WEB3 VENTURES INC.

(Formerly La Jolla Capital Inc.)

Consolidated Financial Statements

For the years ended June 30, 2023 and 2022

(Expressed in Canadian dollars)

RELIANT
CPA PC
CERTIFIED PUBLIC ACCOUNTANTS

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the shareholders and Board of Directors of Web3 Ventures Inc.

Opinion on the Financial Statements

We have audited the accompanying consolidated statement of financial position of Web3 Ventures Inc.(the "Company") as of June 30, 2023, and the related consolidated statements of loss and comprehensive loss, changes in equity and cash flows for the year then ended, and the related notes to the consolidated financial statements (collectively referred to as the "financial statements"). In our opinion, the financial statements present fairly, in all material respects, the financial position of the Company as of June 30, 2023, and the results of its operations and its cash flows for the year then ended in conformity with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board.

Substantial Doubt about the Company's Ability to Continue as a Going Concern

The accompanying consolidated financial statements have been prepared assuming that the Company will continue as a going concern. As discussed in Note 2 to the consolidated financial statements, the Company has suffered recurring losses from operations and net operating cash outflows during the year ended June 30, 2023, that raise substantial doubt about its ability to continue as a going concern. Management's plans regarding these matters are also described in Note 2. The consolidated financial statements do not include any adjustments that might result from the outcome of this uncertainty.

Basis for Opinion

These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on the Company's financial statements based on our audit. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) ("PCAOB") and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audit in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether due to error or fraud. The Company is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. As part of our audit, we are required to obtain an understanding of internal control over financial reporting but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control over financial reporting. Accordingly, we express no such opinion.

Our audit included performing procedures to assess the risks of material misstatement of the financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements. Our audit also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that our audit provides a reasonable basis for our opinion.

Other Matter

The consolidated financial statements of the Company for the year ended June 30, 2022, which are presented for comparative purposes, were audited by another auditor who expressed an unmodified opinion on those statements on October 24, 2022.

/s/ Reliant CPA PC

Reliant CPA PC

Served as Auditor since 2023

Newport Beach, California

October 30, 2023

WEB3 VENTURES INC.
(Formerly La Jolla Capital Inc.)
Consolidated Statements of Financial Position
As at June 30, 2023 and 2022
(Expressed in Canadian dollars)

	Note		June 30, 2023		June 30, 2022
ASSETS					
Current assets					
Cash		**$**	**790,514**	$	329,932
Tax receivable			**23,978**		4,722
Prepaid expenses and deposits	4		**40,269**		-
Loan receivable	5		**84,700**		-
Digital assets	6		**85,293**		71,573
Total current assets			**1,024,754**		406,227
Non-current assets					
Investments	7		**512,059**		96,645
Equipment	8		**132,908**		-
Convertible note receivable	9		**339,452**		-
Total assets		**$**	**2,009,173**	$	502,872
LIABILITIES					
Current					
Accounts payable and accrued liabilities	10	**$**	**320,698**	$	185,049
Loans payable	11		**-**		52,742
Total liabilities			**320,698**		237,791
SHAREHOLDERS' EQUITY					
Share capital	12		**20,101,121**		17,903,979
Reserves	12		**112,757**		102,309
Obligation to issue shares	12		**65,439**		-
Accumulated other comprehensive loss			**(95,176)**		(95,622)
Deficit			**(18,495,666)**		(17,645,585)
Total Shareholders' Equity			**1,688,475**		265,081
Total Liabilities and Shareholders' Equity		**$**	**2,009,173**	$	502,872

Nature and Continuance of Operations (Note 1)
Subsequent events (Note 23)

Approved on behalf of the Board of Directors on October 30, 2023:

"David Nikzad"
Director

"Jason Hobson"
Director

WEB3 VENTURES INC.
(Formerly La Jolla Capital Inc.)
Consolidated Statements of Loss and Comprehensive Loss
For the years ended June 30, 2023 and 2022
(Expressed in Canadian dollars)

	Note	June 30, 2023	June 30, 2022
		$	$
REVENUE	21	**48,260**	-
Cost of revenue	20	**(42,621)**	-
Gross income		**5,639**	-
EXPENSES			
Bad debt expense		**-**	32,215
Consulting and management fees	17	**302,625**	354,942
Depreciation	8	**12,083**	-
Investor relations		**36,862**	135,038
Marketing		**4,137**	-
Office expense		**20,461**	2,649
Professional fees	17	**519,932**	80,791
Share based compensation	12, 17	**10,448**	102,309
Transfer agent and filing fees		**36,663**	16,949
Operating expenses		**(943,211)**	(724,893)
Other income (expenses)			
Gain on write off of accounts payable	10	**40,642**	263,785
Gain on forgiveness of debt	10,11	**100,997**	-
Interest expense	11	**(1,201)**	-
Interest income	9	**8,496**	-
Foreign exchange loss		**(31,395)**	216
Fair value change on investments	7	**8,143**	-
Loss on revaluation of digital assets	6	**(38,191)**	(136)
Loss on use of digital assets		**-**	(6,180)
Other income (expenses)		**87,491**	257,685
Net loss for the year		**(850,081)**	(467,208)
Revaluation gains on digital assets	6	**3,648**	-
Foreign currency translation loss		**(3,202)**	(1,699)
Total loss and comprehensive loss for the year		**$ (849,635)**	$ (468,907)
Basic and diluted loss per share		**$ (0.01)**	**$ (0.04)**
Weighted average number of voting shares outstanding – basic and diluted		**108,803,252**	13,217,830

WEB3 VENTURES INC.
(Formerly La Jolla Capital Inc.)
Consolidated Statements of Changes in Shareholders' Equity
For the years ended June 30, 2023 and 2022
(Expressed in Canadian dollars)

	Share Capital							
	Outstanding SVS	**Outstanding MVS**	**Amount**	**Obligation to issue shares**	**Reserves**	**Deficit**	**AOCL**	**Total**
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
Conversion of SVS to MVS	(48,000,000)	480,000	-	-	-	-	-	-
Private placement	15,504,746	155,047	1,550,475	-	-	-	-	1,550,475
Shares issued for settlement of debt	4,800,000	48,000	480,000	-	-	-	-	480,000
Obligation to issue shares	-	-	-	65,439	-	-	-	65,439
Share Swap	1,666,667	-	166,667	-	-	-	-	166,667
Stock based compensation	-	-	-	-	10,448	-	-	10,448
Net loss for the year	-	-	-	-	-	(850,081)	-	(850,081)
Gain on revaluation of Digital assets	-	-	-	-	-	-	3,648	3,648
Other comprehensive loss for the year	-	-	-	-	-	-	(3,202)	(3,202)
Balance, June 30, 2023	71,304,654	683,047	$ 20,101,121	$ 65,439	$ 112,757	$ (18,495,666)	$ (95,176)	$ 1,688,475

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.

On February 24, 2023 the share capital of the Company was converted into Subordinate Voting Share ("SVS") and Multiple Voting Shares ("MVS"). Certain SVS were converted into MVS at a ratio of 100 SVS for one MVS.

WEB3 VENTURES INC.
(Formerly La Jolla Capital Inc.)
Consolidated Statements of Cash Flows
For the years ended June 30, 2023 and 2022
(Expressed in Canadian dollars)

		June 30, 2023		June 30, 2022
Cash provided by (used in):				
Operating Activities				
Net loss for the year	$	**(850,081)**	$	(467,208)
Items not involving cash:				
Interest expense		**1,201**		442
Bad debt expense		**-**		32,215
Depreciation		**12,083**		-
Digital assets used to pay for services		**-**		2,101
Interest income		**(8,496)**		-
Loss on revaluation of digital assets		**38,191**		6,316
Foreign exchange loss (gain)		**15,020**		(1,914)
Fair value change on investments		**(8,143)**		-
Share based compensation		**10,448**		102,309
Gain on forgiveness of debt		**(100,997)**		-
Gain on write off of accounts payable		**(40,642)**		(263,785)
		(931,416)		(589,524)
Change in non-cash working capital:				
Receivables		**(19,256)**		(36,578)
Prepaids		**(40,269)**		-
Digital assets		**(48,260)**		-
Accounts payable and accrued liabilities		**387,104**		(696,050)
Cash used in operating activities		**(652,097)**		(1,322,152)
Investing Activities				
Purchase of digital assets		**-**		(79,990)
Convertible note receivable		**(171,250)**		-
Purchase of investments		**(247,285)**		(96,430)
Cash used in investing activities		**(418,535)**		(176,420)
Financing Activities				
Loans received		**-**		27,500
Cash received for unissued shares		**65,439**		-
Proceeds from private placements		**1,550,475**		1,800,000
Cash advanced for loan receivable		**(84,700)**		-
Cash provided by financing activities		**1,531,214**		1,827,500
Increase in cash		**460,582**		328,928
Cash, beginning of the year		**329,932**		1,004
Cash, end of the year	$	**790,514**	$	329,932

Supplemental Cash Flow Information (Note 16)

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 from La Jolla Capital Inc. to Web3 Ventures Inc. on April 19, 2022. The Company is primarily an investment holding firm focused on incubating, accelerating and developing projects and applications for Web 3.0. In addition, the Company mines digital assets with an operational focus on utilizing equipment to solve complex computation problems to validate transactions on different blockchains and receive Bitcoin in return for successful services. The Company's common shares trade on the Canadian Securities Exchange ("CSE") under the symbol "WEBV" and its 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 20, 2023.

(b) Going Concern

At June 30, 2023, the Company incurred a loss of $850,081 for the year then ended (2022 - $467,208), had a working capital of $704,056 (2022 - $168,436) and has accumulated losses of $18,495,666 (2022 - $17,645,585) 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. Management estimates that the Company has sufficient funds to maintain its operations and activities for the upcoming year. These material uncertainties may cast significant doubt as to the Company's ability to continue as a going concern.

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 unaudited condensed interim consolidated financial statements.

(c) Basis of Measurement

These consolidated financial statements have been prepared on an accrual basis and are based 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.

(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.

(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. As at June 30, 2023, the Company's convertible note receivable is measured at amortized cost.

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.

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.

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.

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.

(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. They are initially recorded at cost and the revaluation method is used to measure the digital assets subsequently. Where digital assets are recognized as revenue, the fair value of the digital asset received is considered to be the cost. 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.

Digital assets are measured at fair value using the quoted price on Yahoo Finance. Management considers this fair value to be a Level 2 input under IFRS 13 Fair Value Measurement fair value hierarchy as the price on this source represents an average of quoted prices on multiple digital currency exchanges.

The Company’s determination to classify its holding of Bitcoin (“BTC”), Ethereum (“ETH”) and Non-Fungible Tokens (“NFTs”) as current assets is based on management’s assessment that its BTC, ETH and NFTs held can be considered to be a commodity, the availability of liquid markets to which the Company may sell a portion of its holdings. NFTs are held on an ETH blockchain and are valued using ETH at period end.

(e) Impairment of non-financial assets

The Company's identifiable tangible and intangible assets with finite useful lives are reviewed for indicators of impairment at each statement of financial position date and when events or changes in circumstances indicate that they may be impaired. Impairments are recorded when the recoverable amount of assets are less than their carrying amounts. The recoverable amount is the higher of an asset's fair value less cost of disposal or its value in use.

For impairment assessment purposes, assets are grouped at the lowest levels for which there are largely independent cash inflows (cash-generating units). As a result, some assets are tested individually for impairment and some are tested at cash-generating unit level. Goodwill is allocated to those cash-generating units that are expected to benefit from synergies of a related business combination and represent the lowest level within the Group at which management monitors goodwill.

Impairment losses recognized in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount, and only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation, had no impairment charge been recorded.

(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 nonemployees, 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 the total converted MVS to SVS and SVS 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 total converted MVS to SVS and SVS 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) Revenue recognition

The Company records revenue from contracts with customers in accordance with IFRS 15, Revenue from Contracts with Customers ("IFRS 15") as follows:
- Identify the contract with a customer;
- Identify the performance obligations in the contract;
- Determine the transaction price, which is the total consideration provided by the customer;
- Allocate the transaction price among the performance obligations in the contract based on their relative fair values; and
- Recognize revenue when (or as) the Company satisfies a performance obligation.

The Company has entered into a contract with a mining pool and has undertaken the performance obligation of providing computing power to the mining pool in exchange for non-cash consideration in the form of digital asset. Revenue is recognized upon receipt of Bitcoin in exchange for its mining activities at the fair market value of the Bitcoin received. The fair value is determined using the closing Bitcoin price per https://ca.finance.yahoo.com ("Yahoo Finance"). Management considers the prices quoted on Yahoo Finance to be a level 2 input under IFRS 13 Fair Value Measurement. Any difference between the fair value of digital assets recorded upon receipt from mining activities and the actual realized price upon disposal are recorded as a gain or loss on disposition of digital assets.

(i) 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:

Revenue recognition and value of digital assets

Management has exercised significant judgment in determining appropriate accounting treatment. Management has determined that revenues should be recognized as the fair value of digital assets received in exchange for mining services on the date that digital assets are received and subsequently measured as an intangible asset. 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.

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.

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.

Stock-based compensation

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

Equipment

Equipment are stated at cost less accumulated depreciation. Cost includes all expenditures incurred to bring assets to the location and condition necessary for them to be operated in the manner intended by management. Depreciation is provided on the straight-line method over the estimated useful lives of the assets. Depreciation commences once an asset is ready for its intended use. Upon sale or other disposition of a depreciable asset, cost and accumulated depreciation are removed from properties and any gain or loss is reflected as a gain or loss from operations.

The estimated useful lives are:

Equipment	3 years

Share capital

The voting securities of the Company consist of an unlimited number of subordinate voting shares ("SVS" or "Subordinate Voting Shares") and multiple voting shares ("MVS" or "Multiple Voting Shares"). The MVS and SVS are classified as equity instruments (together the "Voting Shares"). Each MVS consist of 100 SVS.

The Company records proceeds from share issuances net of issue costs and any tax effects in shareholders' equity. Shares issued for consideration other than cash are valued based on their market value at the date the shares were granted.

The Company has adopted a residual value method with respect to the measurement of shares and warrants issued as private placement units. The residual value method first allocates the value to the more easily measurable component based on fair value and then the residual value, if any, to the less easily measurable component. The Company considers the fair value of common shares issued in a unit private placement to be the more easily measurable component. The balance, if any, is allocated to the attached warrants. Any fair value attributed to the warrants is recorded as reserves.

Share issuance costs

Professional, consulting, regulatory and other costs directly attributable to financing transactions are recorded as deferred share issuance costs until the financing transactions are completed, if the completion of the transaction is considered likely; otherwise, they are expensed as incurred. Share issuance costs are charged to share capital when the related shares are issued. Deferred share issuance costs related to financing transactions that are not completed are charged to expenses.

(j) 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, 2023. 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:

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.

(Expressed in Canadian dollars)

4. PREPAIDS AND DEPOSITS

As at June 30, 2023 and June 30, 2022, prepaids consisted of the following:

	June 30, 2023 $	June 30, 2022 $
Pre-paid hosting services	12,753	-
Hosting service deposit	14,316	
Consulting services	13,200	-
Balance June 30, 2023	40,269	-

5. LOANS RECEIVABLE

As at June 30, 2023, the Company paid for certain expenditures on behalf of Orthogonal Thinker, an entity with common management, and has recognized a receivable of $84,700 (2022 - $Nil). The loan is unsecured, non-interest bearing and is due on demand. (Note 17)

6. DIGITAL ASSETS

As at June 30, 2023, digital assets consisted of NFTs land digital currencies. The Company's BTC is held in custody by an arm's length party and ETH is held in self-custody. The details of the Company's digital currencies are as follows:

	Bitcoin		Ethereum	
	Amount $	Number of Bitcoin	Amount $	Number of 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
Mined currency	48,260	1.28		
Gain on revaluation of digital assets	3,459	-	189	-
Balance June 30, 2023	51,719	1.28	436	0.18

Digital assets held are revalued each reporting period based on the fair market value of the price of the respective digital currency on the reporting date. As at June 30, 2023, the price of Bitcoin and Ethereum was $40,345 and $2,454, respectively, resulting in a gain on revaluation of digital assets of $3,648. The gain was recorded to other comprehensive income.

As at June 30, 2023, the Company owned 179 PunkScape NFTs ("PunkScape"). The PunkScape collection is a digital identity and immersive land project. The Company ownership represents a 1.50% stake in the fixed supply of all existing and outstanding PunkScape NFTs. During the year ended June 30, 2022, the Company acquired 179 NFTs and paid $71,326 or 35.63 Ethereum. During the year ended June 30, 2023, the Company recorded a fair value of $33,138 (2022 - $71,326) and recorded a loss on revaluation on digital assets of $38,191 (2022 - $6,180) on the Statement of Loss and Comprehensive Loss.

7. 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 agreement 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, such as a change of control, direct listing or an initial public offering, 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.

The Company holds the following SAFE investments:

i. On April 25, 2022, the Company invested $30,445 into Bylines Inc., a private company, to invest in future rights to shares of Bylines Inc. capital stock. During the year ended June 30, 2023, ByLines Inc. completed a financing at a higher valuation than the Company's initial investment and the Company recorded a fair value change on investments of $8,143. During the year ended June 30, 2023, the Company recorded a foreign exchange gain of $2,285.
ii. On June 10, 2022, the Company invested $33,100 into Column Inc. a private company, to invest in future rights to shares of Column Inc. capital stock.
iii. On March 27, 2023, the Company invested $165,500 into Contango Digital Assets Inc., a private company, to invest in future rights to shares of Contango Digital Assets Inc. capital stock.
iv. On March 20, 2023, the Company invested $72,820 into Dynasty Studios, Inc, a private company, to invest in future rights to shares of Dynasty Studios, Inc. capital stock.

(b) Strategic Investment

One June 7, 2022, the Company completed a $33,100 (June 30, 2022 - $32,215) investment in OpenPool, a private decentralized web company focused on simplifying crypto investing.

(c) Rocket Wellness

During the year ended June 30, 2023, the company completed a share swap with Rocket Wellness, whereby the Company issued 1,666,667 SVS with a fair value of $166,666, using the Company's recent financing price per share, in exchange for 1,250,000 Rocket Wellness shares.

(Expressed in Canadian dollars)

A continuity of the Company's investments are as follows:

	$
Balance, at June 30, 2021	-
Additions	96,645
Balance, at June 30, 2022	96,645
Additions – SAFE Investments	247,285
Additions – share swap	166,667
Change in fair value	8,143
Foreign exchange	(6,681)
Balance, at June 30, 2023	512,059

All of the Company's investments are categorized as a level 3 asset on the fair value hierarchy on the statements of financial position as at June 30, 2023 and 2022.

The following table presents the changes in fair value measurements of financial instruments classified as Level 3 for the year ended July 31, 2023 and year ended June 30, 2022. These financial instruments are measured at fair value utilizing non-observable market inputs based on specific company information and general market conditions. The net change in unrealized gains (losses) are recognized in the statements of loss and comprehensive loss.

Significant unobservable inputs used in the fair value measurement of Level 3 investments were:

Description	Fair value at June 30, 2023 $	Fair value at June 30, 2022 $	Valuation technique / Unobservable inputs
SAFE Agreements	312,293	63,545	New investments / recent transactions / subsequent financings
Equity – private	199,766	33,100	New investments / recent transactions / subsequent financings
	512,059	**96,645**	

A 10% change in the fair value (i.e. recent transaction price) of this investment will result in a corresponding $51,206 (2022 - $9,645) change in the total fair value of the investments. While this illustrates the overall effect of changing the values of the unobservable inputs by a set percentage, the significance of the impact and the range of reasonably possible alternative assumptions may differ significantly between investments, given their different terms and circumstances.

The sensitivity analysis is intended to reflect the uncertainty inherent in the valuation of these investments under current market conditions, and its results cannot be extrapolated due to non-linear effects that changes in valuation assumptions may have on the fair value of the investments.

Furthermore, the analysis does not indicate a probability of such changes occurring and it does not necessarily represent the Company's view of expected future changes in the fair value of this investment. Any management actions that may be taken to mitigate the inherent risks are not reflected in this analysis.

As at June 30, 2023, the Company did not recognize an impairment on its investments.

(Expressed in Canadian dollars)

8. EQUIPMENT

During the year ended June 30, 2023 the Company purchased mining infrastructure for the mining of digital currencies.

	Equipment $	Total $
Cost		
Balance, June 30, 2022	-	-
Additions	144,991	144,991
Balance, June 30, 2023	144,991	144,991
Accumulated depreciation		
Balance, June 30, 2022	-	-
Change	12,083	12,083
Balance, June 30, 2023	12,083	12,083
Net book value		
June 30, 2022	-	-
June 30, 2023	132,908	132,908

9. CONVERTIBLE NOTE RECEIVABLE

On February 13, 2023, the Company closed an unsecured convertible debenture (the "Debenture") with Rocket Wellness Inc. ("RWI") for $331,000. During the year ended June 30, 2023, the Company paid $171,250 and Orthogonal Thinker Inc. paid $171,250 on behalf of the Company, which formed a portion of the loan payable (Note 11). The Debenture bears interest of 8% compounded annually, maturing in 12 months and the principal and interest are convertible into preferred shares at the next equity financing, with a 20% discount, at the option of the debenture holders. The debentures allow for early redemption. The Company recorded interest income of $8,452 (2022 - $Nil) and a foreign exchange loss of $11,544 (2022 - $Nil).

10. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

During the year ended June 30, 2023, the Company recorded a gain on write off of accounts payable of $40,642 (June 30, 2022 - $263,785) of trade payables and accrued liabilities that have been outstanding for several years without any claims from the past vendors. During the year ended June 30, 2023, the Company entered into a settlement agreement and recorded a gain on forgiveness of debt of $47,054.

Accounts payable and accrued liabilities consists of:

		June 30, 2023		June 30, 2022
Accounts payable	$	46,417	$	27,500
Due to related parties		1,575		79,932
Accrued professional fees		272,706		77,617
Total	$	320,698	$	185,049

11. LOANS PAYABLE

As at June 30, 2023, the Company had loans payable of $Nil (June 30, 2022 - $52,742). 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 $1,201 (2022 - $8) interest accrued during the year ended June 30, 2023. During the year ended June 30, 2023, the Company entered into a settlement agreement and recorded a gain on forgiveness of debt of $53,943.

On January 12, 2023, the Company entered into a promissory note agreement with Orthogonal Thinker Inc, whereby the Company had a loan payable of $480,000. The note was non-interest bearing, unsecured and due on demand. On March 21, 2023, the Company issued 4,800,000 SVS, 2,400,000 SVS warrants, 48,000 MVS and 24,000 MVS warrants to settle the loan payable. Each SVS warrant is exercisable at $0.15 and matures two years from the date of issuance. Each MVS warrant is exercisable at $15 and expires two years from the date of issuance.

12. SHARE CAPITAL

(a) Authorized:

On February 24, 2023, the Company filed articles of amendment to redesignate the existing class of Common Shares as Subordinate Voting Share (“SVS”) and authorize a class of Multiple Voting Share (“MVS”). The Company is authorized to issue unlimited number of SVS without par value and an unlimited number of MVS without par value. Each MVS consists of 100 SVS. MVS and SVS have the same priority.

i. Subordinate Voting Shares (“SVS”)

Holders of SVS will be entitled to notice of and to attend at any meeting of the shareholders of the Issuer, except a meeting of which only holders of another particular class or series of shares of the Issuer will have the right to vote. At each such meeting, holders of SVS will be entitled to one vote in respect of each SVS held.

As long as any SVS remain outstanding, the Issuer will not, without the consent of the holders of the SVS by separate special resolution, prejudice or interfere with any right or special right attached to the SVS.

Holders of SVS will be entitled to receive as and when declared by the directors of the Issuer, dividends in cash or property of the Issuer. No dividend will be declared or paid on the SVS unless the Company simultaneously declares or pays, as applicable, equivalent dividends (assuming conversion of all MVS into SVS at the Conversion Ratio) on the MVS.

ii. Multiple Voting Shares (“MVS”)

Holders of MVS will be entitled to notice of and to attend at any meeting of the shareholders of the Issuer, except a meeting of which only holders of another particular class or series of shares of the Issuer will have the right to vote. At each such meeting, holders of MVS will be entitled to one vote in respect of each SVS into which such MVS could then be converted (100 votes per MVS held).

The holders of the MVS are entitled to receive such dividends as may be declared and paid to holders of the SVS in any financial year as the Board may by resolution determine, on an as-converted to SVS basis. No dividend will be declared or paid on the MVS unless the Issuer simultaneously declares or pays, as applicable, equivalent dividends (on a 100-to-1 ratio to SVS) on the SVS.

On February 27, 2023, the Company converted 45,750,000 SVS to 457,500 MVS. On March 7, 2023, the Company's shareholders voluntarily converted 2,250,000 SVS into 22,500 MVS on a 100 to 1 basis.

(b) Issued and Outstanding

As at June 30, 2023, there were:

71,304,654 **SVS** issued and outstanding.
683,047 **MVS** issued and outstanding

i) Shares issued during the year ended June 30, 2023.

During the year ended June 30, 2023, the company completed a share swap with Rocket Wellness, whereby the Company issued 1,666,667 SVS with a fair value of $166,666, using the Company's recent financing price per share, in exchange for 1,250,000 Rocket Wellness shares.

On March 21, 2023, the Company completed a non-brokered private placement and issued 15,505 Units for gross proceeds of $1,550,475. Each unit consists of 1,000 SVS, 10 MVS, 500 warrants to purchase one SVS and five warrants to purchase one MVS in the capital of the Company. In aggregate, the Company issued 15,504,746 SVS and 155,047 MVS. Each SVS warrant is exercisable at $0.15 and matures two years from the date of issuance. Each MVS warrant is exercisable at $15 and matures two years from the date of issuance. No finder's fee was paid. The full proceeds were allocated to the shares under the residual value method.

On March 21, 2023, the Company issued 4,800 Units and settled $480,000 of debt (Note 11). Each unit consists of 1,000 SVS, 10 MVS, 500 warrants to purchase one SVS and five warrants to purchase one MVS in the capital of the Company. In aggregate, the Company issued 4,800,000 SVS and 48,000 MVS. Each SVS warrant is exercisable at $0.15 and matures two years from the date of issuance. Each MVS warrant is exercisable at $15 and matures two years from the date of issuance.

ii) 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.

(Expressed in Canadian dollars)

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.

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.

Obligation to issue shares

During the year ended June 30, 2023, the Company received $65,439 of subscriptions for a private placement that closed subsequent to year end (Note 23).

(c) Warrants

The following is a summary of the Company's share purchase warrant activity for the year ended June 30, 2023, and for the year ended June 30, 2022.

	Number of Warrants	Number of SVS warrants	Number of MVS Warrants
Outstanding, June 30, 2021	-	-	-
Issued	96,500,000	-	-
Outstanding, June 30 2022	96,500,000	-	-
Conversion	(96,500,000)	48,000,000	480,000
Issued	-	10,152,373	101,522
Outstanding, June 30, 2023	-	58,152,373	581,522

As at June 30, 2023, all SVS and MVS warrants are vested.

During the year ended June 30, 2023, pursuant to the amendment to redesignate the existing class of common share to SVS and MVS, the Company converted 96,500,000 warrants to 48,000,000 SVS and 480,000 MVS warrants.

Details of warrants outstanding as at June 30, 2023 are as follows:

Exercise price	Number of SVS Warrants Outstanding	Number of MVS Warrants Outstanding	Expiry date
$ 0.10	13,250,000	-	April 22, 2027
$10.00	-	153,750	April 22, 2027
$ 0.10	33,750,000	-	May 17, 2027
$10.00	-	183,750	May 17, 2027
$ 0.10	-	-	May 24, 2027
$10.00	-	122,500	May 24, 2027
$ 0.10	1,000,000	-	June 3, 2027
$10.00	-	20,000	June 3, 2027
$ 0.15	10,152,373	-	March 21, 2025
$15.00	-	101,522	March 21, 2025
	58,152,373	581,522	

(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 SVS, provided that the number of SVS reserved for issuance will not exceed 10% of the issued and outstanding SVS of the Company. Such options will be exercisable for a period of up to five years from the date of grant.

During the year ended June 30, 2023, pursuant to the Company's stock option plan, all outstanding stock options were cancelled at the Company's discretion and all stock options not yet fully vested were recorded as stock-based compensation. The Company did not issue any replacement instruments.

On July 15, 2022, the Company granted incentive stock options to a consultant to purchase an aggregate of 75,000 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 $672. 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 – 120%; dividend yield – $0; and risk-free rate – 3.02%. As at June 30, 2023, all $672 was recorded as vested.

On July 4, 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 $225. 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 – 120%; dividend yield – $0; and risk-free rate – 3.02%. As at June 30, 2023, all $225 was recorded as vested.

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 – 120%; dividend yield – $0; and risk-free rate – 3.09%. As at June 30, 2023, All $224 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 – 120%; dividend yield – $0; and risk-free rate – 3.37%. During the year ended June 30, 2023, the Company recorded share-based compensation expense of $855.

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 – 120%; dividend yield – $0; and risk-free rate – 3.54%. As at June 30, 2023, all $109,928 was recorded as vested. During the year ended June 30, 2023, the Company recorded share-based compensation expense of $8,472.

(Expressed in Canadian dollars)

The following is a summary of the Company's option activity.

	Number of Options
Outstanding, June 30, 2020 and 2021	-
Issued	10,725,000
Outstanding, June 30, 2022	10,725,000
Issued	100,000
Cancelled and expired	(10,825,000)
Outstanding and Exercisable June 30, 2023	-

(e) 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.

13. FINANCIAL INSTRUMENTS

(a) Fair value information

As at June 30, 2023, the Company's financial instruments consist of cash, tax receivables, convertible note receivable, loan receivable, 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.

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 year ended June 30, 2023 and during the year ended June 30, 2022.

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, 2023 and June 30, 2022:

	As at June 30, 2023		
	Level 1	**Level 2**	**Level 3**
Cash	$ 790,514	$ -	$ -
Tax receivable	$ 23,978	$ -	$ -
Convertible note receivable	$ -	$ 339,452	$ -
Loan receivable	$ 84,700	$ -	$ -
Investments	$ -	$ -	$ 512,059
Accounts payable	$ (320,698)	$ -	$ -

	As at June 30, 2022		
	Level 1	**Level 2**	**Level 3**
Cash	$ 329,932	$ -	$ -
Tax receivable	$ 4,722	$ -	$ -
Investments	$ -	$ -	$ 96,645
Accounts payable	$ (185,049)	$ -	$ -
Loans payable	$ -	$ -	$ (52,742)

14. 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 https://ca.finance.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.

The Company's digital assets currently consist of Bitcoin, Ethereum and NFTs. As at June 30, 2023, if the market price of digital currencies increased or decreased by 10% with all other variables held constant, the corresponding digital assets value increase or decrease respectively would amount to approximately $5,172.

Liquidity Risk

As at June 30, 2023, the Company held cash of $790,514 ($329,932), had working capital of $704,056 (2022 - $168,436). At June 30, 2023, the Company expects that it will be able 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.

Currency Risk

The Company is from time to time, exposed to currency risk related to certain accounts payable and accrued liabilities and other payable amounts which were denominated in USD. As at June 30, 2023, there were USD Nil (2022 – USD Nil) liabilities denominated in USD.

(Expressed in Canadian dollars)

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.

Other Price Risk

Other price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in market prices, other than those arising from interest rate risk and foreign currency risk. The Company holds investments in securities that will fluctuate in value as a result of fluctuations in estimated fair values of those securities. Furthermore, as the Company's investments are early-stage Web 3.0 development companies, market values will fluctuate subject to economic cycles and political events.

15. 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. The Company includes shareholders' equity in the definition of capital.

The Company sets the amount of capital required in proportion to its operating requirements and perceived risk of loss. The Company manages the capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. The Company has historically relied on the equity markets to fund its activities and is open to new sources of financing to manage its expenditures in the interest of sustaining long-term viability. The Company's capital management objectives, policies and processes have not changed over the periods presented.

Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company, is reasonable. The Company is not subject to any externally imposed capital requirements.

16. SUPPLEMENTAL CASH FLOW INFORMATION

	June 30, 2023	June 30, 2022
Interest paid	**$ -**	$ -
Income taxes paid	**$ -**	$ -

Non-cash investing and financing activities:

On May 10, 2023, the Company completed the share swap agreement with Rocket Wellness Inc. and issued 1,666,667 SVS of the Company in exchange for 1,250,000 common shares of Rocket Wellness Inc.

On January 12, 2023, the Company entered into a $480,000 promissory note agreement with OT, whereby OT paid for certain expenditures on behalf of the Company. The note was non-interest bearing, unsecured and due on demand. On March 21, 2023, the Company issued 4,800,000 SVS, 2,400,000 SVS warrants, 48,000 MVS and 24,000 MVS warrants to settle the loan payable. Each SVS warrant is exercisable at $0.15 and matures two years from the date of issuance. Each MVS warrant is exercisable at $15 and matures two years from the date of issuance.

(Expressed in Canadian dollars)

17. RELATED PARTY TRANSACTIONS

The Company entered into the following transactions with related parties:

As at June 30, 2023, the Company owed $1,575 (2022 - $79,932) to related parties.

The company has a loan receivable of $84,700 for expenditures paid for on behalf of a related entity.

On January 12, 2023, the Company entered into a promissory note agreement with Orthogonal Thinker Inc, an entity with common directors, whereby the Company had a loan payable of $480,000. The note was non-interest bearing, unsecured and due on demand. On March 21, 2023, the Company issued 4,800,000 SVS, 2,400,000 SVS warrants, 48,000 MVS and 24,000 MVS warrants to settle the loan payable. Each SVS warrant is exercisable at $0.15 and matures two years from the date of issuance. Each MVS warrant is exercisable at $15 and matures two years from the date of issuance.

On March 27, 2023, the Company invested $165,500 into Contango Digital Assets Inc., a private company, with common directors.

The remuneration of current directors who resigned during the year, and former directors and key management personnel during the year ended June 30, 2023, are as follows:

		June 30, 2023		June 30, 2022
Management, consulting, directors' and professional fees	**$**	**69,660**	$	132,525
Share based compensation		**7,815**		2,706
	$	**77,745**	$	135,231

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.

On March 22, 2023, the Company completed a financing and issued 20,304,746 SVS and 203,047 MVS for gross proceeds of $2,030,475. As part of the financing, Pluto 11.11 Inc. ("Pluto) participated in the financing. Pluto participated in the Financing in the amount of $995,600 and acquired 9,956,000 SVS, 99,560 MVS, 4,978,000 SVS Warrants and 49,780 MVS Warrants. Prior to the Financing, Pluto held no securities of the Company, following the Financing, Pluto now owns approximately 14.43% of the issued and outstanding SVS (calculated by the total number of MVS held on an as-converted basis) on a non-diluted basis and 14.48% on a fully diluted basis.

18. SEGMENTED INFORMATION

The Company operates in one industry segment.

(Expressed in Canadian dollars)

19. INCOME TAXES

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

	2023	2022
Loss for the year	$ (850,081)	$ (467,208)
Tax recovery based on the statutory rate of 27% (2022: 27%)	(229,522)	(126,146)
Non-deductible and deductible expenses	(35,421)	27,623
Adjustments to prior years provisions versus statutory tax returns	(6,554)	-
Changes in unrecognized deferred tax assets	271,497	98,523
	$ -	$ -

The nature and tax effect of the temporary differences giving rise to the deferred tax assets and liabilities at June 30, 2023 and 2022 are summarized as follows:

	2023	2022
Tax losses carried forward	$ 896,946	$ 620,200
Capital assets	4,097	8,172
Un-deducted financing costs and other tax assets	-	7,318
	901,043	635,690
Unrecognized deferred tax assets	(901,043)	(635,690)
	$ -	$ -

The Company has approximately $3,322,000 of non-capital losses available, which expire through to 2043 and may be applied against future taxable income. At June 30, 2023 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.

20. COST OF REVENUE

Cost of revenue consists of site operating costs. As at June 30, 2023, cost of revenue was $42,621 (2022 - $nil).

21. REVENUE

Revenue consists of mined digital currency. As at June 30, 2023, mined revenue was $48,260 (2022 - $ Nil).

22. COMPARATIVE FIGURES

Certain comparative figures have been reclassified for the year ended June 30, 2022 to reflect the current year's presentation. The adjustments were not considered material and did not affect the Company's consolidated net loss and comprehensive loss.

23. SUBSEQUENT EVENTS

On July 19, 2023, the Company issued 400,000 SVS to a director of the Company. In addition, the Company issued 1,000,000 stock options to a director of the Company that vested immediately, are exercisable at $0.05 and expire on July 19, 2027.

On August 30, 2023, the Company issued 302,186 MVS to Pluto 11.11 Inc., in exchange for 24,084 shares of Series A-1 Preferred Stock (the "Transaction") of Unstoppable Domains Inc. The Transaction constitutes a related party transaction.

On September 1, 2023, the Company granted 1,000,000 restricted stock options to management of the Company that vested immediately and expire four years from the date of grant. In addition, the Company granted 10,550,000 stock options to management, directors and consultants at an exercise price of $0.05 per stock option and expires on September 1, 2027. The options vested as follows: 6,837,500 vested immediately, with the reminder vesting over a one-year period.

On September 7, 2023, the Company granted 2,400,000 incentive stock options to consultants and management at an exercise price of $0.05 per stock option for up to four years. The options vested immediately.

On September 7, 2023, the Company closed a non-brokered private placement through the issuance of 669,691 Units at a price of $0.10 per Unit for aggregate gross proceeds of $66,969. Each Unit consists of one subordinate voting share "SVS" of the Company and one SVS purchase warrant. Each SVS purchase warrant entitles its holder to purchase one additional SVS at an exercise price of $0.20 per SVS for a period of 24 months from the date of issue.

On October 19, 2023, the Company converted 17,113 MVS to 1,711,300 SVS.