

**Web3 Ventures Inc.**  
(Formerly, La Jolla Capital Inc.)

**Condensed Interim Consolidated Financial Statements**

**For the nine months ended March 31, 2022 and 2021**

**(Expressed in Canadian dollars - Unaudited)**

### **Notice of No Auditor Review**

Under National Instrument 51-102, Part 4 subsection 4.3 (3), if an auditor has not performed a review of the unaudited condensed interim financial statements, they must be accompanied by a notice indicating that the unaudited condensed interim financial statements have not been reviewed by an auditor.

The accompanying unaudited condensed interim consolidated financial statements of Web3 Ventures Inc. (formerly, La Jolla Capital Corp.) have been prepared by and are the responsibility of management.

These unaudited condensed interim consolidated financial statements for the nine months ended March 31, 2022 have not been reviewed or audited by the Company's independent auditors in accordance with standards established by the Chartered Professional Accountants of Canada.

**Web3 Ventures Inc. (formerly, La Jolla Capital Inc.)**  
**Condensed Interim Consolidated Statements of Financial Position**  
(Expressed in Canadian dollars - Unaudited)

	Notes	At March 31, 2022	At June 30, 2021
(Audited)			
<b>ASSETS</b>			
<b>Current</b>			
Cash		\$ 3,520	\$ 1,004
Tax receivables		834	359
<b>Total assets</b>		<b>\$ 4,354</b>	<b>\$ 1,363</b>
<b>LIABILITIES AND CAPITAL DEFICIT</b>			
<b>Current</b>			
Accounts payable and accrued liabilities	9	\$ 763,038	\$ 1,037,846
Loans payable	3	76,604	131,838
		<b>839,642</b>	<b>1,169,684</b>
<b>CAPITAL DEFICIT</b>			
Share capital	5	16,303,979	16,103,979
Deficit		(17,043,645)	(17,178,377)
Accumulated other comprehensive loss		(95,622)	(93,923)
		<b>(845,288)</b>	<b>(1,168,321)</b>
		<b>\$ 4,354</b>	<b>\$ 1,363</b>

**Nature of Operations and Going Concern (Note 1)**

**Approved on behalf of the Board of Directors on May 24, 2022:**

"Eugene Beukman"  
Director

"Kirill Kompaniyets"  
Director

**Web3 Ventures Inc. (Formerly, La Jolla Capital Inc.)**  
**Condensed Interim Consolidated Statements of Loss and Comprehensive Loss**  
**For the nine-months periods ended March 31, 2022 and 2021**  
(Expressed in Canadian dollars - Unaudited)

	Notes	Three Months Ended,		Nine Months Ended,	
		March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021
<b>Expenses</b>					
Consulting and management fees	9	\$ 9,000	\$ 24,000	\$ 57,000	\$ 72,000
Marketing expense		12,305	-	12,905	-
Office expense		19	18	55	79
Professional fees	9	10,575	10,500	31,942	31,200
<b>Operating expenses</b>		<b>(31,899)</b>	<b>(34,518)</b>	<b>(101,902)</b>	<b>(103,279)</b>
Other Expenses					
Write off of liabilities		5,000	-	236,634	-
<b>Net income (loss) for the period</b>		<b>(26,899)</b>	<b>(34,518)</b>	<b>134,732</b>	<b>(103,279)</b>
Other comprehensive income (loss)					
Foreign currency translation adjustment		-	939	(1,699)	6,299
<b>Total comprehensive income (loss)</b>		<b>\$ (26,899)</b>	<b>\$ (33,579)</b>	<b>\$ 133,033</b>	<b>\$ (96,980)</b>
<b>Income (loss) per share, basic and diluted</b>		<b>\$ (0.05)</b>	<b>\$ (0.08)</b>	<b>\$ 0.28</b>	<b>\$ (0.24)</b>
<b>Weighted average number of common shares outstanding, basic and diluted</b>		<b>584,352</b>	<b>433,239</b>	<b>482,876</b>	<b>433,239</b>

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

**Web3 Ventures Inc. (Formerly, La Jolla Capital Inc.)**  
**Condensed Interim Consolidated Statements of Changes in Shareholders' Deficiency**  
**For the nine months ended March 31, 2022 and 2021**  
(Expressed in Canadian dollars - Unaudited)

	Shares	Amount	Deficit	Cumulative other comprehensive loss	Total
<b>Balance, June 30, 2020</b>	433,239	\$ 16,103,979	\$ (17,040,580)	\$ (101,305)	\$ (1,037,906)
Loss for the period	-	-	(103,279)	-	(103,279)
Other comprehensive loss	-	-	-	6,299	6,299
<b>Balance, March 31, 2021</b>	433,239	\$ 16,103,979	\$ (17,143,859)	\$ (95,945)	\$ (1,134,886)
<b>Balance, June 30, 2021</b>	433,241	\$ 16,103,979	\$ (17,178,377)	\$ (93,923)	\$ (1,168,321)
Income for the period	-	-	134,732	-	134,732
Private placement	400,000	200,000	-	-	200,000
Other comprehensive loss	-	-	-	(1,699)	(1,699)
<b>Balance, March 31, 2022</b>	833,241	\$ 16,303,979	\$ (17,043,645)	\$ (95,622)	\$ (835,288)

On April 19, 2022, the Company completed a one-for-ten share consolidation. All references to share capital and per share data have been adjusted retrospectively to reflect the Company's one-for-ten share consolidations for the periods ended March 31, 2022 and 2021.

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

**Web3 Ventures Inc. (Formerly, La Jolla Capital Inc.)**  
**Condensed Interim Consolidated Statements of Cash Flows**  
**For the nine months ended March 31, 2022 and 2021**  
(Expressed in Canadian dollars - Unaudited)

	<b>Nine Months Ended</b>	
	<b>March 31, 2022</b>	<b>March 31, 2021</b>
<b>Cash provided by (used in):</b>		
<b>Operating Activities</b>		
Net income for the period	\$ 134,732	\$ (103,279)
Items not involving cash:		
Write off of liabilities	(236,634)	-
Unrealized foreign exchange	(1,699)	6,299
	<b>(103,601)</b>	<b>(96,980)</b>
Change in non-cash working capital:		
Receivables	(475)	(275)
Accounts payable and accrued liabilities	79,092	86,917
<b>Cash Used in operating activities</b>	<b>(24,984)</b>	<b>(10,338)</b>
<b>Financing Activities</b>		
Loans received	27,500	10,000
Proceeds from private placement	200,000	-
Repayment of loans	(200,000)	-
<b>Cash received from financing activities</b>	<b>27,500</b>	<b>10,000</b>
<b>Increase (decrease) in cash</b>	<b>2,516</b>	<b>(338)</b>
<b>Cash, beginning of the year</b>	<b>1,004</b>	<b>1,360</b>
<b>Cash, end of the period</b>	<b>\$ 3,520</b>	<b>\$ 1,022</b>

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

**Web3 Ventures Inc. (Formerly, La Jolla Capital Inc.)**  
**Notes to the Condensed Interim Consolidated Financial Statements**  
For the nine months ended March 31, 2022 and 2021  
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**1. NATURE AND CONTINUANCE OF OPERATIONS**

Web3 Ventures Inc. (Formerly, La Jolla Capital Inc.), (the "Company") was incorporated on April 6, 1990 under the laws of the Province of British Columbia as MicroCoal Technologies Inc. and on June 19, 1997 the Company continued as a federal corporation under the Canada Business Corporation Act. The Company changed its name from MicroCoal Technologies Inc. to La Jolla Capital Inc. on May 21, 2015, and the Company changed its name from La Jolla Capital Inc. to Web3 Ventures Inc. on April 25, 2022. The Company's principal business activity is focused on incubating, accelerating and developing projects and applications for the decentralized web.

The Company's registered office is located at 409-22 Leader Lane, Toronto Ontario, M5E 0B2.

At March 31, 2022, the Company incurred income of \$133,033 for the period then ended (2020 – loss of \$96,980), had a working capital deficit of \$835,288 (June 30, 2021 - \$1,168,321) and has accumulated losses of \$17,043,645 (June 30, 2021 - \$17,178,377) since its inception. The Company expects to incur further losses in the development of its new business. The Company's ability to continue as a going concern is dependent upon its ability to obtain the necessary financing to meet its obligations and repay its liabilities arising from normal business operations when they come due. These circumstances indicate the existence of material uncertainty related to events and conditions that may cast significant doubt about the Company's ability to continue as a going concern and accordingly, the appropriateness of the use of accounting principles applicable.

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

Several measures have been implemented in Canada and the rest of the world in response to the increased impact from novel coronavirus (COVID-19). The Company continues to operate its business at this time. While the impact of COVID-19 is expected to be temporary, the current circumstances are dynamic and the impacts of COVID-19 on business operations cannot be reasonably estimated at this time. The Company anticipates this could have an adverse impact on its business, results of operations, financial position and cash flows in 2022 and beyond.

**2. STATEMENT OF COMPLIANCE AND SIGNIFICANT ACCOUNTING POLICIES**

These unaudited condensed interim consolidated financial statements were authorized for issue on May 24, 2022 by the directors of the Company.

**(a) Statement of Compliance with International Financial Reporting Standards**

These unaudited condensed interim consolidated financial statements, including comparatives, have been prepared in accordance with International Accounting Standard 34 "Interim Financial Reporting" ("IAS 34") using accounting policies consistent with the International Financial Reporting Standards ("IFRS") issued by the International Accounting Standards Board ("IASB") and Interpretations of the IFRS Interpretations Committee.

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**Notes to the Condensed Interim Consolidated Financial Statements**  
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**2. STATEMENT OF COMPLIANCE AND SIGNIFICANT ACCOUNTING POLICIES (continued)**

**(a) Statement of Compliance with International Financial Reporting Standards (continued)**

These unaudited condensed interim consolidated financial statements do not include all of the information required of a full annual financial report and is intended to provide users with an update in relation to events and transactions that are significant to an understanding of the changes in financial position and performance of the Company since the end of the last annual reporting period. It is therefore recommended that these condensed interim consolidated financial statements be read in conjunction with the audited financial statements of the Company for the year ended June 30, 2021.

**(b) Basis of Presentation**

These condensed interim consolidated financial statements have been prepared on an accrual basis and are based on historical costs, modified where applicable. The condensed interim consolidated financial statements are presented in Canadian dollars, unless otherwise noted, which is the Company's functional currency.

**(c) Basis of Consolidation**

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

**(d) Significant estimates and assumptions**

The preparation of consolidated financial statements in accordance with IFRS requires the Company to make estimates and assumptions concerning the future. The Company's management reviews these estimates and underlying assumptions on an ongoing basis, based on experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Revisions to estimates are adjusted for prospectively in the period in which the estimates are revised.

Estimates and assumptions where there is significant risk of material adjustments to assets and liabilities in future accounting periods include the recoverability and measurement of deferred tax assets.

**(e) Significant judgments**

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

- the assessment of the Company's ability to continue as a going concern and whether there are events or conditions that may give rise to significant uncertainty.



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**2. STATEMENT OF COMPLIANCE AND SIGNIFICANT ACCOUNTING POLICIES (continued)**

**(f) Accounting standards issued but not yet effective**

There are no other IFRS or IFRIC interpretations that are not yet effective that would be expected to have a material impact on the Company's consolidated financial statements.

**3. LOANS PAYABLE**

As at March 31, 2022, the Company had loans payable of \$Nil (June 31, 2020 - \$82,734) to unrelated parties and \$76,604 (June 30, 2021 - \$49,104) to related parties (Note 9). The loans are unsecured, non-interest bearing and are due on demand.

During the period ended March 31, 2022, the Company wrote-off \$82,734 (2021 – \$Nil) of loans payable.

**4. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES**

During the period ended March 31, 2022, the Company wrote-off \$153,900 (2021 - \$Nil) of trade payables and accrued liabilities that have been outstanding for several years without any claims from the past vendors.

**5. SHARE CAPITAL**

**(a) Authorized:**

Unlimited number of common shares, voting

On April 19, 2022, the Company consolidated all of its issued and outstanding common shares on the basis of every ten old common shares into one new common share. Unless otherwise noted, all share information has been retroactively adjusted to reflect this consolidation.

**(b) Issued and Outstanding**

As at March 31, 2022 there were 833,241 (June 30, 2021 – 433,239) shares issued and outstanding.

i) Shares issued during the nine months period ending March 31 2022.

On February 25, 2022, the Company closed a non-brokered private placement of 400,000 common shares of the Company issued at a price of \$0.50 per share for gross proceeds of \$200,000.

ii) Shares issued during the year ending June 30 2021.

No shares were issued during the year ended June 30, 2021.

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**6. FINANCIAL INSTRUMENTS**

**(a) Fair value information**

As at March 31, 2022, the Company's financial instruments consist of cash, accounts payable and loans payable. The carrying values of these financial instruments approximate their fair values because of their current nature. All financial assets and financial liabilities are recorded at fair value on initial recognition. All financial assets and financial liabilities are recorded at fair value on initial recognition.

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

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

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

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

At March 31, 2022 and June 30, 2021, cash was classified in the fair value hierarchy as level 1. There were no transfers between levels during the nine-month period ended March 31, 2022 or the year ended June 30, 2021.

**(b) Financial instruments and related risks**

**Liquidity Risk**

At March 31, 2022, the Company held cash of \$3,520 (June 30, 2021 - \$1,004), had negative working capital of \$835,288 (June 30, 2021 - \$1,168,321). At March 31, 2022, the Company expects that it will be able to obtain funding from investors in order to meet its obligations.

**Interest rate Risk**

Interest rate risk is the result that the fair values and future cash flows of the Company's financial instruments will fluctuate because of changes in market interest rates. The Company was not exposed to significant interest rate risk as loans payable were at fixed interest rates with short-term maturities.

**Credit Risk**

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

**Currency Risks**

The Company is exposed to currency risk related to certain accounts payable and accrued liabilities and other payable amounts which were denominated in US\$. As at March 31, 2022, there were US \$Nil denominated in US\$ (June 30, 2021 – US\$59,820).

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**7. MANAGEMENT OF CAPITAL**

The Company's objectives of capital management are to safeguard its ability to support the Company's normal operating requirements on an ongoing basis and to start to development its mining interest. The Company considers its capital to be share capital.

The Company's is currently not generating any cash flows; as such, the Company is dependent on external and related party financing to fund its costs. The Company does not have any working capital and will need to raise additional amount in order to meet its obligations. Companies in this stage typically rely upon equity and debt financing to fund operations. The Company is not listed on a stock exchange at December 31, 2021. There is no certainty with respect to the Company's ability to raise capital.

At March 31, 2022, the Company expects that it will be able to obtain funding from investors in order to meet its obligations. Additional financing may be required to meet the Company's business objectives.

At March 31, 2022, there was no externally imposed capital requirement to which the Company is subject.

**8. SUPPLEMENTAL CASH FLOW INFORMATION**

	Nine months ended <b>March 31, 2022</b>	March 31, 2021
Interest paid	\$ -	\$ -
Income taxes paid	\$ -	\$ -

**9. RELATED PARTY TRANSACTIONS**

The Company entered into the following transactions with related parties:

As at March 31, 2022, the Company owed \$690,500 (June 30, 2021 - \$806,500) to various former directors and their companies, which is included in accounts payable and accrued liabilities.

As at March 31, 2022, the Company had loans payable of \$76,604 (June 30, 2021 - \$49,104) to former directors of the Company (Note 3).

The remuneration of directors and key management personnel during the periods ended are as follows:

	Nine months ended <b>March 31, 2022</b>	March 31, 2021
Management, consulting, directors' and professional fees	<b>\$ 84,000</b>	\$ 99,000
	<b>\$ 84,000</b>	\$ 99,000

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**9. RELATED PARTY TRANSACTIONS (continued)**

All related party transactions are in the normal course of operations and have been measured at the agreed to amounts, which is the amount of consideration established and agreed to by the related parties.

**10. SEGMENTED INFORMATION**

The Company operates in one industry segment. At March 31, 2022 and June 30, 2021, the Company has no operations and there was no property and equipment in any geographical area.

**11. SUBSEQUENT EVENTS**

On April 22, 2022, the Company closed a non-brokered private placement of 22,000,000 units of the Company issued at a price of \$0.005 per unit for gross proceeds of \$110,000. Each unit is comprised of one common share and one transferable share purchase warrant. Each warrant entitles the holder to purchase one share for a period of five years at an exercise price of \$0.10 per share.

On May 17, 2022, the Company closed a non-brokered private placement of 53,125,000 units of the Company issued at a price of \$0.02 per unit for gross proceeds of \$1,062,500. Each unit is comprised of one common share and one transferable share purchase warrant. Each warrant entitles the holder to purchase one share for a period of five years at an exercise price of \$0.10 per share.