

SIXTY SIX CAPITAL INC.

CONDENSED INTERIM FINANCIAL STATEMENTS

(Unaudited - Expressed in Canadian Dollars)

September 30, 2024

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NOTICE OF NO AUDITOR REVIEW OF CONDENSED INTERIM FINANCIAL STATEMENTS

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

The accompanying unaudited condensed consolidated interim financial statements of the Company have been prepared by and are the responsibility of the Company's management. The Company's auditors have not performed a review of these condensed interim 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.

SIXTY SIX CAPITAL INC.
CONDENSED INTERIM STATEMENTS OF FINANCIAL POSITION
(Unaudited - Expressed in Canadian Dollars)

		September 30, 2024	December 31, 2023
	Notes	\$	\$
ASSETS			
Current Assets			
Cash		383,889	1,308,797
Prepaid expenses		11,184	21,347
Investments	2	<u>12,838,212</u>	<u>10,743,909</u>
Total current assets		<u>13,233,285</u>	<u>12,074,053</u>
TOTAL ASSETS		<u>13,233,285</u>	<u>12,074,053</u>
LIABILITIES			
Current Liabilities			
Accounts payable and accrued liabilities		50,258	33,286
Current portion of convertible debentures	3	<u>473,444</u>	<u>1,020,628</u>
Total current liabilities		<u>523,702</u>	<u>1,053,914</u>
Non-Current Liabilities			
Accrued debenture interest - non-current portion	3	804,244	1,077,436
Convertible debentures	3	<u>4,768,063</u>	<u>4,768,063</u>
Total non-current liabilities		<u>5,572,307</u>	<u>5,845,499</u>
TOTAL LIABILITIES		<u>6,096,008</u>	<u>6,899,413</u>
SHAREHOLDERS' EQUITY (DEFICIT)			
Share capital	4	35,259,988	35,259,988
Share issue costs		(181,699)	(181,699)
Other reserves		(7,155,763)	(7,155,763)
Share option reserve		3,008,759	2,960,014
Retained earnings		<u>(23,794,008)</u>	<u>(25,707,900)</u>
TOTAL SHAREHOLDERS' EQUITY (DEFICIT)		<u>7,137,277</u>	<u>5,174,640</u>
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY (DEFICIT)		<u>13,233,285</u>	<u>12,074,053</u>

These condensed interim financial statements were approved for issue by the Board of Directors on October 25, 2024 and are signed on its behalf by:

/s/ David Rowe
David Rowe
Director

/s/ Richard Croft
Richard Croft
Director

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

SIXTY SIX CAPITAL INC.

CONDENSED INTERIM STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY (DEFICIT)

(Unaudited - Expressed in Canadian Dollars)

	Nine Months Ended September 30, 2024							
	Share Capital		Reserves			Other Comprehensive Gain/(Loss)	Retained Earnings/(Deficit)	Total Shareholders' Equity/(Deficit)
	Number of Shares	Amount \$	Other \$	Share-Based Compensation \$				
Balance at December 31, 2023	139,740,857	35,078,289	(7,155,763)	2,960,014		(25,707,900)	5,174,640	
Share based compensation				48,745			48,745	
Net income for the period						1,913,892	1,913,892	
Balance at September 30, 2024	139,740,857	35,078,289	(7,155,763)	3,008,759	-	(23,794,008)	7,137,277	

	Nine Months Ended September 30, 2023							
	Share Capital		Reserves			Other Comprehensive Gain/(Loss)	Retained Earnings/(Deficit)	Total Shareholders' Equity/(Deficit)
	Number of Shares	Amount \$	Other \$	Share-Based Compensation \$				
Balance at December 31, 2022	139,740,857	35,078,289	(7,155,763)	2,960,014	(167,720)	(35,345,669)	(4,630,849)	
Net income for the period						7,702,923	7,702,923	
Balance at September 30, 2023	139,740,857	35,078,289	(7,155,763)	2,960,014	(167,720)	(27,642,746)	3,072,074	

SIXTY SIX CAPITAL INC.
CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (LOSS)
(Unaudited - Expressed in Canadian Dollars)

	Notes	Three Months Ended September 30,		Nine Months Ended September 30,	
		2024	2023	2024	2023
		\$	\$	\$	\$
Expenses					
Accounting and administration		-	4,000.00	7,134	18,300
Audit and related		12,000	-	35,662	4,000
Bank charges		172	76	432	222
Legal		6,667	-	15,512	2,256
Director and officer compensation		24,000	21,500	72,500	21,500
Share based compensation	4	-	-	48,745	-
Office		-	368	518	6,230
Professional fees		17,013	1,518	49,680	2,426
Regulatory fees		7,920	8,261	24,390	28,321
Transfer agent		982	708	3,308	2,933
Travel		-	-	5,054	-
Total Expenses		68,754	36,431	262,934	86,188
Loss before other items		(68,754)	(36,431)	(262,934)	(86,188)
Other items					
Interest income		5,126	17,061	17,571	18,544
Dividend income		22,804	-	22,804	-
Interest expense	3	(119,202)	(119,201)	(357,606)	(361,580)
Realized loss on sale of investment in equity security	2	-	(6,924,540)	(13,779,118)	(11,353,285)
Unrealized gain (loss) on investment in equity security	2	(17,738)	7,167,265	16,274,734	19,477,977
Loan payable write off		-	-	833	-
Reversal of accounts payable and accrued liabilities		-	-	-	8,120
Foreign exchange		(247)	3,255	(2,392)	(665)
Net other items		(109,257)	143,840	2,176,827	7,789,111
Net and comprehensive income (loss) for the period		(178,012)	107,409	1,913,892	7,702,923
Basic and diluted income (loss) per common share		\$ (0.00)	\$ 0.00	\$ 0.01	\$ 0.06
Weighted average number of common shares outstanding		139,740,857	139,740,857	139,740,857	139,740,857

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

SIXTY SIX CAPITAL INC.
CONDENSED INTERIM STATEMENT OF CASH FLOW
(Unaudited - Expressed in Canadian Dollars)

	Nine Months Ended September 30	
	2024	2023
	\$	\$
Operating activities		
Net income (loss) for the period	1,913,892	7,702,923
Adjustments for:		
Unrealized (gain) loss on investment in equity security	(16,274,734)	(19,477,977)
Unrealized (gain) loss on investment in equity securities	13,779,118	11,353,285
Share based compensation expense	48,745	-
Loan payable write off	(833)	-
Foreign exchange loss	(1,150)	(4,248)
Interest expense	357,606	361,580
	<u>(177,356)</u>	<u>(64,437)</u>
Changes in non-cash working capital items:		
Amounts receivable	-	1,269
Prepaid expenses	10,163	15,412
Change in accounts payable and accrued liabilities	18,954	(186,369)
	<u>29,117</u>	<u>(169,688)</u>
Net cash used in operating activities	(148,239)	(234,125)
Investing Activities		
Proceeds from sale of investment in equity security	4,757,797	3,219,950
Purchase of investments	(4,356,483)	-
	<u>401,314</u>	<u>3,219,950</u>
Financing activity		
Advances received	-	30,000
Repayment of advance	-	(97,605)
Interest paid	(1,177,983)	-
Net cash provided by financing activity	(1,177,983)	(67,605)
Net change in cash	(924,908)	2,918,220
Cash at beginning of period	1,308,797	41,174
Cash and cash equivalents, end of year	<u>383,889</u>	<u>2,959,394</u>

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

1. Nature of Operations and Going Concern

Nature of Operations

The Company is a reporting issuer in British Columbia, Alberta, Saskatchewan, Ontario and Nova Scotia and trades on the Canadian Securities Exchange ("CSE") under the symbol "SIX" and on the OTCQB under the symbol "HYHDF". The Company's registered office is located at 600 - 890 West Pender Street, Vancouver, BC V6C 1J9, Canada.

The Company is currently an investor and developer active in Fin Tech. The Company's investment portfolio, as of September 30, 2024, consists of shares of Purpose Bitcoin and Purpose Ethereum ETF (ET), and an investment via a Simple Agreement for Future Tokens (SAFT) in Stabull.finance, a decentralised swap facility. <https://stabull.finance>. The Company continues to review business and investment opportunities within the Fin Tech space, including investing in cryptocurrencies.

As at September 30, 2024 the Company had working capital of \$12,709,583 and an accumulated deficit of \$23,794,008. These condensed interim 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 business operations for the foreseeable future.

Statement of Compliance

These condensed interim financial statements have been prepared using accounting policies consistent with International Financial Reporting Standards ("IFRS"), and in accordance with International Accounting Standards ("IAS") 34, Interim Financial Reporting, as issued by the International Accounting Standards Board ("IASB"). These condensed interim financial statements should be read in conjunction with the audited consolidated financial statements for the year ended December 31, 2023, which have been prepared in accordance with IFRS as issued by the IASB. The accounting policies followed in these condensed interim financial statements are consistent with those applied in the Company's consolidated financial statements for the year ended December 31, 2023.

Basis of Measurement

The Company's condensed interim financial statements have been prepared on the historical cost basis except for cash flow information and certain financial instruments which are measured at fair value. These condensed interim financial statements are presented in Canadian dollars unless otherwise stated.

2. Investments

	September 30, December 31,	
	2024	2023
	\$	\$
Northern Data AG ("Northern Data")	-	4,834,509
Purpose US Cash Fund ETF Units PSU.U CAD\$	1,765,978	-
Purpose Bitcoin ETF CAD Non-Currency Hedged Units BTCC.B CAD\$	9,447,250	5,909,400
Purpose ETHER C\$ Non-Currency Hedged ETF ETHH.B CAD\$	1,084,500	-
Stabull.Finance	540,484	-
	<u>12,838,212</u>	<u>10,743,909</u>

During the nine months ended on September 30, 2024 the Company sold 127,800 shares of Northern Data for \$4,757,797 resulting in a realized loss on sale of investment of \$13,779,117.88. During the nine months ended September 30, 2023 the Company sold 100,473 shares of Northern Data for \$3,219,950 resulting in a loss on sale of investments of \$11,353,285.

SIXTY SIX CAPITAL INC.
 NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
 FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2024
 (Unaudited - Expressed in Canadian Dollars)

2. Investments - (Continued)

During the nine months ended September 30, 2024 the Company recorded an unrealized gain of \$16,274,734 (2023 - \$19,477,977) on its investment in equity security.

The company also purchased 57,067 shares of Purpose ETF for \$2,312,008.95 during the nine months ended September 30, 2024.

3. Convertible Debentures

	September 30, December 31,	
	2024	2023
	\$	\$
Principal	4,768,063	4,768,063
Accrued interest payable	1,277,688	2,098,064
Total loans payable	<u>6,045,751</u>	<u>6,866,127</u>

The Company has received a number of loans and issued convertible debentures which bear interest at 10% per annum and are repayable between December 2023 and August 2027. During the nine months ended September 30, 2024 the Company recognized \$357,606 (2023 - \$361,580) of interest expense. The amount of the loans, at the option of each lender, will be convertible into common shares of the Company at the market price at time of such conversion in accordance with the policies of and subject to acceptance by the CSE. The value of the embedded derivative is considered to be \$nil as the number of shares will be issued to equate to the amount of the original loan and so there is no upside or downside to the option for either party. The Company has a prepayment option. The value of the embedded derivative will depend on how significant the transaction costs incurred were on the issue of the loan notes. The transaction costs were \$nil and so this embedded derivative has no value.

4. Share Capital

(a) Authorized Share Capital

The Company's authorized share capital consisted of an unlimited number of common shares without par value. All issued common shares are fully paid.

(b) Equity Financings

No equity financings were conducted by the Company during the nine months ended September 30, 2024.

The Company's objective when managing capital is to safeguard the Company's ability to continue as a going concern such that it can provide returns for shareholders and benefits for other stakeholders. The Company considers the items included in shareholders' equity as capital. The management of the capital structure is based on the funds available to the Company in order to maintain the Company in good standing with the various regulatory authorities. In order to maintain or adjust its capital structure, the Company may issue new shares, sell assets to settle liabilities or return capital to its shareholders. There has been no change to the Company's capital management strategy during nine months of the fiscal year ending on December 31, 2024 and the Company is not subject to any externally imposed capital requirements.

Share Option Plan

The Company has established a rolling share option plan (the "Plan") in which the maximum number of common shares which can be reserved for issuance under the Plan is 10% of the issued and outstanding shares of the Company. The exercise price of each option shall not be less than the market price of the Company's shares at the date of grant less an applicable discount. Options granted may be subject to vesting provisions as determined by the Board of Directors and have a maximum term of ten years from the date of grant.

A summary of the Company's share options at September 30, 2024 and 2023 and the changes for the nine months ended on those dates, is as follows:

SIXTY SIX CAPITAL INC.
NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2024
(Unaudited - Expressed in Canadian Dollars)

4. Share Capital - (Continued)

	2024		2023	
	Number of Options Outstanding	Weighted Average Exercise Price	Number of Options Outstanding	Weighted Average Exercise Price
Balance, beginning of period	13,974,083	\$ 0.13	13,974,083	\$ 0.13
Issued	9,500,000	\$ 0.05		
Expired	(8,520,000)	\$ 0.17	-	
Cancelled	(981,734)	\$ 0.05		
Balance, end of period	<u>13,972,349</u>		<u>13,974,083</u>	

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

Number of option shares	Exercise price	Expiry date
4,472,349	0.05	16-Dec-25
<u>9,500,000</u>	0.05	08-May-27
<u>13,972,349</u>		

On May 8th, 2024, the company issued options to the Directors as follows;

Name	Position	No. of Common Shares
David Rowe	CEO	3,325,000
Alex Johnstone	CFO	2,850,000
Richard Croft	Director	2,375,000
Chris Irwin	Director	<u>950,000</u>
	TOTAL	<u>9,500,000</u>

All options that were granted vested immediately and allow the holder to purchase common shares of the Company at an exercise price of \$0.05 per common share, expiring May 8, 2027.

The fair value of these options was recorded as share based compensation expense during the 2nd quarter of 2024, \$48,744.91 (2023 - \$nil). The fair value of share options granted and vested is estimated using the Black Scholes option pricing model using the following assumptions;

	2024	2023
Risk-free interest rate	5.25%	NA
Estimated volatility	42%	NA
Expected life	2 yrs	NA
Expected dividend yield	0.00%	NA
Estimated forfeiture rate	0.00%	NA

5. Related Party Disclosures

Key management personnel include those persons having authority and responsibility for planning, directing and controlling the activities of the Company as a whole. The Company has determined that key management personnel consists of members of the Company's Board of Directors and its executive officers.

Transactions with Key Management Personnel

During the nine months ended September 30, 2024 the Company incurred directors and officers compensation of \$72,500 (2023 - \$nil) to its current key management personnel. As at September 30, 2024 \$8,000 (2023 - \$9,000) remained unpaid in relation to management compensation.

On May 8th, 2024, the company issued options to the Directors as follows;

Name	Position	No. of Common Shares
David Rowe	CEO	3,325,000
Alex Johnstone	CFO	2,850,000
Richard Croft	Director	2,375,000
Chris Irwin	Director	950,000
	TOTAL	<u>9,500,000</u>

All share options granted, vest immediately and allow the holder to purchase common shares of the Company at an exercise price of \$0.05 per common share, expiring May 8, 2027. The fair value of these options was recorded as share based compensation expense during the 2nd quarter of 2024, \$48,744.91 (2023 - \$nil).

6. Financial Instruments and Risk Management

General Objectives, Policies and Processes

The overall objective of the Board is to set policies that seek to reduce risk as far as possible without unduly affecting the Company's competitiveness and flexibility. Further details regarding these policies are set out below. The Board reviews its monthly reports through which it assesses the effectiveness of the processes put in place and the appropriateness of the objectives and policies it sets. All funding requirements and financial risks are managed based on policies and procedures adopted by the Board of Directors.

Categories of Financial Assets and Liabilities

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.

The principal financial instruments used by the Company, from which financial instrument risk arises, are as follows:

- (i) Amount receivables
- (ii) Cash
- (iii) Investment in equity security
- (iv) Accounts payable and accrued liabilities
- (v) Advances and convertible debentures
- (vi) Amount due

Amount receivables are initially measured at the amount of consideration that is unconditional. The Company holds trade receivables with the objective of collecting the contractual cash flows so is subsequently measured at amortized cost. Book values and expected cash flows are reviewed by the Board and any impairment charged to the condensed interim statement of comprehensive income (loss) in the relevant period.

6. Financial Instruments and Risk Management - (Continued)

The fair value of the investment in equity security is measured based on level 1 at the quoted market price of the related common shares at each reporting date, and changes in fair value are recognized in comprehensive income (loss).

Accounts payable and accrued liabilities are measured at book value. The book value of financial assets and liabilities equates to their fair value. Accounts payable and accrued liabilities principally comprise amounts outstanding for trade purchases and ongoing costs.

The Company's non-derivative financial liabilities have contractual maturities (including interest payments where applicable) as summarized below:

	As at September 30, 2024			
	Within	Non-Current	Non-Current	
	6	Current 6-12	1 - 5	Over
	Months	Month	Year	5 Years
	\$	\$	\$	\$
Accounts payables and accrued liabilities	50,258	-	-	-
Convertible debentures	473,444	-	5,572,307	-
Total	523,702	-	5,572,307	-

	As at September 30, 2023			
	Within	Non-Current	Non-Current	
	6	Current 6-12	1 - 5	Over
	Months	Month	Year	5 Years
	\$	\$	\$	\$
Accounts payables and accrued liabilities	11,922	-	-	-
Amount due	1,015,727	-	-	-
Convertible debentures	-	-	6,627,724	-
Total	1,027,649	-	6,627,724	-

The above amounts reflect the contractual undiscounted cash flows, which may differ to the carrying values of the liabilities at the reporting date.

Cash and Cash Equivalents

Cash and cash equivalents are currently held in Canadian Dollars (\$) and United States Dollars ("USD") and placed on deposit in Canadian.

Risk Exposures

The Company's risk exposures and the impact on the Company's financial instruments are summarized below:

Credit Risk

Credit risk is the risk that a counterparty fails to discharge an obligation to the Company. The Company is exposed to credit risk from financial assets including cash and cash equivalents held at banks, trade and other receivables. The credit risk in respect of cash balances held with banks is remote as they are held only with major reputable financial institutions. The Company is mainly exposed to credit risk from credit sales.

Liquidity Risk

Liquidity risk is the risk that the Company will not have the resources to meet its obligations as they fall due. The Company manages this risk by closely monitoring cash forecasts and managing resources to ensure that it will have sufficient liquidity to meet its obligations.

Short-term liquidity risk arises from the Company's management of working capital. It is the risk that the Company will encounter difficulty in meeting its financial obligations as they fall due. The Company's policy is to ensure that it will always have sufficient cash to allow it to meet its liabilities when they become due. To achieve this aim, it seeks to maintain cash balances to meet expected requirements for a period of at least 30 days.

6. Financial Instruments and Risk Management - (Continued)

Longer-term liquidity risk is the ability of the Company to continue as a going concern. This risk is managed by the preparation by the Directors of cash flow forecasts and the strict management of expenditure.

Market Risk

Market risk is the risk of loss that may arise from changes in market factors such as interest rates, foreign exchange rates, and commodity and equity prices. These fluctuations may be significant.

(a) Interest Rate Risk

The Company is exposed to interest rate risk to the extent that the cash bears floating rates of interest. The interest rate risk on cash and on the Company's obligations are not considered significant.

(b) Foreign Currency Risk

The Company's functional currency is the Canadian dollar and major transactions are transacted in Canadian Dollars and US Dollars. Management believes the foreign exchange risk related to currency conversions is minimal and therefore does not hedge its foreign exchange risk. At September 30, 2024 the Canadian Dollar was equal to 0.7405 US Dollar

As at September 30, 2024 the company held investments in Purpose US Cash Fund ETF of CAD 1,765,978.13, which is held in US dollars and cash equivalent to CAD 10,361.33 held in a US dollar account at a Canadian bank.