Blackhawk Growth Corp.

BLACKHAWK GROWTH CORP.

MANAGEMENT'S DISCUSSION AND ANALYSIS

FOR THE 9 MONTHS ENDED MARCH, 2024 and 2023

This Management's Discussion and Analysis should be read in conjunction with the consolidated financial statements for the year ended June 30, 2023 and 2022. The consolidated financial statements are prepared in accordance with International Financial Reporting Standards ("IFRS").

Except as otherwise indicated below, all financial data in this MD&A has been prepared in accordance with International Accounting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and interpretations of the International Financial Reporting Interpretations Committee ("IFRIC"). The accounting policies and methods of computation applied by the Company in the financial statements are the same as those applied in the Company's annual consolidated financial statements as at and for the year ended June 30, 2022.

All dollar amounts in this MD&A are reported in Canadian dollars.

BUSINESS DESCRIPTION

Blackhawk Growth Corp. ("Blackhawk" or the "Company") continues to review both equity and debt investment opportunities. The Company has focused its investments in the health, cannabis and CBD industries, in both Canada and the US.

Recently, the Company announced the acquisition of Hardenbrook Pty Ltd (https://www.hardenbrook.group/) and is subject to approvals. Hardenbrook invests in technology and life sciences sectors. Hardenbrook secures leading research and IP from tier 1 universities and has a portfolio of assets including Life AI Corp, AsthmaticAI, MoodAI, Austim AI and CowCH4. Hardenbrook is developing the assets and leading its portfolio to a M&A or IPO pathway. The Company anticipates that this acquisition will be complete by the September quarter in calendar year 2024.

From an accounting perspective, the existing portfolios have been fully impaired (except Gia Grow which is carried at $6,000):

Noble Line Inc.

The Company owns 100% of the common shares of Noble Line Inc. ("Noble"). As at June 30, 2020, the Company owned 71,500 common shares of Noble with an initial cost of $50,050 which represented approximately 10.6% of the common shares outstanding of Noble.

On November 17, 2020, the Company acquired the remaining balance or 89.4% of the outstanding share capital of Noble by issuing 2,131,738 common shares of the Company with a cost of $532,934.

During the year ended June 30, 2022, the Company recorded an unrealized loss of $987,385 related to Noble to a fair value of $Nil.

The value has remained as Nil for the nine months ended March 31, 2024.

Stable Foods Co. (Formerly Nu Wave Foods Inc.)

The Company owns 100% of the common shares of Stable Foods Co. (Formerly Nu Wave Foods Inc) ("Stable Foods"). As at June 30, 2021, the Company owned 7,650 common shares of Stable with an initial cost of $420,000 which represented 51% of the common shares outstanding in Stable Foods.

On March 2, 2022, the Company acquired the remaining 49% interest of Stable Foods and issued 3,200,000 common shares to the existing shareholders at a price of $0.425 per share. A finder's fee of 120,000 shares was paid to an arm's-length third-party in connection with the closing of the acquisition. The fair value of these share as of June 30, 2022 was estimated to be $1,411,000.

As at June 30, 2023, the fair market value of Stable Foods was estimated to be $Nil (2022 - $2,430,620). The Company was unable to obtain any additional financial information, new management is not familiar with this investment, and the Company has not received any operational updates from the investee in recent periods. As a result, the fair value of the investment in Stable Foods was assessed as $Nil.

Stable Foods is a fully licensed commercial kitchen and baked goods manufacturer that is developing shelf-stable baked goods with no preservatives, solving a long-time issue in baked food.

Gaia Grow Corp.

The Company owns 1,200,000 post-consolidated common shares of Gaia Grow Corp. ("Gaia"). Gaia is a publicly traded Canadian corporation focused on farming Industrial Hemp for Medical Purposes whose shares are traded on the CSE under the symbol GAIA. The shares of Gaia are included have been suspended on the CSE and the Company recorded an unrealized loss of $294,000 for its investment in Gaia during the year ended June 30, 2023 (2022 - $1,200,000). The shares of Gaia had a fair value of $6,000 as at June 30, 2023 (2022 - $300,000).

The fair value of Gaia Grow Corp remains at $6,000 at March 31, 2024.

Engine Media Holdings Inc.

On January 22, 2021, the Company settled the loan balances and other receivables from UMG Media Corp. which was acquired by Engine Media Holdings Inc. ("Engine Media") in exchange of 7,703 shares and 3,852 warrants of Engine Media resulting in a loss of settlement of $15,317 during the year ended June 30, 2021.

7,703 shares of Engine Media were acquired with a cost of $82,083 based on the quoted share price of Engine Media on January 22, 2021. In June 2021, the Company sold all shares of Engine Media for gross proceeds of $103,439 and realized a gain of $21,356 on its investment in Engine Media.

As at June 30, 2023 the Company owns 3,852 share purchase warrants of Engine Media. The fair value of the warrants was estimated to be $Nil (2022 - $25) using the Black-Scholes pricing model, taking into account the volatility of the trading price of Engine Media's shares, the expected lives of the warrants, the fair value of Engine Media's stock and the risk-free interest rate. The warrants will expire on January 22, 2024. During the year ended June 30, 2023, the Company recognized an unrealized loss of $25 (2022 - $56,352) for the value of the warrants.

The value of Engine Media Holdings remains at zero at March 31, 2024.

Sac Pharma Partners Inc.

During the year ended June 30, 2021 the Company acquired 100% of the common shares of Sac Pharma Partners Inc. ("SAC Pharma") by issuing 5,040,000 common shares of the Company with a cost of $1,890,000.

As at June 30, 2023 the value of SAC Pharma was estimated to be $Nil (2022 - $1,890,000). The Company was unable to obtain any additional financial information, new management is not familiar with this investment, and the Company has not received any operational updates from the investee in recent periods. As a result, the fair value of the investment in Sac Pharma was assessed as $Nil.

The value of SAC Pharma Partners remains at Nil at March 31, 2024.

Spaced Food Inc.

On January 23, 2020, the Company entered into a definitive share purchase agreement to acquire all of the outstanding shares of Spaced Food Inc. ("Spaced Food"). The consideration to acquire Spaced Food was up to 10,000,000 common shares of the Company and the number of common shares to be issued to Spaced Food was based on the "Gross Revenue" of Spaced Food up to March 31, 2021.

On January 26, 2021, the agreement was amended to extend the closing date to December 2021 and has not been completed as at June 30, 2023.

During the year ended June 30, 2022, the Company reclassified a total of $100,503 from trade and other receivables to investments in Spaced Food and recorded an unrealized loss of $355,110 related to Spaced Food to a fair value of $Nil. For the year ended June 30, 2023, this carrying value has not been amended.

The value of Spaced Foods Inc remains at Nil at March 31, 2024.

Trip Pharma Inc. – Operating as LeichtMind Clinics

On October 13, 2020, the Company acquired 100% of the common shares of Trip Pharma Inc. ("LeichtMind") by issuing 1,320,000 common shares of the Company with a cost of $825,000.

During the year ended June 30, 2022, the Company fully impaired the carrying value of LeichtMind and this carrying value was not amended during the year ended June 30, 2023.

The value of Trip Pharma Inc remains at Nil at March 31, 2024.

Fantasy Aces Daily Fantasy Sports Corp.

The Company owns 3,642,146 common shares of Fantasy Aces Daily Fantasy Sports Corp. ("Fantasy") which is a publicly traded US corporation focused on providing fantasy sports games, social media, and advertising in the United States. The warrants of Fantasy are included in Level 1 and had a fair value of $Nil at June 30, 2023 (2022 - $Nil). The Company recorded an unrealized loss of $Nil (2022 - $9,470) for its investment in Fantasy for the year ended June 30, 2023.

The value of Fantasy Aces Daily Fantasy Sports Corp remains at Nil at March 31, 2024.

Terp Wholesale, LLC

On December 6, 2021, the Company completed the acquisition of all the outstanding membership interests in Terp Wholesale, LLC ("TERP") by issuing 3,623,188 common shares at a price of $0.69 per share for a total consideration of $2,500,000.

As at June 30, 2023 the value of TERP was estimated to be $Nil (2022 - $2,500,000). The Company was unable to obtain any additional financial information, new management is not familiar with this investment, and the Company has not received any operational updates from the investee in recent periods. As a result, the fair value of the investment in TERP was assessed as $Nil.

The value of Terp Wholesale LLC remains at Nil at March 31, 2024.

Blum Distributors Ltd.

On April 6, 2022, the Company acquired 100% of the issued and outstanding share capital of Blum Distributors Ltd. ("Blum"). In consideration for the acquisition, the Company issued 9,650,000 shares to the existing shareholders of Blum. With the acquisition, Blum now forms part of the Company's growing portfolio of investments in the life science and health care sectors. Blum's existing management team will continue to retain responsibility for overseeing day-to-day operations. A fee of 750,000 shares has also been paid to an arm's-length party for assistance with the transaction.

As at June 30, 2023 the value of Blum was estimated to be $Nil (2022 - $4,316,000).
As the directors are unable to obtain adequate financial information to properly determine a carrying value, it has been decided to fully impair the asset.

The value of Blum Distributors Ltd remains at Nil at March 31, 2024.
As at March 31, 2024 the Company's equity investments consist of the following:

Company	Cost	Fair Value
	$	$
Terp Wholesale, LLC.	2,500,000	-
SAC Pharma Partners Inc.	1,890,000	-
Gaia Grow Corp.	1,050,000	6,000
Noble Line Inc.	1,037,435	-
Trip Pharma Inc.	1,120,478	-
Stable Foods Co.	2,351,300	-
Spaced Food Inc.	355,110	-
Engine Media (UMG)	41,043	-
Fantasy Aces	455,268	-
Blum Distributors Ltd.	4,316,000	-
Total Equity Investments	**15,116,634**	**6,000**

SELECTED ANNUAL INFORMATION

	Year ended June 30, 2023	Year ended June 30, 2022	Year ended June 30, 2021
	$	$	$
Net and comprehensive income (loss)	(21,066,070)	(10,272,483)	(2,520,405)
Loss per share	(0.27)	(0.18)	(0.14)
Total assets	1,906,000	29,424,967	7,654,645
Total liabilities	179,511	91,299	60,280
Total shareholders' equity (deficiency)	(823,170)	27,646,070	7,654,645

SELECTED QUARTERLY INFORMATION

	31-Mar-24	31-Dec-23	30-Sep-23	30-Jun-23	31-Mar-23	31-Dec-22
Net Investment income	0	(1,495,341)	0	(18,993,427)	(35,475)	(72,000)
Net and comprehensive income	0	(1,535,011)	(62,500)	(19,702,387)	(194,828)	(230,548)
Basic and diluted income (loss) per share	0	(0.02)	(0.00)	(0.25)	(0.00)	(0.00)
	78,233,688	78,233,688	78,109,397	78,109,397	77,995,593	77,995,593

Balance sheet	**31-Mar-24**	**30-Sep-23**	**30-Jun-23**
Current Assets			
Investments at fair value - short term loans		1,900,000	1,900,000
Investments at fair value - Equity	6,000	6,000	6,000
Total assets	6,000	1,906,000	1,906,000
Current Liabilities			
Bank Indebtness	8,073	8,073	8,073
Short term loans	153,358	125,876	0
Trade and other payables	57,750	45,562	171,438
Total current liabilities	219,181	179,511	179,511
Non Current Liabilities			
Convertible debt	2,207,500	2,612,159	2,549,659
Total non Current Liabilities	2,207,500	2,612,159	2,549,659
Total Liabilities	2,426,681	2,791,670	2,729,170
Shareholders' Equity			
Share Capital	40,113,420	40,113,420	40,113,420
Subscription receivable	(50,000)	(50,000)	(50,000)
Contributed surplus	4,807,969	4,807,969	4,807,969
Defecit	(47,292,070)	(45,757,059)	(45,694,559)
Total shareholders equity	(2,420,681)	(885,670)	(823,170)
Total Liabilities and Shareholders equity	6,000	1,906,000	1,906,000

RESULTS OF OPERATIONS FOR THE NINE MONTHS ENDED MARCH 31, 2024

Net comprehensive loss:

The net and comprehensive loss of $1,597,511 for the nine months ended March 31, 2024 (2022 - $1,168,855) was a result mainly due to the following:

- On October 5, 2023 the Company entered into an agreement between Riverfort Global Opportunities PCC Ltd (Riverfort) and MindBio Therapeutics Pty Ltd (MindBio) to assign the loan of $1,900,000 that the Company has with Mindbio to Riverfort. This means that the repayment of that loan will be made to Riverfort, not the Company and as a result, the loan has been fully impaired in the books of the company.

- On October 5 2023, the Company and Riverfort renegotiated the loan amount outstanding. The amount was reduced to $2,207,500 and the term was extended to October 2026. In addition, this loan is now non-interest bearing. Riverfort have the right to convert this debt (in whole or in part) to shares in the Company at a discount to the market. This resulted in a write-down of the liability by $404,659.

Expenses

There were no new expenses incurred for the nine months, as all expenses paid were accrued as at June 30, 2023. The payments of the expenses were made by related party which is reflected in the short-term loan balance.

Cash flow from operations

During the nine months ended March 31, 2024, the Company used $153,358 in operations compared to $396,167 during the nine months ended March 31, 2023.

LIQUIDITY AND CAPITAL RESOURCES

As of March 31, 2024, the Company had a working capital deficiency of $213,181 (June 30 2023 - $1,726,489). The Company may require additional funds to continue its investment strategy for the next twelve months, if additional capital is needed the Company will source funds through either debt or equity financing and such funds may not be available when needed.

TRANSACTIONS WITH KEY MANAGEMENT AND RELATED PARTIES

a) Key management compensation

Key management personnel are composed of the Company's directors and officers.

OFF-BALANCE SHEET TRANSACTIONS

As at the date of this report the Company does not have any off-balance sheet arrangements.

ACCOUNTING POLICIES

The consolidated financial statements and related MD&A have been prepared on a historical cost basis except as disclosed in note 4 of the Company's consolidated financial statements for the twelve-month period ended June 30, 2023.

A summary of the company's significant accounting policies under IFRS is presented in note 4 – "Significant accounting policies" in the Company's financial statements for the year ended June 30, 2023. These policies have been applied consistently for all periods presented in the consolidated financial statements.

The consolidated financial statements are presented in Canadian dollars, which is the Company's functional and presentation currency.

FINANCIAL INSTRUMENTS AND RISKS

The use of financial instruments can expose the Company to several risks including credit, liquidity, and market risks. A discussion of the Company's use of financial instruments and their associated risks is provided below.

a) Credit risk:

The Company is subject to credit risk on its cash and cash equivalents, trade and other receivables, short term loans at fair value and equity investments at fair value.

Cash and cash equivalents, when outstanding, consist of cash bank balances and short-term de-posits maturing in 90 days or less. The Company manages the credit exposure related to short term investments by selecting counter parties based on credit ratings and monitors all investments to ensure a stable return. The maximum credit risk exposure associated with the Company's financial assets is the carrying value.

The Company's receivables are normally collected within a 60–90 day period. Management believes that the credit risk with respect to trade and other receivables is minimal.

After initial recognition, trade and other receivables are allocated to one of three stages of the expected credit loss model to determine the expected credit loss ("ECL") as follows:

- Stage 1: Credit risk has not increased significantly since initial recognition
- Stage 2: Credit risk has increased significantly since initial recognition
- Stage 3: There is objective evidence of impairment as at the reporting date

During the nine months ended March 31, 2024, the Company recorded an allowance for doubtful amounts of $Nil (2022 - $Nil) related to its trade receivables.

The Company manages its credit risk on equity investments through thoughtful planning, significant due diligence of investment opportunities and by conducting activities in accordance with the investment policies that are approved by the Board of Directors. Management reviews the financial conditions of its investee companies regularly.

b) Liquidity risk:

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they are due. The Company's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when due, without incurring unacceptable losses or risking harm to the Company's reputation. The Company will manage its activity levels, expenditures and commitments based on the short-term loans that it has in place. Currently, the balance of these loans total $153,358. This loan is non-interest bearing and is repayable at call.

The following are the contractual maturities of financial liabilities as at March 31, 2024:

Financial Liabilities	**< One Year**	**> One Year**
	$	**$**
Bank indebtedness	8,073	-
Short term loan	153,358	
Trade and other payables	57,750	-
Total	**219,181**	**-**

The following are the contractual maturities of financial liabilities as at June 30, 2023:

Financial Liabilities	**< One Year**	**> One Year**
	$	**$**
Bank indebtedness	8,073	-
Trade and other payables	171,438	-
Total	**179,511**	**-**

c) Market risk:

Market risk is the risk that the fair value of, or future cash flows from, the Company's financial instruments will significantly fluctuate due to changes in market prices. The value of the financial instruments can be affected by changes in equity and commodity prices. The Company is exposed to market risk in trading its investments and unfavorable market conditions could result in dispositions of investments at less than favorable prices.

During the year, as outlined above the Company fully impaired its investment holdings through profit and loss.

DISCLOSURE OF OUTSTANDING SHARE DATA

Issued Share Capital as of the Financial Statement Date

Class	Par Value	Authorized	Issued at December 31, 2023	Issued at the date of this MD&A
Common	Nil	Unlimited	77,995,593	77,995,593
Preferred	Nil	Unlimited	Nil	Nil

Description of Issued and Outstanding Warrants as of the Financial Statement Date .

As of March 31, 2024

Date	Expiry date	Outstanding	Exercisable	Exercise Price
				$
17/12/19	17/12/24	1,840,000	1,840,000	1.25
22/11/21	22/11/24	1,538,461	1,538,461	0.91
		3,378,461	**3,378,461**	**1.10**

Description of Stock Options Outstanding as of the Financial Statement .

As at March 31, 2024

Date	Expiry date	Outstanding	Exercisable	Exercise Price
				$
19/7/19	24/7/24	28,000	28,000	2.50
1/3/21	1/3/26	350,000	350,000	0.69
		378,000	**378,000**	**0.59**

As of the date of this MD&A

Date	Expiry date	Outstanding	Exercisable	Exercise Price
				$
19/7/19	24/7/24	28,000	28,000	2.50
1/3/21	1/3/26	350,000	350,000	0.69
		378,000	**378,000**	**0.59**

CAUTION REGARDING FORWARD LOOKING INFORMATION

Certain information contained in this MD&A constitutes forward-looking information, which is information regarding possible events, conditions or results of operations of the Company that is based upon assumptions about future economic conditions and courses of action and which is inherently uncertain. All information other than statements of historical fact may be forward-looking information. Forward-looking information is often, but not always, identified by the use of words such as "seek", "anticipate", "budget", "plan", "continue", "estimate", "expect", "forecast", "may", "will", "project", "predict", "potential", "targeting", "intend", "could", "might", "should", "believe" and similar words or phrases (including negative variations) suggesting future outcomes or statements regarding an outlook. Forward-looking information contained in this MD&A includes, without limitation, our expectations regarding anticipated investment activities, our ability to repay amounts which may become due and payable, the impact of changes in accounting policies and other factors on our operating results, and the performance of global capital markets and interest rates.

Forward-looking information involves known and unknown risks, uncertainties and other factors that may cause actual results or events to differ materially from those anticipated in such forward-looking information. The Company believes the expectations reflected in the forward-looking information are reasonable, but no assurance can be given that these expectations will prove to be correct and readers are cautioned not to place undue reliance on forward-looking information contained in this MD&A. Some of the risks and other factors which could cause results to differ materially from those expressed in the forward-looking information contained in this MD&A include, but are not limited to: risks relating to investment performance, our ability to realize sufficient proceeds from the disposition of our investments in order to fund our obligations as they become due (which will be based upon market conditions beyond our control), market fluctuations, fluctuations in prices of commodities underlying our interests and equity investments, the strength of the Canadian, U.S. and other economies, and other risks included elsewhere in this MD&A under the headings "Risk Factors" and "Financial Instruments" and in the Company's current public disclosure documents filed with certain Canadian securities regulatory authorities and available under Blackhawk's profile at www.sedarplus.ca.

Readers are cautioned that the foregoing lists of factors are not exhaustive. Although the Company has attempted to identify important factors that could cause actual events and results to differ materially from those described in the forward-looking information, there may be other factors that cause events or results to differ from those intended, anticipated or estimated. The forward-looking information contained in this MD&A is provided as of the date hereof and the Company undertakes no obligation to update publicly or revise any forward-looking information, whether as a result of new information, future events or otherwise, except as otherwise required by law. All of the forward-looking information contained in this MD&A is expressly qualified by this cautionary statement.

RISK FACTORS

An investment in our securities is subject to certain risks, including those set out below and should be carefully considered by an investor before making any investment decision. Additional risks not currently known to us, or that we currently believe to be immaterial, may also affect our business and negatively impact upon an investment in our securities.

Portfolio Exposure

Given the nature of our activities, our results of operations and financial condition are dependent upon the market value of the securities that comprise our portfolio. Market value can be reflective of the actual or anticipated operating results of our portfolio companies and/or the general market conditions that affect the sectors in which we invest. Macro factors such as fluctuations in commodity prices and global political and economic conditions could have an adverse effect on one or more sectors to which we are exposed, thereby negatively impacting one or more of our portfolio companies concurrently. Company-specific risks could have an adverse effect on one or more of our portfolio companies at any point in time. Company-specific and industry-specific risks which materially adversely affect our portfolio investments may have a materially adverse impact on our operating results. Having regard to the full writedown of the investment portfolio in the current year, this risk is now low.

Cash Flow/Revenue

We generate revenue and cash flow primarily from our financing activities and proceeds from the disposition of our investments, in addition to interest and dividend income earned on our investments and fees generated from securities lending and other activities. The availability of these sources of income and the amounts generated from these sources are dependent upon various factors, many of which are outside of our direct control. Our liquidity and operating results may be adversely affected if our access to the capital markets is hindered, whether as a result of a downturn in the market conditions generally or to matters specific to us, or if the value of our investments decline, resulting in capital losses for us upon disposition.

Illiquid Securities

We also invest in illiquid securities of public issuers. A considerable period of time may elapse between the time a decision is made to sell such securities and the time we are able to do so, and the value of such securities could decline during such period. Illiquid investments are subject to various risks, particularly the risk that we will be unable to realize our investment objectives by sale or other disposition at attractive prices or otherwise be unable to complete any exit strategy. In some cases, we may be prohibited by contract or by law from selling such securities for a period of time or otherwise be restricted from disposing of such securities. Furthermore, the types of investments made may require a substantial length of time to liquidate.

We may also make direct investments in publicly-traded securities that have low trading volumes. Accordingly, it may be difficult for us to make trades in these securities without adversely affecting the price of such securities.

Possible Volatility of Stock Price

The market price of our common shares may be subject to wide fluctuations in response to factors such as actual or anticipated variations in our consolidated results of operations, changes in financial estimates by securities analysts, general market conditions and other factors. Market fluctuations, as well as general economic, political and market conditions such as recessions, interest rate changes or international currency fluctuations may adversely affect the market price of our common shares. The purchase of our common shares involves a high degree of risk and should be undertaken only by investors whose financial resources are sufficient to enable them to assume such risks and who have no need for immediate liquidity in their investment. Our common shares should not be purchased by persons who cannot afford the possibility of the loss of their entire investment. Furthermore, an investment in our common shares should not constitute a major portion of an investor's portfolio.

Trading Price of Common Shares Relative to Net Asset Value

We are neither a mutual fund nor an investment fund, and due to the nature of our business and investment strategy and the composition of our investment portfolio, the market price of our common shares, at any time, may vary significantly from our net asset value per share. This risk is separate and distinct from the risk that the market price of our common shares may decrease.

Available Opportunities and Competition for Investments

The success of our operations will depend upon: (i) the availability of appropriate investment opportunities; (ii) our ability to identify, select, acquire, grow and exit those investments; and (iii) our ability to generate funds for future investments. We can expect to encounter competition from other entities having investment objectives similar to ours, including institutional investors and strategic investors. These groups may compete for the same investments as us, may be better capitalized, have more personnel, have a longer operating history and have different return targets than us. As a result, we may not be able to compete successfully for investments. In addition, competition for investments may lead to the price of such investments increasing which may further limit our ability to generate desired returns.

There can be no assurance that there will be a sufficient number of suitable investment opportunities available to us to invest in or that such investments can be made within a reasonable period of time. There can be no assurance that we will be able to identify suitable investment opportunities, acquire them at a reasonable cost or achieve an appropriate rate of return. Identifying attractive opportunities is difficult, highly competitive and involves a high degree of uncertainty. Potential returns from investments will be diminished to the extent that we are unable to find and make a sufficient number of investments.

Concentration of Investments

We may participate in a limited number of investments and, as a consequence, our financial results may be substantially adversely affected by the unfavorable performance of a single investment, or sector. Completion of one or more investments may result in a highly concentrated investment by us in a particular company, business, industry or sector.

Dependence on Management

We are dependent upon the efforts, skill and business contacts of key members of management, for among other things, the information and deal flow they generate during the normal course of their activities and the synergies which exist amongst their various fields of expertise and knowledge. Accordingly, our continued success will depend upon the continued service of these individuals who are not obligated to remain employed with us. The loss of the services of any of these individuals could have a material adverse effect on our revenues, net income and cash flows and could harm our ability to maintain or grow our existing assets and raise additional funds in the future.

Additional Financing Requirements

We anticipate ongoing requirements for funds to support our growth and may seek to obtain additional funds for these purposes through public or private equity or debt financing. There are no assurances that additional funding will be available to us at all, on acceptable terms or at an acceptable level. Any additional equity financing may cause shareholders to experience dilution, and any additional debt financing may result in increased interest expense or restrictions on our operations or ability to incur additional debt. Any limitations on our ability to access the capital markets for additional funds could have a material adverse effect on our ability to grow our investment portfolio.

No Guaranteed Return

There is no guarantee that an investment in our securities will earn any positive return in the short term or long term. The task of identifying investment opportunities, monitoring such investments and realizing a significant return is difficult. Many organizations operated by persons of competence and integrity have been unable to make, manage and realize a return on such investments successfully. Our past performance provides no assurance of our future success.

Management of our Growth

Significant growth in our business, as a result of acquisitions or otherwise, could place a strain on our managerial, operational and financial resources and information systems. Future operating results will depend on the ability of senior management to manage rapidly changing business conditions, and to implement and improve our technical, administrative and financial controls and reporting systems. No assurance can be given that we will succeed in these efforts.

The failure to effectively manage and improve these systems could increase our costs, which could have a material adverse effect on us.

Due Diligence

The due diligence process that we undertake in connection with investments may not reveal all facts that may be relevant in connection with an investment. Before making investments, we conduct due diligence that we deem reasonable and appropriate based on the facts and circumstances applicable to each investment. When conducting due diligence, we may be required to evaluate important and complex business, financial, tax, accounting, environmental and legal issues. Outside consultants, legal advisors, accountants and investment banks may be involved in the due diligence process in varying degrees depending on the type of investment. Nevertheless, when conducting due diligence and making an assessment regarding an investment, we rely on the resources available to us, including information provided by the target of the investment and, in some circumstances, third-party investigations. The due diligence investigation that we will carry out with respect to any investment opportunity may not reveal or highlight all relevant facts that may be necessary or helpful in evaluating such investment opportunity. Moreover, such an investigation will not necessarily result in the investment being successful.

Changes to Tax Laws

Potential changes to, or interpretations of, tax laws, may negatively impact our business.

Non-controlling Interests

Our investments include debt instruments and equity securities of companies that we do not control. These instruments and securities may be acquired by us in the secondary market or through purchases of securities from the issuer. Any such investment is subject to the risk that the company in which the investment is made may make business, financial or management decisions with which we do not agree or that the majority stakeholders or the management of the company may take risks or otherwise act in a manner that does not serve our interests. If any of the foregoing were to occur, the values of our investments could decrease and our financial condition, results of operations and cash flow could suffer as a result.

Contingencies and commitments

The Company received a notice that a civil claim has been filed against the Company, certain officers and directors of the Company. The plaintiffs are seeking damages for various possible causes of action, including misconduct and misrepresentation. The Company is of the view that the allegations contained in the claim are without merit and intends to vigorously defend its position.

On May 29, 2023 Blackhawk signed a share purchase agreement, subject to CSE and shareholder approval, to acquire 100% of Hardenbrook Pty Ltd., an investment company with a portfolio of several projects. There were a number of conditions to complete before the purchase can be finalized. As at March 31, 2024, these conditions have not been met and so the purchase is not complete. It is expected that the transaction will be complete in the September 2024 quarter.

Subsequent Events

There are no subsequent events to advise.

ADDITIONAL INFORMATION

Additional information relating to the Company can be found on SEDAR+ at www.sedarplus.ca.

Justin Hanka,
CEO May 13 2024