

Midori Carbon Inc.

**Condensed Consolidated Interim Financial Statements
Three and six months ended July 31, 2024
(Unaudited)**

Notice to Reader

Under National instrument 51-102, Part 4, subsection 4.3(3)(a), if an auditor has not performed a review of the interim financial statements, they must be accompanied by a notice indicating that the financial statements have not been reviewed by an auditor.

The accompanying unaudited condensed consolidated interim financial statements have been prepared by and are the responsibility of management.

The Company's independent auditor has not performed a review of these condensed consolidated interim financial statements in accordance with the standards established by the Chartered Professional Accountants of Canada for a review of the condensed consolidated interim financial statements by an entity's auditor.

Midori Carbon Inc.

Condensed Consolidated Interim Statements of Financial Position

(Stated in Canadian Dollars)

(Unaudited)

	Notes	July 31, 2024	January 31, 2024
ASSETS			
Current assets			
Cash		\$ 135,782	\$ 250,985
GST receivable		26,560	35,931
Prepaid expenses		1,385	-
Investments	4	991,460	1,003,794
TOTAL ASSETS		\$ 1,155,187	\$ 1,290,710
LIABILITIES AND EQUITY			
Current liabilities			
Accounts payable and accrued liabilities		\$ 54,182	\$ 61,850
Demand loans	5	168,611	168,611
Total current liabilities		222,793	230,461
Shareholders' Equity			
Common shares	6	10,938,201	10,263,201
Contributed surplus		292,238	292,238
Deficit		(10,298,045)	(9,495,190)
Total equity		932,394	1,060,249
TOTAL LIABILITIES AND EQUITY		\$ 1,155,187	\$ 1,290,710
Nature and continuance of operations	1		
Subsequent events	1		

Approved on behalf of the Board of Directors:

"Mark Rutledge"

Mark Rutledge, Director

"Kal Hourd"

Kal Hourd, Director

Midori Carbon Inc.

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

(Stated in Canadian Dollars)

(Unaudited)

	Notes	Three months ended July 31,		Six months ended July 31,	
		2024	2023	2024	2023
Expenses					
Consulting fees		\$ -	\$ 58,300	\$ -	\$ 135,296
Filing, listing & transfer agent fees		4,291	3,627	10,026	4,187
General and administrative		179	9,321	864	11,377
Management & directors fees	8	36,826	82,988	69,638	166,650
Professional fees		15,607	22,459	34,993	39,507
Promotion & marketing		-	16,517	-	27,009
Salaries & wages	8	-	66,674	-	93,871
Software development	3	675,000	-	675,000	100,000
Travel		-	-	-	6,596
Loss before other items		(731,903)	(259,886)	(790,521)	(584,493)
Other items					
Foreign exchange gain (loss)		-	(1,009)	-	(189)
Equity loss on investment in associate	4	-	(31,474)	-	(62,314)
Fair value changes on investments	4	17,312	547,153	(12,334)	634,997
Earnings (loss) and comprehensive earnings (loss) for the period		\$ (714,591)	\$ 254,784	\$ (802,855)	\$ (11,999)
Basic and diluted income (loss) per common share					
	6	\$ (0.01)	\$ -	\$ (0.02)	\$ -
Weighted average number of					
common shares outstanding - basic		53,478,313	48,066,563	50,974,879	48,066,563
common shares outstanding - diluted	6	53,478,313	52,833,698	50,974,879	48,066,563

The accompanying notes are an integral part of these condensed consolidated interim financial statements.

Midori Carbon Inc.

Condensed Consolidated Interim Statements of Changes in Equity

(Stated in Canadian Dollars)

(Unaudited)

	Common Shares		Contributed Surplus	Deficit	Total
	Number	Amount			
Balance at January 31, 2024	48,415,813	\$ 10,263,201	\$ 292,238	\$ (9,495,190)	\$ 1,060,249
IP assignment	6,750,000	675,000	-	-	675,000
Earnings (loss) for the period	-	-	-	(802,855)	(802,855)
Balance at July 31, 2024	55,165,813	\$ 10,938,201	\$ 292,238	\$ (10,298,045)	\$ 932,394

	Common Shares		Contributed Surplus	Deficit	Total
	Number	Amount			
Balance at January 31, 2023	48,066,563	\$ 10,137,471	\$ 292,238	\$ (8,765,968)	\$ 1,663,741
Earnings (loss) for the period	-	-	-	(11,999)	(11,999)
Balance at July 31, 2023	48,066,563	\$ 10,137,471	\$ 292,238	\$ (8,777,967)	\$ 1,651,742

The accompanying notes are an integral part of these condensed consolidated interim financial statements.

Midori Carbon Inc. (formerly AJA Ventures Inc.)

Condensed Consolidated Interim Statements of Cash Flows

(Stated in Canadian Dollars)

(Unaudited)

	Six months ended July 31,	
	2024	2023
Operating Activities		
Earnings (loss) for the period	\$ (802,855)	\$ (11,999)
Items not involving cash:		
Software development	675,000	-
Equity loss on investment in associate	-	62,314
Fair value changes on investments	12,334	(634,997)
Changes in non-cash working capital items:		
GST receivable	9,371	(18,037)
Prepaid expenses	(1,385)	-
Accounts payable and accrued liabilities	(7,668)	5,106
Net cash used in operating activities	(115,203)	(597,613)
Investing Activities		
Loan receivable	-	(448,836)
Purchase of investments	-	(85,595)
Net cash provided by (used in) investing activities	-	(534,431)
Change in cash during the period	(115,203)	(1,132,044)
Cash, beginning of period	250,985	1,645,351
Cash, end of period	\$ 135,782	\$ 513,307
Supplemental Cash Flow Information		
Income taxes paid	\$ -	\$ -
Interest paid (received)	\$ -	\$ -

The accompanying notes are an integral part of these condensed consolidated interim financial statements.

Midori Carbon Inc.

Notes to the Condensed Consolidated Interim Financial Statements

July 31, 2024

(Stated in Canadian Dollars)

(Unaudited)

1. Nature and Continuance of Operations

Midori Carbon 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 received final approval to list its common shares on the Canadian Securities Exchange ("CSE") and on September 20, 2024, trading commenced under the ticker symbol "MIDO". The Company's shares were previously listed on the TSX Venture Exchange ("TSX-V") and during the year ended January 31, 2022, the Company voluntarily delisted its shares from the TSX-V.

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 3). 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 4).

These consolidated financial statements have been prepared using accounting policies in compliance with International Financial Reporting Standards ("IFRS") 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 July 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.

The condensed consolidated interim financial statements are presented in Canadian dollars and all values are rounded to the nearest dollar except where otherwise indicated.

2. Basis of Preparation

a) Statement of compliance

These condensed consolidated interim financial statements, including comparatives, are unaudited and have been prepared in accordance with IAS 34, *Interim Financial Reporting* ("IAS 34") using accounting policies consistent with the International Financial Reporting Standards ("IFRS") issued by the International Accounting Standards Board ("IASB") and Interpretations of the International Financial Reporting Interpretations Committee ("IFRIC").

Midori Carbon Inc.

Notes to the Condensed Consolidated Interim Financial Statements

July 31, 2024

(Stated in Canadian Dollars)

(Unaudited)

2. Basis of Preparation (cont'd)

b) Basis of presentation

These condensed consolidated interim financial statements have been prepared on the basis of accounting policies and methods of computation consistent with those applied in the Company's January 31, 2024 annual financial statements.

The preparation of interim financial statements in conformity with IAS 34 requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. Actual results may differ from these estimates. These condensed consolidated interim financial statements do not include all of the information required for full annual financial statements. Accordingly, these condensed consolidated interim financial statements should be read in conjunction with the Company's last annual financial statements as at and for the year ended January 31, 2024 and filed on SEDAR.com.

These condensed consolidated interim financial statements, including comparatives, have been prepared on the basis of IFRS standards that are published and effective at the time of preparation.

These condensed consolidated interim financial statements have been prepared on the historical cost basis except for certain financial instruments, which are measured at fair value.

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

	<u>Relationship</u>	<u>Percentage</u>	<u>Location of Incorporation</u>
Midori Carbon Inc.	Parent		Canada
1250148 BC Ltd.	Subsidiary	100%	Canada

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

c) Approval of the financial statements

The condensed consolidated interim financial statements of the Company for the three and six months ended July 31, 2024 were reviewed by the audit committee and approved and authorized for issue by the Board of Directors on September 27, 2024.

3. 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").

Midori Carbon Inc.

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July 31, 2024

(Stated in Canadian Dollars)

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3. Software Development (cont'd)

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. 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.

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 6).

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

4. Investments

	January 31, 2024	Purchases	Dispositions	Change in Fair Value	July 31, 2024
CRBN Technologies Inc.	\$ 8,504	\$ -	\$ -	\$ 352	\$ 8,856
Filament Health Corp.	58,640	-	-	(18,325)	40,315
IO+ Pte Ltd./Flex Labs Inc.	68,120	-	-	14,021	82,141
Ora Technology PLC	868,530	-	-	(8,382)	860,148
	<u>\$ 1,003,794</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (12,334)</u>	<u>\$ 991,460</u>

a) 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 ended January 31, 2024, 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 change of \$352 represents a loss on mark-to-market of CRBN's common shares.

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(Stated in Canadian Dollars)

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4. Investments (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. Its shares are listed for trading on the NEO Exchange. The fair value change of \$18,325 represents a loss on mark-to-market of Filament's common shares. The Company holds 733,000 common shares.

- c) IO+ Pte Ltd. ("IO+") / Flex Labs Inc. ("Flex")

IO+ was a Singapore based private company with a focus on developing a digital carbon trading platform targeted towards users in Asia. The Company purchased 4,000,000 common shares in January 2024.

On May 9, 2024, the shareholders of IO+ agreed to sell their shares to 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.

The fair value change of \$14,021 represents a gain on mark-to-market of IO+/Flex's common shares.

- d) Ora Technology PLC ("Ora")

Ora is a UK based public company with a focus on developing a digital carbon trading platform. The fair value change of \$8,382 represents a loss on mark-to-market of Ora's common shares. The Company holds 5,000,000 common shares.

- e) CRBN Technology Inc. ("CRBN USA")

During the year ended January 31, 2024, 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.

5. Demand Loans

Demand loans relate to debts incurred by the Company in prior years. The demand loans are unsecured and are due on demand.

Midori Carbon Inc.

Notes to the Condensed Consolidated Interim Financial Statements

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(Stated in Canadian Dollars)

(Unaudited)

6. Shareholders' Equity

a) Authorized:

An unlimited number of common shares with no par value.

b) As at July 31, 2024, the Company has issued 55,165,813 common shares.

On May 24, 2024, the Company issued 6,750,000 common shares with a value of \$675,000 to the Vendor discussed in note 3.

c) Income (loss) per share:

	Three months ended July 31, 2024	Three months ended July 31, 2023	Six months ended July 31, 2024	Six months ended July 31, 2023
Numerator:				
Net income (loss)	\$ (714,591)	\$ 254,784	\$ (802,855)	\$ (11,999)
Denominator:				
Weighted average number of common shares (basic)	53,478,313	48,066,563	50,974,879	48,066,563
Dilutive effect of share options	-	937,500	-	-
Dilutive effect of warrants	-	3,829,635	-	-
Weighted average number of common shares (diluted)	53,478,313	52,833,698	50,974,879	48,066,563
Basic and diluted income (loss) per common share	\$ -	\$ -	\$ -	\$ -

7. 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. As at July 31, 2024, all of the stock options have vested. The weighted average remaining contractual life of outstanding share options at July 31, 2024 was 2 years.

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Notes to the Condensed Consolidated Interim Financial Statements

July 31, 2024

(Stated in Canadian Dollars)

(Unaudited)

8. 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.

The following is a summary of the related party transactions that occurred during the six months ended July 31, 2024:

a) Compensation of key management personnel

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

	July 31, 2024	July 31, 2023
Management fees	\$ 57,638	\$ 166,650
Salaries and wages	-	79,353
Directors fees	12,000	-
	<u>\$ 69,638</u>	<u>\$ 246,003</u>

As at July 31, 2024, \$12,626 (January 31, 2024 - \$10,500) is owing to related parties and included in accounts payable and accrued liabilities.

9. 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:

- 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.

Midori Carbon Inc.

Notes to the Condensed Consolidated Interim Financial Statements

July 31, 2024

(Stated in Canadian Dollars)

(Unaudited)

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

	Notes	July 31, 2024			Total
		Level 1	Level 2	Level 3	
FVTPL					
Cash		\$ 135,782	\$ -	\$ -	\$ 135,782
Private company shares	4	-	-	8,856	8,856
Public company shares	4	982,604	-	-	982,604
		<u>\$ 1,118,386</u>	<u>\$ -</u>	<u>\$ 8,856</u>	<u>\$ 1,127,242</u>

	Notes	January 31, 2024			Total
		Level 1	Level 2	Level 3	
FVTPL					
Cash		\$ 250,985	\$ -	\$ -	\$ 250,985
Private company shares	4	-	-	76,624	76,624
Public company shares	4	927,170	-	-	927,170
		<u>\$ 1,178,155</u>	<u>\$ -</u>	<u>\$ 76,624</u>	<u>\$ 1,254,779</u>

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 July 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.

Midori Carbon Inc.

Notes to the Condensed Consolidated Interim Financial Statements

July 31, 2024

(Stated in Canadian Dollars)

(Unaudited)

9. 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 chartered Canadian banks. 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 primarily from issuances of its common shares. The Company may in the future dispose of certain 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 (loss) and comprehensive earnings (loss) for the six-month period ended July 31, 2024 of the closing price of the Company's public company shares with all other variables held constant as at July 31, 2024:

Percentage of change in closing prices	Change in loss and comprehensive loss from % increase in closing price	Change in loss and comprehensive loss from % decrease in closing price
5%	\$49,130	\$(49,130)
10%	\$98,260	\$(98,260)

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 July 31, 2024. The Company had no interest rate swaps as at or during the six months ended July 31, 2024.

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(Stated in Canadian Dollars)

(Unaudited)

9. 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	\$ 951,145	\$ 95,115

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 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.