WEB3 VENTURES INC.

(Formerly La Jolla Capital Inc.)

Consolidated Financial Statements

For the years ended June 30, 2022 and 2021

(Expressed in Canadian dollars)

Independent Auditor's Report

To the Shareholders of:
WEB3 VENTURES INC.
(formerly La Jolla Capital Inc.)

Opinion
We have audited the consolidated financial statements of Web3 Ventures Inc. (formerly La Jolla Capital Inc.) and its subsidiaries (collectively "the Company"), which comprise the consolidated statement of financial position as at June 30, 2022 and the consolidated statements of loss and comprehensive loss, changes in shareholders' equity (deficiency) and cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of the Company as at June 30, 2022 and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards ("IFRS").

Basis for Opinion
We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Consolidated Financial Statements* section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material Uncertainty Related to Going Concern
We draw attention to Note 2(b) in the consolidated financial statements, which indicates that the Company incurred a net loss of $468,907 during the year ended June 30, 2022, and as of that date, had accumulated losses since inception of $17,645,585. As stated in Note 1, these events or conditions, along with other matters as set forth in Note 1, indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Other Matter
The consolidated financial statements for the year ended June 30, 2021 were audited by another auditor who expressed an unmodified opinion on those consolidated financial statements on October 26, 2021.

Other Information
Management is responsible for the other information. The other information comprises Management's Discussion and Analysis. Our opinion on the consolidated financial statements does not cover the other information and will not express any form of assurance conclusion thereon.

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

We obtained Management's Discussion and Analysis prior to the date of this auditor's report. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements
Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with IFRS, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

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In preparing the consolidated financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements
Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Company to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

The engagement partner on the audit resulting in this independent auditor's report is Mike Kao.

WDM

Chartered Professional Accountants

Vancouver, B.C.
October 24, 2022

WEB3 VENTURES INC.
(Formerly La Jolla Capital Inc.)
Consolidated Statements of Financial Position
As at June 30, 2022 and 2021
(Expressed in Canadian dollars)

	Note	2022	2021
ASSETS			
Current assets			
Cash		$ 329,932	$ 1,004
Receivables		4,722	359
Investments	4	96,645	-
Digital assets	5	71,573	-
Total assets		$ 502,872	$ 1,363
LIABILITIES			
Current			
Accounts payable and accrued liabilities	6	$ 185,049	$ 1,037,846
Loans payable	7	52,742	131,838
Total liabilities		237,791	1,169,684
SHAREHOLDERS' EQUITY (DEFICIENCY)			
Share capital	8	17,903,979	16,103,979
Reserves		102,309	-
Deficit		(17,645,585)	(17,178,377)
Accumulated other comprehensive loss		(95,622)	(93,923)
Total Shareholders' Equity (Deficiency)		265,081	(1,168,321)
Total Liabilities and Shareholders' Equity (Deficiency)		$ 502,872	$ 1,363

Nature and Continuance of Operations (Note 1)
Subsequent Event (Note 16)

Approved on behalf of the Board of Directors on October 24, 2022:

"Kirill Kompaniyets"
Director

"Gerald Kelly"
Director

WEB3 VENTURES INC.
(Formerly La Jolla Capital Inc.)
Consolidated Statements of Loss and Comprehensive Loss
For the years ended June 30, 2022 and 2021
(Expressed in Canadian dollars)

	Note		2022		2021
EXPENSES					
Consulting and management fees	13	$	**354,942**	$	96,000
Investor relations			**135,038**		-
Office expense			**2,649**		97
Professional fees	13		**80,791**		41,700
Share based compensation	13		**102,309**		-
Transfer agent and filing fees			**16,949**		-
Operating expenses			**(692,678)**		(137,797)
Other income (expenses)					
Bad debt expense			**(32,215)**		-
Foreign exchange gain			**216**		-
Loss on revaluation of digital assets	5		**(136)**		-
Loss on use of digital assets	5		**(6,180)**		-
Write off of liabilities	6,7		**263,785**		-
Other income			**225,470**		-
Net loss for the year			**(467,208)**		(137,797)
Other comprehensive (income) loss					
Foreign currency translation adjustment			**(1,699)**		7,382
Total loss and comprehensive loss for the year		$	**(468,907)**	$	(130,415)
Loss per share, basic and diluted		$	**(0.04)**	$	(0.30)
Weighted average number of common shares outstanding, basic and diluted			**13,217,830**		433,239

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

WEB3 VENTURES INC.
(Formerly La Jolla Capital Inc.)
Consolidated Statements of Changes in Shareholders' Equity (Deficiency)
For the years ended June 30, 2022 and 2021
(Expressed in Canadian dollars)

	Shares		Amount		Reserves Contributed Surplus		Deficit		Cumulative other comprehensive loss		Total
Balance, June 30, 2020	433,241	$	16,103,979	$	-	$	(17,040,580)	$	(101,305)	$	(1,037,906)
Net loss for the year	-		-		-		(137,797)		-		(137,797)
Other comprehensive loss for the year	-		-		-		-		7,382		7,382
Balance, June 30, 2021	433,241	$	16,103,979	$	-	$	(17,178,377)	$	(93,923)	$	(1,168,321)
Private placement	96,900,000		1,800,000		-		-		-		1,800,000
Stock based compensation	-		-		102,309		-		-		102,309
Net loss for the year	-		-		-		(467,208)		-		(467,208)
Other comprehensive loss for the year	-		-		-		-		(1,699)		(1,699)
Balance, June 30, 2022	97,333,241	$	17,903,979	$	102,309	$	(17,645,585)	$	(95,622)	$	265,081

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 consolidation for the years ended June 30, 2022 and 2021.

WEB3 VENTURES INC.
(Formerly La Jolla Capital Inc.)
Consolidated Statements of Cash Flows
For the years ended June 30, 2022 and 2021
(Expressed in Canadian dollars)

		2022		2021
Cash provided by (used in):				
Operating Activities				
Net loss for the year	$	(467,208)	$	(137,797)
Items not involving cash:				
Foreign exchange gain (loss)		(1,914)		7,382
Accrued interest		442		-
Bad debt expense		32,215		-
Share based compensation		102,309		-
Loss on revaluation of digital assets		136		-
Loss on use of digital assets		6,180		-
Digital assets used to pay for services		2,101		-
Write off of liabilities		(263,785)		-
		(589,524)		(130,415)
Change in non-cash working capital:				
Receivables		(36,578)		(275)
Accounts payable and accrued liabilities		(696,050)		120,334
Cash Used in operating activities		(1,322,152)		(10,356)
Investing Activities				
Purchase of digital assets		(79,990)		-
Purchase of investments		(96,430)		-
Cash used in Investing activities		(176,420)		-
Financing Activities				
Loans received		27,500		10,000
Proceeds from private placement		1,800,000		-
Cash provided by financing activities		1,827,500		10,000
Increase (decrease) in cash		328,928		(356)
Cash, beginning of the year		1,004		1,360
Cash, end of the year	$	329,932	$	1,004

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 19, 2022. The Company is an investment holding firm focused on incubating, accelerating and developing projects and applications for Web 3.0.

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

2. BASIS OF PREPARATION

(a) Statement of Compliance

These consolidated financial statements have been prepared in compliance with International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standard Board (“IASB”) and the International Financial Reporting Interpretations Committee (“IFRIC”).

These audited consolidated financial statements were approved and authorized for issue by the Board of Directors on October 24, 2022.

(b) Going Concern

At June 30, 2022, the Company incurred a loss of $467,208 for the year then ended (2021 - $137,797), had a working capital of $265,081 (2021 - $1,168,321 deficit) and has accumulated losses of $17,645,585 (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 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 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 consolidated financial statements.

(c) Basis of Measurement

These consolidated financial statements have been prepared on the historical cost basis except for certain financial instruments measured at fair value. The consolidated financial statements are presented in Canadian dollars, unless otherwise noted, which is the Company’s functional currency.

The preparation of consolidated financial statements in compliance with IFRS requires management to make certain critical accounting estimates. It also requires management to exercise judgment in applying the Company’s accounting policies.

2. BASIS OF PREPARATION (continued)

(d) Basis of Consolidation

As of the date of these consolidated financial statements, the Company's structure is represented by Web3 Ventures Inc. as the parent company, and the following wholly owned subsidiaries:

Name	Country of incorporation	Interest
Microcoal USA Inc. (Inactive)	U.S	100%
CO2 Reduction Poland Sp.z.o.o (Inactive)	Poland	100%
Carbiopel – ESP SA (Inactive)	Poland	100%
1000147857 Ontario Inc. (Inactive)	Canada	100%

These 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.

(e) Functional and presentation currency

In management's judgement, the functional currency of the Company and subsidiaries are the Canadian dollar except for the United States dollar subsidiary Microcoal USA Inc. The presentation currency used in preparing these consolidated financial statements of the Company is the Canadian dollar.

3. SIGNIFICANT ACCOUNTING POLICIES

(a) Foreign currency translation

The results and financial position of subsidiaries whose functional currency differs from that of the parent company ("foreign operations") are translated into the Canadian dollar presentation currency as follows: (i) assets and liabilities are translated at the closing rate as at the reporting date, and (ii) income and expenses are translated at the average exchange rate of transactions for the period. All resulting exchange differences are recognized as other comprehensive income (loss).

A foreign currency translation is a transaction denominated or requiring settlement in a foreign currency and is initially recorded in the functional currency of the subsidiary by applying the spot exchange rate on the date of the transaction. At the end of each reporting period, these balances are translated as: (i) foreign currency monetary assets and liabilities are translated using the prevailing exchange rate at the balance sheet date; (ii) non-monetary items that are measured at historical cost in a foreign currency are translated using the exchange rate at the date of the transaction; (iii) non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rate when the fair value was measured; and (iv) income statement items denominated in foreign currencies are translated using the average monthly exchange rates, except for depreciation which is translated at historical exchange rates.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

(b) Income taxes

Income tax expense comprises current and deferred tax. Current tax and deferred tax are recognized in net income except to the extent that it relates to a business combination or items recognized directly in equity or in other comprehensive income (loss). Current income taxes are recognized for the estimated income taxes payable or receivable on taxable income or loss for the current year and any adjustment to income taxes payable in respect of previous years. Current income taxes are determined using tax rates and tax laws that have been enacted or substantively enacted by the year-end date.

Deferred tax assets and liabilities are recognized where the carrying amount of an asset or liability differs from its tax base, except for taxable temporary differences arising on the initial recognition of goodwill and temporary differences arising on the initial recognition of an asset or liability in a transaction which is not a business combination and at the time of the transaction affects neither accounting nor taxable profit or loss.

Recognition of deferred tax assets for unused tax losses, tax credits and deductible temporary differences is restricted to those instances where it is probable that future taxable profit will be available against which the deferred tax asset can be utilized. At the end of each reporting year the Company reassesses unrecognized deferred tax assets. The Company recognizes a previously unrecognized deferred tax asset to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

(c) Financial instruments

Financial assets

Financial instruments are measured on initial recognition at fair value, plus, in the case of financial instruments other than those classified at fair value through profit or loss ("FVTPL"), directly attributable transaction costs. Measurement of financial assets in subsequent periods depends on whether the financial instrument has been classified and measured at:

(i) amortized cost; (ii) fair value through other comprehensive income ("FVOCI"); or (iii) FVTPL. All financial assets not classified and measured at amortized cost or FVOCI are measured at FVTPL. On initial recognition of an equity instrument that is not held for trading, the Company may irrevocably elect to present subsequent changes in the investment's fair value in OCI. The classification determines the method by which financial assets are carried on the balance sheet subsequent to inception and how changes in value are recorded.

Financial liabilities

Financial liabilities are designated as either: (i) FVTPL; or (ii) other financial liabilities. Financial liabilities, other than financial liabilities classified as FVTPL, are measured in subsequent periods at amortized cost using the effective interest method. Accounts payable and accrued liabilities and loans payable are classified as other financial liabilities and carried on the balance sheet at amortized cost.

Impairment of financial assets

The Company assesses at each reporting date whether there is objective evidence that a financial asset or a group of financial assets is impaired. A financial asset is considered impaired if objective evidence that can be estimated reliably indicates that one or more events have had a negative effect on the estimated future cash flows of that asset. If a financial asset measured at amortized cost is impaired, an amount equal to the difference between its carrying value and the present value of the estimated future cash flows discounted at the original effective interest rate is recognized as an impairment loss in the consolidated statements of loss and comprehensive loss.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

(c) Financial instruments (continued)

If it has been determined that the impairment has reversed, the carrying amount of the asset is increased to its recoverable amount to a maximum of the carrying amount that would have been determined had no impairment charge been recognized in prior periods. Reversals of impairment charges are recognized in the consolidated statements of loss and comprehensive loss in the period in which they occur.

Equity instruments

The Company subsequently measures all equity investments at fair value. Where the Company's management has elected to present fair value gains and losses on equity investments in OCI, there is no subsequent reclassification of fair value gains and losses to profit or loss following the derecognition of the investment. Dividends from such investments continue to be recognized in profit or loss as other income when the Company's right to receive payments is established. Changes in the fair value of financial assets at FVTPL are recognized in other gains/(losses) in the consolidated statements of loss and comprehensive loss as applicable. Impairment losses (and reversal of impairment losses) on equity investments measured at FVOCI are not reported separately from other changes in fair value.

(d) Digital Assets

Digital assets meet the definition of intangible assets in IAS 38 Intangible Assets as they are identifiable nonmonetary assets without physical substance. The Company's digital assets consist of Ethereum and Non-Fungible Tokens (NFTs) purchased for investment purposes.

Ethereum

Ethereum is initially recorded at cost and the revaluation method is used to measure the digital assets subsequently. Under the revaluation method, increases in fair value are recorded in other comprehensive income, while decreases are recorded in profit or loss. The Company revalues its digital assets at the end of each of its three interim financial reporting periods and at its annual financial reporting period end date. There is no recycling of gains from other comprehensive income to profit or loss. However, to the extent that an increase in fair value reverses a previous decrease in fair value that has been recorded in profit or loss, that increase is recorded in profit or loss. Decreases in fair value that reverse gains previously recorded in other comprehensive income are recorded in other comprehensive income.

Ethereum is measured at fair value using the quoted price on yahoo.com. Management considers this fair value to be a Level 1 input under IFRS 13 Fair Value Measurement fair value hierarchy as this represents unadjusted quoted prices in active markets for identical assets and liabilities. The Company's determination to classify its holding of Ethereum as current assets is based on management's assessment that its Ethereum held can be considered to be a commodity, based on the availability of liquid markets to which the Company may sell a portion of its holdings.

NFTs

The Company has purchased NFTs for investment purposes. NFTs are initially recorded at cost and under the cost model are carried at cost less any accumulated amortization and accumulated impairment losses.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

(e) Impairment of non-financial assets

The carrying amounts of non-financial assets are reviewed for impairment at each reporting date, or whenever events or changes in circumstances indicate the carrying amounts may not be recoverable. If there are indicators of impairment, a review is undertaken to determine whether the carrying amounts are in excess of their recoverable amounts. Reviews are undertaken on an asset-by-asset basis. If the carrying amount of a non-financial asset exceeds the recoverable amount, being the higher of its fair value less costs to sell and its value-in-use, an impairment loss is recognized in net earnings as the excess of the carrying amount over the recoverable amount.

Where the recoverable amount is assessed using discounted cash flow techniques, the resulting estimates are based on detailed production plans. The mine plan is the basis for forecasting production output in each future year and for forecasting production costs. For value-in-use calculations, production costs and output may be revised to reflect the continued use of the asset in its present form.

(f) Share-based payments

The fair value of equity settled stock options awarded to certain parties (i.e. employees for legal and tax purposes, directors and certain consultants), determined as of the date of grant, and awarded to non-employees, as of the date of delivery of service, is recognized as share-based compensation expense, included in general and administrative expenses in the Consolidated Statements of Comprehensive Income (Loss), over the vesting period of the stock options based on the estimated number of options expected to vest, with a corresponding increase to equity. The fair value of stock options is determined using the Black-Scholes option pricing model with market related inputs as of the date of grant or the date of delivery of service. Stock options with graded vesting schedules are accounted for as separate grants with different vesting periods and fair values. Changes to the estimated number of awards that will eventually vest are accounted for prospectively.

(g) Basic and diluted loss per share

Basic earnings or loss per share represents the income or loss for the year, divided by the weighted average number of common shares outstanding during the year. Diluted earnings or loss per share represents the income or loss for the year, divided by the weighted average number of common shares outstanding during the year plus the weighted average number of dilutive shares resulting from the exercise of stock options, warrants and other similar instruments where the inclusion of these would not be anti-dilutive.

(h) Significant estimates and assumptions

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 and estimates in applying the Company's consolidated financial statements include:

Going concern

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 involves significant judgement based on historical experience and other factors, including the expectation of future events that are believed to be reasonable under the circumstances.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

(h) Significant estimates and assumptions (continued)

Investment entity

Management has applied judgment in determining whether the Company meets the criteria required under IFRS 10, in order to be classified as an investment entity. Management has applied the following typical characteristics of an investment entity:

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

Digital assets

Digital assets are considered to be identifiable non-monetary assets without physical substance. Management has determined that the digital assets are accounted for as intangible assets in accordance with IAS 38 Intangible Assets.

Digital currency valuation

Digital assets include cryptocurrency denominated assets and NFTs. The digital asset market is still a new market and is highly volatile; historical prices are not necessarily indicative of future value; a significant change in the market prices for digital assets would have a significant impact on the Company's earnings and financial position. In addition, management estimates that selling costs will be nominal. Digital asset prices are affected by various forces including global supply and demand, interest rates, exchange rates, inflation or deflation and global political and economic conditions. A decline in the market prices for digital assets could negatively impact the Company's future operations. The Company has not hedged the conversion of any of its digital assets.

There is currently no specific definitive guidance in IFRS or alternative accounting frameworks on accounting for the subsequent measurement of digital assets held. Management has exercised significant judgment in determining the appropriate accounting treatment. In the event authoritative guidance is enacted by the IASB, the Company may be required to change its policies which could result in a change in the Company's financial position and earnings.

Stock-based compensation

The fair value of stock-based compensation requires estimates of assumptions that are used in the Black-Scholes option pricing model.

(i) Accounting standards issued but not yet effective

As at the date of authorization of these consolidated financial statements, the IASB and the IFRS Interpretations Committee had issued certain pronouncements that are mandatory for the Company's accounting periods commencing on or after July 1, 2022. Many are not applicable or do not have a significant impact to the Company and have been excluded. The Company has assessed that no material impact is expected upon the adoption of the following amendments on its consolidated financial statements:

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

(i) Accounting standards issued but not yet effective (continued)

Amendments to IAS 37 – Provisions, Contingent Liabilities and Contingent Assets ("IAS 37")

In May 2020, the IASB issued amendments to update IAS 37. The amendments specify that in assessing whether a contract is onerous under IAS 37, the cost of fulfilling a contract includes both the incremental costs and an allocation of costs that relate directly to contract activities. The amendments also include examples of costs that do, and do not, relate directly to a contract. These amendments are effective for annual periods beginning on or after January 1, 2022. Earlier application is permitted.

Amendments to IAS 1

In January 2020, the IASB issued amendments to IAS 1 which clarify the requirements for classifying liabilities as either current or non-current by: (i) specifying that the conditions which exist at the end of the reporting period determine if a right to defer settlement of a liability exists; (ii) clarifying that settlement of a liability refers to the transfer to the counterparty of cash, equity instruments, other assets or services; (iii) clarifying that classification is unaffected by management's expectation about events after the balance sheet date; and (iv) clarifying the classification requirements for debt an entity may settle by converting it into equity.

The amendments clarify existing requirements, rather than make changes to the requirements, and so are not expected to have a significant impact on an entity's financial statements. However, the clarifications may result in reclassification of some liabilities from current to non-current or vice-versa, which could impact an entity's loan covenants. Because of this impact, the IASB has provided a longer effective date to allow entities to prepare for these amendments. In July 2020, the IASB issued an amendment to defer the effective date of the amendments by one year from its originally planned effective date to annual periods beginning on or after January 1, 2023 due to the impact of COVID-19. Early application is permitted.

Amendments to IFRS 9 – Financial Instruments

As part of its 2018-2020 annual improvements to IFRS standards process, the IASB issued amendments to IFRS 9. The amendments clarify the fees that an entity includes when assessing whether the terms of a new or modified financial liability are substantially different from the terms of the original financial liability. These fees include only those paid or received between the borrower and the lender, including fees paid or received by either the borrower or lender on the other's behalf. The Company applies the amendments to financial liabilities that are modified or exchanged on or after the beginning of the annual reporting period in which the entity first applies the amendments.

The amendments are effective for annual reporting periods beginning on or after January 1, 2022, with earlier adoption permitted. The Company does not believe that these amendments will have a material impact on the consolidated financial statements.

The Company continues to review changes to IFRS standards. There are no other pending IFRS or IFRIC interpretations that are expected to be relevant to the Company's consolidated financial statements.

4. INVESTMENTS

(a) Simple Agreement for Future Equity ("SAFE") Agreements

Pursuant to the terms of the SAFE Agreements, if there is an equity financing before the instrument expires or is terminated, the investee will automatically issue to the investors either: 1) the greater of: the number of Standard Preferred Shares equal to the Purchase Amount divided by the lowest price per share of the Standard Preferred Shares, or the number of SAFE Preferred Shares equal to the Purchase Amount divided by the SAFE Price or 2) in case the agreement specifies a discount rate, a number of shares of SAFE Preferred Stock equal to the Purchase Amount divided by the Conversion Price. The Conversion Price means either the SAFE Price or the Discount Price, whichever calculation results in a greater number of shares of SAFE Preferred Stock.

The SAFE Price means the price per share equal to the Valuation Cap or Post–Money Valuation Cap divided by the Company Capitalization. The Discount Price means the price per share of the Standard Preferred Stock sold in the equity financing multiplied by the Discount Rate.

If there is a liquidation event before the expiration or termination of the SAFE Agreement, the investor will at its option either: 1) receive a cash payment equal to the purchase amount or 2) automatically receive from the investee a number of shares of common stock equal to the purchase amount divided by the liquidity price, if the investor fails to select the cash option.

Alternatively, the investor will automatically receive a portion of Proceeds, due and payable to the investor, equal to the greater of the Purchase Amount or the amount payable on the number of shares of Common Stock equal to the Purchase Amount divided by the liquidity price. Thereafter the SAFE Agreement will terminate. In connection with a cash payment through a liquidity event, if there are not enough funds to pay the investors and holders of the SAFE Agreements in full, funds will be distributed pro-rata and based on the purchase price and the remaining amounts will be covered with common stock equal to the remaining unpaid purchase price divided by the liquidity event. In a dissolution event, SAFE Agreement holders will be paid out of remaining assets prior to holders of the investee's capital stock.

In accordance with IFRS 9, the Company initially recorded these SAFE investments at cost, which approximates fair value.

The Company holds the following SAFE investments:

i. Bylines Inc. - $32,215 SAFE investment in Bylines Inc, a private company, to invest in future rights to shares of Bylines Inc. capital stock. The "PostMoney Valuation Cap" is US$32,000,000.
ii. Column Inc. - $32,215 SAFE investment in Column Inc., a private company, to invest in future rights to shares of Column Inc. capital stock. The "PostMoney Valuation Cap" is US$10,000,000.

(b) Strategic Investment

During the year ended June 30, 2022, the Company completed a $32,215 investment in OpenPool, a private decentralized web company focused on simplifying crypto-investing. In accordance with IFRS 9, the Company initially recorded these SAFE investments at cost, which approximates fair value.

(Expressed in Canadian dollars)

5. DIGITAL ASSETS

a) Ethereum

Ethereum is recorded at fair value on the acquisition date and revalued to their current market value at each reporting date. The fair value is determined using the spot rate based on reported prices on the date the tokens are received or recorded as a receivable. Ethereum held are revalued each reporting period based on the fair market value of the price of Ethereum on the reporting date. As at June 30, 2022, the price of Ethereum was $1,374 (continued)

Ethereum transacted during the period was as follows:

	$	Ethereum
Balance, June 30, 2021	-	-
Ethereum purchased	79,990	37.34
Acquired NFTs	(71,326)	(35.63)
Transaction costs	(2,101)	(1.53)
Loss on use of digital assets [(i)]	(6,180)	-
Loss on revaluation of digital assets	(136)	-
Balance June 30, 2022	247	0.18

[(i)] During the year ended June 30, 2022, the Company purchased NFTs and services with Ethereum for $73,427 with a cost of $79,610, which resulted in a realized loss on sale of $6,180.

b) NFT

During May and June 2022, the Company purchased 180 NFTs for $71,326 worth of Ethereum. NFTs are initially recorded at cost and under the cost model are carried at cost less any accumulated amortization and accumulated impairment losses. NFTs have an indefinite life and at June 30, 2022, no impairment was recorded.

6. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

During the year ended June 30, 2022, the Company wrote-off $181,051 (2021 - $Nil) of trade payables and accrued liabilities that have been outstanding for several years without any claims from the past vendors. The Company recorded a gain on write-off of debt of $181,051.

Accounts payable and accrued liabilities consists of:

		2022		2021
Accounts payable	$	27,500	$	184,684
Due to related parties		79,932		806,500
Accrued liabilities		77,617		46,662
Total	$	185,049	$	1,037,846

7. LOANS PAYABLE

As at June 30, 2022, the Company had loans payable of $Nil (2021 - $82,734) to unrelated parties and $52,742 (2021 - $49,104) to former related parties (Note 9). The loans are unsecured, non-interest bearing and are due on demand, except for one loan of $20,000 that bears interest at 8% p.a. and had $442 interest accrued during the year (2021 - $Nil).

During the year ended June 30, 2022, the Company wrote-off $82,734 (2021 – $Nil) from loans payable that were determined to be no longer liabilities.

8. 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 one new common share for every ten old common shares. Unless otherwise noted, all share information has been retroactively adjusted to reflect this consolidation.

(b) Issued and Outstanding

As at June 30, 2022 there were 97,333,241 (2021 – 433,241) shares issued and outstanding.

i) Shares issued during the year ended June 30 2022.

On June 3, 2022, the Company closed a non-brokered private placement of 3,000,000 units of the Company issued at a price of $0.02 per unit for gross proceeds of $60,000. 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 24, 2022, the Company closed a non-brokered private placement of 18,375,000 units of the Company issued at a price of $0.02 per unit for gross proceeds of $367,500. 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.

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.

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 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 ended June 30, 2021.

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

(Expressed in Canadian dollars)

8. SHARE CAPITAL (continued)

(c) Warrants

The following is a summary of the Company's share purchase warrant activity for the years ended June 30, 2022 and 2021.

	Number of Warrants
Outstanding, June 30, 2020 and 2021	-
Issued	96,500,000
Outstanding, June 30, 2022	96,500,000

Details of warrants outstanding as at June 30, 2022 are as follows:

Exercise price	Number of Warrants Outstanding	Expiry date
$0.10	22,000,000	April 22, 2027
$0.10	53,125,000	May 17, 2027
$0.10	18,375,000	May 24, 2027
$0.10	3,000,000	June 3, 2027
	96,500,000	

The weighted average price of warrants outstanding was $0.10, and the weighted average life was 4.87 years.

(d) Stock options

The Company has adopted an incentive stock option plan and restricted stock option plan, which provides that the Board of Directors of the Company may from time to time, in its discretion, and in accordance with the requirements of the Exchange, grant to directors, officers, employees and technical consultants to the Company, options to purchase common shares, provided that the number of common shares reserved for issuance will not exceed 20% of the issued and outstanding common shares of the Company. Such options will be exercisable for a period of up to five years from the date of grant.

On June 30, 2022, the Company granted incentive stock options to a consultant to purchase an aggregate of 25,000 common shares at an exercise price of $0.15 per common share for up to five years. The options issued vest 1/3 every six months for 18 months from grant date. The total grant date fair value of the options was measured at $224. The options were measured using the Black-Scholes Option Pricing Model with the following assumptions: Stock price - $0.02; exercise price - $0.15; expected life – 5 years; volatility – 100%; dividend yield – $0; and risk-free rate – 3.09%. As at June 30, 2022 $Nil was recorded as vested.

On June 15, 2022, the Company granted incentive stock options to consultants to purchase an aggregate of 100,000 common shares at an exercise price of $0.15 per common share for up to five years. The options issued vest 1/3 every six months for 18 months from grant date. The total grant date fair value of the options was measured at $900. The options were measured using the Black-Scholes Option Pricing Model with the following assumptions: Stock price - $0.02; exercise price - $0.15; expected life – 5 years; volatility – 100%; dividend yield – $0; and risk-free rate – 3.37%. As at June 30, 2022 $45 was recorded as vested.

(Expressed in Canadian dollars)

8. SHARE CAPITAL (continued)

(d) Stock options (continued)

On June 14, 2022, the Company granted incentive stock options to consultants to purchase an aggregate of 10,600,000 common shares at an exercise price of $0.10 per common share for up to five years. Of the options issued, 750,000 options vest 36 months from grant date and 9,850,000 options vested upon grant. The total grant date fair value of the options was measured at $109,928. The options were measured using the Black-Scholes Option Pricing Model with the following assumptions: Stock price - $0.02; exercise price - $0.10; expected life – 5 years; volatility – 100%; dividend yield – $0; and risk-free rate – 3.54%. As at June 30, 2022 $102,263 was recorded as vested.

The following is a summary of the Company's option activity for the years ended June 30, 2022 and 2021.

	Number of Options
Outstanding, June 30, 2020 and 2021	-
Issued	10,725,000
Outstanding, June 30, 2022	10,725,000

Details of options outstanding as at June 30, 2022 are as follows:

Exercise price	**Number of Options outstanding**	**Expiry date**
$0.10	10,600,000	June 14, 2027
$0.10	100,000	June 15, 2027
$0.10	25,000	June 30, 2027
Total	10,725,000	

The weighted average price of options outstanding was $0.10, and the weighted average life was 4.96 years.

(d) Reserve

The share-based payment reserves record items recognized as stock-based compensation expense and other share-based payments until such time that the stock options or warrants are exercised, at which time the corresponding amount will be transferred to share capital.

9. FINANCIAL INSTRUMENTS

(a) Fair value information

As at June 30, 2022, the Company's financial instruments consist of cash, receivables, investments, accounts payable and loans payable. The carrying values of receivables, accounts payable and loans payable 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.

(Expressed in Canadian dollars)

9. FINANCIAL INSTRUMENTS (continued)

(a) Fair value information (continued)

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);

There were no transfers between levels during the years ended June 30, 2022 and 2021.

Where the fair values of investments in private companies recorded on the consolidated statements of financial position 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.

The following is an analysis of the Company's financial assets and liabilities measured at fair value as at June 30, 2022 and 2021:

	As at June 30, 2022		
	Level 1	Level 2	Level 3
Cash	$ 329,932	$ -	$ -
Investments	$ -	$ -	$ 96,645

	As at June 30, 2021		
	Level 1	Level 2	Level 3
Cash	$ 1,004	$ -	$ -

10. DIGITAL ASSETS AND RISK MANAGEMENT

Digital assets and risk management

Cryptocurrency held by the Company is measured using Level 1 fair values, determined by taking the rate from yahoo.com. Digital asset prices are affected by various forces including global supply and demand, interest rates, exchange rates, inflation or deflation and global political and economic conditions. A decline in the market prices for digital assets could negatively impact the Company's future operations. The Company has not hedged the conversion of any of its sales of digital assets.

Digital assets have a limited history and the fair value historically has been relatively volatile. Historical performance of digital assets is not indicative of their future price performance.

10. DIGITAL ASSETS AND RISK MANAGEMENT (continued)

Digital assets and risk management (continued)

The Company's digital assets currently consist of Ethereum and NFTs. As at June 30, 2022, had the market price of Ethereum increased or decreased by 10% with all other variables held constant, the corresponding digital assets value increase or decrease respectively would amount to $24.

Liquidity Risk

As at June 30, 2022, the Company held cash of $329,932 (2021 - $1,004), had working capital of $265,081 (2021 - $1,168,321 negative). At June 30, 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 June 30, 2022, there were $Nil US liabilities denominated in US$ (2021 – US$59,820).

11. 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 operations are currently not generating any cash flows; as such, the Company is dependent on external and related party financing to fund its costs. The Company 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 June 30, 2022. There is no certainty with respect to the Company's ability to raise capital.

Additional financing may be required to meet the Company's business objectives.

At June 30, 2022, there was no externally imposed capital requirement to which the Company is subject.

(Expressed in Canadian dollars)

12. SUPPLEMENTAL CASH FLOW INFORMATION

		2022		2021
Interest paid	**$**	**-**	$	-
Income taxes paid	**$**	**-**	$	-

13. RELATED PARTY TRANSACTIONS

The Company entered into the following transactions with related parties:

As at June 30, 2022, the Company owed $1,000 (2021 - $Nil) to the current CFO of the Company.

As at June 30, 2022, the Company owed $78,932 (2021 - $806,500) to various former directors and their companies, which is included in accounts payable and accrued liabilities.

As at June 30, 2022, the Company had loans payable of $52,742 (2021 - $49,104) to former directors of the Company (Note 7).

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

		Year ended		
		June 30, 2022		June 30, 2021
Management, consulting, directors' and professional fees	**$**	**132,525**	$	132,000
Share based compensation		**2,706**		-
	$	**135,231**	$	132,000

The Company issued on June 14, 2022, 250,000 Options at $0.10 for five years vesting immediately, to former directors, recording a fair value and vesting of $2,592.

The Company also issued on June 14, 2022, 750,000 Options to the new directors at $0.10 for five years, to be vested 36 months from grant date, fair valued at $7,778. As at June 30, 2022 a vesting of $114 was recorded.

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.

14. SEGMENTED INFORMATION

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

(Expressed in Canadian dollars)

15. INCOME TAXES

The difference between tax expense for the year and the expected income taxes based on the statutory tax rate arises as follows:

		2022		2021
Loss for the year	**$**	**(467,208)**	$	(137,797)
Tax recovery based on the statutory rate of 27% (2021: 27%)		**(126,146)**		(37,205)
Non-deductible and deductible expenses		**27,623**		-
Change in tax rate		**-**		-
Changes in unrecognized deferred tax assets		**98,523**		37,205
	$	**-**	$	-

The nature and tax effect of the temporary differences giving rise to the deferred tax assets and liabilities at June 30, 2022 and 2021 are summarized as follows:

		2022		2021
Tax losses carried forward	**$**	**620,200**	$	521,677
Capital assets		**8,172**		8,172
Undeducted financing costs and other tax assets		**7,318**		7,318
		635,690		537,167
Unrecognized deferred tax assets		**(635,690)**		(537,167)
	$	**-**	$	**-**

The Company has approximately $2,297,000 of non-capital losses available, which expire through to 2042 and may be applied against future taxable income. At June 30, 2022, the net amount which would give rise to a deferred income tax asset has not been recognized as it is not probable that such benefit will be utilized in future years.

16. SUBSEQUENT EVENT

Subsequent to the year end of June 30, 2022 the Company issued 100,000 options, exercisable at $0.15 for five years. These options vest one third every six months for eighteen months.