and disclosure of matters that may give rise to provisions or contingencies. The actual outcome of various provisional and contingent matters may vary and may cause significant adjustments when the amounts are determined, or additional information is acquired.

*Recognition of deferred tax* - Deferred tax assets (if any) are recognized only to the extent it is considered probable that those assets will be recoverable. This involves an assessment of when those deferred tax assets are likely to reverse and a judgment as to whether there will be sufficient taxable profits available to offset the tax assets when they do reverse. This requires assumptions regarding future profitability and is therefore inherently uncertain. To the extent assumptions regarding future profitability change, there can be an increase or decrease in the amounts recognized in respect of deferred tax assets as well as the amounts recognized in profit or loss in the period in which the change occurs.

## 3. SIGNIFICANT ACCOUNTING POLICIES

**Recent accounting pronouncements**

At the date of authorization of these interim condensed consolidated financial statements, there were no new standards, amendments, and interpretations to existing IFRS standards that have been published but are not yet effectively applicable to the Company.

(Unaudited - Expressed in Canadian Dollars)

## 4. INVESTMENTS

The Company's investments comprise common shares and warrants of Canadian and US public and private companies. The Company designates its investments as FVTPL.

| | **As of July 31, 2024** | As of April 30, 2024 |
|---|---|---|
| Balance, beginning of period | **$ 1,693,005** | $ 878,189 |
| Additions | **-** | 1,116,082 |
| Dispositions | **-** | (133,503) |
| Realized (loss) in FVTPL | **-** | (164,608) |
| Unrealized (loss) gain in FVTPL | **(27,017)** | (3,155) |
| **Balance, end of period** | **$ 1,665,988** | $ 1,693,005 |

The fair values and costs of the investments are as follows:

| | **As of July 31, 2024** | As of April 30, 2024 |
|---|---|---|
| Fair value | | |
| Public companies | **$ 32,655** | $ 59,672 |
| Private companies | **1,633,333** | 1,633,333 |
| **Fair value** | **$ 1,665,988** | $ 1,693,005 |
| **Cost** | **$ 1,693,005** | $ 1,446,708 |

*CannaWorld Venture Inc.*

As of April 30, 2023, CannaWorld common shares were valued at $750,000 using the market approach with the following key assumptions:

- Timing of the most recent capital financing of the investee;
- Type of common shares issued in the most recent capital financing of the investee; and
- Pooling agreement and additional share rights.

As of April 30, 2024, the Company determined the value of the common shares were $Nil as there were changes to the assumptions noted above. There were no recent capital financing activities during the year ended April 30, 2024, and thus the going concern of CannaWorld and the continuity of its project remains uncertain. For the year ended April 30, 2024, the Company recorded an unrealized loss on investment through profit and loss of $750,000 and value of the common shares was $Nil. As of July 31, 2024, the value of the common shares remained at $Nil as there were no changes to the assumptions during the period from year end.

(Unaudited - Expressed in Canadian Dollars)

**4. INVESTMENTS (Continued)**

*IM Cannabis Corp.*

On February 1, 2023, the Company acquired 80,000 units of IM Cannabis Corp ("IMCC"), a Canadian public company, at $1.33 (US$1.25) per unit for consideration of $133,210 (US$100,000). Each unit consists of one common share and one share-purchase warrant. Each warrant entitles a holder to purchase one common share at US$1.50 per share for a period of 36 months following the issuance date. The shares and warrants of IMCC are initially measured using the residual method which first allocates value to the more easily measurable component based on fair value (common shares) and then the residual value, if any, to the less easily measurable component (warrants). The shares were valued at $133,210 and the warrants were valued at $Nil on the acquisition date.

As of July 31, 2024, the Company had 8,500 (April 30, 2024 – 8,500) IMCC shares outstanding and valued at $6,863 (April 30, 2024 - $10,048) based on the quoted market price on July 31, 2024.

The Company's investment in share-purchase warrants of IMCC are measured at fair value.

| | **As of July 31, 2024** | As of April 30, 2024 |
|---|---|---|
| Balance, beginning of period | **$ 47,977** | $ 47,681 |
| Change in fair value of warrants | **(23,832)** | 296 |
| **Balance, end of period** | **$ 24,145** | $ 47,977 |

The fair value of investment in IMCC warrants is estimated by using the Black-Scholes option pricing model with the following assumptions for the period ended:

| | **July 31, 2024** | April 30, 2024 |
|---|---|---|
| Risk-free interest rate | **3.59%** | 4.45% |
| Expected life of options | **1.51 years** | 1.76 years |
| Annualized volatility | **128.29%** | 111.46% |
| Dividend rate | **0.00%** | 0.00% |

With all other assumptions held constant, a change of 10% in the annualized volatility would result in a change of $2,415 on the fair value of investment in options and warrants during the three months ended July 31, 2024 (2023 - $5,371).

*Hash Corporation*

In February 2023, the Company acquired 329,452 common shares of The Hash Corporation ("HashCo") in connection with conversion of the loan debenture with a balance of $16,473 (Note 5). As of July 31, 2024, HashCo shares were valued at $1,647 (April 30, 2024 - $1,647) based on the published market price as at July 31, 2024.

*YOUNET*

On August 1, 2023, the Company entered into a share purchase agreement (the "Acquisition") with YOUNET ("YOUNET"), an arm's length party, for: (i) $250,000 paid in cash upon closing the Acquisition and (ii) the issuance of 27,500,000 common shares in the capital of the Company (Note 6). In exchange for the consideration, the Company acquired 26,666,667 common shares in the capital of YOUNET.

**4. INVESTMENTS (Continued)**

The cost of the YOUNET shares on initial recognition was $816,802, calculated based on the latest YOUNET financing in July 2023, prior to the share exchange, of $0.03 per share and $250,000 cash payment.

As of July 31, 2024, the YOUNET common shares were valued at $1,333,333 (April 30, 2024 - $1,333,333) using the market approach based on the latest financing that took place on October 2023, of $0.05 per common share. YOUNET is a private company without publicly available share prices. As at July 31, 2024, a +/- 10% change in the fair value of YOUNET will result in a corresponding +/- $133,333 change in net loss (April 30, 2024 - $133,333).

*MetaWorld Corporation ("Syntheia")*

On December 20, 2023, the Company made a strategic investment into MetaWorld Corporation ("Syntheia"), whereby it purchased 1,200,000 units of Syntheia for an aggregate purchase price of $300,000. Each unit comprised of one common share in the capital of Syntheia and one share purchase warrants exercisable for a term of two years at a price of $0.35 per common share.

As of July 31, 2024, the 1,200,000 Syntheia units were valued at $300,000 (April 30, 2024 - $300,000) using the market approach based on the latest transaction price of $0.25 per unit. Syntheia is a private company without publicly available share price. As at July 31, 2024, a +/- 10% change in the fair value of Syntheia will result in a corresponding +/- $30,000 change in net loss (April 30, 2024 - $30,000).

**5. LOAN RECEIVABLE**

*The Hash Corporation*

On February 24, 2023, HashCo issued a secured convertible debenture (the "Debenture") in the amount of $750,000 to the Company. The Debenture bore an interest at 5% per annum and matured on May 31, 2023. The Debenture including the principal balance and accrued interest is convertible, at the holder's discretion, into common shares of HashCo at $0.05 per share.

On April 28, 2023, the Company and HashCo entered into a debenture settlement agreement whereby $740,000 was repaid in cash and $16,473 was converted into 329,452 shares of HashCo with a fair value of $16,473 (Note 4). Of $16,473, $10,000 was the principal balance and $6,473 was the accrued interest.

*CannaWorld Venture Inc.*

During the year ended April 30, 2022, a promissory note with a principal balance of $400,000 was issued to the Company ("Loan Receivable"), it was, as amended, due on or before October 14, 2023 ("Maturity Date"). Interest is payable at a rate of 4% per annum on the Maturity Date.

During the year ended April 30, 2023, the Loan Receivable was reassigned to a new debtor (the "Debtor"). The term has been amended whereby in the event that the Debtor raises at any time an aggregate of $5,000,000 in cash through the sale of common shares in the capital of the Debtor at a price of at least $0.10 per Debtor share, the Debtor shall repay the amount outstanding under the Loan Receivable, inclusive of principal and interest (the "Debt Amount") owing through the issuance of the Debtor's shares at a deemed price of $0.10 per Debtor share. If at any time until the Debtor lists its shares for trading on a stock exchange or other alternative trading system, Debtor issues common shares less than $0.10 to any person, the Debtor shall issue to the Company additional common shares that equals the difference between the Debt Amount divided by the lower per price share, less the number of common shares previously issued to the Company.

(Unaudited - Expressed in Canadian Dollars)

## 5. LOAN RECEIVABLE (Continued)

Upon reassignment of the Loan Receivable, the Company designated the financial instruments as a whole as FVTPL. As of April 30, 2023, the Loan Receivable is measured with an effective interest rate of 17.5% with the following key assumptions and inputs:

- Observable bond yields of CCC- rated bonds in the healthcare and cannabis sectors;
- Effective interest rate of convertible debentures issued by publicly traded companies comparable to CannaWorld, specifically, companies that operate in the cannabis sector;
- Venture capital rate of return for early-stage companies; and
- Probability of the condition being met for exercise of the conversion feature.

During the year ended April 30, 2024, the Company determined there were changes to the key assumptions and inputs above (Note 4). As of April 30, 2024, the fair value of the Loan Receivable including the principal balance and accrued interest was $Nil. As of July 31, 2024, the value of the Loan Receivable remained at $Nil as there were no changes to the assumptions during the period from year end.

## 6. SHARE CAPITAL

The Company is authorized to issue an unlimited number of common shares without par value. The holders of the common shares are entitled to one vote per share at meetings of the Company. All shares are ranked equally with regards to the Company's residual assets. The shares issued by the Company prior to the reverse takeover are not reflected in the statements of changes in equity as the number of shares have been revised to reflect the number of shares of the Company.

| | | Number of common shares | | Share capital |
|---|---|---|---|---|
| Balance, April 30, 2023 | | 625,196,572 | $ | 61,756,937 |
| Issuance of common shares | (i) | 27,500,000 | | 566,082 |
| Issuance of common shares for finders' fees | (i) | 4,545,454 | | 68,182 |
| Issuance of common shares | (ii) | 3,000,000 | | 150,000 |
| **Balance, April 30, 2024 and July 31, 2024** | | **660,242,026** | **$** | **62,541,201** |

(i) On August 1, 2023, the Company issued 27,500,000 common shares in the capital of the Company. The value of these common shares was based on the YOUNET shares received, priced at $0.03 per common share on the date of acquisition (Note 4). The Company also issued 4,545,454 common shares in the capital of the Company as finders' fees, priced on the date of issuance of $0.02 per common share, based on the quoted market price of the Company, which was expensed and included in the statement of loss and comprehensive loss as transaction costs.

(ii) On December 22, 2023, the Company issued 3,000,000 common shares in the capital of the Company based on a price per common share equal to $0.05 per share for gross proceeds of $150,000. There were no share issuance costs.

(Unaudited - Expressed in Canadian Dollars)

## 7. SHARE-BASED COMPENSATION

**Stock Option Plan ("SOP")**

The Company maintains a stock option plan under which directors, officers, employees, and consultants of the Company (the "Grantees") and its affiliates are eligible to receive stock options. Pursuant to the SOP, the Board may in its discretion grant to eligible Grantees, the option to purchase common shares at the fixed price over a defined future period. The SOP is a rolling plan under which the maximum number of common shares reserved for issuance is 10% of the issued shares of the Company at the time of granting the options. As at July 31, 2024, there are a total of 66,024,203 (April 30, 2024 - 64,024,203) stock options available for granting under the SOP.

The SOP is intended to enhance the Company's ability to attract and retain highly qualified officers, directors, key employees, and consultants, and to motivate such persons to serve the Company and to expend maximum effort to improve the business results and earnings of the Company, by providing to such persons an opportunity to acquire or increase a direct proprietary interest in the operations and future success of the Company.

During the three months ended July 31, 2024:

i) there were no stock options granted and share-based payments recognized.

ii) 2,000,0000 stock options expired.

During the period ended July 31, 2023:

i) there were no stock options granted and share-based payments recognized.

ii) 16,960,000 stock options were cancelled/forfeited.

The following summarizes the stock options activities:

| | **As of July 31, 2024** | | As of April 30, 2024 | |
|---|---|---|---|---|
| | **Number of Options** | **Weighted Average Exercise Price $** | **Number of Options** | **Weighted Average Exercise Price $** |
| Outstanding, opening balance | **2,000,000** | **0.05** | 23,910,000 | 0.05 |
| Expired | **(2,000,000)** | **0.05** | (4,950,000) | 0.05 |
| Cancelled/forfeited | - | - | (16,960,000) | 0.05 |
| Total outstanding, ending balance | - | - | 2,000,000 | 0.05 |
| Total outstanding and exercisable | - | - | 2,000,000 | 0.05 |

During the three months ended July 31, 2024, the Company transferred $2,963 (2023 - $403,682) from reserves to deficit for stock options forfeited and options that expired unexercised.

There were no stock options outstanding as of July 31, 2024.

(Unaudited - Expressed in Canadian Dollars)

## 8. FAIR VALUE MEASUREMENTS

***Fair value estimation***

The Company's management team reviews and approves the valuation results of all investments in the portfolio based on all observable and non-observable inputs. The Company also will engage an independent valuation firm to perform an independent valuation in situations where it requires additional expertise. The valuation results are reviewed with the audit committee as part of its quarterly approval of the Company's interim condensed consolidated financial statements.

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 quote 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.

Investments in common shares of public companies are measured using level 1 fair value measurements (Note 4).

Investments in non-trading warrants on public investments are measured using level 2 fair value measurements as the fair value estimate incorporates the use of option pricing models (Note 4).

Investments in common share, warrants, and loan receivable of private companies are measured using level 3 fair value measurements as the fair value estimate incorporates non-observable market inputs (Notes 4 and 5).

The following table illustrates the classification and hierarchy of the Company's financial instruments, measured at fair value in the statements of financial position as at July 31, 2024 and April 30, 2024.

| **Financial assets (liabilities), fair value** | **Level 1** | **Level 2** | **Level 3** | **Total** |
|---|---|---|---|---|
| Publicly traded investments | $8,510 | $ - | $ - | $ 8,510 |
| Non-trading warrants on public investments | - | 24,145 | - | 24,145 |
| Private investments | - | - | 1,633,333 | 1,633,333 |
| **As of July 31, 2024** | **$8,510** | **$24,145** | **$1,633,333** | **$1,665,988** |

| **Financial assets (liabilities), fair value** | **Level 1** | **Level 2** | **Level 3** | **Total** |
|---|---|---|---|---|
| Publicly traded investments | $11,695 | $ - | $ - | $ 11,695 |
| Non-trading warrants on public investments | - | 47,977 | - | 47,977 |
| Private investments | - | - | 1,633,333 | 1,633,333 |
| As of April 30, 2024 | $11,695 | $47,977 | $1,633,333 | $1,693,005 |

The following table presents the changes in fair value measurements of investments classified as Level 3 as at July 31, 2024 and April 30, 2024. These financial instruments are measured at fair value utilizing non-observable market inputs. The net realized and unrealized gain (loss) are recognized in the statements of loss.

(Unaudited - Expressed in Canadian Dollars)

## 8. FAIR VALUE MEASUREMENTS (Continued)

| Investment, fair value | **As of July 31, 2024** | As of April 30, 2024 |
|---|---|---|
| Balance, beginning of period | **$ 1,633,333** | $ 750,000 |
| Purchases | **-** | 1,116,082 |
| Disposals | **-** | (27,605) |
| Realized loss | **-** | (151,449) |
| Unrealized (loss) | **-** | (53,695) |
| **Balance, end of period** | **$ 1,633,333** | $ 1,633,333 |

## 9. GENERAL AND ADMINISTRATIVE

| | **Three months ended July 31, 2024**<br>**$** | Three months ended July 31, 2023<br>$ |
|---|---|---|
| Consulting fees | **12,136** | 19,030 |
| Filing fees | **3,888** | 20,583 |
| Office expenses | **1,792** | 12,552 |
| Director fees (Note 10) | **-** | 20,000 |
| Management fees (Note 10) | **-** | 12,000 |
| Professional fees (Note 10) | **1,398** | 42,086 |
| Remuneration and benefits | **-** | 677 |
| | **19,214** | 126,928 |

## 10. RELATED PARTY TRANSACTIONS AND KEY MANAGEMENT COMPENSATION

Key management personnel include those people who have authority and responsibility for planning, directing, and controlling the activities of the Company as a whole. The Company has determined that key management personnel consist of members of the Company's Board of Directors and corporate officers.

The Company had the following transactions with related parties during the three months ended July 31, 2024, and 2023:

| | **2024**<br>**$** | 2023<br>$ |
|---|---|---|
| Management fees | **-** | 12,000 |
| Director fees | **-** | 20,000 |
| Accounting fees | **5,948** | 25,499 |
| | **5,948** | 57,499 |

As at July 31, 2024, included in accounts payable and accrued liabilities are amounts due to related parties totaling $Nil (April 30, 2024 - $37,256), owing to current directors and CEO/CFO of the Company. These amounts are unsecured, payable on demand, and without interest. Refer to Notes 4 and 6.

**11. MANAGEMENT OF FINANCIAL RISK AND SENSITIVITY ANALYSIS**

The primary goals of the Company's risk management programs are to ensure that the outcomes of activities involving elements of risk are consistent with the Company's objectives and risk tolerance. The Company's investment strategy requires a level of risk in exchange for an above average return on investment. The Company plans to maintain an appropriate risk and reward balance while protecting the Company's financial operations from events that have the potential to materially impair its financial strength. Balancing risk and reward are achieved through aligning risk tolerance with the Company's business strategy, diversifying risk, pricing appropriately for risk, mitigating risk through preventative controls and transferring risk to third parties.

The success of the Company is dependent upon its ability to assess and manage all forms of risk that affect its operations. The Company is exposed to many factors that could adversely affect its business, financial conditions, or operating results. Developing policies and procedures to identify risk and the implementation of appropriate risk management policies and procedures is the responsibility of senior management and the Board of Directors. The Board directly, or through its committees, reviews and approves these policies and procedures, and monitors their compliance with them through ongoing reporting requirements.

The investment operations of the Company's business involve the purchase and sale of securities and, accordingly, the majority of the Company's assets are currently comprised of financial instruments. The use of financial instruments can expose the Company to several risks, including liquidity, market, interest, credit, and currency risks. A discussion of the Company's use of financial instruments and their associated risks is provided below. There has been no change to the Company's risk management policies or processes during the period.

*(a) Liquidity risk*

Liquidity risk is the risk that the Company will have sufficient cash resources to meet its financial obligations as they come due. The Company's liquidity and operating results may be adversely affected if the Company's access to the capital markets is hindered, whether as a result of a downturn in stock market conditions generally or related to matters specific to the Company, or if the value of the Company's investments declines, resulting in losses upon disposition. The Company generates cash flow primarily from its operational activities and the proceeds from the disposition of its investments, in addition to interest and dividend income earned on its investments. The Company has sufficient investments which are freely tradable and relatively liquid to fund its obligations as they become due under normal operating conditions.

The Company's financial liabilities include accounts payable and accrued liabilities The carrying amount of these financial liabilities approximate their respective fair values due to their short-term maturities. Management is not aware of any trends or expected fluctuations that would create any liquidity deficiencies. All the Company's liabilities are due within the next twelve months.

The Company believes that cash flow from continuing operations and existing cash resources will be sufficient to meet the Company's short-term requirements, as well as ongoing operations, and will be able to generate sufficient capital to support the Company's operations in the long-term. However, the Company may procure debt or equity financing from time to time to fund its operations.

*(b) Market risk*

The Company is exposed to certain market risk that the value of the Company's financial assets will significantly fluctuate due to changes in market prices. The value of the financial assets can be affected by changes in interest rates, foreign exchange rates, and equity and commodity prices. The Company is exposed to market risk in trading its investments, and unfavorable market conditions could result in dispositions of investments at less than favorable prices. Additionally, the Company is required to mark to market its FVTPL investments at the end

(Unaudited - Expressed in Canadian Dollars)

**11. MANAGEMENT OF FINANCIAL RISK AND SENSITIVITY ANALYSIS (Continued)**

*(b) Market risk (Continued)*

of each reporting period. This process could result in significant write-downs of the Company's investments over one or more reporting periods, particularly during periods of overall market instability, which would have a significant unfavourable effect on the Company's financial position. The Company manages market risk by having a portfolio which is not singularly exposed to any one issuer or class of issuers. The Company monitors changes in the market on an ongoing basis and adjusts its lending and investing practices and policies when necessary to reduce the impact of the above risks.

The Company's investments include publicly listed entities that are listed on a Canadian and United States stock exchange and private companies. Changes in the fair value of investments designated as FVTPL are reported in the statement of income and comprehensive income.

The following table shows the estimated sensitivity on the statement of loss and comprehensive loss for the three months ended July 31, 2024, from a change in closing price of the Company's investments in common shares of public companies, with all other variables held constant as at July 31, 2024:

| Percentage of change in closing price | Change in comprehensive income/loss from % increase in closing price | Change in comprehensive income/loss from % decrease in closing price |
|---:|---:|---:|
| 10% | 851 | (851) |

The following table shows the estimated sensitivity on the statement of loss and comprehensive loss for the three months ended July 31, 2024, from a change in closing price of the Company's investments in common shares of private companies, with all other variables held constant as at July 31, 2024:

| Percentage of change in closing price | Change in comprehensive income/loss from % increase in closing price | Change in comprehensive income/loss from % decrease in closing price |
|---:|---:|---:|
| 10% | 163,333 | (163,333) |

The following table shows the estimated sensitivity on the statement of loss and comprehensive loss for the three months ended July 31, 2024, from a change in volatility of the Company's investments in warrants, with all other variables held constant as at July 31, 2024:

| Percentage of change in volatility | Change in comprehensive income/loss from % increase in volatility | Change in comprehensive income/loss from % decrease in volatility |
|---:|---:|---:|
| 10% | 2,415 | (2,415) |

The following table shows the estimated sensitivity on the statement of loss and comprehensive loss for the year ended April 30, 2024, from a change in closing price of the Company's investments in common shares of public companies, with all other variables held constant as at April 30, 2024:

| Percentage of change in closing price | Change in comprehensive income/loss from % increase in closing price | Change in comprehensive income/loss from % decrease in closing price |
|---:|---:|---:|
| 10% | 1,170 | (1,170) |

(Unaudited - Expressed in Canadian Dollars)

## 11. MANAGEMENT OF FINANCIAL RISK AND SENSITIVITY ANALYSIS (Continued)

*(b) Market risk (Continued)*

The following table shows the estimated sensitivity on the statement of loss and comprehensive loss for the year ended April 30, 2024, from a change in closing price of the Company's investments in common shares of private companies, with all other variables held constant as at April 30, 2024:

| Percentage of change in closing price | Change in comprehensive income/loss from % increase in closing price | Change in comprehensive income/loss from % decrease in closing price |
|---:|---:|---:|
| 10% | 163,333 | (163,333) |

The following table shows the estimated sensitivity on the statement of loss and comprehensive loss for the year ended April 30, 2024, from a change in volatility of the Company's investments in warrants, with all other variables held constant as at April 30, 2024:

| Percentage of change in volatility | Change in comprehensive income/loss from % increase in volatility | Change in comprehensive income/loss from % decrease in volatility |
|---:|---:|---:|
| 10% | 4,798 | (4,798) |

(c) Interest rate risk

The observable impacts on the fair values and future cash flows of financial instruments that can be directly attributable to interest rate risk include changes in net income from financial instruments whose cash flows are determined with reference to floating interest rates and changes in value of financial instruments whose cash flows are fixed in nature.

Should market interest rates rise, then the fair value of these convertible debentures and term debt may decrease. Conversely, should market interest rates fall, the fair value of these assets may increase. The effect of changes in interest rates on the fair value of these debt instruments is partially muted by the nature of the investments. Convertible debentures placed in early-stage investees are typically less sensitive to changes in market interest rates than non-convertible debt instruments placed in more mature investees. As the convertible debentures have fixed interest rates, the Company is not subject to significant interest rate risk.

(d) Credit risk

Concentration of credit risk may arise from exposures to a single debtor or to a group of debtors having similar characteristics such that their ability to meet their current obligations is expected to be affected similarly by changes in economic or other conditions. Senior management is committed to several processes to ensure that this risk is appropriately mitigated. These include:

• obtaining collateral guarantees;
• the investigation of the creditworthiness of all borrowers;
• the engagement of qualified independent consultants such as lawyers and real estate appraisers, to whom management may reach for professional advice;
• the segregation of duties to ensure that qualified staff are satisfied with all due diligence requirements prior to funding; and
• the prompt initiation of recovery procedures on overdue loans.

**11. MANAGEMENT OF FINANCIAL RISK AND SENSITIVITY ANALYSIS (Continued)**

(e) Currency risk

Foreign exchange risk exposures arise from transactions and balances denominated in foreign currencies. The Company's foreign currency risk arises primarily with respect to the United States dollar. Fluctuations in the exchange rates between the United States dollar and the Canadian dollar could have a material effect on the Company's business, financial condition, and results of operations. The Company does not engage in any hedging activity to mitigate this risk.

The Company has cash and investments in companies denominated in a foreign currency. For the three months ended July 31, 2024, management estimates that if the United States dollar had strengthened or weakened by 10% against the Canadian dollar, assuming all other variables remained constant, net loss for the period ended July 31, 2024, would have increased or decreased by approximately $10,793 (2023 - $20,567).

The functional currency of the Company and its subsidiary is Canadian dollar. The Company does not hedge its exposure to currency fluctuations. However, management believes that the Company is subject to minimal foreign exchange risk as most transactions incurred are in CAD.

**12. CAPITAL MANAGEMENT**

The primary goals of the Company's risk management programs are to ensure that the outcomes of activities involving elements of risk are consistent with the Company's objectives and risk tolerance. The Company's investment strategy requires a level of risk in exchange for an above average return on investment. The Company plans to maintain an appropriate risk and reward balance while protecting the Company's financial operations from events that have the potential to materially impair its financial strength. Balancing risk and reward are achieved through aligning risk tolerance with the Company's business strategy, diversifying risk, pricing appropriately for risk, mitigating risk through preventative controls and transferring risk to third parties. For the three months ended July 31, 2024, the shareholders' equity comprised of share capital, contributed surplus and deficit. The Company's objectives when managing capital are:

(a) to ensure that the Company maintains the level of capital necessary to meet the requirements of its brokers and bank;
(b) to allow the Company to respond to changes in economic and/or marketplace conditions by maintaining the Company's ability to purchase new investments;
(c) to give shareholders sustained growth in shareholder value by increasing shareholders' equity. It is the intention of the Company in the long term to pay out a portion of its future annual earnings to shareholders in the form of dividends; and
(d) to maintain a flexible capital structure which optimizes the cost of capital at acceptable levels of risk.

The Company manages its capital structure and adjusts it in the light of changes in economic conditions and the risk of its underlying assets. The Company has the ability to maintain or adjust its capital level to enable it to meet its objectives by:

(a) realizing proceeds from the disposition of its investments;
(b) utilizing leverage in the form of margin (due to brokers) and long-term debt from financial lenders; and
(c) raising capital through equity financings.

There were no changes in the Company's approach to capital management during the period. The Company is not subject to any externally imposed capital requirements.

## 13. PRIOR YEAR COMPARATIVES

Certain comparative figures included in these interim condensed consolidated financial statements have been reclassified for the purposes of comparability.