Consolidated Financial Statements of

BLACKHAWK GROWTH CORP.

For the three months ended September 30, 2024 and 2023

BLACKHAWK GROWTH corp.
Consolidated Statements of Financial Position
(Expressed in Canadian Dollars)

	Sept 30, 2024	June 30, 2024
	$	$
ASSETS		
Current assets		
Cash	364	364
Investment at fair value – Short term loans (note 7)		
Investments at fair value – Equity (note 7)		
Total assets	**364**	**364**
LIABILITIES		
Current liabilities		
Trade and other payables (note 12)	61,885	76,533
Short term loan (note 10)	11,500	11,500
Due to related party (note 12)	183,314	157,832
	256,699	245,865
Non-current liabilities		
Convertible debt (note 10)	1,818,506	1,761,938
Total liabilities	2,075,205	2,007,803
SHAREHOLDERS' EQUITY (DEFICIENCY)		
Share capital (note 8)	40,113,420	40,113,420
Contributed surplus	5,240,777	5,240,777
Deficit	(47,429,038)	(47,361,636)
Total shareholders' equity (deficiency)	(2,074,841)	(2,007,439)
Total liabilities and shareholders' equity (deficiency)	**364**	364

Going concern (note 3)
Subsequent events (note 16)

See accompanying notes to the consolidated financial statements.

Approved for issuance by the Board of Directors on November 20, 2024

Signed Anoosh Manzoori
Director

Signed Justin Hanka
Director

BLACKHAWK GROWTH CORP.
Consolidated Statements of Loss and Comprehensive Loss
(Expressed in Canadian Dollars)

Three months ended September 30	**2024**	2023
	$	$
Net investment losses		
Realized loss on investments (note 7)	-	-
Unrealized loss on investments (note 7)	-	-
Loan amendment and extension fees (note 7)	-	-
Interest income (note 7)	-	-
Net investment losses		-
Expenses		
General and administrative	2,757	-
Accretion and interest (note 10)	56,568	62,500
Professional fees	8,077	-
Total expenses	**67,402**	62,500
Loss before other item	**67,402**	62,500
Net loss and comprehensive loss	**67,402**	62,500
Weighted average shares outstanding, basic and diluted	78,252,003	77,995,593
Net loss per share		
Net loss basic and diluted	$(0.00)	$ (0.00)

See accompanying notes to the consolidated financial statements

BLACKHAWK GROWTH CORP.
Consolidated Statements of Changes in Equity (Deficiency)
(Expressed in Canadian Dollars)

	Number of shares	Amount	Subscriptions receivable	Contributed surplus	Deficit	Total
		$	$	$	$	$
Balance, June 30, 2023	**78,252,003**	**40,113,420**	**(50,000)**	**4,807,969**	**(45,694,559)**	**(823,170)**
Write off of subscription receivable			50,000			50,000
Amendment to convertible debt				432,808		432,808
Net loss for the year					(1,667,077)	(1,667,077
Balance, June 30, 2024	78,252,003	40,113,420	-	5,240,777	(47,361,636)	(2,007,439)
Net loss for the quarter					(67,402)	(67,402)
	-					
Balance, September 30, 2024	78,252,003	10,113,420	-	5,240,777	(47,429,038)	(2,074,841)

See accompanying notes to the consolidated financial statements

BLACKHAWK GROWTH CORP.
Consolidated Statements of Cash Flows
(Expressed in Canadian Dollars)

Quarter ended September 30,	**2024**	2023
	$	$
Cash provided by (used in)		
Operations:		
Net loss from operations	(67,402)	(62,500)
Accrued interest income	56,568	62,500
Trade and other payables	(14,648)	(125,876)
Accretion on Convertible debt	-	-
Cash used for continued operations	(25,482)	(125,876)
Finance:		
Short term loan	25,482	125,876
Exercise of stock options	-	-
Exercise of warrants	-	-
Convertible debt	-	-
Cash provided by finance	25,482	125,876
Net change in cash and cash equivalents	-	-
Cash and cash equivalents, beginning of the year	364	(8,073)
Cash and cash equivalents, end of the quarter	364	(8,073)

See accompanying notes to the consolidated financial statements.

1. General information

Blackhawk Growth Corp. (the "Company") was incorporated under the Business Corporations Act (Alberta) on March 25, 1986.

The Company invests in equity and debt instruments of companies to generate positive returns for shareholders.

The Company's registered office is located at Suite 2200, 885 West Georgia Street, Vancouver, British Columbia, V6C 3E8.

2. Basis of preparation

Statement of compliance

These consolidated financial statements are prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB"). All amounts are expressed in Canadian dollars, unless otherwise noted. The Company presents its financial position on a non-classified basis in order of liquidity.

Basis of presentation

The consolidated financial statements have been prepared on a historical cost basis except as disclosed in note 4. These financial statements have been prepared on a going concern basis.

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

3. Going concern

For the three months ended September 30, 2024, the Company reported a net and comprehensive loss of $67,402 (2023 - $62,500) and has an accumulated deficit of $47,429,038 (2023 - $45,757,059). These conditions indicate the existence of a material uncertainty that casts significant doubt about the Company's ability to continue as a going concern. As at September 30, 2024, the Company has cash of $364 (2023 - $nil). The Company will manage its activity levels, expenditures and commitments based on its current cash position. The Company is currently pursuing a placement which will provide adequate working capital to focus on the strategy of using this entity to spin out onto the Canadian Stock Exchange other companies. The strategy will not dilute the Blackhawk shareholders as had been the case in the past but will in fact add shareholder value each time a new entity is spun out.

The financial statements have been prepared on the basis that the Company will continue to operate as a going concern, which contemplates the realization of assets and the settlement of liabilities and commitments in the normal course of business. The Company's ability to continue as a going concern is dependent on its ability to generate additional financial resources in order to meet its planned business objectives. Financial resources will come in the form of debt and/or equity financing. These financial statements do not reflect adjustments in the amounts and classifications of assets and liabilities reported that would be necessary if the going concern assumption was not appropriate. Such adjustments could be material.

4. Significant accounting policies

These policies have been applied consistently for all periods presented in these consolidated financial statements.

a.) Basis of consolidation

These consolidated financial statements have been prepared in accordance with IFRS 10, Consolidated Financial Statements ("IFRS 10"), and include the accounts of the Company and its former wholly owned consolidated subsidiary. As discussed under critical accounting estimates and judgements, the Company has determined it meets the definition of an investment entity.

Consolidated subsidiary

In accordance with IFRS 10, subsidiaries are those entities that provide investments-related services and that the Company controls by having the power to govern the financial and operating polices of the entity. Such entities would include those who incur management and consulting fees for the Company's day to day operations. All intercompany amounts and transactions amongst these consolidated entities have been eliminated upon consolidation.

Interests in unconsolidated subsidiaries

In accordance with the amendments for investment entities under IFRS 10, interests in subsidiaries other than those that provide investment related services are accounted for at fair value through profit or loss rather than consolidating them. As discussed under critical accounting estimates and judgements, management exercised judgement when determining whether subsidiaries are investment entities.

The entities, Noble Line Inc., Stable Foods Co., Sac Pharma Partners Inc., Trip Pharma Inc., Terp Wholesale, LLC., and Blum Distributors Ltd. are significantly influenced or controlled by the Corporation either directly or indirectly and are held as investments.

b.) Cash and cash equivalents

Cash comprises cash on hand. Other investments (term deposits and certificates of deposit) with an original term to maturity at purchase of three months or less are reported as cash equivalents in the statement of financial position.

c.) Foreign currency translation

The Company's former and current consolidated subsidiaries had the same functional currency as that of the Company and translates foreign denominated monetary assets and liabilities at the exchange rate prevailing at period end; non-monetary assets, liabilities and related depreciation at historic rates; revenues and expenses at the average rate of exchange for the period; and any resulting foreign exchange gains or losses are included in the statement of comprehensive loss.

4. Significant accounting policies (continued)

d.) Taxes

The Company follows the liability method of accounting for taxes. Under this method, deferred tax assets and liabilities are recognized based on the estimated tax effects of temporary differences in the carrying amount of assets and liabilities in the financial statements and their respective tax bases.

Deferred tax assets and liabilities are calculated using the enacted or substantively enacted income tax rates that are expected to apply when the asset is recovered, or the liability is settled. Deferred tax assets or liabilities are not recognized when they arise on the initial recognition of an asset or liability in a transaction (other than in a business combination) that, at the time of the transaction, affects neither accounting nor taxable profit.

Deferred tax assets for deductible temporary differences and tax loss carry forwards are recognized to the extent that it is probable that future taxable profits will be available against which the temporary differences or tax loss carry forwards can be utilized. The carrying amount of deferred tax assets is reviewed at each reporting date and is reduced if it is no longer probable that sufficient future taxable profits will be available against which the temporary differences or tax loss carry forwards can be utilized.

Current tax is calculated based on net earnings for the year, adjusted for items that are non-taxable or taxed in different periods, using income tax rates that are enacted or substantively enacted at each reporting date.

Income taxes are recognized in equity or other comprehensive income, consistent with the items to which they relate.

e.) Revenue recognition

Purchases and sales of investments are recognized on the trade date. Realized gains and losses on disposal of investments and unrealized gains and losses in the value of investments are reflected in the statement of loss and comprehensive loss. Upon disposal of an investment, previously recognized unrealized gains or losses are reversed to recognize the full realized gain or loss in the period of disposition.

The Company recognizes interest income as the interest is earned using the accrual method.

4. Significant accounting policies (continued)

f.) Share-based compensation

The Company's Stock Option Plan (the "Option Plan") provides current employees with the right to elect to receive common shares in exchange for options surrendered. The Company records compensation expense over the graded vesting period based on the fair value of options granted. Compensation expense is recorded in the statement of comprehensive loss as share-based compensation expense with a corresponding credit to contributed surplus. When stock options are exercised, the proceeds, together with the amount recorded in contributed surplus, are recorded in share capital. The fair value of stock options granted is estimated using the Black-Scholes option pricing model, taking into account amounts that are believed to approximate the forfeiture rate, volatility of the trading price of the Company's shares, the expected lives of the awards of stock-based compensation, the fair value of the Company's stock and the risk-free interest rate, as determined at the grant date. Forfeitures are estimated through the vesting period based on past experience and future expectations and adjusted upon actual vesting.

g.) Financial instruments (investments at fair value)

Classification

All investments at fair value are classified upon initial recognition and are designated as fair value through profit or loss with changes in fair value reported in the statement of loss and comprehensive loss.

Recognition, derecognition and measurement

Purchases and sales of investments are recognized on the trade date.

Equity investments and loan investments are designated at fair value through profit or loss are initially recognized at fair value. Investments are derecognized when the rights to receive cash flow from the investment has expired or the Company has transferred the financial asset and the transfer qualifies for derecognition.

Subsequent to initial recognition, all investments are measured at fair value. Gains and losses arising from changes in the fair value of the investments at fair value through profit or loss category are presented in the statement of loss and comprehensive loss within net change in unrealized and realized gains or losses on investments in the period in which they arise.

Determination of fair values

The determination of fair value requires judgment and is based on market information, where available and appropriate. At the end of each financial reporting period, the Company's management estimates the fair value of investments based on the criteria below and reflects such valuations in the financial statements.

The Company is also required to disclose details of its investments within three hierarchy levels (Level 1, 2, or 3) as defined in note 7, based on the transparency of inputs used in measuring or disclosing the fair value, and to provide additional disclosure in connection therewith.

4. Significant accounting policies (continued)

g.) Financial instruments (investments at fair value) (continued)

Equity investments

Securities including shares, and warrants which are traded in an active market, such as on a recognized securities exchange and for which no sales restrictions apply, are presented at fair value based on quoted closing trade prices at the statement of financial position date or the closing trade price on the last day the security traded if there were no trades at the statement of financial position date. These are included in Level 1 in note 7.

For warrants not traded in an active market, no market value is readily available. When there are sufficient and reliable observable market inputs, the Black-Scholes valuation technique is used.

These are included in Level 2 in note 7. When no sufficient and reliable observable market inputs are available the warrants would be carried at a Nil value, until a market value can be determined or the Black Sholes technique can be used.

The determinations of fair value of the Company's privately held investments are evaluated based on the financial information available from the private company, including financial statements, cash forecasts, and other completed private placements as well as comparative other companies in the same industry. These are included in Level 3 in note 7.

Loan investments

When determining the fair value of short-term loans, the Company considers the nature and length of the loan, interest on the loan, business risk of the investee company and any other factors that may be relevant to the ongoing and realizable value of the loan investments. The short-term loans would be included in Level 3.

h.) Financial instruments other than investments held at fair value

The Company classifies its financial instruments into one of the following categories: fair value through profit or loss, and financial assets or liabilities measured at amortized cost. All financial instruments are measured at fair value on initial recognition. Measurement in subsequent periods is dependent on the classification of the respective financial instrument.

Fair value through profit or loss financial instruments are subsequently measured at fair value with changes in fair value recognized in the statement of loss and comprehensive loss. Financial instruments classified as amortized cost are measured at amortized cost using the effective interest method.

Cash and cash equivalents, trade and other receivables, bank indebtedness, and trade and other payables are classified as assets or liabilities measured at amortized cost. Investments are classified as assets measured at fair value through profit or loss.

4. Significant accounting policies (continued)

h.) Financial instruments other than investments held at fair value (continued)

Transaction costs in respect of financial instruments at fair value through profit or loss are recognized immediately in the statement of loss and comprehensive loss. Transaction costs in respect of financial instruments classified at amortized cost are included in the initial measurement of the financial instrument and amortized to the statement of loss and comprehensive loss using the effective interest method.

i.) Per common share amounts

Basic per share amounts are calculated by dividing the net earnings or loss by the weighted average number of shares outstanding during the year. Diluted per share amounts are calculated by using the treasury stock method, by adjusting the weighted average number of shares outstanding for the potential number of issued instruments which may have a dilutive effect on net earnings or loss. This method assumes that proceeds received from the exercise of in-the-money instruments are used to repurchase common shares at the average market price for the year.

5. Critical accounting estimates and judgments

The Company has made estimates and assumptions regarding certain assets, liabilities, revenues and expenses in the preparation of the financial statements. Such estimates primarily relate to unsettled transactions and events as of the date of the financial statements. Accordingly, actual results may differ from estimated amounts. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are addressed below.

Accounting Estimates

a) Share-based compensation

The Company measures the cost of share-based compensation transactions with employees by reference to the fair value of the equity instruments. Estimating fair value for share-based compensation transactions requires determining the most appropriate valuation model, which is dependent on the terms and conditions of the grant. This estimate also requires determining and making assumptions about the most appropriate inputs to the valuation model including the expected life, forfeiture rate, volatility, and dividend yield of the share option. The Company measures the cost of share-based compensation transactions with consultants by reference to the fair value of the services to be performed.

b) Taxes

Tax interpretations, regulations and legislation are subject to change and as such, income taxes are subject to measurement uncertainty. Deferred tax assets are assessed by management at the end of the reporting period to determine the probability that they will be realized from future taxable earnings.

5. Critical accounting estimates and judgments (continued)

Accounting Estimates (continued)

c) Fair value of investments in securities not quoted in an active market or private company investments

Where the fair value of financial assets recorded on the statement 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 are not available, judgement is required to establish fair values. The Company will look at the financial information provided by the investee, as well as comparative company information available to determine a fair value.

Accounting Judgments

a) Determination of investment entity

Judgement is required when making the determination that the Company or its subsidiaries meet the definition of an investment entity under IFRS. In accordance with IFRS 10, an investment entity is an entity that: "obtains funds from one or more investors for the purpose of providing them with investment management services, commits to its investors that its business purpose is to invest funds solely for returns from capital appreciation, investment income or both, and measures and evaluates the performance of substantially all of its investments on a fair value basis." In addition, IFRS 10 clarifies that an investment entity may earn fee income from the provision of investment related services to external parties. In determining its status as an investment entity, the Company has determined that fair value is the primary measurement attribute used to monitor and evaluate its investments.

b) Going concern

The Company has experienced lower than planned revenue combined with operating losses. Management has assessed and concluded that the going concern assumption is appropriate for a period of at least twelve months following the end of the reporting period. Management applied significant judgement in arriving at this conclusion including the amount of new investments and total realized gain on investments to be generated to provide sufficient cash flow to continue to fund operations and other committed expenditures; the timing of generating those cash inflows and the timing of the related expenditures; the ability to raise additional capital to support ongoing operations; and the assessment of potentially discretionary expenditures that could be delayed in order to manage cash flows. Given the judgement involved, actual results may lead to a materially different outcome.

6. Adopted and future accounting standards

Accounting standards or amendments to existing accounting standards that have been issued but have future effective dates are either not applicable or not expected to have a significant impact on the Company's financial statements.

7. Investments at fair value and financial instruments hierarchy

Financial hierarchy:

Fair value measurements use a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The level in the hierarchy within which the fair value measurement is categorized is determined on the basis of the lowest level input that is significant to the fair value measurement in its entirety.

The fair value hierarchy has the following levels

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (Level 1).
- Inputs other than quoted prices included within Level 1 that are observable for the asset or liability either directly (that is, as prices) or indirectly (that is, derived from prices) (Level 2).
- Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (Level 3).

In accordance with IFRS 10, the fair value of the Company's investments includes the fair value of entities that are controlled by the Company.

Equity investments consist of the following as at September 30, 2024:

Company	Cost	Level 1	Level 2	Level 3	Total FV	% of total FV
	$	$	$	$	$	%
Noble Line Inc.	1,037,435	-	-	-	-	0.0%
Stable Foods Co.	2,351,300	-	-	-	-	0.0%
Gaia Grow Corp.	1,050,000	-	-	-	-	0.0%
SAC Pharma Partners Inc.	1,890,000	-	-	-	-	0.0%
Spaced Food Inc.	355,110	-	-	-	-	0.0%
Trip Pharma Inc.	1,120,478	-	-	-	-	0.0%
Fantasy Aces	455,268	-	-	-	-	0.0%
Terp Wholesale, LLC.	2,500,000	-	-	-	-	0.0%
Blum Distributors Ltd.	4,316,000	-	-	-	-	0.0%
Total	**15,116,634**	**-**	**-**	**-**	**-**	**0.0%**

7. Investments at fair value and financial instruments hierarchy (continued)

Equity investments consist of the following as at June 30, 2024:

Company	Cost	Level 1	Level 2	Level 3	Total FV	% of total FV
	$	$	$	$	$	%
Noble Line Inc.	1,037,435	-	-	-	-	0.0%
Stable Foods Co.	2,351,300	-	-	-	-	0.0%
Gaia Grow Corp.	1,050,000	-	-	-	-	0.0%
Engine Media Holdings, Inc.	41,043	-	-	-	-	0.0%
SAC Pharma Partners Inc.	1,890,000	-	-	-	-	0.0%
Spaced Food Inc.	355,110	-	-	-	-	0.0%
Trip Pharma Inc.	1,120,478	-	-	-	-	0.0%
Fantasy Aces	455,268	-	-	-	-	0.0%
Terp Wholesale, LLC.	2,500,000	-	-	-	-	0.0%
Blum Distributors Ltd.	4,316,000	-	-	-	-	0.0%
Total	**15,116,634**	**-**	**-**	**-**	**-**	**0.0%**

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. This value is maintained as at 30 September, 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.

7. Investments at fair value and financial instruments hierarchy (continued)

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

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. This value is maintained at September 30, 2024.

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 (2022 - $1,200,000) for its investment in Gaia during the year ended June 30, 2023. The shares of Gaia had a fair value of $0 (2023 - $6,000) as at September 30, 2024.

7. Investments at fair value and financial instruments hierarchy (continued):

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. This value has been carried at September 30, 2024.

Sac Pharma, through its wholly owned subsidiary, SAC Pharma Partners USA, Inc. operates a facility for the licensed production of cannabis in California. SAC Pharma became fully operational in the regulated cannabis business when commercial sales became legal in California on January 1, 2018.

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 at September 30, 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 has not been amended at September 30, 2024.

7. Investments at fair value and financial instruments hierarchy (continued):

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. This carrying value has been maintained at September 30, 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 and has been carried at Nil at September 30, 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. At September 30, 2024 the carrying value has remained at zero

8. Related parties

Hardenbrook Pty Ltd is being purchased by the Company and so is a related party. Hardenbrook Pty Ltd has lent the Company $183,314 as at September 30, 2024.

9. Share capital

a) Authorized

Unlimited number of common voting shares and preferred shares

b) Issued

Shares issued during the three months ended September 30, 2024

As at September 30, 2024, the total shares outstanding were 78,252,003.

There were no shares issued during the three months ended September 30, 2024.

c) Warrants

There were no new warrants issued during the three months ended September 30, 2024.

Warrants transactions and the number of warrants outstanding are summarized as follows:

	Quarter ended September 30, 2024		Year ended June 30, 2024	
	Number of Warrants	**Exercise Price**	**Number of Warrants**	**Exercise Price**
		$		$
Warrants outstanding beginning of the year	3,378,461	1.10	3,378,461	1.10
Issued	-			
Exercised	-			
Expired	-			
Outstanding, end of year	**3,378,461**	**1.10**	**3,378,461**	**1.10**

9. Share capital (continued)

c) Warrants (continued)

The following table summarizes information about warrants outstanding at September 30, 2024:

Grant Date	Expiry Date	Outstanding	Exercisable	Remaining Life (years)	Exercise Price
					$
Dec 17, 2019	Dec 17, 2024	1,840,000	1,840,000	0.21	1.25
Nov 22, 2021	Nov 22, 2024	1,538,461	1,538,461	0.15	0.91
Outstanding, end of year		**3,378,461**	**3,378,461**	**0.18**	**1.10**

d) Stock options

The Company has implemented a stock option plan for directors, officers, employees, and consultants. The exercise price of each option approximates the market price for the common shares on the date the option was granted. Options granted under the plan generally vest over an eighteen-month period from the date of the grant and expire five years after the grant date. The maximum number of common shares to be issued upon the exercise of options granted under the plan is 3,978,000 (2022 - 4,824,775) common shares.

On March 23, 2022, the Company granted 200,000 stock options to certain consultant of the Company. The options vest on the date of issuance and are exercisable until March 22, 2024 at an exercise price of $0.40 per share. The fair value of the options was calculated using Black-Scholes option pricing model with the following assumptions: stock price – $0.30; exercise price – $0.40; expected life – two years; volatility – 179%; dividend yield – $Nil; and risk-free rate – 2.04%.

On September 7, 2021, the Company granted 4,500,000 stock options to certain employees and consultants of MindBio. The options vest on the date of issuance and are exercisable until September 7, 2023 at an exercise price of $0.55 per share. The fair value of the options was calculated using Black-Scholes option pricing model with the following assumptions: stock price – $0.595; exercise price – $0.55; expected life – two years; volatility – 198%; dividend yield – $Nil; and risk-free rate – 0.40%.

On March 1, 2021, the Company granted 450,000 stock options to directors, officers, and consultants. The stock options have an exercise price of $0.69 and expire on March 1, 2026. The stock options vest one third six months after the grant and one third every six months thereafter. The fair value of the options was calculated using Black-Scholes option pricing model with the following assumptions: stock price – $0.70; exercise price – $0.69; expected life – five years; volatility – 159%; dividend yield – $Nil; and risk-free rate – 0.85%.

9. Share capital (continued)

d) Stock options (continued)

In July 2024, 28,000 options expired.

The details of this stock options issued are as follows:

	Quarter ended September 30, 2024	
	Number of Options	Exercise Price
Options outstanding, beginning of year	378,000	$0.82
Expired	28,000	$2.50
Exercised	-	-
Cancelled	-	
Options outstanding, end of quarter	**350,000**	**$0.69**

9. Share capital (continued)

d) Stock options (continued)

The following table summarizes information about stock options outstanding and exercisable at September 30, 2024:

Grant Date	Expiry Date	Outstanding	Exercisable	Remaining Life (years)	Exercise Price
					$
Mar 1, 2021	Mar 1, 2026	350,000	350,000	1.67	0.69
Outstanding, end of quarter		**350,000**	**350,000**	**1.67**	**0.69**

f) Convertible debt

The equity component of the convertible credit facility at September 30, 2024 is $570,110 (2024 - $570,110) (note 9).

10. Convertible credit facility

On November 22, 2021, the Company entered into a financing agreement for up to $10,000,000 (the "Credit Facility"). The Credit Facility was arranged by RiverFort Global Capital Ltd. ("RiverFort"). The Company intends to utilize the proceeds from the Credit Facility to support research undertaken in Trip Pharma as well as for general operations and working capital purposes.

Pursuant to the agreement, the Company agreed to draw down an initial tranche of $2,500,000 maturing on November 22, 2023. Interest payable by the Company is equal to 10% per annum on the tranche. Any subsequent advances under the loan will be subject to interest payable at an equivalent rate to be applied to the term between the date of the relevant advance date and the maturity date. Drawdowns of each subsequent tranche of the credit facility will be subject to the satisfaction of customary closing conditions involving the Company and RiverFort, including any required regulatory approvals.

The loan provides for 40% warrant coverage for each advance or drawdown, determined as being 40% of the principal amount of the tranche divided by the corporation's share price at the time of the advance. The exercise price of the warrants will be set at 140% of the corporation's share price at the time of the advance and the warrants will expire three years after the date they are granted. In connection with the initial tranche, the Company has issued 1,538,461 warrants to RiverFort whereby each warrant will entitle the warrant holder to purchase one common share of the corporation at a price of $0.91 per share until November 22, 2024.

10. Convertible credit facility (continued)

As part of the Credit Facility, RiverFort will have the option to convert up to 100% of the principal amount of the loan into shares at a fixed conversion price equal to 120% of the market price of the shares at the time of the applicable drawdown. The fixed conversion price for the initial tranche is $0.78 per share. In addition, RiverFort may at its option, once every 30 days, request and require that the debt represented by the interest that has been deemed to accrue on the loan be converted into shares at a price equal to 90% of the last closing price of the shares on the day prior to the notice of such conversion.

This loan has been further amended on September 25, 2023. It was agreed that the Company's loan with MindBio would be novated to Riverfort. As a result, the terms of its loan with Riverfort was amended as follows:

1. The maturity date of the loan would be extended for 36 months to September 25, 2026. Also, there would be zero interest to be charged on the loan.
2. The loan can be converted into shares at any time by Riverfort at a conversion price of $0.05 per share. Also, the loan amount would be reduced from $3,207,500 to $2,207,500.

The loan movement for the current financial year is as follows:

Convertible debentures	Debenture liability component	Debenture equity component	Total
	$	$	$
Balance, June 30, 2023	2,549,659	137,302	2,686,961
Accretion and interest	417,956	-	417,956
Debt modification	(1,205,677)	432,808	(772,869)
Balance, June 30, 2024	**1,761,938**	**570,110**	2,332,048
Accretion and interest	56,568	-	56,568
Balance September 30, 2024	1,818,506	570,110	2,338,616

11. Key management compensation and related party transactions

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

There was no remuneration for the quarter

12. Financial instruments

The carrying values of the Company's financial instruments as at September 30, 2024 were as follows:

Asset (liability)	Fair value through profit or loss	Financial assets at amortized cost	Financial liabilities at amortized cost
	$	**$**	**$**
Cash and cash equivalents	364	-	364
Trade and other payables	-	-	(61,885)
Short term loan			(11,500)
Loan from related party			(183,314)
Convertible debt – liability	-	-	(1,818,506)
	364	**-**	**(2,074,841)**

The carrying values of the Company's financial instruments as at June 30, 2024 were as follows:

Asset (liability)	Fair value through profit or loss	Financial assets at amortized cost	Financial liabilities at amortized cost
	$	**$**	**$**
Cash and cash equivalents		364	
Trade and other payables			(76,533)
Short term loan			(11,500)
Due to related party			(157,832)
Convertible debt – liability			(1,761,938)
		364	**(2,007,803**

The related party is Hardenbrook Pty Ltd (see note 8).

13. Risk management

Financial instruments 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.

13. Risk management (continued)

Financial instruments risks (continued)

a) Credit risk (continued)

Cash and cash equivalents, when outstanding, consist of cash bank balances and short-term deposits 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 also has a short-term loan from Hardenbrook Pty Ltd of $183,314

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

As at September 30, 2023, the Company had zero trade and other receivables, so no assessment was required.

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.

13. Risk management (continued)

Financial instruments risks (continued)

b) Liquidity risk (continued)

The following are the contractual maturities of financial liabilities as at September 30, 2024:

Financial Liabilities	< One Year	> One Year
Loan from related party	$183,314	-
Short term loan	$11,500	-
Trade and other payables	$61,885	-
Convertible debt	-	$1,818,506
Total	**$256,699**	**$1,818,506**

The following are the contractual maturities of financial liabilities as at June 30, 2024:

Financial Liabilities	< One Year	> One Year
Trade and other payables	$76,533	$ –
Short term debt	$11,500	
Due to related party	$57,832	
Convertible debt	-	$ 1,761,938
Total	**$245,865**	**$ 1,761,938**

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.

Additionally, the Company is required to fair value its equity investments at the end of each reporting period. The Company has not been able to obtain adequate financial information that it can rely on to make an adequate assessment as to the equity investment's carrying value.

None of the entities have undertaken a private placement or financing during the financial year. Given the market values of private and small cap public companies are material lower in the financial year and also the limited financial information available from each entity, the Directors are of the opinion that there are no reasonable expectations of recovering the expected cash flows of the Entities above and so, have decided to write these assets off.

14. Capital disclosures

As at September 30, 2024, in the definition of capital, the Company includes shareholders' deficiency of $2,074,841 (2024 - equity of $2,007,439). The Company`s objectives when managing capital is to safeguard the entity's ability to continue as a going concern, so that it can continue to provide returns for shareholders and benefits for other stakeholders.

The Company sets the amount of capital in proportion to risk. The Company manages the capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the Company may issue new shares, or engage in debt financing. The Company is not exposed to externally imposed capital requirements.

15. Contingencies and commitments

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 June 30, 2023, these conditions have not been met and so the purchase is not complete.

16. Income taxes

The income tax provision differs from income taxes, which would result from applying the expected tax rate to net income (loss) before income taxes. The differences between the "expected" income tax expenses and the actual income tax provision are summarized as follows:

	September 30, 2024	**June 30, 2024**
	$	**$**
Loss from operations	(67,402)	(1,667,077)
Expected income tax recovery at 27%	(18,198)	(450,111)
Non-deductible expenses		92,036
Change in deferred tax assets not recognized	18,198	358,075
Total income taxes (recovery)	-	-

16. Income taxes (continued)

The components of the Corporation's unrecognized deductible temporary differences are as follows:

	September 30, 2024	June 30, 2024
	$	$
Petroleum and natural gas properties	47,409	47,409
Investments at fair value	16,561,826	16,567,826
Share issue costs	83,370	41,685
Capital losses available for future periods	714,630	714,630
Non-capital losses available for future periods	10,753,376	12,097,067
	28,160,611	29,468,617

A deferred tax asset has not been recognized as it is not probable that the assets will be realized.

16. Income taxes (continued)

As at September 30, 2024, the Company has not recognized a deferred tax asset in respect of non-capital losses and capital losses available to carry forward to future years. The net operating loss carryforwards reflected above expire as follows (capital losses do not expire):

Year of Expiry	Total
2044	18,198
2043	1,426,410
2042	2,270,460
2041	2,600,808
2040	1,647,757
2039	91,455
2038	372,068
2037	49,406
2035	88,142
2034	74,889
2033	203,645
2032	272,478
2031	702,801
2030	238,668
2029	696,191
Total	**10,753,376**

17. Subsequent events

The acquisition of Hardenbrook is progressing and it is expected that this will be completed in the December quarter.