Midori Carbon Inc. (formerly AJA Ventures Inc.)

Consolidated Financial Statements
For the Years Ended January 31, 2024 and 2023

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Independent Auditor's Report

To the Shareholders of Midori Carbon Inc. (formerly AJA Ventures Inc.)

Opinion

We have audited the consolidated financial statements of Midori Carbon Inc. (formerly AJA Ventures Inc.) (the “Company”), which comprise the consolidated statements of financial position as at January 31, 2024 and January 31, 2023, and the consolidated statements of earnings (loss) and comprehensive earnings (loss), consolidated statements of changes in equity and consolidated statements of cash flows for the years then ended, and notes to the consolidated financial statements, including material accounting policy information.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of the Company as at January 31, 2024 and January 31, 2023, and its financial performance and its cash flows for the years then ended in accordance with IFRS Accounting Standards.

Basis for Opinion

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

Material Uncertainty Related to Going Concern

We draw attention to Note 1 in the consolidated financial statements, which indicates that the Company had not yet achieved profitable operations, has variable gains and losses depending on the valuations of its investments, and expects to incur further losses in the development of its business. As stated in Note 1, these events or conditions, along with other matters as set forth in Note 1, indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Other Information

Management is responsible for the other information. The other information comprises the information included in Management's Discussion and Analysis.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

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

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

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Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

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

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

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

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

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

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

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

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

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

D&H Group LLP

Vancouver, B.C.
May 30, 2024

Chartered Professional Accountants

Midori Carbon Inc. (formerly AJA Ventures Inc.)
Consolidated Statements of Financial Position
(Stated in Canadian Dollars)

	Notes	January 31, 2024	January 31, 2023
ASSETS			
Current assets			
Cash		$ 250,985	$ 1,645,351
Receivables		35,931	16,489
Investments	5	1,003,794	304,223
Total current assets		1,290,710	1,966,063
Investment in associate	5	-	70,818
TOTAL ASSETS		$ 1,290,710	$ 2,036,881
LIABILITIES AND EQUITY			
Current liabilities			
Accounts payable and accrued liabilities	9	$ 61,850	$ 78,799
Demand loans	6	168,611	168,611
Subscriptions received in advance	7	-	125,730
Total current liabilities		230,461	373,140
Shareholders' equity			
Common shares	7	10,263,201	10,137,471
Contributed surplus		292,238	292,238
Deficit		(9,495,190)	(8,765,968)
Total equity		1,060,249	1,663,741
TOTAL LIABILITIES AND EQUITY		$ 1,290,710	$ 2,036,881

Nature of operations and going concern	1
Subsequent events	13

Approved on behalf of the Board of Directors:

"Mark Rutledge"
Mark Rutledge, Director

"Kal Hourd"
Kal Hourd, Director

Midori Carbon Inc. (formerly AJA Ventures Inc.)

Consolidated Statements of Earnings (Loss) and Comprehensive Earnings (Loss)

(Stated in Canadian Dollars)

	Notes	Year ended January 31, 2024	2023
Expenses			
Consulting fees		$ 193,393	$ 155,021
Filing, listing & transfer agent fees		7,732	7,306
General & administrative		13,855	13,428
Management & directors fees	9	255,567	176,335
Professional fees		102,355	92,004
Promotion & marketing		52,871	6,773
Salaries & wages	9	153,483	-
Share-based payments	8,9	-	19,054
Software development	4	663,637	-
Travel		6,797	-
Loss before other items		(1,449,690)	(469,921)
Other items			
Foreign exchange gain (loss)		(7,622)	1,278
Equity loss on investment in associate	5	(62,314)	(483,831)
Fair value changes on investments	5	786,484	(2,952,585)
Gain (loss) on sale of investments	5	3,920	(19,235)
		720,468	(3,454,373)
Earnings (loss) and comprehensive earnings (loss) for the year		$ (729,222)	$ (3,924,294)
Basic and diluted earnings (loss) per common share	7	$ (0.02)	$ (0.08)
Weighted average number of common shares outstanding	7	48,263,674	46,326,432

Midori Carbon Inc. (formerly AJA Ventures Inc.)

Consolidated Statements of Changes in Equity

(Stated in Canadian Dollars)

	Common Shares				Subscriptions Received in		
	Number	Amount	Contributed Surplus	Advance	Deficit	Total
Balance at January 31, 2023	48,066,563	$ 10,137,471	$ 292,238	$ -	$ (8,765,968)	$ 1,663,741
Common shares issued	349,250	125,730	-	-	-	125,730
Earnings (loss) for the year	-	-	-	-	(729,222)	(729,222)
Balance at January 31, 2024	48,415,813	$ 10,263,201	$ 292,238	$ -	$ (9,495,190)	$ 1,060,249

	Common Shares			Subscriptions Received in		
	Number	Amount	Contributed Surplus	Advance	Deficit	Total
Balance at January 31, 2022	41,715,084	$ 7,903,683	$ 273,184	$ 2,392,265	$ (4,841,674)	$ 5,727,458
Common shares issued for cash:						
Private placement	6,700,729	2,412,265	-	(2,412,265)	-	-
Share issue costs on private placement	-	(52,747)	-	-	-	(52,747)
Private placement shares returned	(349,250)	(125,730)	-	-	-	(125,730)
Subscriptions received in advance	-	-	-	20,000	-	20,000
Share-based payments	-	-	19,054	-	-	19,054
Earnings (loss) for the year	-	-	-	-	(3,924,294)	(3,924,294)
Balance at January 31, 2023	48,066,563	$ 10,137,471	$ 292,238	$ -	$ (8,765,968)	$ 1,663,741

Midori Carbon Inc. (formerly AJA Ventures Inc.)
Consolidated Statements of Cash Flows
(Stated in Canadian Dollars)

	Year ended January 31, 2024	2023
Operating Activities		
Earnings (loss) for the year	$ (729,222)	$ (3,924,294)
Items not involving cash:		
Share-based payments	-	19,054
Fair value changes on investments	(786,484)	2,952,585
Equity loss on investment in associate	62,314	483,831
Loss (gain) on sale of investments	(3,920)	19,235
Changes in non-cash working capital items:		
Receivables	(19,442)	(484)
Accounts payable and accrued liabilities	(16,950)	14,489
Net cash used in operating activities	(1,493,704)	(435,584)
Financing Activities		
Repayment of demand loans	-	(48,110)
Subscriptions received in advance	-	20,000
Common shares issued for cash, net of issue costs	-	(52,747)
Net cash provided by (used in) financing activities	-	(80,857)
Investing Activities		
Proceeds from sale of investments	254,793	91,793
Purchase of investments	(155,455)	(554,649)
Net cash provided by (used in) investing activities	99,338	(462,856)
Change in cash during the year	(1,394,366)	(979,297)
Cash, beginning of year	1,645,351	2,624,648
Cash, end of year	$ 250,985	$ 1,645,351
Supplemental Cash Flow Information		
Income taxes paid	$ -	$ -
Interest paid (received)	$ -	$ -
Non-cash Financing Activities		
Issuance of common shares for subscriptions received in advance	$ 125,730	$ 2,266,535

1. Nature of Operations and Going Concern

Midori Carbon Inc. (formerly AJA Ventures Inc.) (the "Company"), was incorporated under the laws of the Province of Alberta on April 19, 1998 and on July 26, 2002, the Company received a Certificate of Continuance from the Director under the provisions of the Canada Business Corporations Act and discontinued from the jurisdiction of Alberta. On February 11, 2020, the Company continued from under the Canada Business Corporations Act to under the Business Corporations Act (British Columbia). The Company's registered office is located at 700 – 400 West Georgia Street, Vancouver, BC, V6B 5A1.

The Company's shares were previously listed on the TSX Venture Exchange ("TSX-V"), however, its shares have not traded on the TSX-V since 2009. During the year ended January 31, 2022, the Company voluntarily delisted its shares from the TSX-V. Subsequent to January 31, 2024, the Company applied to the Canadian Securities Exchange ("CSE") to have its shares listed.

Beginning in early 2023, the Company refocused its efforts on the carbon credit sector. During fiscal 2024, the Company conceived and developed its own carbon credit trading platform and may seek to further commercialize it when management deems it suitable (note 4). The Company also made investments in businesses involved in the voluntary carbon credit industry, such as CRBN Technologies Ltd, Ora Technology PLC, and IO+ Pte Ltd. with a view to further identify and participate in that sphere (note 5).

These consolidated financial statements have been prepared using accounting policies in compliance with International Financial Reporting Standards ("IFRS Accounting Standards") as issued by the International Accounting Standards Board ("IASB") on the assumption that the Company will continue as a going concern and realize its assets and discharge its liabilities in the normal course of business rather than through a process of forced liquidation.

As at January 31, 2024, the Company had not yet achieved profitable operations, has variable gains and losses depending on the valuations of its investments, and expects to incur further losses in the development of its business. These factors indicate a material uncertainty that may cast substantial doubt on the Company's ability to continue as a going concern. The Company's continuation as a going concern is primarily dependent upon its ability to raise financing from equity markets or borrowings and upon successful results from its investments or potential acquisitions. While the Company has been successful in securing financings in the past, there is no assurance that it will be able to do so in the future. Accordingly, these financial statements do not give effect to adjustments, if any, that would be necessary should the Company be unable to continue as a going concern. If the going concern assumption was not used, then the adjustments required to report the Company's assets and liabilities on a liquidation basis could be material to these financial statements.

2. Basis of Preparation

a) Statement of compliance

The Company has prepared its consolidated financial statements in accordance with IFRS Accounting Standards as issued by the IASB and interpretations of the IFRS Interpretations Committee ("IFRICs").

b) Basis of presentation

The consolidated financial statements are presented in Canadian dollars and all values are rounded to the nearest dollar except where otherwise indicated. The consolidated financial statements have been prepared on an accrual basis, except for the statement of cash flows, and are based on historical costs except for certain financial instruments, which are measured at fair value, as explained in the accounting policies set out in note 3.

2. Basis of Preparation (cont'd)

These consolidated financial statements include the accounts of the following entities:

	Relationship	Percentage	Location of Incorporation
Midori Carbon Inc.	Parent		Canada
1250148 B.C. Ltd.	Subsidiary	100%	Canada

Inter-company balances and transactions have been eliminated on consolidation.

c) Approval of the consolidated financial statements

The consolidated financial statements of the Company for the years ended January 31, 2024 and 2023 were approved and authorized for issue by the Board of Directors on May 30, 2024.

d) Recent accounting pronouncements and changes to accounting policies

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

3. Summary of Material Accounting Policies

a) Cash

Cash in the statements of financial position comprise cash at banks, or held in trust, and short-term deposits with an original maturity of three months or less, which are readily convertible into a known amount of cash, and subject to insignificant risk of changes in fair value.

b) Foreign currencies

The financial statements are presented in Canadian dollars. The Company's functional currency is the Canadian dollar, which is the currency of the primary economic environment in which the Company operates.

Transactions in foreign currencies are initially recorded at the functional currency rate at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated to the functional currency rate of exchange at the date of the statement of financial position.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined.

3. Summary of Material Accounting Policies (cont'd)

c) Financial instruments

i) Recognition

The Company recognizes a financial asset or financial liability on the statement of financial position when it becomes party to the contractual provisions of the financial instrument. Financial assets are initially measured at fair value, and are derecognized either when the Company has transferred substantially all the risks and rewards of ownership of the financial asset, or when cash flows expire. Financial liabilities are initially measured at fair value and are derecognized when the obligation specified in the contract is discharged, cancelled or expired.

A write-off of a financial asset (or a portion thereof) constitutes a derecognition event. Write-off occurs when the Company has no reasonable expectation of recovering the contractual cash flows of a financial asset.

ii) Classification and measurement

The Company determines the classification of its financial instruments at initial recognition. Financial assets and financial liabilities are classified according to the following measurement categories:

a) those to be measured subsequently at fair value, either through profit or loss ("FVTPL") or through other comprehensive income ("FVTOCI"); and,
b) those to be measured subsequently at amortized cost.

The classification and measurement of financial assets after initial recognition at fair value depends on the business model for managing the financial asset and the contractual terms of the cash flows. Financial assets that are held within a business model whose objective is to collect the contractual cash flows, and that have contractual cash flows that are solely payments of principal and interest on the principal outstanding, are generally measured at amortized cost at each subsequent reporting period. All other financial assets are measured at their fair values at each subsequent reporting period, with any changes recorded through profit or loss or through other comprehensive income (which designation is made as an irrevocable election at the time of recognition).

After initial recognition at fair value, financial liabilities are classified and measured at either:

i) amortized cost;
ii) FVTPL, if the Company has made an irrevocable election at the time of recognition, or when required (for items such as instruments held for trading or derivatives); or
iii) FVTOCI, when the change in fair value is attributable to changes in the Company's credit risk.

The Company reclassifies financial assets when and only when its business model for managing those assets changes. Financial liabilities are not reclassified.

Transaction costs that are directly attributable to the acquisition or issuance of a financial asset or financial liability classified and subsequently measured at amortized cost or FVTOCI are included in the fair value of the instrument on initial recognition. Transaction costs for financial assets and financial liabilities classified at FVTPL are expensed in profit or loss.

3. Summary of Material Accounting Policies (cont'd)

The Company's financial assets consists of cash and investments which are classified and subsequently measured at FVTPL. The Company's financial liabilities consist of accounts payable and accrued liabilities, demand loans, and subscriptions received in advance. These financial liabilities are classified and measured at amortized cost using the effective interest rate method. The 'effective interest rate' is the rate that discounts estimated future cash payments over the expected life of the financial instrument to the gross carrying amount of the financial asset or the amortized cost of the financial liability. The effective interest rate is calculated considering all contractual terms of the financial instruments, except for the expected credit losses of financial assets. Interest expense is reported in profit or loss.

iii) Impairment
The Company assesses all information available, including on a forward-looking basis the expected credit losses associated with any financial assets carried at amortized cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk. To assess whether there is a significant increase in credit risk, the Company compares the risk of a default occurring on the asset as at the reporting date with the risk of default as at the date of initial recognition based on all information available, and reasonable and supportable forward-looking information.

iv) Derecognition
The Company derecognizes financial assets only when the contractual rights to cash flows from the financial assets expire, or when it transfers the financial assets and substantially all of the associated risks and rewards of ownership to another entity. Gains and losses on derecognition are generally recognized in the statements of comprehensive income (loss).

d) Investment in associate

An associate is an entity over which the Company has significant influence, and which is neither a subsidiary nor a joint arrangement.

The Company has significant influence over an entity when it has the power to participate in the financial and operating policy decisions of the associate but does not have control or joint control.

Under the equity method, the Company's investment in the common shares of the associate is initially recognized at cost and subsequently increased or decreased to recognize the Company's share of net income and losses of the associate, after any adjustments necessary to give effect to uniform accounting policies, any other movement in the associate's reserves, and for impairment losses after the initial recognition date. The Company's share of income and losses of the associate is recognized in net income during the period.

Dividends and repayment of capital received from an associate are accounted for as a reduction in the carrying amount of the Company's investment.

At the end of each reporting period, the Company assesses whether there is any objective evidence that an investment in an associate is impaired. Objective evidence includes observable data indicating there is a measurable decrease in the estimated future cash flows of the investee's operations. A significant or prolonged decline in the fair value of an equity investment below its cost is also objective evidence of impairment. When there is objective evidence that an investment is impaired, the carrying amount of such investment is compared to its recoverable amount, being the higher of its fair value less costs of disposal and value-in-use.

3. Summary of Material Accounting Policies (cont'd)

If the recoverable amount of an investment is less than its carrying amount, the carrying amount is reduced to its recoverable amount and an impairment loss, being the excess of carrying amount over the recoverable amount, is recognized in the period in which the relevant circumstances are identified. When an impairment loss reverses in a subsequent period, the carrying amount of the investment is increased to the revised estimate of recoverable amount to the extent that the increased carrying amount does not exceed the carrying amount that would have been determined had an impairment loss not been previously recognized. A reversal of an impairment loss is recognized in net income in the period in which the reversal occurs.

The Company discontinues the use of the equity method from the date when the investment ceases to be an associate. When the retained interest in the former associate is a financial asset, the Company measures the retained interest at fair value on initial recognition as a financial asset in accordance with IFRS 9. The Company recognizes in profit or loss any difference between the carrying amount of the investment at the date the equity method was discontinued.

e) Share capital

Common shares, options and warrants are classified as equity. Transaction costs directly attributable to the issue of common shares, options and warrants are recognized as a deduction from equity, net of any tax effects.

The Company bifurcates units which consist of common shares and share purchase warrants using the residual value approach, whereby it measures the common share component of the unit at fair value using market prices as input values and then allocates the residual value, if any, of the units over the fair value of the common shares to the warrant component. The value of the warrant component is credited to share-based payment reserve. When warrants are exercised, forfeited or expire, the corresponding value is transferred from share-based payment reserve to common stock.

f) Share-based payments

Employees (including directors and senior executives) of the Company may receive a portion of their remuneration in the form of share-based payments, whereby employees render services as consideration for equity instruments ("equity-settled transactions"). The costs of equity-settled transactions with employees are measured by reference to the fair value at the date on which they are granted.

Where equity instruments are issued for goods or services to other than employees, the transaction is measured at the fair value of the goods or services received by the Company. When the value of the goods or services cannot be specifically identified, they are measured at the fair value of the share-based payment.

The costs of equity-settled transactions are recognized, together with a corresponding increase in equity, over the period in which the performance and/or service conditions are fulfilled, ending on the date on which the relevant employees become fully entitled to the award ("vesting date"). The cumulative expense recognized for equity-settled transactions at each reporting date until the vesting date reflects the Company's best estimate of the number of equity instruments that will ultimately vest. The profit or loss charge or credit for a period represents the movement in cumulative expense recognized as at the beginning and end of that period and the corresponding amount is represented in share-based payments reserve.

3. Summary of Material Accounting Policies (cont'd)

No expense is recognized for awards that do not ultimately vest, except for awards where vesting is conditional upon a market condition, which are treated as vesting irrespective of whether or not the market condition is satisfied provided that all other performance and/or service conditions are satisfied.

Where the terms of an equity-settled award are modified, the minimum expense recognized is the expense as if the terms had not been modified. An additional amount is recognized on the same basis as the amount of the original award for any modification which increases the total fair value of the share-based payment arrangement or is otherwise beneficial to the recipient as measured at the date of modification.

g) Income taxes

Deferred income taxes are provided in full, using the liability method, on temporary differences arising between the income tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred income taxes are determined using income tax rates and income tax laws that have been enacted at the end of the reporting period and are expected to apply when the related deferred income tax asset is realized or the deferred income tax liability is settled. Deferred income tax assets are recognized to the extent that it is probable that future taxable income will be available against which the temporary differences can be utilized.

h) Research and development

Research costs are expensed in the period incurred. Development costs are expensed in the period incurred unless the Company believes a development project meets specific criteria for capitalization. Development activities involve a plan or design for the production of new or substantially improved products and processes. Development costs are capitalized only if costs can be measured reliably, the product or process is technically and commercially feasible, future economic benefits are probable and the Company intends to and has sufficient resources to complete development to use or sell the asset. Capitalized development costs are measured at cost less accumulated amortization and accumulated impairment losses. To date, no development costs have been capitalized.

i) Earnings (loss) per share

Basic earnings (loss) per share is calculated by dividing the net income (loss) for the period available to common shareholders by the weighted average number of shares outstanding during the period. Diluted earnings per share reflect the potential dilution of securities that could share in earnings of an entity. The Company uses the treasury stock method of calculating fully diluted earnings per share amounts, whereby any proceeds from the exercise of dilutive instruments are assumed to be used to purchase common shares at the average market price during the period. Basic and diluted loss per share are the same for the periods presented, as the effect of dilutive instruments outstanding, during the periods presented, would be anti-dilutive.

3. Summary of Material Accounting Policies (cont'd)

j) Significant accounting judgments and estimates

The preparation of these consolidated financial statements requires management to make judgments and estimates and form assumptions that affect the reported amounts of assets and liabilities at the date of the consolidated financial statements and reported amounts of expenses during the reporting period. On an ongoing basis, management evaluates its judgments and estimates in relation to assets, liabilities and expenses. Management uses historical experience and various other factors it believes to be reasonable under the given circumstances as the basis for its judgments and estimates. Actual outcomes may differ from these estimates under different assumptions and conditions.

The areas that require significant estimations or where measurements are uncertain are as follows:

Share-based payments
The Company uses the Black-Scholes Option Pricing Model for valuation of share-based payments. Option pricing models require the input of subjective assumptions including expected price volatility, interest rate and forfeiture rate. Changes in the input assumptions can materially affect the fair value estimate and the Company's earnings and equity reserves.

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

Going Concern
The determination of the Company's ability to continue as a going concern requires significant judgment. Material adjustments to the Company's assets and liabilities may be required if the going concern assumption was not used.

Financial Assets and Financial Liabilities
The determination of categories of financial assets and financial liabilities has been identified as an accounting policy which involves judgments or assessments made by management.

4. Software Development

Since early 2023, the Company, Zero Degrees Technology Inc. ("Zero Degrees"), and the sole shareholder (the "Vendor") of Zero Degrees have collaborated on the ideation, conceptualization and development of a proprietary carbon credit trading platform (the "Platform") and related app for the Company. At the time, it was anticipated that the Company would acquire Zero Degrees so as to wholly-own all intellectual property in the Platform and entered into an agreement (the "Purchase Agreement") whereby the Company would acquire all of the issued and outstanding securities of Zero Degrees on a cash free, debt free basis (the "Acquisition").

As part of that development, the Company agreed to fund up to GBP350,000 in development expenses with respect to the Platform and the Company had advanced $542,387 (GBP320,571) during fiscal 2024 for payment to a software development company retained by Zero Degrees on the Company's behalf to develop the Platform (note 9). These loaned funds were non-interest bearing and unsecured as it was always intended that the work developed, and thus the cost, would be for the sole benefit of the Company.

(Stated in Canadian Dollars)

4. Software Development (cont'd)

Subsequently, Zero Degrees and the Vendor were no longer active in the development of the Platform. As such, the Purchase Agreement was terminated and the Acquisition no longer pursued. So as to ensure that any residual intellectual property rights of Zero Degrees and the Vendor in regards to the Platform were properly owned by the Company, as has always been intended, the parties entered into an IP assignment agreement instead, pursuant to which the Vendor will receive 6,750,000 common shares of the Company (note 13).

With the cancellation of the Purchase Agreement, the $542,387 advanced for the development of the Platform were recategorized as software development expenses.

5. Investments and Investment in Associate

	January 31, 2023	Purchases	Dispositions	Switch From Equity Accounting	Change in Fair Value	January 31, 2024
Cel AI Plc	$ 244,223	$ -	$ (216,050)	$ -	$ (28,173)	$ -
CRBN Technologies Ltd.	-	-	-	8,504	-	8,504
Filament Ventures Corp.	60,000	-	(34,822)	-	33,462	58,640
IO+ Pte Ltd.	-	69,860	-	-	(1,740)	68,120
Ora Technology PLC	-	85,595	-	-	782,935	868,530
	$ 304,223	$ 155,455	$ (250,872)	$ 8,504	$ 786,484	$ 1,003,794

	January 31, 2022	Purchases	Dispositions	Switch From Equity Accounting	Change in Fair Value	January 31, 2023
Cel AI Plc	$ 3,127,836	$ -	$ (111,028)	$ -	$(2,772,585)	$ 244,223
Filament Ventures Corp.	190,000	-	-	-	(130,000)	60,000
	$ 3,317,836	$ -	$ (111,028)	$ -	$(2,902,585)	$ 304,223

a) Cel AI Plc ("Cel AI")

Cel AI is a UK based public company with a focus on establishing a premium high-quality, independently tested and compliant CBD consumer product brand. Its shares are listed and traded on the London Stock Exchange. The fair value change of $28,173 (2023 – $2,772,585) represents a loss on mark-to-market of Cellular's common shares.

During the year ended January 31, 2024, the Company sold all of its remaining 27,000,000 common shares for net proceeds of $205,658 and realized a loss on sale of $10,392 (note 9).

During the year ended January 31, 2023, the Company sold 3,000,000 common shares for net proceeds of $91,793 and realized a loss on sale of $19,235.

5. Investments and Investment in Associate (cont'd)

b) Filament Health Corp. (formerly Filament Ventures Corp.) ("Filament")

Filament is a Canadian based public company with a focus on being a natural psychedelic drug discovery and extraction company. During the year ended January 31, 2022, Filament's shares were listed for trading on the NEO Exchange. Upon listing, the shares were put into escrow and as of July 31, 2022, all of the shares have been released from escrow. The fair value change of $33,462 (2023 – loss of $130,000) represents a gain on mark-to-market of Filament's common shares.

During the year ended January 31, 2024, the Company sold 267,000 common shares for net proceeds of $49,135 and realized a gain on sale of $14,312. The Company holds 733,000 common shares.

c) IO+ Pte Ltd. ("IO+")

IO+ Pte Ltd. is a Singapore based private company with a focus on developing a digital carbon trading platform targeted towards users in Asia. The Company acquired 4,000,000 common shares of IO+ Pte Ltd. for $69,860 (GBP40,000). The fair value change of $1,740 (2023 - $nil) represents a loss on mark-to-market of IO+'s common shares.

d) Ora Technology PLC (formerly JSON Technology Ltd) ("Ora")

Ora Technology PLC (formerly JSON Technology Ltd) is a UK based public company with a focus on developing a digital carbon trading platform. The Company acquired 5,000,000 common shares for $85,595 (GBP50,000). On July 20, 2023, the common shares of Ora were listed for trading on the Aquis Stock Exchange. The fair value change of $782,935 (2023 - $nil) represents a gain on mark-to-market of Ora's common shares.

e) CRBN Technologies Ltd ("CRBN")

CRBN is a UK based private company with a focus on developing a carbon credit trading platform. During the year ended January 31, 2023, the Company purchased 43,000,000 common shares for $554,649 (GBP358,000). The Company's ownership interest in CRBN was reduced to 27% from 30.5% due to CRBN issuing common shares during the three months ended April 30, 2023. During the year ended January 31, 2024, the Company's share of CRBN's net loss was $62,314 (GBP37,260), reducing the Company's net investment in CRBN to $8,504.

During the year, it was determined that the Company does not exert significant influence as the Company ceased to have representation on the board of directors and does not have the power to participate in the financial and operating policy decisions of CRBN. As such, the Company changed its method of accounting for CRBN from the equity method to that of a financial asset – equity investment. The fair value of the CRBN shares remains $8,504.

f) CRBN Technology Inc. ("CRBN USA")

During the year, the shareholders of CRBN received shares in CRBN USA, a Delaware company, on a pro-rata basis. The Company received 430,000 common shares of CRBN USA with a value of $4.30. CRBN USA is developing its own carbon credit trading platform focused on the USA market. The fair value of the CRBN USA shares is $Nil.

The Company's ownership interest in CRBN USA is 23.5% and the Company 1) does not exert significant influence on the operations and business strategies of CRBN USA; 2) has no officers or directors in common with CRBN USA; and 3) does not own a controlling block of shares. CRBN USA is accounted as a financial asset – equity investment.

(Stated in Canadian Dollars)

6. Demand Loans

Demand loans relate to debts incurred by the Company in prior years. The demand loans are unsecured, non-interest bearing, and are due on demand. The Company repaid $48,110 of the demand loans during the year ended January 31, 2023.

7. Common Shares and Warrants

a) Authorized:

An unlimited number of common shares with no par value.

b) During the years ended January 31, 2024 and 2023, the Company issued the following common shares:

i) On May 12, 2022, the Company closed a private placement by issuing a total of 6,351,479 common shares at $0.36 per share for gross proceeds of $2,286,535. The Company incurred share issue costs of $52,747.

As part of the $0.36 private placement described above, the Company received share subscriptions in the amount of $125,730. The Company's transfer agent required further registration instructions from these share subscribers in order to issue share certificates. These share subscriptions were classified as a current liability until such time as the share certificates are issued or the funds are returned to the subscribers. During the year ended January 31, 2024, registration instructions were received and the share certificates were issued.

c) Warrants:

The changes in warrants issued during the years ended January 31, 2024 and 2023 are as follows:

	Year ended Janaury 31, 2024		Year ended Janaury 31, 2023	
	Number of warrants	Weighted-average exercise price	Number of warrants	Weighted-average exercise price
Balance, beginning of year	5,744,453	$ 0.12	5,744,453	$ 0.12
Expired	(5,744,453)	$ 0.12	-	$ -
Balance, end of year	-	$ -	5,744,453	$ 0.12

The Company does not have any warrants exercisable and outstanding as at January 31, 2024.

(Stated in Canadian Dollars)

7. Common Shares and Warrants (cont'd)

d) Earnings (loss) per share:

	Year ended Janaury 31, 2024	Year ended January 31, 2023
Numerator:		
Net (loss) income	$ (737,726)	$ (3,924,294)
Denominator:		
Weighted average number of common shares (basic)	48,263,674	46,326,432
Dilutive effect of share options	-	-
Dilutive effect of warrants	-	-
Weighted average number of common shares (diluted)	48,263,674	46,326,432
Basic and diluted (loss) income per common share	$ (0.02)	$ (0.08)

8. Share-based Payments

The Company has a rolling Stock Option Plan ('Plan') for directors, officers, employees and consultants of the Company. The Company may grant non-transferable options to individuals (which are exercisable over periods of up to ten years) as determined by the Board of Directors of the Company, to buy shares of the Company at the fair market value on the date the option is granted. The maximum number of shares which may be issuable under the Plan cannot exceed 10% of the total number of issued and outstanding shares on a non-diluted basis.

On August 1, 2021, the Company granted 1,250,000 stock options to Directors and officers. Each option is exercisable to acquire one common share at an exercise price of $0.09 expiring July 31, 2026. The stock options vest as to 25% on date of grant and 12.5% every three months thereafter. The Company recognized $nil (2023 - $19,054) for share-based payments. The weighted average remaining contractual life of outstanding share options at January 31, 2024 was 2.5 (2023 – 3.5) years.

The fair value of the 1,250,000 stock options was estimated using the Black-Scholes option pricing model assuming a weighted average risk-free interest rate of 0.83%, a dividend yield of nil, a weighted average expected annual volatility of the Company's share price of 80% and an expected life of 5 years. The fair value of the stock options was $0.06 per option. The expected volatility assumption is based on the estimated volatility of early-stage companies. The risk-free interest rate is based on yield curves on the Canadian government zero-coupon bonds or Canadian government treasury bills with a remaining term equal to the options' expected life.

9. Related Party Disclosures

Parties are considered to be related if one party has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operating decisions. Parties are also considered to be related if they are subject to common control or common significant influence. Related parties may be individuals or corporate entities. A transaction is considered to be a related party transaction when there is a transfer of resources or obligations between related parties.

(Stated in Canadian Dollars)

9. Related Party Disclosures (cont'd)

The following is a summary of the related party transactions that occurred during the years ended January 31, 2024 and 2023:

a) Compensation of key management personnel

The Company has determined that key management personnel consist of its Directors, the CEO and CFO.

	January 31, 2024	January 31, 2023
Management fees	$ 245,568	$ 176,335
Salaries and wages	184,299	-
Directors fees	10,000	-
Share-based payments - vested stock options	-	19,054
	$ 439,866	$ 195,389

As at January 31, 2024, $10,500 (2023 - $15,000) is owing to related parties and included in accounts payable and accrued liabilities.

b) Other related party transactions

i) The Company sold all of its remaining 27,000,000 common shares of Cel AI (note 5). The Company had a director in common with Cel AI from August 2023 to January 2024.

ii) The Company paid $nil (2023 - $9,000) for rent to a company with a common director.

iii) The Company advanced $542,387 (2023 - $nil) to a software development company retained by Zero Degrees on the Company's behalf to develop the Platform (note 4). This software development company is a subsidiary of another public company with a director in common with the Company.

10. Financial Instruments and Capital Management

The investment operations of the Company's business involve the purchase and sale of securities and, accordingly, the majority of the Company's assets are currently comprised of financial instruments. The use of financial instruments can expose the Company to several risks, including interest rate, credit, currency, liquidity and market risk. A discussion of the Company's use of financial instruments and their associated risk is provided below:

a) Fair value

The Company classifies its financial instruments using a fair value hierarchy as a framework for disclosing fair value of financial instruments based on inputs used to value the Company's investments. The hierarchy of inputs and description of inputs is described as follows:

(Stated in Canadian Dollars)

10. Financial Instruments and Capital Management (cont'd)

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

		January 31, 2024			
	Notes	Level 1	Level 2	Level 3	Total
FVTPL					
Cash		$ 250,985	$ -	$ -	$ 250,985
Private company shares	5	-	-	76,624	76,624
Public company shares	5	927,170	-	-	927,170
		$ 1,178,155	$ -	$ 76,624	$ 1,254,779

		January 31, 2023			
	Notes	Level 1	Level 2	Level 3	Total
FVTPL					
Cash		$ 1,645,351	$ -	$ -	$ 1,645,351
Public company shares	5	304,223	-	-	304,223
		$ 1,949,574	$ -	$ -	$ 1,949,574

The Company determines transfers between the levels of the fair value hierarchy to have occurred on the date of the event or change in circumstance that caused the transfer. Transfers from fair value Level 3 occur when quoted prices in active markets for identical assets or liabilities become available or inputs other than quoted prices become observable for the asset or liability either directly or indirectly. Transfers to fair value Level 1 occur when quoted prices in an active market for identical assets or liabilities become available.

Fair value estimates are made at the statement of financial position date, based on relevant market information and other information about financial instruments. As at January 31, 2024, amounts reflected in the statements of financial position for cash are carrying amounts and approximate their fair values due to their short-term nature.

The fair value of unquoted investments is established using valuation techniques. These may include the use of recent arm's length transactions, a Black-Scholes option pricing model, discounted cash flow analysis, a probability-weighted expected return model, or a current value method. Where a fair value cannot be estimated reliably, the investment is reported at the carrying value at the previous reporting date.

The Company assesses at each reporting period whether there is any objective evidence that the unquoted investments are impaired. The unquoted investments are deemed to be impaired, if and only if, there is objective evidence of impairment as a result of one or more events that have occurred after the initial recognition of the asset (an incurred 'loss event') and that loss event (or events) has an impact on the estimated future fair value of the investments that can be reliably measured.

(Stated in Canadian Dollars)

10. Financial Instruments and Capital Management (cont'd)

b) Credit risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. The Company's cash is exposed to credit risk, with the carrying value being the Company's maximum exposure. The Company's cash consists of funds held at a chartered Canadian bank. The Company is required to review impairment of its financial assets at amortized costs at each reporting period and to review its allowance for doubtful accounts for expected future credit losses. The Company minimizes credit risk by performing credit reviews, ongoing credit evaluation and account monitoring procedures.

c) Liquidity risk

Liquidity risk is the risk that the Company will not have sufficient cash resources to meet its financial obligations as they come due. The Company's liquidity and operating results may be adversely affected as a result of downturn in stock market conditions generally or related to matters specific to the Company, or if the value of the Company's investments declines, resulting in losses upon disposition. The Company currently generates cash flow from issuances of its common shares and dispositions of certain investments. The Company may in the future dispose of more of its investments in order to fund obligations as they become due under normal operating conditions.

d) Market risk

The Company is exposed to certain market risk that the value of, or future cash flows from, the Company's financial assets will significantly fluctuate due to changes in market prices. The value of the financial assets may be affected by changes in interest rates, foreign exchange rates, and equity and commodity prices. The Company is exposed to market risk in its investments, and unfavorable market conditions could result in dispositions of investments at less than favorable prices. Additionally, the Company is required to mark to market its FVTPL investments at the end of each reporting period. This process could result in significant write-downs of the Company's investments over one or more reporting periods, particularly during periods of overall market instability, which would have a significant unfavorable effect on the Company's financial position.

The Company's investments include public company shares. The following table shows the estimated sensitivity on the statement of earnings and comprehensive earnings for the year ended January 31, 2024 of the closing price of the Company's public company shares with all other variables held constant as at January 31, 2024:

Percentage of change in closing prices	Change in earnings and comprehensive earnings from % increase in closing price	Change in earnings and comprehensive earnings from % decrease in closing price
5%	$46,359	$(46,359)
10%	$92,717	$(92,717)

e) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company is not exposed to significant interest rate risk as cash only comprised bank account balances as of January 31, 2024. The Company had no interest rate swaps as at or during the year ended January 31, 2024.

10. Financial Instruments and Capital Management (cont'd)

f) Currency risk

Currency risk is the risk that fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. Financial instruments that impact the Company's earnings or loss due to currency fluctuations include foreign currency denominated assets and liabilities. The Company does not use derivative instruments or hedges to manage currency risks. The sensitivity of the Company's earnings or loss due to changes in the exchange rate between the foreign currency and Canadian dollar is included in the table below:

Currency denomination		Investments		Effect of +/- 10% change in currency
United Kingdom	$	945,154	$	94,515

g) Capital management

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to commercialize the Midori app when the Company considers circumstances suitable and to identify and acquire new investments or business opportunities. The Company does not have any externally imposed capital requirements to which it is subject. The Company considers the aggregate of its cash and common shares as capital. 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. To maintain or adjust the capital structure, the Company may attempt to issue new common shares; issue debt; acquire or dispose of assets; or adjust the amount of cash.

Most of the Company's investments are in the early stage of development and are not producing positive cash flow. As such, the Company is dependent on external financing to fund its activities. In order to carry out operations, the Company will spend its existing working capital and raise additional amounts as needed.

11. Segmented Information

At January 31, 2024 the Company has two reportable operating segment, being 1) investments in carbon credit technology companies; and 2) the development and potential commercialization of its own carbon credit trading app. The Company's cash is located in Canada.

The Company's investments, in Canadian dollars, are located in the following geographic locations:

Canada	$	58,640
Singapore		68,120
United Kingdom		877,034
	$	1,003,794

(Stated in Canadian Dollars)

11. Segmented Information (cont'd)

An operating segment is defined as a component of the Company:

- that engages in business activities from which it may earn revenues and incur expenses;
- whose operating results are reviewed regularly by the entity's chief operating decision maker; and
- for which discrete financial information is available.

12. Income Taxes

Tax expense differs from the amount computed by applying the combined Canadian federal and provincial income tax rates, applicable to the Company, to the income (loss) before income taxes due to the following:

	Year ended January 31, 2024	Year ended January 31, 2023
Earnings (loss) before income taxes	$ (729,222)	$ (3,924,294)
Canadian federal and provincial income tax rate	27.0%	27.0%
Income tax expense (recovery) based on Canadian federal and provincial income tax rates	(196,890)	(1,059,559)
Increase (decrease) in income taxes attributable to:		
Fair value changes on investments	(212,351)	797,198
Equity loss on investment in associate	16,825	130,634
Loss (gain) on sale of investments	(1,058)	5,193
Non-deductible expenses	42	5,277
Other	(4,496)	(4,496)
Tax benefits not recognized	397,928	125,753
Income tax (recovery)	$ -	$ -

Unrecognized deductible temporary differences and unused tax losses are attributable to the following:

	Year ended January 31, 2024	Year ended January 31, 2023
Investments	$ (35,000)	$ 15,000
Share issuance costs	12,000	16,000
Capital loss carryforwards	494,000	483,000
Non-capital loss carry forwards	1,133,000	735,000
	1,604,000	1,249,000
Less: tax benefits not recognized	(1,604,000)	(1,249,000)
	$ -	$ -

12. Income Taxes (cont'd)

At January 31, 2024 the Company has non-capital losses of approximately $4,196,000 (2023 - $2,722,000) expiring between January 31, 2026 to 2044. The Company also has available capital losses of approximately $3,663,000 which can be applied against future capital gains.

13. Subsequent events

Subsequent to January 31, 2024, the following transactions occurred:

a) On May 9, 2024, the shareholders of IO+ agreed to sell their shares to Flex Labs Inc. ("Flex"), on the basis of one share of IO+ for 0.77 shares of Flex. This resulted in the Company exchanging 4,000,000 shares of IO+ with a value of $68,768 (GBP40,000) for 3,087,719 shares for Flex with a value of $132,710 (GBP77,193). Flex is a UK based public company and its shares are listed and traded on the Aquis Stock Exchange.

b) On May 24, 2024, the Company issued 6,750,000 common shares with a value of $675,000 to the Vendor discussed in note 4.