Consolidated Financial Statements
(Expressed in Canadian dollars)

FINEQIA INTERNATIONAL INC.

For the three and nine months ended September 30, 2024 and September 30, 2023

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 condensed consolidated unaudited 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 financial statements in accordance with the standards established by the Chartered Professional Accountants of Canada for a review of interim financial statements by an entity's auditor.

Fineqia International Inc.

Consolidated statements of financial position
(Expressed in Canadian Dollars)

	Notes	As at September 30 2024	As at December 31 2023
		$	$
Assets			
Current assets			
Cash	4	**37,741**	**15,415**
Receivables	7	**65,450**	**27,913**
Due from related parties	6	**171,105**	**371,443**
Prepaid expenses		**105,145**	**197,863**
Total current assets		**379,441**	**612,634**
Intangible assets	8	**81,084**	**79,480**
Property, plant and equipment		**3,650**	**5,740**
Investments	11	**1,543,772**	**1,672,308**
Total assets		**2,007,947**	**2,370,162**
Liabilities and Shareholders' Deficit			
Current liabilities			
Accounts payable and accrued liabilities	9	**1,392,038**	**1,120,017**
Bounce Back loans	10	**9,036**	**16,863**
Shareholder loan	10	**884,643**	**1,297,188**
Due to related parties	6	**1,045,821**	**756,191**
Total current liabilities		**3,331,538**	**3,190,259**
Long term liabilities			
Accounts payable	9	**403,421**	**403,421**
Bounce Back loans	10	**25,601**	**23,890**
Loans payable	10	**804,088**	**700,876**
Total Liabilities		**4,564,648**	**4,318,446**
Shareholders' deficit			
Share capital	12	**14,860,634**	**14,860,634**
Equity to be issued	13	**1,432,163**	**0**
Warrants reserve	13	**2,950,458**	**2,950,458**
Options reserve	13	**461,168**	**255,230**
Deficit		**(22,261,124)**	**(20,014,606)**
Total shareholders' deficit		**(2,556,701)**	**(1,948,284)**
Total liabilities and shareholders' deficit		**2,007,947**	**2,370,162**

Nature of operations (Note 1)
Going concern (Note 2)
Contingencies and commitments (Note 16)
Subsequent events (Note 18)

See accompanying notes to the consolidated financial statements.

Approved on behalf of the Board:

"Bundeep Singh Rangar"

"Martin Graham"

Fineqia International Inc.

Consolidated statements of loss and comprehensive loss

(Expressed in Canadian dollars)

		Three months ended		Nine months ended	
		$	$	$	$
		September 30 2024	**September 30 2023**	**September 30 2024**	**September 30 2023**
Revenue	14	60,000	30,494	60,000	30,494
Expenses					
Salaries and wages	6	**222,144**	169,132	781,182	612,650
Professional fees, consulting and advisory	6	**352,261**	412,988	951,172	1,083,220
Promotion		**37,771**	48,324	264,514	155,085
Travel and lodging		**10,695**	22,154	37,509	41,152
Office costs		**27,106**	20,823	57,271	53,295
Training costs		**371**	-	1,383	-
Insurance		**15,215**	3,944	41,205	40,201
Transfer agent and filing fees		**3,125**	2,250	8,825	3,338
Bank service charges		**2,449**	2,295	5,982	3,794
Foreign exchange loss (gain)		**97,685**	(198,586)	211,120	(70,789)
Depreciation		**1,427**	1,076	3,768	3,326
Sundry		**471**	-	11,928	-
Finance costs		**10,157**	20,948	59,528	54,984
Other taxes		**678**	2,660	2,046	2,660
Share-based compensation	13	**68,646**	-	205,938	
Total expenses		**850,200**	**508,008**	**2,643,370**	**1,982,914**
Other income/expense	14				-
Investment income		**1,888**	-	65,592	
Other income		**158,774**	-	319,918	-
Unrealized fair value (gain) on investments	11	**(31,806)**	(28,583)	(48,657)	145,310
Net loss and comprehensive loss		**(661,344)**	**(506,096)**	**(2,246,517)**	**(1,807,112)**
Net loss per share (basic and diluted)		(0.0005)	(0.0004)	(0.0016)	(0.0016)
Weighted average number of common shares outstanding - basic and diluted		**1,440,548,735**	**1,136,271,999**	**1,440,548,735**	**1,136,271,999**

Fineqia International Inc.

Consolidated statements of changes in shareholders' deficit

(Expressed in Canadian dollars)

	Notes	Share Capital		Equity to be issued	Warrants Reserve		Options Reserve			
		Number of shares	Amount ($)	Amount ($)	Number of warrants	Amount ($)	Number of options	Amount ($)	Accumulated Deficit ($)	Total ($)
Balance at December 31, 2022		**1,295,088,874**	**13,740,147**		**535,075,810**	**2,675,379**	**-**	**-**	**(17,026,400)**	**(610,874)**
Share-based compensation	**13**	-	-		-	-	110,500,000		-	-
Options forfeited	**13**	-	-		-	-			6,000	-
Private Placements	**12**	143,942,936	719,715		143,942,936	719,715	-	-	-	1,439,429
Units issued for debt	**12**	500,000	2,500		500,000	2,500	-	-	-	5,000
Units issued as Finders Fees	**12**	1,016,925	5,085		1,016,925	5,084	-	-	-	10,169
Cost of Private Placements	**12**	-	(10,169)		-	-	-	-	-	(10,169)
Net loss and comprehensive loss for the period		-	-		-	-	-	-	(1,807,112)	(1,807,112)
Balance at September 30, 2023		**1,440,548,735**	**14,457,278**		**680,535,671**	**3,402,678**	**110,500,000**		**(18,833,512)**	**(973,557)**
Equity to be issued		-	-	-	-	-	-	-	-	-
Share based compensation		-	-	-	-	-	110,500,000	261,230		261,230
Options forfeited		-	-	-	-	-	(10,000,000)	(6,000)	6,000	-
Private placement		143,942,936	447,135	-	143,942,936	(447,135)	-	-	-	(447,135)
Units issued for debt		-	-	-	-	-	-	-	-	-
Units issued as Finders Fee		1,016,925	5,084	-	1,016,925	(5,084)	-	-	-	
Cost of private placement			(48,863)	-	-	-	-	-		(48,863)
Net loss and comprehensive loss for the period				-	-	-	-	(1,187,093)		(1,187,093)
1Balance at December 30, 2023		**1,440,548,735**	**14,860,634**		**680,535,671**	**2,950,459**	**100,500,000**	**(20,014,605)**	**-**	**(1,948,283)**
Granted options (Jan 1, 2024)							164,750,000	205,938	-	205,938
Equity to be issued	**12**	-	-	1,311,052	-	-	-	-	-	1,311,052
Shares to be issued for debt	**12**	-	-	121,111	-	-	-	-	-	121,111
Shares to be issued for Finders Fees	**12**	-	-	1,400	-	-	-	-	-	1,400
Cost of Private Placements	**12**	-	-	(1,400)	-	-	-	-	-	(1,400)
Net loss and comprehensive loss for the period		-	-		-	-	-	-	(2,246,518)	(2,246,518)
Balance at September 30, 2024		**1,440,548,735**	**14,860,634**	**1,432,163**	**680,535,671**	**2,950,458**	**265,250,000**	**461,168**	**(22,261,124)**	**(2,556,701)**

See accompanying notes to the consolidated financial statements

Fineqia International Inc.

Consolidated statements of cash flows

(Expressed in Canadian dollars)

	Nine months ended September 30 2024	Nine months ended September 30 2023
	$	$
Cash flows from operating activities		
Net loss and comprehensive loss	**(2,246,517)**	(1,807,112)
Adjustments for non-cash items:		
Unrealized fair value loss (gain) on investments	48,657	(145,310)
Depreciation	3,768	3,326
Foreign exchange loss (gain)	165,255	2,709
Share based compensation	205,938	-
Accrued finance costs	67,370	-
Changes in non-cash working capital items:		
Prepaid expenses	92,718	(277,412)
Receivables	(37,537)	-
Accounts receivables and sales tax receivables	-	(312,114)
Accounts payables and accrued liabilities	272,021	314,755
Cash flows used in operating activities	**(1,428,327)**	(2,221,157)
Cash flows from financing activities		
Repayment of Bounce Back loan	(6,117)	(18,000)
Receipts from Loans Payable	-	320,301
Net repayment of shareholder loans	(465,360)	705,840
Receipts (repayment) from (to) related parties	489,967	(101,159)
Receipts from Equity to issue	1,432,163	1,439,429
Cash flows from financing activities	**1,450,653**	2,346,411
Cash flows from investing activities		
Purchase of intangible assets	**-**	4,081
Purchase of Investments	**-**	(164,800)
Cash flows used in investing activities	**-**	(161,719)
Net increase (decrease) in cash	22,326	(36,465)
Cash, beginning of period	15,415	46,947
Cash, end of period	**37,741**	10,482

See accompanying notes to the consolidated financial statements.

1. Nature of operations

Fineqia International Inc. (“Fineqia” or the “Company”) was incorporated in British Columbia under the Business Corporations Act on June 20, 2006. On August 2, 2016, the Company changed its business to become a facilitator for the emerging area of alternative finance known as crowdfunding. The Company’s corporate head office and principal place of business is Suite 804, 750 West Pender Street, Vancouver, British Columbia, V6C 2T7, Canada. The Company’s shares are listed on the Canadian Securities Exchange (“CSE”) under the symbol FNQ.

Fineqia's strategic focus is on developing a digital asset business that invests in early and growth-stage technology companies at the forefront of the next generation of the internet. Additionally, the Company provides a platform that facilitates the issuance, distribution, and marketing of debt securities in UK securities for subscription by accredited investors, high net worth individuals, family offices, and fund managers.

2. Going concern

These consolidated financial statements have been prepared on a going concern basis, which assumes that the Company will be able to realize its assets and discharge its liabilities in the normal course of operations for the foreseeable future. The ability of the Company to continue as a going concern is dependent upon its ability to obtain financing on reasonable terms and to attain profitable operations and further fund operations. Although the Company has been successful in the past in obtaining financing, there is no assurance that it will be able to obtain adequate additional financing in the future, in which case the Company may be unable to meet its obligations. In the event that the Company is not able to secure additional financing and continue as a going concern, material adjustments may be required to the carrying value of assets and liabilities and the statement of financial position classifications used.

The Company had a loss of $2,246,517 for the nine months ended September 30, 2024 (nine months ended September 30, 2023 – loss of $1,807,112), a deficit as at September 30, 2024 of $22,261,124 (December 31, 2023 – deficit of $20,014,606) and a net working capital deficiency of $2,952,097 as at September 30, 2024 (December 31, 2023 – deficiency of $2,577,625). These events and conditions indicate that a material uncertainty exists that may cast significant doubt on the ability of the Company to continue as a going concern. These consolidated financial statements do not contain the adjustments that would be necessary if the Company was unable to continue as a going concern.

3. Basis of preparation

Statement of Compliance

These consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and interpretations of the IFRS Interpretations Committee ("IFRIC").

These financial statements have been authorized for issuance by the Company's Board of Directors on November 29, 2024.

Basis of Consolidation

Subsidiaries are consolidated from the date on which the Company obtains control and continue to be consolidated until control ceases. Subsidiaries consist of entities over which the Company is exposed to, or has rights to, variable returns as well as the ability to affect those returns through the power to direct the relevant activities of the entity. The consolidated financial statements include all the assets, liabilities, revenues, expenses and cash flows of the Company and its subsidiaries after eliminating inter-entity balances and transactions.

These consolidated financial statements include the following wholly owned subsidiaries of the Company:

Company name	**Date of incorporation**	**Country of incorporation**
Fineqia Limited	August 18, 2015	United Kingdom
Fineqia Investments Limited	June 18, 2018	Malta
Fineqia AG	September 22, 2022	Liechtenstein

Basis of Preparation

The consolidated financial statements of the Company have been prepared under the historical cost convention, except for certain financial instruments that have been measured at fair value. The consolidated financial statements have also been presented on an accrual basis, except for cash flow information.

4. Material accounting policies

(a) Cash and cash equivalents

Cash and cash equivalents include cash held on deposit with banks and other highly liquid short-term interest bearing investments with maturities of 90 days or less than the original date of acquisition and bank overdrafts. The Company did not have any cash equivalents as at September 30, 2024 and September 30, 2023.

(b) Government grants

Government grants are recognized when the Company qualifies for such grants and where there is reasonable assurance that the grant will be received, and all attached conditions will be complied with. When the grant relates to an expense item, it is recognized as income over the period necessary to match the grant on a systematic basis to the costs that it is intended to compensate. Where the grant relates to an asset, it reduces the carrying amount of the asset. The grant is then recognized as income over the useful life of a depreciable asset by way of a reduced depreciation charge.

(c) Share-based payments

The Company operates an employee stock option plan. Share-based payments to employees are measured at the fair value of the instruments issued and amortized over the vesting periods. Share-based payments to non-employees are measured at the fair value of goods or services received or the fair value of the equity instruments issued, if it is determined the fair value of the goods or services cannot be reliably measured, and are recorded at the date the goods or services are received. The corresponding amount is recorded to options reserve. The fair value of share-based payments is determined using the Black-Scholes option pricing model which incorporates all market vesting conditions. The number of shares and options expected to vest is reviewed and adjusted at the end of each reporting period such that the amount recognized for services received as consideration for the equity instruments granted shall be based on the number of equity instruments that eventually vest. When options are exercised, their grant date fair value is reclassified from options reserve to share capital.

As permitted under IFRS 2, Share-based payment, the amount for unexercised options or warrants can be transferred from one component of equity to another. The Company has selected an accounting policy to transfer the fair value of expired options and warrants from the options and warrants reserves to deficit.

(d) Investments

Purchases and sales of investments are recognized on a trade date basis. Public and private investments at fair value through profit or loss are initially recognized at fair value, with changes in fair value reported in profit or loss. At each financial reporting period, management estimates the fair value of its investments based on the criteria below and reflects such valuations in the financial statements. The determination of fair value requires judgment and is based on market information where available and appropriate. Transaction costs are expensed as incurred in profit or loss.

The Company is required to present its investments into three hierarchy levels (Level 1, 2, or 3) based on the transparency of inputs used in measuring the fair value, and to provide additional disclosure in connection therewith (see Note 15). The three levels are defined as follows:

Level 1 – investment with quoted market price;
Level 2 – investment which valuation technique is based on observable market inputs; and
Level 3 – investment which valuation technique is based on non-observable market inputs.

4. Material accounting policies (continued)

(d) Investments (continued)

Publicly-traded investments

1. Securities, including shares, options, and warrants that are traded on a recognized securities exchange and for which no sales restrictions apply are recorded at fair values based on quoted closing prices at the statement of financial position date or the closing price on the last day the security traded if there were no trades at the statement of financial position date. These investments are included in Level 1.

2. Securities that are traded on a recognized securities exchange but which are escrowed or otherwise restricted as to sale or transfer are recorded at amounts discounted from market value. Shares that are received as part of a private placement that are subject to a standard four-month hold period are not discounted. In determining the discount for such investments, management considers the nature and length of the restriction, business risk of the investee corporation, relative trading volume and price volatility and any other factors that may be relevant to the ongoing and realizable value of the investments. These investments are included in Level 2.

3. Warrants or options of publicly-traded securities which do not have a quoted price are carried at an estimated fair value calculated using the Black-Scholes option pricing model if sufficient and reliable observable market inputs are available. If no such market inputs are available or reliable, the warrants and options are valued at intrinsic value. These are included in Level 2.

The amounts at which the Company's publicly-traded investments could be disposed of may differ from carrying values based on market quotes, as the value at which significant ownership positions are sold is often different than the quoted market price due to a variety of factors such as premiums paid for large blocks or discounts due to illiquidity. Such differences could be material.

Privately-held investments

Securities in privately-held companies (other than options and warrants) are initially recorded at cost, being the fair value at the time of acquisition. At the end of each financial reporting period, management estimates the fair value of investments based on the criteria below and reflects such valuations in profit or loss. These investments are included in Level 3. Options and warrants of private companies are carried at their intrinsic value.

With respect to valuation, the financial information of private companies in which the Company has investments may not always be available, or such information may be limited and/or unreliable. Use of the valuation approach described below may involve uncertainties and determinations based on management's judgment and any value estimated from these may not be realized or realizable. In addition to the events described below, which may affect a specific investment, management will take into account general market conditions when valuing the privately-held investments in the Company's portfolio. The absence of occurrence of any of these events or any significant change in general market conditions indicates generally that the fair value of the investment has not materially changed.

An upward fair value adjustment is considered appropriate and supported by pervasive and objective evidence such as a significant subsequent equity financing by an unrelated investor at a transaction price higher than the Company's carrying value; or if there have been significant corporate, political or operating events affecting the investee company that, in management's opinion, have a positive impact on the investee's company's prospects and therefore it's fair value.

4. Material accounting policies (continued)

(d) Investments (continued)

Privately-held investments (continued)

In these circumstances, the adjustment to the fair value of the investment will be based on management's judgment and any value estimated may not be realized or realizable. Such events include, without limitation:

- political changes in a country in which the investee company operates that, for example, reduce the corporate tax burden, or reduce or eliminate the need for regulatory approvals;
- receipt by the investee company of regulatory approvals, which allow the investee company to proceed with its project(s);
- release by the investee company of positive operational results, and;
- important positive management changes by the investee company that the Company's management believes will have a very positive impact on the investee company's ability to achieve its objectives and build value for shareholders.

Downward fair value adjustments are made when there is evidence of a decline in value as indicated by the assessment of the financial condition of the investment based on third party financing, operational results, forecasts, and other developments since acquisition, or if there have been significant corporate, political or operating events affecting the investee company that, in management's opinion, have a negative impact on the investee company's prospects and therefore its fair value.

In these circumstances, the adjustment to the fair value of the investment will be based on management's judgment and any value estimated may not be realized or realizable. Such events include, without limitation:

- political changes in a country in which the investee company operates that increases the tax burden on companies, that increases the need for regulatory approvals, etc.;
- denial of the investee company's application for regulatory approvals that prohibit the investee company from proceeding with its projects;
- the investee company releases negative operational results;
- changes to the management of the investee company take place that the Company believes will have a negative impact on the investee company's ability to achieve its objectives and build value for shareholders;
- the investee company is placed into receivership or bankruptcy; and
- based on financial information received from the investee company, it is apparent to the Company that the investee company is unlikely to be able to continue as a going concern.

The resulting fair values may differ from amounts that would be realized had a ready market existed. The amounts at which the Company's privately-held investments could be disposed of may differ from the fair value recorded. Such differences could be material.

4. Material accounting policies (continued)

(e) Financial instruments

Financial assets

Initial recognition and measurement

Non-derivative financial assets within the scope of IFRS 9 are classified and measured as “financial assets at fair value”, as either FVTPL or FVOCI, and “financial assets at amortized costs”, as appropriate. The Company determines the classification of financial assets at the time of initial recognition based on the Company’s business model and the contractual terms of the cash flows.

All financial assets are recognized initially at fair value plus, in the case of financial assets not at FVTPL, directly attributable transaction costs on the trade date at which the Company becomes a party to the contractual provisions of the instrument.

Financial assets with embedded derivatives are considered in their entirety when determining their classification at FVTPL or at amortized cost. Receivables held for collection of contractual cash flows, due from related parties and cash are measured at amortized cost.

Subsequent measurement – financial assets at amortized cost

After initial recognition, financial assets measured at amortized cost are subsequently measured at the end of each reporting period at amortized cost using the Effective Interest Rate (“EIR”) method. Amortized cost is calculated by taking into account any discount or premium on acquisition and any fees or costs that are an integral part of the EIR. The EIR amortization is included in finance income in the consolidated statements of loss. The Company’s cash, receivables, and due from related parties are classified as financial assets at amortized cost.

Subsequent measurement – financial assets at FVTPL

Financial assets measured at FVTPL include financial assets management intends to sell in the short term and any derivative financial instrument that is not designated as a hedging instrument in a hedge relationship. Financial assets measured at FVTPL are carried at fair value in the consolidated statements of financial position with changes in fair value recognized in other income or expense in the consolidated statements of loss. The Company’s investments are classified as financial assets at FVTPL.

Subsequent measurement – financial assets at FVOCI

Financial assets measured at FVOCI are non-derivative financial assets that are not held for trading and the Company has made an irrevocable election at the time of initial recognition to measure the assets at FVOCI. The Company does not measure any financial assets at FVOCI.

After initial measurement, investments measured at FVOCI are subsequently measured at fair value with unrealized gains or losses recognized in other comprehensive income or loss in the consolidated statements of comprehensive loss. When the investment is sold, the cumulative gain or loss remains in accumulated other comprehensive income or loss and is not reclassified to profit or loss. Dividends from such investments are recognized in other income in the consolidated statements of loss when the right to receive payments is established.

4. Material accounting policies (continued)

(e) Financial instruments (continued)

Derecognition

A financial asset is derecognized when the contractual rights to the cash flows from the asset expire, or the Company no longer retains substantially all the risks and rewards of ownership. A write-off of a financial asset (or a portion thereof) constitutes a derecognition event. Write-off occurs when the Company has no reasonable expectations of recovering the contractual cash flows on a financial asset.

Impairment of financial assets

A forward-looking expected credit loss (ECL) review is required for financial assets held at amortized cost. The Company's only financial assets subject to impairment are due from related parties and receivables, which are measured at amortized cost. The Company has elected to apply the simplified approach to impairment as permitted by IFRS 9, which requires the expected lifetime loss to be recognized at the time of initial recognition of the receivable. To measure expected credit losses, receivables have been grouped based on shared credit risk characteristics, including the number of days past due. An impairment loss is reversed in subsequent periods if the amount of the expected loss decreases, and the decrease can be objectively related to an event occurring after the initial impairment was recognized.

Financial liabilities

Initial recognition and measurement

Financial liabilities are measured at amortized cost, unless they are required to be measured at FVTPL as is the case for held for trading or derivative instruments, or the Company has opted to measure the financial liability at FVTPL. The Company's financial liabilities include accounts payable and accrued liabilities, loans and due to related parties, which are each measured at amortized cost. All financial liabilities are recognized initially at fair value and in the case of long-term debt, net of directly attributable transaction costs.

Subsequent measurement – financial liabilities at amortized cost

After initial recognition, financial liabilities measured at amortized cost are subsequently measured at the end of each reporting period at amortized cost using the EIR method. Amortized cost is calculated by taking into account any discount or premium on acquisition and any fees or costs that are an integral part of the EIR. The EIR amortization is included in finance cost in the consolidated statements of loss. The Company's accounts payable and accrued liabilities, bounce back loans, shareholder loan, loans payable and due to related parties are classified as financial liabilities at amortized cost.

Derecognition

A financial liability is derecognized when the obligation under the liability is discharged, cancelled or expires with any associated gain or loss recognized in other income or expense in the consolidated statements of loss.

4. Material accounting policies (continued)

(f) Revenue recognition

The Company applies the requirements of IFRS 15 Revenue from Contracts with Customers ("IFRS 15"). IFRS 15 utilizes a framework for entities to follow in order to recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods and services. The Company has the following streams of revenues:

Consulting Services

The Company recognizes revenue from consulting services on a straight-line basis over the term of consulting agreements as services are provided and the performance obligation has been satisfied.

Finder's fee

Finder's fee revenue is recognized at the fair value of the consideration received or receivable when the services have been provided, collectability is reasonably assured and the performance obligation is satisfied.

Investment income

Investment income is recognized on an accrual basis and when collection is reasonably assured.

(g) Income taxes

Income tax expense is comprised of current and deferred tax. Income tax expense is recognized in net loss except to the extent that it relates to items recognized directly in equity or other comprehensive loss, in which case the related tax is recognized directly in equity or in other comprehensive loss.

Current income taxes are recognized for the estimated income taxes payable or recoverable for the current year based on tax rates enacted during the reporting period.

Deferred tax assets and liabilities are recognized for the deferred tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases ("temporary differences") and loss carry forward that are probable, and for which taxable profit will be available against which the asset can be realized. Deferred tax assets and liabilities are measured using substantively enacted tax rates that are anticipated to be in effect when the differences are expected to be recovered or settled. The effect on deferred tax assets and liabilities of a change in tax rates is recognized in the period that substantive enactment occurs. Deferred taxes are reviewed at each reporting date and to the extent that the Company does not consider it probable that a deferred tax asset will be recovered, a deferred tax asset is not recognized.

(h) Leases

At inception of a contract, the Company assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Lease liabilities are measured at the present value of the contractual payments due to the lessor over the lease term, with the discount rate determined by reference to the rate inherent in the lease unless this is not readily determinable, in which case the Company's incremental borrowing rate on commencement of the lease is used. Variable lease payments are only included in the measurement of the lease liability if they depend on an index or rate.

4. Material accounting policies (continued)

(h) Leases (continued)

In such cases, the initial measurement of the lease liability assumes the variable element will remain unchanged throughout the lease term. Other variable lease payments are expensed in the period to which they relate.

On initial recognition, the carrying value of the lease liability also includes:

- amounts expected to be payable under any residual value guarantee;
- the exercise price of any purchase option granted in favour of the Company if it is reasonably certain to assess that option;
- any penalties payable for terminating the lease, if the lease term has been estimated based on the exercise of the termination option.

Right of use assets are initially measured at the amount of the lease liability, reduced for any lease incentives received, and increased for:

- lease payments made at or before commencement of the lease;
- initial direct costs incurred; and
- the amount of any provision recognized where the group is contractually required to dismantle, remove or restore the leased asset.

Subsequent to initial measurement lease liabilities increase as a result of interest charged at a constant rate on the balance outstanding and are reduced for lease payments made. Right-of-use assets are amortised on a straight-line basis over the remaining term of the lease or over the remaining economic life of the asset if, rarely, this is judged to be shorter than the lease term.

The Company has elected not to recognize right-of-use assets and lease liabilities for leases of low-value assets and short-term leases. The Company recognizes these lease payments as an expense on a straight-line basis over the lease term. For the nine months ended September 30, 2024, the company expensed $11,837 in rental payments associated with a short-term lease (nine months ended September 30, 2024 - $11,778).

(i) Share capital

Common shares are classified as equity. Transaction costs directly attributable to the issue of common shares, warrants and share options are recognized as a deduction from equity, net of any tax effects. Equity to be issued is recognized when an agreement to acquire shares has been entered into, consideration has been received and there is an obligation to issue shares. Equity to be issued is transferred to common shares once the shares have formally been issued. When shares and warrants are issued under the same offering, the residual method is used to allocate proceeds between shares and warrants whereby the share component is measured at fair value based on the Company share price on the date of grant and the residual value, if any, is allocated to the warrant.

4. Material accounting policies (continued)

(j) Equity Reserves

Warrant reserve – Consists of warrants issued as part of private placements net of exercises and forfeitures.

Options reserve – Consists of share-based payment expense relating to options vesting, net of exercises, cancellations, expiries, and forfeitures.

(k) Related parties

For the purpose of these consolidated financial statements, a party is considered related to the Company if such party or the Company has the ability to, directly or indirectly, control or exercise significant influence over the other entity's financial and operating decisions, or if the Company and such party are subject to common significant influence. Related parties may be individuals or other entities.

(l) Basic and diluted income (loss) per share

Basic income (loss) per share is computed by dividing the income (loss) available to common shareholders by the weighted average number of common shares outstanding during the period. The computation of the diluted income (loss) per share assumes the conversion, exercise or contingent issuance of securities only when such conversion, exercise or issuance would have a dilutive effect on the income (loss) per share. The dilutive effect of convertible securities is reflected in diluted income (loss) per share by application of the "if converted" method. For the periods presented, this calculation proved to be anti-dilutive.

(m) Foreign exchange

The functional and presentation currency of the Company and its subsidiaries is the Canadian dollar. Transactions denominated in other currencies are translated into their Canadian dollar equivalents at exchange rates prevailing at the transaction date. Carrying values of monetary assets and liabilities denominated in foreign currencies are adjusted at each reporting date to reflect exchange rates prevailing at that date. Foreign exchange gains and losses are included in profit or loss.

(n) Digital currencies

Digital currencies meet the definition of intangible assets in IAS 38 Intangible Assets as they are identifiable non-monetary assets without physical substance, and are classified as indefinite life intangible assets. The Company has adopted the revaluation model, electing to recognize its digital currencies initially at cost and subsequently measured at fair value, at the end of each reporting period by reference to active markets. A revaluation increase is recognized in profit or loss to the extent of previous decreases of the same asset recognized in profit or loss. Otherwise, a revaluation increase is recognized in other comprehensive income and accumulated in digital currency revaluation reserve. A revaluation decrease is recognized in other comprehensive loss to the extent of reversal of the revaluation surplus accumulated in digital currency revaluation reserve. Any decrease in excess of such balance is recognized in profit or loss.

The Company determines the fair value of digital currencies in accordance with IFRS 13 Fair Value Measurement using quoted prices on the crypto exchange that the Company considers to be the principal market for each digital currency (Level 1 inputs). Digital assets are remeasured to fair value on this basis at each reporting date. In addition, the Company performs an analysis each quarter to identify whether events or changes in circumstances in addition to market price, provide indicators of impairment. A decrease in value due to impairment identified in this manner is accounted for as a fair value decrease.

4. Material accounting policies (continued)

(n) Digital currencies (continued)

To determine which exchange is the principal market for the purpose of calculating the fair value less cost to sell of the digital currencies, the Company considers only the exchanges it has used to purchase or sell digital currencies in the prior twelve months. The determination of principal market is specific to a particular digital currency.

(o) New accounting standards effective January 1, 2023

IAS 1 Presentation of Financial Statements and IFRS Practice Statement 2 Making Materiality Judgements (Amendments)

In February 2021, the International Accounting Standards Board (IASB) issued amendments to *IAS 1 Presentation of Financial Statements* which were incorporated into Part I of the CPA Canada Handbook – Accounting and IFRS Practice Statement 2 *Making Materiality Judgements* in June 2021.

The amendments help entities provide accounting policy disclosures that are more useful to primary users of financial statements by:

- Replacing the requirement to disclose "significant" accounting policies under IAS 1 with a requirement to disclose "material" accounting policies. Under this, an accounting policy would be material if, when considered together with other information included in an entity's financial statements, it can reasonably be expected to influence decisions that primary users of general purpose financial statements make on the basis of those financial statements.
- Providing guidance in IFRS Practice Statement 2 to explain and demonstrate the application of the four-step materiality process to accounting policy disclosures.

The amendments, which should be applied prospectively, are effective for annual periods beginning on or after January 1, 2023, with early adoption permitted. Once the entity applies the amendments to IAS 1, it is also permitted to apply the amendments to IFRS Practice Statement 2. The Company adopted the amendments and the IFRS Practice Statement 2 effective January 1, 2023 with no material impact to the financial statements.

IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors (Amendment)

In February 2021, the International Accounting Standards Board (IASB) issued amendments to *IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors* which were incorporated into Part I of the CPA Canada Handbook – Accounting in June 2021.

The amendments introduce a new definition of 'accounting estimates' to replace the definition of 'change in accounting estimates' and also include clarifications intended to help entities distinguish changes in accounting policies from changes in accounting estimates.

The amendments are effective for annual periods beginning on or after January 1, 2023, with early adoption permitted. The Company adopted the amendments effective January 1, 2023 with no material impact to the financial statements.

(p) Standards, amendments and interpretations to existing standards that are not yet effective and have not been adopted early by the Company

At the date of authorization of these consolidated financial statements, several new, but not yet effective, standards and amendments to existing standards, and interpretations have been published by the IASB. None of these standards or amendments to existing standards have been adopted early by the Company. Management anticipates that all relevant pronouncements will be adopted for the first period beginning on or after the effective date of the pronouncement. New standards, amendments and interpretations not adopted in the current year are not expected to have a material impact on the Company's consolidated financial statements.

4. Material accounting policies (continued)

(q) IFRS 34 Interim Financial Reporting - Statement of compliance

The Company applies International Financial Reporting Standards ["IFRS"] as issued by the International Accounting Standards Board [“IASB”]. These unaudited condensed interim consolidated financial statements have been prepared in accordance with International Accounting Standard 34, Interim Financial Reporting. Accordingly, they do not include all of the information required for full annual financial statements required by IFRS as issued by the IASB.

The policies applied in these unaudited condensed interim consolidated financial statements are based on IFRSs issued and outstanding as of November 29, 2024, the date the Board of Directors approved the statements. The same accounting policies and methods of computation are followed in these unaudited condensed interim consolidated financial statements as compared with the most recent annual consolidated financial statements as at and for the twelve months ended December 31, 2023, except as noted below. Any subsequent changes to IFRS that are given effect in the Company’s annual consolidated financial statements for the year ending December 31, 2024 could result in restatement of these unaudited condensed interim consolidated financial statements.

5. Use of management estimates, judgments and measurement uncertainty

The preparation of the Company’s consolidated financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the reported amounts of assets, liabilities and contingent liabilities at the date of the consolidated financial statements and reported amounts of expenses during the reporting period. The consolidated financial statements include judgments and estimates which, by their nature, are uncertain. The impacts of such judgments and estimates are pervasive throughout the consolidated financial statements and may require accounting adjustments based on future occurrences. Revisions to accounting estimates are recognized in the period in which the estimate is revised and may affect both current and future periods.

Significant assumptions about the future and other sources of judgments and estimates that management has made at the statement of financial position date, that could result in a material adjustment to the carrying amounts of assets and liabilities, in the event that actual results differ from assumptions made, relate to, but are not limited to, the following:

Fair value of investments in securities not quoted in an active market or private company investments - Where the fair values of investments recorded on the consolidated 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, judgment is required to establish fair values. The value which the Company could ultimately realize upon disposition of these investments may differ from their carrying value and such differences could be material. Refer to Notes 11 and 15 for further details.

Share-based payments - The Company uses the Black-Scholes Model to determine the fair value of stock options issued in order to calculate share-based compensation expense. The Black-Scholes Model requires six key inputs to determine a value for a stock option: risk-free interest rate, exercise price, market price at date of issuance, expected yield, expected life, and expected volatility. Significant estimates and assumptions are required for the volatility used in the Black-Scholes option-pricing model. The Company uses historical information of its own publicly traded common shares to determine the degree of volatility at the date when the stock options and warrants are granted. The degree of volatility will vary depending on when the stock options and warrants were granted, and the expected life. While management believes that the estimates and assumptions are reasonable, actual results could differ from those estimates.

(Expressed in Canadian dollars)

5. Use of management estimates, judgments and measurement uncertainty (continued)

Functional currency determination - The functional currency for the Company and its subsidiaries is the currency of the primary economic environment in which the entity operates and has been determined to be the Canadian dollar. Determination of functional currency is conducted through an analysis of the consideration factors identified in IAS 21, The Effects of Changes in Foreign Exchange Rates, and may involve certain judgments to determine the primary economic environment. The Company reconsiders the functional currency of its entities if there is a change in events and conditions which determine the primary economic environment. Significant changes to those underlying factors could cause a change to the functional currency.

Income, value added, withholding and other taxes –The Company is subject to income, value added, withholding and other taxes. Significant judgment is required in determining the Company's provisions for taxes. There are many transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. The Company recognizes liabilities for anticipated tax audit issues based on estimates of whether additional taxes will be due. The determination of the Company's income, value added, withholding and other tax liabilities requires interpretation of complex laws and regulations. The Company's interpretation of taxation law as applied to transactions and activities may not coincide with the interpretation of the tax authorities. All tax related filings are subject to government audit and potential reassessment subsequent to the financial statement reporting period. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the tax related accruals and deferred income tax provisions in the period in which such determination is made.

6. Related party transactions

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including any director of that entity. Key management personnel include the directors and officers of the Company.

The following is the remuneration paid or accrued to key management personnel during the nine months ended September 30, 2024:

Name of Officer/ Director	Position	Nature of Payment	Fees Accrued/Paid ($)
Bundeep S. Rangar	President, CEO	Consulting/Board Fees(1)	192,000
Warren Sergeant	CFO	Consulting(1)	126,497
Steve McCann	Former CFO	Consulting(1)	29,464
Martin Graham	Chairman, Director	Board Fees(1)	49,500
Brij Chadda	Director	Board Fees(1)	15,000
			412,461

(1) Included in salaries and wages expense

Due from related parties as at September 30, 2024 of $171,105 (December 31, 2023 - $371,443) relate to balances owing from certain directors, officers and companies controlled by officers of the Company or companies that directors and officers have significant influence over. These amounts are unsecured, non-interest bearing and due on demand.

Due to related parties as at September 30, 2024 of $1,045,821 (December 31, 2023 - $756,191) is comprised of amounts owing to certain directors, officers and companies controlled by officers of the Company or companies that directors and officers have significant influence over. These amounts are unsecured, non-interest bearing and due on demand.

(Expressed in Canadian dollars)

6. Related party transactions (continued)

On April 1, 2024, Steve McCann resigned from the Interim Chief Financial Officer (CFO) position to commence retirement. On April 16, 2024, Fineqia appointed Warren Sergeant as Chief Financial Officer (CFO) designate, to be formally confirmed after regulatory clearances. See Note 18.

7. Receivables

Receivables as at September 30, 2024 and December 31, 2023 consisted of the following amounts:

	September 30, 2024	**December 31, 2023**
	$	$
Other receivables	61,423	-
Sales tax receivables	4,027	27,913
Total	65,450	27,913

8. Intangible Assets

Digital currencies

As at September 30, 2024 digital currencies held by the Company consisted of USD coins ("USDC"). The fair value of USDC held at September 30, 2024 was $81,084 (USD $60,000) (December 31, 2023 - $79,480). Digital currencies have a limited history and have a high degree of price volatility since their inception. The historical performance of digital currencies may not be indicative of their future performance. A decline in the fair value of USDC may result in the Company not being able to liquidate its holding of digital currencies at its desired price or timing.

An appreciation (depreciation) of 5% to the value of USDC versus the Canadian dollar at September 30, 2024, would result in a decrease (increase) of approximately $4,054 for the nine months ended September 30, 2024 (twelve months ended December 31, 2023 - $3,974).

9. Accounts payable and accrued liabilities

Accounts payable and accrued liabilities as at September 30, 2024 and December 31, 2023 are as follows:

	September 30, 2024	**December 31, 2023**
	$	$
Accounts payable	1,276,450	964,199
Accrued liabilities	115,588	155,818
Total	1,392,038	1,120,017

During the year ended September 30, 2018, the Company transferred $403,421 of accounts payable (the "Statute-barred Claims") to non-current liabilities on the basis that any claims in respect of the Statute-barred Claims were statute barred under the Limitations Act (Ontario). The Statute-barred Claims related to expenses incurred by the Company related to prior business activities, which are no longer active. Under IFRS 9, a financial liability can only be removed from the Company's consolidated statement of financial position when it is extinguished, meaning only when the contract is discharged, canceled, or expires. The effect of the Limitations Act (Ontario) is to prevent a creditor from enforcing an obligation, but it does not legally extinguish the liability for accounting purposes.

(Expressed in Canadian dollars)

9. Accounts payable and accrued liabilities (continued)

It is the position of the Company's management that the Statute-Barred Claims cannot be enforced by the creditors, do not create any obligation for the Company to pay out any cash, and do not affect the financial or working capital position of the Company. The Statute-Barred Claims are required to be recognized on the Company's consolidated statement of financial position under IFRS 9, but they are classified as long-term liabilities as the Company has no intention to pay these Statute-Barred Claims and the creditors cannot enforce their payment.

10. Loans

Bounce back loan

During the year ended September 30, 2020, the Company received a $86,017 (£50,000) bank loan under the Bounce Back Loans Scheme (BBLS) through its UK subsidiary, Fineqia Limited. The loan is to give support as a result of COVID-19 and is guaranteed by the UK Government. The loan is for a maximum of six years, no repayments are payable in the first year. The interest rate is 2.5% per annum with the first year's interest being paid by the UK Government. The interest rate of 2.5% per annum is less than a commercial rate. Fineqia Limited has been quoted a commercial rate of 5.1% per annum by its bank, Bank of Scotland. The Company intends to repay the Loan over years 2-6 with equal, £10,000 annual repayments. The fair value of the loan, at inception, was calculated as $74,350 (£44,159). As at September 30, 2024, the outstanding balance is $34,636 (£19,167).

	September 30, 2024	December 31, 2023
	$	$
Payable in less than 1 year	9,036	16,863
Payable in more than 1 year	25,601	23,890
Total bounce back loan payable	34,637	40,753

Loans payable

In July 23, 2023, the Company received a loan of $331,167 (US$250,000) from Jaco-Louis Du Plessis of Dubai, UAE, as additional financing to launch new businesses. Pursuant to the loan agreement, at the election of the borrower, the loan may be converted into shares of a new entity, which is not yet formed, which will carry on the new business. Upon conversion of the loan, the lender shall be issued shares of the new entity in exchange for repayment of the loan and the Company shall transfer consideration, equivalent to the value of the loan, to the new entity. The loan shall bear interest at a rate of 2% per annum (non-compounding) and payable only upon maturity date of July 23, 2026, if there has been no conversion into shares of the new entity. As of September 30, 2024, the interest accrued on the loan is $7,977 (US$5,903).

On October 27, 2023, the Company received a loan of $365,841 (€ 250,000) from Jean-Marc Metzger, as additional financing to launch new businesses. Pursuant to the loan agreement, at the election of the borrower, the loan may be converted into shares of a new entity, which is not yet formed, which will carry on the new business. Upon conversion of the loan, the lender shall be issued shares of the new entity in exchange for repayment of the loan and the Company shall transfer consideration, equivalent to the value of the loan, to the new entity. The loan shall bear interest at a rate of 2% per annum (non-compounding) and payable only upon maturity date of October 27, 2026, if there has been no conversion into shares of the new entity. As of September 30, 2024, the interest accrued on the loan is $6,577 (€4,867).

10. Loans (continued)

Loans payable (continued)

On May 13, 2024, the Company secured a loan of $13,681 (US$10,000) from Patrick Martin, intended as additional financing for the development of new businesses. According to the loan agreement, the lender has the option to convert the loan into shares of a new entity, which is yet to be formed and will oversee the new business activities. Upon conversion, the lender will receive shares in this new entity in exchange for the repayment of the loan, and the Company will provide consideration equal to the loan amount to the new entity. The loan carries an interest rate of 2% per annum (non-compounding), with interest payable only on the maturity date of May 13, 2029, if no conversion into shares occurs. As of September 30, 2024, the interest accrued on the loan amounts to $90.

On May 15, 2024, the Company received a loan of $68,403 (US$50,000) from Tanuki as additional financing to launch new businesses. Pursuant to the loan agreement, at the election of the lender, the loan may be converted into shares of a new entity, which is not yet formed, that will carry on the new business. Upon conversion of the loan, the lender shall be issued shares of the new entity in exchange for repayment of the loan, and the Company shall transfer consideration equivalent to the value of the loan to the new entity. The loan bears interest at a rate of 2% per annum (non-compounding) and is payable only upon the maturity date of May 15, 2027, if there has been no conversion into shares of the new entity. As of September 30, 2024, the interest accrued on the loan is $563.

Shareholder loans

On September 28, 2021, the Company signed a short-term loan facility of up to $857,000 (£500,000) with the Company's CEO, Bundeep Singh Rangar, to supplement the Company's working capital. During the fifteen-month period ended December 31, 2022, the Company drew down $444,250 from this loan facility. In connection with the private placement which closed on October 11, 2022, the principal of $444,250 was settled in exchange for units of the Company (each unit consisted of a common share and share purchase warrant) (see Note 12). The loan carried interest of 5% per annum on the outstanding balance.

On June 16, 2022, the Company signed a Rolling Credit Facility of up to $1,264,755 (£750,000) with Rangar Capital Limited, a company controlled by the Company's CEO, to finance its operating activities. As of September 30, 2024, $884,643 (£489,538), [December 31, 2023 - $1,297,188 (£770,439)] had been drawn down. Interest is charged at the rate of 5% per annum, with the drawn down amounts and interest being payable on demand. During the nine months ended September 30, 2024, Rangar Capital Limited extended credit beyond the maximum credit facility at the same terms and conditions.

An amendment to the original loan facility was signed on April 8, 2024, to increase the principal amount to $2,020,440 (£1,200,000). See note 18.

As at September 30, 2024, outstanding interest of $128,698 (December 31, 2023 - $74,798) is payable on the above noted shareholder loans and is included in the outstanding balance.

(Expressed in Canadian dollars)

11. Investments

The following is a listing of the investments held by the Company at September 30, 2024:

Investee	Cost CAD	Fair value	Unrealised gain (loss)
	$	$	$
Phunware Inc – common shares	402,599	1,449	(401,150)
Wave Digital Assets Holdings LLC	197,850	584,857	387,007
Wave NFT Non-Fungible (BVI) Fund I, Ltd.	124,511	40,903	(83,608)
IDEO CoLab Distributed Web Offshore Fund I LP	105,400	478,747	373,347
IDEO CoLab Ventures Forte Series A LLC	63,728	69,019	5,291
Criptonite Asset Management S.A.	164,800	168,925	4,125
Valuex AG	200,000	199,872	0
	1,258,888	1,543,771	285,012

The following is a summary of the movement in investments held by the Company:

	Nine months ended September 30, 2024 $	Twelve months ended December 31, 2023 $
Opening balance	1,672,308	1,233,443
Purchases	-	364,800
Foreign exchange impact	(19,126)	(30,284)
Unrealized fair value gain (loss)	(109,410)	104,349
Ending balance	1,543,771	1,672,308

The Company has had the following investment transactions:

The Company held 5,288 common shares, representing a 10.09% equity interest in Black Syndicate Holdings Limited (“Black”), a privately-held entity based in Estonia. Black, through its related party, Black Foundation OU, holds IP for digitization in the insurance industry. The investment was written down to a fair value of $Nil during the year ended September 30, 2020, and remained unchanged as at December 31, 2022. During the nine months ended September 30, 2024, this investment has been written off as Black Syndicate Holdings Limited was dissolved on January 30, 2024.

During the year ended September 30, 2020, Wave converted a promissory note to preferred seed units. Fineqia received 18,932 preferred seed units at a price of US$8.43. Each preferred seed unit is convertible into a Class A common share of Wave for no additional consideration. Wave had a subsequent financing round in June 2020 at a price of US$22.86. During the fifteen months ended December 31, 2022, each preferred seed unit was split into one thousand (1,000) units and the Company’s holdings increased to 18,932,000 units. No further investments were made into Wave for the twelve months ended December 31, 2023 or the nine months ended September 30, 2024.

During the year ended September 30, 2021, the Company committed $101,966 (US$79,987) into the IDEO CoLab Distributed Web Offshore Fund I LP (“Fund 1”). During the fifteen months ended December 31, 2022, the Company made a further commitment of $3,434 (US$2,700) into Fund 1, resulting in a total commitment of $105,400 (US$82,687). Fund 1 invests in early stage blockchain and crypto start-ups. The investment represents less than 2% of IDEO CoLab Distributed Web Offshore Fund I market capitalization.

During the year ended September 30, 2021, the Company made a further investment in Nivaura Limited of 1,344 shares for $52,044 (£29,998) at the market price of $38.72 (£22.32) per share. During the fifteen months ended December 31, 2022, the Company recorded its investment in Nivaura Limited at a fair value of $Nil, resulting in an unrealized loss of $746,982 upon remeasurement. During the nine months ended September 30, 2024, the full investment in Nivaura Limited has been written off as the Company is being dissolved.

During the year ended September 30, 2021, the Company made an investment of $63,728 (USD 50,250) in IDEO CoLab Forte Series A LLC ("Forte"). No further investments were made into Forte for the twelve months ended December 31, 2023 or the three months ended March 31, 2024. Forte operates a blockchain gaming platform. The Company participated in the closed Series A raise through the limited partnership with IDEO CoLab's Venture Fund, Crypto Fund II LP.

During the fifteen months ended December 31, 2022, the Company invested $124,511 (US$100,000) into the Wave NFT Non Fungible (BVI) Fund. No further investments have been made in the year ended December 31, 2023 or the nine months ended September 30, 2024.

On June 26, 2023, the Company invested $82,400 (US$62,500) in a convertible loan to Criptonite Asset Management SA. A further $82,400 (US$62,500) was invested in the convertible loan on July 25, 2023. The total investment of $164,800 (US$125,000) converted to Ordinary shares in Criptonite Asset Management SA during the period ended December 31, 2023.

During the twelve months ended December 31, 2023, the company invested $200,000 in Valuex AG of Liechtenstein, a holding company with a diverse portfolio of early-stage companies and provides advice, venture-building and funding services to their technology and blockchain projects. No further investments have been made in the nine months ended September 30, 2024.

In the nine months to September 30, 2024, the Company received a partial distribution of gains from its investment in IDEO CoLab Distributed Web Offshore Fund I LP ("Fund 1"), totalling $32,241 (US$43,570).

12. Share capital

The Company is authorized to issue an unlimited number of common shares without par value. As at September 30, 2024, the Company had 1,440,548,735 (December 31, 2023 – 1,440,548,735) common shares issued and outstanding.

During the twelve months ended December 31, 2023, the Company issued 143,942,936 units pursuant to private placement agreements at a price of $0.01 per unit for total subscription of $1,439,429. Each unit contains one (1) common share and one (1) warrant with an exercise price of $0.05 and maturity date of three (3) years from the date of issuance. In connection with the private placements, the Company issued 1,016,925 units, with similar terms as the private placements, for total cost of $10,169 in respect of finders fees. The Company incurred total share issuance costs of $59,032 with respect to the private placements.

During the twelve months ended December 31, 2023, the Company issued 500,000 units, with similar terms as the private placement, to settle outstanding debts of $5,000.

In the nine months to September 30, 2024, the company had received $1,202,393 from the ongoing private placement. Units will be issued for the investment together within the debt conversions and finders fee at the closure of the private placement (see note 18).

(Expressed in Canadian dollars)

13. Stock and warrants

The following is a summary of changes in the Company's share purchase warrants and options for the nine months ended September 30, 2024, and twelve months ended December 31, 2023.

Options

	Number of options	Weighted average exercise price
		$
December 31, 2022		
Granted	110,500,000	0.05
Forfeited	(10,000,000)	(0.05)
Expired	-	-
December 31, 2023	100,500,000	0.05
	-	-
Granted	164,750,000	0.05
Forfeited	-	-
Expired	-	-
September 30, 2024	265,250,000	0.05

The Company's stock option plan allows for 20% of the issued share capital at any point in time. The Board of Directors of the Company may terminate the plan at any time provided that the termination does not alter the terms or conditions of any options granted or impair the right of any shareholder. Amendments to any provisions of the plan are subject to any necessary regulatory approvals unless the effect of such amendment is intended to reduce (but not to increase) the benefits of this plan to service providers. On April 25, 2023, the Board of Directors resolved to grant 110,500,000 incentive stock options to purchase common shares of the Company to its directors, officers, employees, and consultants at an exercise price of $0.05 per share. Additionally, on January 1, 2024, the Board granted an additional 164,750,000 incentive stock options under similar terms. The stock options vest evenly every three (3) months over a three (3) year period from the date of grant and expire on April 25, 2028, for the April grant, and on January 1, 2029, for the January grant.

The fair value of these options was estimated at the respective grant dates to be $0.01 per option based on the Black-Scholes option pricing model, using the following assumptions:

Expected dividend yield	Nil
Risk-free interest rate	2.82%
Expected life	5 years
Expected volatility	357%
Share price	$0.005
Exercise price	$0.05

As at September 30, 2024, the following stock options were outstanding:

Exercise Price	Options Vested	Options Unvested	Total Options	Remaining Contractual Life (Years)	Expiry Date
$0.05	47,458,333	53,041,667	100,500,000	3.57	April 25, 2028
$0.05	41,187,500	123,562,500	164,750,000	4.26	January 1, 2029

(Expressed in Canadian dollars)

13. Stock and warrants (continued)

Warrants

	Number of warrants	Amount	Weighted average exercise price
		$	$
September 30, 2021	443,412,988	2,043,492	0.05
Issued	535,075,810	2,675,379	0.05
Expired	(443,412,988)	(2,043,492)	(0.05)
December 31, 2022	535,075,810	2,675,379	0.05
Issued	145,459,861	275,079	0.05
December 31, 2023	680,535,671	2,950,458	0.05
Issued	-	-	-
September 30, 2024	680,535,671	2,950,458	0.05

The warrants, if not exercised, will expire as follows:

Expiry date	Total warrants issued	Exercise price
		$
July 22, 2025	34,500,000	0.05
October 11, 2025	420,122,400	0.05
December 7, 2025	45,103,410	0.05
December 14, 2025	35,350,000	0.05
June 30, 2026	59,474,425	0.05
August 15, 2026	30,969,600	0.05
September 15, 2026	55,015,836	0.05
Total	680,535,671	

As at September 30, 2024, the weighted average remaining life of warrants was 1.24 years.

14. Revenue, Investment and Other Income

The Company had revenue of $60,000 during the nine months ended September 30, 2024 (nine months ended September 30, 2023, $30,494). The revenue is from a consulting agreement with Wave Digital Assets Holdings LLC to provide specialized and targeted research services along with other related services.

The Company had investment income of $65,592 during the nine months ended September 30, 2024 (nine months ended September 30, 2023, $Nil). The investment income is from a distribution from the Company's investment in IDEO CoLab Distributed Web Offshore Fund I LP.

The Company had other income of $294,661, during the nine months ended September 30, 2024 (nine months ended September 30, 2023, $Nil). The other income is derived from consultancy services.

15. Financial instruments and risk management

The Company's activities may expose it to a variety of financial risks: credit risk, liquidity risk and market risk (including interest rate, foreign currency risk and other price risk). The Board of Directors approves and monitors the risk management processes, inclusive of documented investment policies, counterparty limits, and controlling and reporting structures. There were no changes to the Company's risk exposures or management of risks during the nine months ended September 30, 2024. The type of risk exposure and the way in which such exposure is managed is provided as follows:

Credit Risk and Economic Dependence

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 holds receivables from certain related parties (see Note 6). The Company actively monitors the financial status of these related parties to minimize the credit risk associated with these receivables. A decline in the operations of these related parties could result in uncertain collectability of the associated receivables.

Liquidity Risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset. The Company manages its liquidity risk by forecasting cash flows from operations and anticipated investing and financing activities to ensure it has sufficient funds available to meet current and foreseeable financial requirements. As at September 30, 2024, the Company had a net working capital deficiency of $2,952,097 (December 31, 2023 – $2,577,625).

The short-term accounts payables and accrued liabilities are due within 90 days. Amounts due to related parties are due on demand. The current bounce back loan amount of $9,036 is payable during the twelve months ended December 31, 2024. A further $9,036 is payable in the twelve months ended December 31, 2025 and the remainder of $7,530 is payable in the three months to March 2026. The shareholder loan in the amount of $884,643 (including interest of $128,698) is due on demand.

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's exposure to interest rate risk is nominal as the Company does not hold any financial assets or liabilities at variable rates.

Currency risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Company has transactions in US Dollars ("USD"), Euros ("EUR"), Swiss Francs ("CHF") and British Pounds ("GBP"). The Company had the following balances denominated in foreign currencies as at September 30, 2024, and December 31, 2023:

(Expressed in Canadian dollars)

15. Financial instruments and risk management (continued)

Currency risk (continued)

	September 30, 2024				**December 31, 2023**			
	GBP	EUR	CHF	USD	GBP	EUR	CHF	USD
	$	$	$	$	$	$	$	$
Cash	7,107	-	-	17	13,296	1,119	-	585
Receivables	(17,447)	-	-	-	16,179	-	-	-
Due from related parties	(45,331)	-	-	165,548	253,743	-	-	82,792
Intangible assets	-	-	-	81,084	-	-	-	79,480
Investments	-	-	-	1,543,771	-	-	-	1,672,308
Accounts payable and accrued liabilities	(718,111)	(34,490)	-	(173,683)	(544,019)	(33,425)	(106,525)	(11,444)
Bounce back loan	(34,637)	-	-	-	(40,753)	-	-	-
Due to related parties	(184,298)	(1,877)	-	-	(323,367)	-	-	-
Loans payable	-	(369,946)	-	(337,850)	-	(366,857)	-	(334,019)
Shareholder loan	(1,278,970)	-	-	-	(1,114,435)	-	-	-
Net Assets (Liabilities)	**(2,271,687)**	**(406,313)**	**-**	**1,278,887**	**(1,739,356)**	**(399,163)**	**(106,525)**	**1,489,702**

A 10% appreciation (depreciation) of the British Pound against the Canadian Dollar, with all other variables held constant, would result in approximately a $227,169 decrease (increase) in the Company’s net loss for the nine months ended September 30, 2024 (twelve months ended December 31, 2023 - $173,936). A 10% appreciation (depreciation) of the Euro against the Canadian Dollar, with all other variables held constant, would result in approximately a $40,631 decrease (increase) in the Company’s net loss for the nine months ended September 30, 2024 (twelve months ended December 31, 2023 - $39,916). A 10% appreciation (depreciation) of the US dollar against the Canadian Dollar, with all other variables held constant, would result in approximately a $127,889 decrease (increase) in the Company’s net loss for the nine months September 30, 2024 (twelve months ended December 31, 2023 - $148,970).

Other price risk

Other price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk and foreign currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer or by factors affecting all similar financial instruments traded in the market. The Company is exposed to other price risk arising from investments in public and non-public companies recognized at their estimated fair value. The valuation of investments for which market quotations are not readily available and are inherently uncertain, the values may fluctuate materially within short periods of time and are based on estimates. A 10% increase or decrease in the price of the shares of the investments would result in a $154,377 decrease or increase in the Company’s net loss for the nine months ended September 30, 2024 (twelve months ended December 31, 2023 - $167,231).

15. Financial instruments and risk management (continued)

Capital management

The capital structure of the Company consists of shareholders' deficit, comprising share capital, warrants reserve, options reserve, net of retained deficit. The Company's shareholders' deficit is $2,556,701 as at September 30, 2024 (December 31, 2023 – deficit of $1,948,284).

The Company manages the capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristic of the underlying assets. To maintain or adjust the capital structure, the Company may attempt to issue common shares or dispose of assets. Management reviews the capital structure on a regular basis to ensure that the Company's capital management objectives are achieved.

The Company's objectives when managing capital are:

a) To maintain and safeguard accumulated capital in order to provide an adequate return to shareholders by maintaining a sufficient level of funds for its operational needs.

b) To invest cash on hand in highly liquid and highly rated financial instruments with high credit quality issuers, thereby minimizing the risk of loss of principal.

c) To obtain the necessary financing, if and when it is required.

There were no changes in the Company's approach to capital management during the nine months ended September 30, 2024.

The Company is not subject to any capital requirements imposed by a lending institution or regulatory body. As of September 30, 2024, the Company had net working capital deficiency of $2,952,097 (December 31, 2023 – $2,577,625).

Notwithstanding the risks described in Note 2 of the consolidated financial statements, the Company expects to continue to raise funds, from time to time, and has a shareholder loan facility to continue meeting its capital management objectives.

Fair value

The carrying values of cash, trade receivables, due from related parties, accounts payable and accrued liabilities, shareholder loans, and due to related parties approximate their fair values due to the short-term nature of these instruments. The carrying value of the bounce back loan approximates its fair value due to the interest rate approximating market interest rates.

Financial instruments measured at fair value are classified into one of three levels in the fair value hierarchy according to the relative reliability of the inputs used to estimate the fair values.

The three levels of the fair value hierarchy are:

Level 1 – Unadjusted quoted prices in active markets for identical assets or liabilities;
Level 2 – Inputs other than quoted prices that are observable for the asset or liability either directly or indirectly; and
Level 3 – Inputs that are not based on observable market data.

(Expressed in Canadian dollars)

15. Financial instruments and risk management (continued)

The following tables illustrate the classification and hierarchy of the Company's investments, measured at fair value in the statements of financial position as at September 30, 2024 and December 31, 2023:

September 30, 2024	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Aggregate Fair Value
	$	$	$	$
Public investments	1,449	-	-	1,449
Non-public investments	-	-	1,542,322	1,542,322
	1,449	-	1,542,322	1,543,771

December 31, 2023	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Aggregate Fair Value
	$	$	$	$
Public investments	3,323	-	-	3,323
Non-public investments	-	-	1,668,985	1,668,985
	3,323	-	1,668,985	1,672,308

There was no movement between the levels during the nine months ended September 30, 2024 and the twelve months ended December 31, 2023.

Level 3 hierarchy:

The following table presents the changes in fair value measurements of financial instruments classified as Level 3. These financial instruments are measured at fair value using non-observable market inputs. The net change in unrealized gains (loss) is recognized in the profit or loss.

Investment at fair value	Opening balance	Purchases	Disposals	FX movement	Net unrealized gain (loss)	Ending balance
	$	$	$	$	$	$
September 30, 2024	1,668,985	-	-	(19,126)	(107,536)	1,542,322
December 31, 2023	1,200,736	364,800	-	(29,559)	133,008	1,668,985

Within Level 3, the Company includes non-public company investments. The key assumptions used in the valuation of these instruments include (but are not limited to) the value at which a recent financing was done by the investee, company-specific information, trends in general market conditions, the marketability of the shares and the share performance of comparable publicly traded companies.

(Expressed in Canadian dollars)

15. Financial instruments and risk management (continued)

The following table presents the fair value categorized by key valuation techniques and the unobservable inputs used within Level 3 as at:

September 30, 2024

Investment Name	Valuation technique	Fair value	Unobservable inputs
		$	
Wave Digital Assets Holdings LLC	Reported valuation	584,857	Marketability of shares
Wave NFT Non-Fungible (BVI) Fund I, Ltd.	Reported valuation	40,903	Marketability of shares
IDEO CoLab Distributed Web Offshore Fund I LP	Independent valuation	478,747	Marketability of shares
IDEO CoLab Ventures Forte Series A LLC	Reported valuation	69,019	Marketability of shares
Criptonite Asset Management S.A.	Cost	168,925	Marketability of shares
ValueX AG	Cost	199,872	Marketability of shares
		1,542,322	

As the valuation of investments for which market quotations are not readily available and are inherently uncertain, the values may fluctuate materially within short periods of time and are based on estimates, and determinations of fair value may differ materially from values that would have resulted if a ready market existed for the investments.

For those investments valued based on a recent financing, management has determined that there are no reasonably possible alternative assumptions that would change the fair value significantly as at September 30, 2024. A 10% decrease (increase) on the fair value of these investments will result in a corresponding decrease (increase) of approximately $154,232 in the total fair value of the investments. While this illustrates the overall effect of changing the values of the unobservable inputs by a set percentage, the significance of the impact and the range of reasonably possible alternative assumptions may differ significantly between investments, given their different terms and circumstances.

The sensitivity analysis is intended to reflect the uncertainty inherent in the valuation of these investments under current market conditions, and its results cannot be extrapolated due to non-linear effects that changes in valuation assumptions may have on the fair value of these investments. Furthermore, the analysis does not indicate a probability of such changes occurring and it does not necessarily represent the Company’s view of expected future changes in the fair value of these investments. Any management actions that may be taken to mitigate the inherent risks are not reflected in this analysis.

16. Contingencies and Commitments

The Company is party to an agreement with IDEO CoLab Distributed Web Offshore Fund I LP whereby it has committed to a capital commitment of up to US$17,313. As the triggering event has not taken place the contingent payments have not been reflected in these consolidated financial statements.

17. Segment reporting

The Company operates in the UK, Malta, Liechtenstein, and Canada as one reportable operating segment. As the operations comprise a single reporting segment, amounts disclosed in the consolidated financial statements also represent segment amounts.

(Expressed in Canadian dollars)

17. Segment reporting (continued)

The operating segment of the Company is defined as a component of the Company for which separate financial information is available and is evaluated regularly by the chief operating decision maker in allocating resources and assessing performance. The chief operating decision maker of the Company is the Chief Executive Officer.

The following tables include a reconciliation of assets, liabilities and net income (loss) by geographical area as at and during the nine months ended September 30, 2024:

	Canada	United Kingdom	Malta	Liechtenstein	Total
	$	$	$	$	$
Non-current assets	199,872	3,650	1,343,899	81,084	1,628,505
Current assets	200,436	(55,672)	-	174,678	379,440
Non-current liabilities	(403,421)	(25,601)	-	(804,087)	(1,233,109)
Current liabilities	(956,331)	(2,165,157)	(36,367)	(173,683)	(3,331,537)
Net assets (liabilities)	**(899,444)**	**(2,242,779)**	**1,307,532**	**(722,007)**	**(2,556,702)**
Working capital (deficiency)	(695,895)	(2,220,828)	(36,367)	995	(2,952,097)
Net Loss for the period	(916,665)	(818,042)	(274,545)	(156,528)	(2,246,517)

The following tables include a reconciliation of assets, liabilities and net income (loss) by geographical area as at and during the twelve months ended December 31, 2023:

	Canada	United Kingdom	Malta	Liechtenstein	Total
	$	$	$	$	$
Non-current assets	195,918	5,740	1,476,389	79,480	1,757,528
Current assets	271,094	267,268	-	84,272	612,634
Non-current liabilities	(403,421)	(23,890)	-	(700,876)	(1,128,187)
Current liabilities	(1,257,201)	(1,754,515)	(35,244)	(143,299)	(3,190,259)
Net assets (liabilities)	**(1,203,609)**	**(1,505,397)**	**1,441,145**	**(680,423)**	**(1,948,284)**
Working capital (deficiency)	(996,107)	(1,487,247)	(35,244)	(59,027)	(2,577,625)
Net Loss for the period	(1,335,778)	(1,341,699)	(133,284)	(183,445)	(2,994,206)

18. Subsequent events

On October 31, 2024, the company successfully closed its non-brokered private placement, surpassing its $1.5 million target by 40% to raise $2.1 million. The Company issued 210.3 million Units, each priced at $0.01, including a share purchase warrant exercisable at $0.05 for three years.