LOOKING GLASS LABS LTD.

Unaudited Condensed Interim Consolidated Financial Statements

Three months ended October 31, 2023 and 2022

Expressed in Canadian Dollars

Notice of No Auditor Review of Interim Financial Statements

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

The accompanying unaudited condensed interim financial statements of Looking Glass Labs Ltd. have been prepared by and are the responsibility of management.

The Company's independent 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 auditors.

LOOKING GLASS LABS LTD.
Unaudited Condensed Interim Consolidated Statements of Financial Position
(Expressed in Canadian Dollars)

	Note	October 31, 2023 $	(Audited) July 31, 2023 $
ASSETS			
Current assets			
Cash and cash equivalents		**65,852**	46,979
Accounts receivable		**117,001**	110,658
Digital assets	5	**21,951**	21,951
Prepaid expenses		**60,431**	73,790
		265,235	253,378
Non-current assets			
Right-of-use assets	8	**-**	226,754
Property and equipment	6	**29,283**	35,553
Deferred contract costs	16	**224,867**	321,240
Total assets		**519,385**	836,925
LIABILITIES			
Current liabilities			
Accounts payable and accrued liabilities	9,12	**1,251,417**	1,137,010
Due to related parties	12	**14,233**	14,233
Loans payable	10	**1,418,305**	1,374,415
Deferred revenue – current portion	16	**1,519,324**	-
Lease liabilities – current portion	8	**-**	176,065
		4,203,279	2,701,723
Non-current liabilities			
Lease liabilities	8	**-**	67,854
Deferred revenue	16	**-**	2,170,910
Total liabilities		**4,203,279**	4,940,487
SHAREHOLDERS' DEFICIENCY			
Share capital	11	**17,444,673**	17,444,673
Subscriptions received in advance	11	**35,000**	-
Reserve	11	**3,808,974**	3,720,574
Warrant reserve	11	**9,762**	9,762
Accumulated other comprehensive loss		**(66,789)**	(66,789)
Deficit		**(24,915,514)**	(25,211,782)
Total shareholders' deficiency		**(3,683,894)**	(4,103,562)
Total liabilities and shareholders' deficiency		**519,385**	836,925

Nature and Continuance of Operations (Note 1)
Subsequent Events (Note 18)

Approved by the board of directors and authorized for issue on December 15, 2023:

"James Henning"
James Henning, Director

"Kevin Cornish"
Kevin Cornish, Director

LOOKING GLASS LABS LTD.

Unaudited Condensed Interim Consolidated Statement of Shareholders’ Equity
For the three months ended October 31, 2023 and 2022
(Expressed in Canadian Dollars)

		Three months ended	
		October 31, 2023 $	**October 31, 2022 $**
Revenue			
Design services income	16	**-**	137,066
NFT sales	16	**651,586**	-
Total revenue		**651,586**	137,066
Cost of revenue		**(96,376)**	(1,519)
Gross Profit		**555,210**	135,547
Expenses			
Amortization	6,8	**20,443**	123,964
Consulting fees	12	**11,750**	46,584
Corporate service fees		**7,000**	126,153
Development costs		**-**	79,915
Foreign exchange loss		**-**	12,437
Interest expense	10	**33,654**	8,707
Marketing		**9,574**	87,567
Office expenses		**47,346**	61,031
Professional fees		**29,388**	330,138
Stock-based compensation	11	**88,400**	1,105,245
Transfer agent and filing fees		**20,003**	55,704
Wages and salaries		**8,356**	444,425
Operating Expenses		**(275,914)**	**(2,481,870)**
Other Items			
Loss on revaluation of digital assets		**-**	(2,284)
(Loss) on use of digital assets		**-**	(417)
Gain on termination of lease		**16,972**	-
		16,972	**(2,701)**
Net gain (loss)		**296,268**	**(2,349,024)**
Foreign currency translation adjustment		**-**	833
Net comprehensive income (loss) for the period		**296,268**	**(2,348,191)**
Net income (loss) per share:			
Basic		**0.15**	(1.42)
Diluted		**0.15**	(1.42)
Weighted average number of common shares outstanding:			
Basic and diluted		**1,985,764**	1,653,710

LOOKING GLASS LABS LTD.

Unaudited Condensed Interim Consolidated Statement of Shareholders' Equity
For the three months ended October 31, 2023 and 2022
(Expressed in Canadian Dollars)

	Note	Share capital Number of shares*	 Amount $	Share subscriptions received in advance $	Reserve $	Warrant reserve $	Accumulated other comprehensive loss $	Deficit $	Total $
Balance, July 31, 2022		**1,545,450**	**13,322,675**	**-**	**2,830,107**	**9,762**	**(25,387)**	**(12,511,090)**	**3,626,067**
				-					
Shares issued to acquire Web 3.0	3	184,363	1,935,815	-	-	-	-	-	1,935,815
Shares issued upon exercise of options	11	111	1,453	-	(620)	-	-	-	833
Share-based compensation	11	-	-	-	1,105,245	-	-	-	1,105,245
Net loss for the period		-	-	-	-	-	833	(2,349,024)	(2,348,191)
Balance, October 31, 2022		**1,729,924**	**15,259,943**	**-**	**3,934,732**	**9,762**	**(24,554)**	**(14,860,114)**	**4,319,769**
Balance, July 31, 2023		**1,985,836**	**17,444,673**	**-**	**3,720,574**	**9,762**	**(66,789)**	**(25,211,782)**	**(4,103,562)**
Share subscriptions received in advance	11	-	-	35,000	-	-	-	-	35,000
Share-based compensation	11	-	-	-	88,400	-	-	-	88,400
Net income for the period		-	-	-	-	-	-	296,268	296,268
Balance, October 31, 2023		**1,985,836**	**17,444,673**	**35,000**	**3,808,974**	**9,762**	**(66,789)**	**(24,915,514)**	**(3,683,894)**

*On October 6, 2023, the Company completed a one-for-seventy-five common share consolidation. All share disclosures in these condensed interim consolidated financial statements are presented on a post-consolidation basis.

LOOKING GLASS LABS LTD.
Unaudited Condensed Interim Consolidated Statements of Cash Flow
For the three months ended October 31, 2023 and 2022
(Expressed in Canadian Dollars)

	2023	2022
	$	$
Operating activities		
Net income (loss) for the period	296,268	(2,349,024)
Adjustments for non-cash items:		
Interest expense	33,654	8,707
Digital assets converted to fiat currency	-	94,675
Digital assets received for sales	-	(3,378)
Digital assets paid for services	-	1,519
Depreciation	20,443	123,964
Loss (gain) on use of digital assets	-	417
Change in revaluation of digital assets	-	2,284
Loss (gain) on termination of lease	(16,972)	-
Share-based compensation	88,400	1,105,245
Changes in non-cash working capital items:		
Amounts receivable	(6,343)	8,455
Prepaid expenses	13,359	55,365
Accounts payable and accrued liabilities	98,277	19,477
Due to related parties	-	-
Deferred contract costs	96,373	-
Deferred revenue	(651,586)	3,216
Net cash flows used in operating activities	(28,127)	(929,078)
Investing activities		
Additions of internally developed software	-	(377,860)
Cash received pursuant to acquisition of Web 3.0	-	804,460
Net cash flows provided by investing activities	-	426,600
Financing activities		
Loans received (repaid), net	12,000	434,000
Lease payments	-	(48,383)
Proceeds from exercise of warrants and options	-	833
Subscriptions received	35,000	-
Net cash flows provided by financing activities	47,000	386,450
Increase (decrease) in cash	18,873	(116,028)
Effects of foreign exchange on cash	-	833
Cash, beginning of the period	46,979	308,035
Cash, end of the period	**65,852**	**192,840**

1. Nature and Continuance of Operations

Looking Glass Labs Ltd. (the "Company") was incorporated on June 19, 2015, under the laws of the province of British Columbia, Canada. On October 8, 2021, the Company changed its name from BluKnight Aquafarms Inc. to Looking Glass Labs Ltd. The Company changed its name from 1040426 BC Ltd to BluKnight Aquafarms Inc. on July 12, 2017. Looking Glass Labs Ltd. specializes in consumer engagement applications to leverage immersive metaverse environments, gamification and Web 3.0/blockchain monetization strategies. The head office, principal address, records office and registered address of the Company are located at 1890 – 1075 West Georgia Street, Vancouver BC.

Currently, based on its planned expenditures and expected cash flows, the Company will need to secure new sources of working capital to continue operations beyond a twelve-month period. Management's plan is to actively secure sources of funds, including possible equity and debt financing options, while at the same time focus on exercising careful cost control to sustain operations. If necessary, the Company will curtail spending.

These unaudited condensed interim consolidated financial statements have been prepared on a going concern basis, which presumes that the Company will be able to realize its assets and discharge its liabilities in the normal course of business in the foreseeable future. During the period ended October 31, 2023, the Company incurred a net comprehensive income of $296,268 (October 31, 2022 – net comprehensive loss of $2,348,191), and had an accumulated deficit of $24,915,514 (July 31, 2023 – $25,211,782) and a working capital deficiency of $3,938,044 as at October 31, 2023 (July 31, 2023 – $2,448,345).

The Company's ability to continue as a going concern and meet its corporate objectives may require additional financing through debt or equity issuances or other available means. There is no assurance that the Company will be able to obtain adequate financing in the future or that such financing will be available on terms advantageous to the Company. These conditions indicate the existence of material uncertainties that may cast significant doubt about the Company's ability to continue as a going concern. These consolidated financial statements do not include any adjustments relating to the recoverability and classification of recorded asset amounts and classification of liabilities that might be necessary should the Company be unable to continue its existence.

2. Statement of Compliance and Significant Accounting Policies

These unaudited condensed interim consolidated financial statements were approved and authorized for issue on December 15, 2023 by the directors of the Company.

Statement of Compliance

These unaudited condensed interim consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and in accordance with IAS 34 – Interim Financial Reporting. These unaudited condensed interim consolidated financial statements do not include all of the information required for annual financial statements and should be read in conjunction with the Company's audited financial statements for the year ended July 31, 2023. These condensed interim consolidated financial statements have been prepared following the same accounting policies as the Company's audited consolidated financial statements for the year ended July 31, 2023.

These unaudited condensed interim consolidated financial statements have been prepared on a historical cost basis, except for certain financial instruments. In addition, these unaudited condensed interim consolidated financial statements have been prepared using the accrual basis of accounting, except for cash flow information.

2. Statement of Compliance and Significant Accounting Policies (continued)

Basis of Presentation

These unaudited condensed interim consolidated financial statements have been prepared on an accrual basis and are based on historical cost, modified where applicable. The unaudited condensed interim consolidated financial statements are presented in Canadian dollars, unless otherwise noted, which is the Company's functional currency.

Basis of Consolidation

The unaudited condensed interim consolidated financial statements include the accounts of the Company and its controlled entities. Control occurs when the Company is exposed to, or has the right to, variable returns from its involvement with an investee and has the ability to affect those returns through its power over the investee. Details of controlled entities are as follows:

Name	Jurisdiction of Incorporation	Interest 2023	Interest 2022	Functional Currency
Genzeroes Productions Inc.	Canada	0%	100%	Canadian Dollars
HOK Vietnam Company Limited	Vietnam	0%	100%	Vietnamese Dong
Web 3.0 Holdings Corp.	Canada	100%	100%	Canadian Dollars
HOK Technologies Inc.	Canada	100%	100%	Canadian Dollars
HOK BVI Technologies Inc.	British Virgin Islands	100%	100%	Canadian Dollars

All inter-company transactions and balances have been eliminated in the consolidated financial statement presentation.

Functional and Presentation Currency

These consolidated financial statements are presented in Canadian dollars. Each entity determines its own functional currency, and items included in the consolidated financial statements of each entity are measured using that functional currency.

Transactions and balances in foreign currencies
Foreign currency transactions are translated into the functional currency of the respective entity, using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the remeasurement of monetary items at period-end exchange rates are recognized immediately in profit or loss.

Non-monetary items measured at historical cost are translated using the exchange rates at the date of the transaction and are not retranslated. Non-monetary items measured at fair value are translated using the exchange rates at the date when fair value was determined.

Foreign Operations
On consolidation, the assets and liabilities of foreign operations are translated into Canadian dollars from their functional currency at the exchange rate prevailing at the reporting date and their statements of loss and comprehensive loss are translated at the exchange rates approximating those in effect on the date transactions occurred. The exchange differences arising on the translation are recognized in other comprehensive income and accumulated in the foreign currency translation reserve in equity. On disposal of a foreign operation, the component of other comprehensive income relating to that particular foreign operation is recognized in earnings as part of the gain or loss on disposal.

2. Statement of Compliance and Significant Accounting Policies (continued)

Significant Accounting Judgments, Estimates and Assumptions

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

Going concern
The assessment of the Company's ability to continue as a going concern and whether there are events or conditions that may give rise to significant uncertainty involves significant judgment based on historical experience and other factors, including the expectation of future events that are believed to be reasonable under the circumstances.

Deferred tax assets
The ability of the Company to recognize deferred tax assets involves judgment of the probability that the Company will be able to generate taxable income in the future.

Digital assets
Digital assets are considered to be an identifiable non-monetary asset without physical substance. Management has determined that the digital assets are accounted for as intangible assets in accordance with IAS 38 Intangible Assets.

Digital currency valuation
Digital assets consist of cryptocurrency denominated assets (Note 5). Digital assets are carried at their fair market value determined by the spot rate from www.finance.yahoo.com. The digital currency market is still a new market and is highly volatile; historical prices are not necessarily indicative of future value; a significant change in the market prices for digital assets would have a significant impact on the Company's earnings and financial position. In addition, management estimates that selling costs will be nominal. Digital currency prices are affected by various forces including global supply and demand, interest rates, exchange rates, inflation or deflation and global political and economic conditions. A decline in the market prices for digital assets could negatively impact the Company's future operations. The Company has not hedged the conversion of any of its digital assets.

Stock-based compensation
The fair value of stock-based compensation requires estimates of assumptions that are used in the Black-Scholes option pricing model. The Company also uses judgment to estimate probability of achieving vesting conditions of restricted stock units ("RSUs").

Business combinations
Judgment is required to determine if the Company's acquisition represented a business combination or an asset purchase. If estimates or judgments differed, this could result in a materially different allocation of net assets on the consolidated statement of financial position. In a business combination, substantially all identifiable assets, liabilities and contingent liabilities acquired are recorded at the date of acquisition at their respective fair values. One of the most significant areas of judgment and estimation relates to the determination of the fair value of these assets and liabilities, including the fair value of contingent consideration, if applicable. If any intangible assets are identified, depending on the type of intangible asset and the complexity of determining its fair value, an independent external valuation expert may develop the fair value, using appropriate valuation techniques, which are generally based on a forecast of the total expected future net cash flows. These valuations are linked closely to the assumptions made by management regarding the future performance of the assets concerned and any changes in the discount rate applied. In certain circumstances where estimates have been made, the Company may obtain third-party valuations of certain assets, which could result in further refinement of the fair-value allocation of certain purchase prices and accounting adjustments.

2. Statement of Compliance and Significant Accounting Policies (continued)

Leases
Determining whether a lease contract contains an identified asset, whether the Company has the right to control the asset, and the lease term. The lease term is based on considering facts and circumstances, both qualitative and quantitative, that can create economic incentive to exercise renewal options.

Recoverability of long-lived assets
The Company assesses at each reporting date if the intangible asset has indicators of impairment. In determining whether the intangible asset is impaired, the Company assesses certain criteria including observable decreases in value, significant changes with adverse effect on the entity, a change in market interest rates, and evidence of technological obsolescence. The application of the Company's accounting policy for intangible asset expenditures requires judgment in determining whether it is likely that the future economic benefits will flow to the Company, which are based on assumptions about future events or circumstances. Estimates and assumptions may change if new information becomes available. If, after expenditures are capitalized, information becomes available suggesting that the recovery of expenditures is unlikely, the amount capitalized in excess of recoverable value is written off to profit or loss in the period the new information becomes available.

Estimated useful life of long-lived assets
Judgment is used to estimate each component of a long-lived asset's useful life and is based on an analysis of all pertinent factors including, but not limited to, the expected use of the asset and in the case of an intangible asset, contractual provisions that enable renewal or extension of the asset's legal or contractual life without substantial cost, and renewal history. If the estimated useful lives were incorrect, it could result in an increase or decrease in the annual amortization expense, and future impairment charges or recoveries.

Revenue recognition
Management has exercised significant judgment in determining appropriate accounting treatment for the recognition of income, including whether contracts meet the definition of a contract within the scope of IFRS 15 - Revenue from Contracts with Customers.

New Standards Adopted

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

3. Asset Acquisition

On August 9, 2022, the Company entered into a share purchase agreement to acquire all of the issued and outstanding securities of Web 3.0 Holdings Corp. ("Web 3.0"), a technology company that is addressing Business to Consumer and Business to Business infrastructure challenges within Web3 environments.

As consideration, the Company issued 184,363 common shares of the Company (each a "Consideration Share") on September 7, 2022, payable to the existing shareholders of Web 3.0 with a fair value of $1,935,815. The acquisition of Web 3.0 does not constitute a business combination because this entity does not meet the definition of a business under IFRS 3 – *Business Combinations*. As a result, the transaction has been measured at the fair value of equity consideration issued to acquire the entity. The fair value of the consideration paid was determined based on the fair value of the assets received in accordance with IFRS 2 – *Share Based Payments*.

(Expressed in Canadian Dollars)

3. Asset Acquisition (continued)

Purchase price:	$
184,363 common shares	1,935,815
Total consideration paid	1,935,815

Cash	804,460
Net assets assumed	804,460
Acquired retail technology platform	1,131,355
	1,935,815

On July 31, 2023, the Company recorded impairment of the retail technology platform of $1,131,355 as described in Note 7.

4. Disposal of GenZeroes and Discontinued Operations

On March 30, 2023, the Company completed the sale of its subsidiary, GenZeroes Productions Inc. ("GenZeroes"), the GenX smart contract and all associated intellectual property (the "Related IP") (collectively, the "Assets"), to GZU Entertainment Inc. (the "Purchaser"). The Company's former Chief Product Officer Neil Stevenson-Moore was part of the Purchaser's group and resigned from the Company following the completion of the sale.

As consideration for the Assets, the Company received a promissory note (the "Note") for $800,000 having an interest rate of prime rate plus 1% and a five-year term to maturity, with the option by the Purchaser to extend the term for an additional five years. The Note is secured against the shares of GenZeroes Productions Inc. and the Related IP. The initial fair value of the Note on inception was determined to be $200,426. The fair value of the instrument was estimated using a discounted cash flow model using a discount rate of 39%. At July 31, 2023, the Company had recorded $23,522 of interest and recorded an impairment equal to the carrying value of the Note of $223,948 due to uncertain collectability.

The Company shall also retain a 50% royalty in perpetuity on all net proceeds from the content owned by GenZeroes Productions Inc., which relates to the already completed first season of the GenZeroes series. As a condition of closing the Transaction, the Purchaser has also granted to the Company a non-exclusive and royalty-free license (the "IP License") to use the GenX collection's intellectual property for its metaverse product branded as Pocket Dimension and video game branded as Overlords. The term of the IP License is for a period from the closing date until the Note is fully paid.

During the year ended July 31, 2023, the Company recorded a loss on the deconsolidation of GenZeroes of $428,307, which included $268 of cash held by GenZeroes.

(Expressed in Canadian Dollars)

4. Disposal of GenZeroes and Discontinued Operations (continued)

The assets, liabilities and gain on loss of control of GenZeroes after deconsolidation are presented below:

	$
Assets	
Cash	268
Accounts receivable	594
Prepaid expenses	35,000
Intangible asset	632,839
Total Assets	668,701
Liabilities	
Accounts payable	39,968
Intercompany payables	1,167,847
Total Liabilities	**1,207,815**
Net liabilities	(539,114)
Intercompany payables forgiven	1,167,847
Accounting fair value of promissory note received	(200,426)
Loss on deconsolidation	**428,307**

The net loss from discontinued operations for the periods ended October 31, 2023, and 2022 are presented below:

	Three Months Ended	
	October 31, 2023	**October 31, 2022**
	$	**$**
Revenues	-	-
Expenses		
Amortization	-	39,566
Consulting fees	-	9,000
Marketing	-	16,812
Office expenses	-	13,557
Total expenses	**-**	**78,935**
Net loss from discontinued operations	**-**	**(78,935)**

The consolidated statement of cash flows for the periods ended October 31, 2023 and 2022 was not restated to present the cash flows from the discontinued operations separately, as the Company elected to provide this information in the present note. The cash flows from the discontinued operations of GenZeroes for the periods ended October 31, 2023 and 2022 are presented in the following table:

	Three months ended	
	October 31, 2023	**October 31, 2022**
	$	**$**
Cash flows used in operating activities	-	(39,585)
Cash flows provided by investing activities	-	6,293
Cash flows provided by financing activities	-	-
Decrease in cash	**-**	**(33,292)**

(Expressed in Canadian Dollars)

5. Digital Assets

Digital assets are recorded at their fair value on the acquisition date or when they are received as revenues, and are revalued to their current market value at each reporting date. The fair value is determined using the spot rate based on the weighted average from www.finance.yahoo.com on the date the tokens are received or recorded as a receivable.

Digital assets consist of Ethereum and USD-T/C (cryptocurrencies). Ethereum and USD-T/C earned and transacted during the year ended July 31, 2023 and three months ended October 31, 2023 were as follows:

	$	USD-T/C #	Ethereum #
Balance, July 31, 2022	**154,302**	**3,694.95**	**71.64**
Digital assets received for revenues	5,534	-	2.76
Digital assets received for deferred revenues	446	-	0.26
Digital assets traded for cash	(110,634)	-	(55.00)
Digital assets paid for expenses	(22,907)	-	(10.77)
Gain on sale of digital assets	(7,650)	-	-
Revaluation of digital assets	2,860	-	-
Balance, July 31, 2023 and October 31, 2023	**21,951**	**3,694.95**	**8.89**

i) During the three months ended October 31, 2023, the Company exchanged its digital assets for cash, and other services totaling $Nil (2022 - $96,194) with a cost of $Nil (2022 - $98,478), which resulted in a realized loss on sale of $Nil (July 31, 2023 - $7,650).

ii) Digital assets held are revalued each reporting period based on the fair market value of the price of Ethereum and USD-T/C on the reporting date. As at October 31, 2023, the price of Ethereum was $2,467 (July 31, 2023 - $2,467) resulting in a revaluation gain of $Nil (July 31, 2023 - $2,860).

6. Property and Equipment

	Computer Equipment $	Furniture and Fixtures $	Total $
Cost			
Balance, July 31, 2022 and 2023	62,169	13,077	75,246
Additions	-	-	-
Balance, October 31, 2023	**62,169**	**13,077**	**75,246**
Accumulated depreciation			
Balance, July 31, 2022	(12,793)	(1,817)	(14,610)
Depreciation	(20,723)	(4,360)	(25,083)
Balance, July 31, 2023	**(33,516)**	**(6,177)**	**(39,693)**
Depreciation	(5,180)	(1,090)	(6,270)
Balance, October 31, 2023	**(38,696)**	**(7,267)**	**(45,963)**
Net book values			
Balance, July 31, 2023	**28,653**	**6,900**	**35,553**
Balance, October 31, 2023	**23,473**	**5,810**	**29,283**

(Expressed in Canadian Dollars)

7. Intangible Assets and Goodwill

As part of the acquisition of HOK as described in Note 3, the Company acquired a platform. HOK is creating a blockchain-based virtual world and metaverse to be utilized across environments as well as virtual reality social and gaming activities (the "Platform").

The Company has also capitalized costs related to the creation of a live-action NFT based series produced by the Company. Acquired NFTs represent NFTs purchased by the Company from third parties for development purposes.

	Acquired NFTs $	Film Series $	Acquired Platform $	Internally Generated Platforms $	Acquired IP $	Total $
Balance, July 31, 2022	**48,973**	**670,354**	**503,024**	**1,089,417**	**-**	**2,311,768**
Additions	-	63,401	-	387,912	1,131,355	1,582,668
Amortization	(48,973)	(100,916)	(57,857)	-	-	(207,746)
Disposals	-	(632,839)	-	-	-	(632,839)
Impairment	-	-	(445,167)	(1,477,329)	(1,131,355)	(3,053,851)
Balance, July 31, 2023 and October 31 2023	**-**	**-**	**-**	**-**	**-**	**-**

Goodwill

	$
July 31, 2022	**3,323,409**
Impairment	(3,323,409)
July 31, 2023 and October 31, 2023	**-**

The recoverable amount of the operating unit was determined based upon updated cash flow projections. The Company used a discount rate of 39% for the current and previous value in use calculations. As at July 31, 2023, the Company recorded impairment of goodwill of $3,323,409 and impairment of intangibles of $3,036,077. The events and circumstances that led to the recognition of the impairment losses included a decrease in forecasted growth as a result of material uncertainties with respect to the Company's ability to raise capital for further development, decreased revenue projections as a result of a general downturn in the metaverse and blockchain industries.

8. Right-of-Use Assets and Lease Liabilities

The Company's primary leases consist of a research and development facility and an office space. The Company used an incremental borrowing rate of 9.5%. On August 28, 2023, the primary lease was terminated and the respective right-of-use asset balance of $212,582 and the right-of-use liability of $229,554 was derecognized which resulted in a gain on termination of $16,972. The following is a continuity schedule of right-of-use assets for the period ended three months ended October 31, 2023 and July 31, 2023:

Right-of-use assets	Office Lease $
Balance, July 31, 2022	**396,819**
Depreciation	(170,065)
Balance, July 31, 2023	**226,754**
Depreciation	(14,172)
Termination of lease	(212,582)
Balance, October 31, 2023	**-**

(Expressed in Canadian Dollars)

8. Right-of-Use Assets and Lease Liabilities (continued)

The following is a continuity schedule of lease liabilities for the three months ended October 31, 2023 and July 31, 2023:

Lease liabilities	Office Lease $
Balance, July 31, 2022	**408,463**
Interest	28,990
Payments	(193,534)
Balance, July 31, 2023	**243,919**
Interest	1,762
Payments	(16,127)
Termination of lease	(229,554)
Balance, October 31, 2023	**-**
Less: current portion	-
Non-current portion	-

9. Accounts Payable and Accrued Liabilities

	October 31, 2023 $	July 31, 2023 $
Accounts payable	**743,402**	541,074
Accrued liabilities	**508,015**	595,936
	1,251,417	1,137,010

10. Loans Payable

During the year ended July 31, 2022, the Company received loans of $40,000 from a private company. The loans were unsecured, non-interest bearing and due on demand.

During the year ended July 31, 2023, the Company received loans of $1,544,000 from arm's-length parties and repaid $293,750. The loans are unsecured, bear interest at 10% per annum and are due on demand.

During the period ended October 31, 2023, the Company received loans of $12,000 and the loans were unsecured, non-interest bearing and due on demand. As at October 31, 2023, the Company had $1,418,305 (July 31, 2023- $1,374,415) of loans payable, including $116,055 (July 31, 2023- $84,165) of in accrued interest.

(Expressed in Canadian Dollars)

11. Share Capital

Authorized share capital

Unlimited number of common shares without par value.

Issued share capital

At October 31, 2023, there were 1,985,836 (July 31, 2023 – 1,985,836) issued and fully paid common shares outstanding.

During the period ended October 31, 2023, the Company received subscriptions in advance in the amount of $35,000 for a private placement that closed subsequently (Note 18).

For the period ended October 31, 2023

On October 6, 2023, the Company consolidated all of its issued and outstanding common shares on the basis of one new common share for every 75 old common shares. Unless otherwise noted, all share, option, loss per share and warrant information have been retroactively adjusted to reflect this consolidation.

For the period ended October 31, 2022

On September 7, 2022, the Company issued 184,363 common shares with a fair value of $1,935,815 pursuant to the acquisition of Web 3.0 as described in Note 3.

On September 22, 2022, the Company issued 111 common shares upon the exercise of 111 stock options for total proceeds of $833 and the Company transferred $620 from reserve to share capital.

Warrants

The following table summarizes the continuity of the Company’s share purchase warrants:

	Number of Warrants Issued	Weighted Average Exercise Price
Balance, July 31, 2022	160,410	43.50
Exercised	(26,667)	7.50
Balance, July 31, 2023 and October 31, 2023	133,743	51.00

Details of warrants outstanding as of October 31, 2023 are as follows:

Expiry Date	Number of Warrants Outstanding and Exercisable	Exercise Price
September 15, 2026	66,664	7.50
November 10, 2026	67,079	93.75
	133,743	

(Expressed in Canadian Dollars)

11. Share Capital (continued)

Stock options

The Company has an incentive stock option plan in place under which it is authorized to grant options to directors, officers, employees and consultants to acquire up to 20% of the Company's issued and outstanding common shares. Under the plan, the exercise price of each option may not be less than the market price of the Company's stock as calculated on the date of grant less the applicable discount. The options can be granted for a maximum term of 5 years prior to listing on an exchange, and 10 years after being listed on an exchange. Vesting periods are determined by the Board of Directors.

On September 13, 2022, the Company granted incentive stock options to its officers and consultants to purchase an aggregate of 129,250 common shares at an exercise price of $10.50 per common share for up to five years. The options vest 1/8 every three months over 24 months. The total grant date fair value of the options was measured at $1,374,038. The options were measured using the Black-Scholes Option Pricing Model with the following assumptions: Stock price - $13.50; exercise price - $10.50; expected life – 5 years; volatility – 100%; dividend yield – $0; and risk-free rate – 3.23%.

During the period ended October 31, 2023, the Company recorded $83,539 (October 31, 2022 - $817,745) of share-based compensation related to the vesting of options. The following is a summary of the Company's option activity for the periods ended October 31, 2023 and July 31, 2023.

	Number of Options	Weighted Average Exercise Price
Balance, July 31, 2022	151,333	27.75
Granted	129,250	10.50
Cancelled	(94,583)	(12.75)
Exercised	(19,556)	(7.50)
Balance, July 31, 2023 and October 31, 2023	166,444	24.95
Exercisable, October 31, 2023	133,111	26.25

Details of options outstanding and exercisable as at October 31, 2023 are as follows:

Expiry date	Number of Options Outstanding	Number of Options Exercisable	Exercise Price
April 11, 2024	1,333	1,333	56.25
October 14, 2026	34,778	34,778	7.50
February 7, 2027	59,000	59,000	48.75
March 16, 2027	667	667	60.00
April 13, 2027	3,333	3,333	56.25
June 1, 2024	667	667	18.75
September 13, 2027	66,666	33,333	10.50
	166,444	133,111	

(Expressed in Canadian Dollars)

11. Share Capital (continued)

Restricted Stock Units ("RSUs")

The Company has adopted a Restricted Stock Unit ("RSU") plan ("RSU Plan"). The purpose of the RSU Plan is to secure for the Company and its shareholders the benefits of incentive inherent in share ownership by certain directors, officers, other key employees and consultants of the Company ("Participants") who, in the judgment of the Board, will be responsible for its future growth and success. RSUs granted pursuant to this RSU Plan will be used to compensate Eligible Persons who have forgone salary to assist the Company in cash management in exchange for the grant of RSUs and incentive stock options under the Company's stock option plan.

Under the terms of the plan, RSUs are granted to Participants and the RSUs expire at the earlier of 5 years from the date of vesting of the RSU and 10 years from the grant date. Each RSU gives the Participant the right to receive one common share of the Company. The aggregate number of common shares that may be reserved for issuance, at any time, under this Plan and under any other share compensation arrangement adopted by the Company, including the Company's incentive stock option plan, shall not exceed up to a maximum of 20% of the issued and outstanding Shares at the time of grant pursuant to awards granted under all share compensation plans.

On September 13, 2022, pursuant to its shareholder approved restricted share unit ("RSU") plan (the "RSU Plan"), the Company has granted 1,500,000 RSUs to a consultant of the Company, vesting immediately. The RSUs had a fair value of $270,000, based on the closing price of the Company's common shares on the date of grant which the Company recorded as stock-based compensation during the period ended October 31, 2022.

During the three months ended October 31, 2023, the Company recorded $4,861 (October 31, 2022 - $287,500) of stock-based compensation relating to the number of vested RSUs.

As at October 31, 2023, 37,773 (July 31, 2023 - 37,773) restricted stock units were issued under the RSU plan.

Share-based payment reserve

The share-based payment reserve records items recognized as stock-based compensation expense and other share-based payments until such time that the stock options, warrants or RSUs are exercised, at which time the corresponding amount will be transferred to share capital.

Net income per share

	Three months ended	
	October 31, 2023 $	October 31, 2022 $
Net income (loss) attributable to common shareholders	296,268	(2,349,024)
Basic weighted average number of common shares outstanding	1,985,764	1,653,710
Effect of dilutive securities:		
Stock options	-	-
Warrants	-	-
Diluted weighted average number of common shares outstanding	1,985,764	1,653,710
Basic net income (loss) per common share	0.15	(1.42)
Diluted income (loss) per common share	0.15	(1.42)

(Expressed in Canadian Dollars)

12. Related Parties

Related party balances

Amounts due to related parties:
The following amounts due to related parties are included in trade payables and accrued liabilities:

	October 31, 2023 $	July 31, 2023 $
Amounts owed to directors of the Company	30,042	89,808
	30,042	89,808

Related party transactions

During the three months ended October 31, 2023, the Company paid and/or accrued accounting, management, corporate development and consulting fees of $15,750 (2022 - $87,250) to the Company's key management.

During the three months ended October 31, 2023, the Company also incurred stock-based compensation to key management personnel related to the vesting of granted options of $3,732 (2022 - $115,028).

All related party transactions are in the normal course of operations and have been measured at the agreed to amounts, which is the amount of consideration established and agreed to by the related parties.

13. Financial Risk and Capital Management

(a) Fair value measurements:

Financial hierarchy:

Financial instruments recorded at fair value are classified using a fair value hierarchy that reflects the significance of inputs used in making the measurements. The hierarchy is summarized as follows:

Level 1: Unadjusted quoted prices in active markets for identical assets and liabilities;

Level 2: Inputs other than quoted prices that are observable for the asset or liability either directly or indirectly from observable market data; and

Level 3: Inputs that are not based on observable market data.

The following is an analysis of the Company's financial assets and liabilities measured at fair value as at October 31, 2023 and July 31, 2023:

	As at October 31, 2023		
	Level 1 $	Level 2 $	Level 3 $
Cash and cash equivalents	65,852	-	-
Digital assets	-	21,951	-

(Expressed in Canadian Dollars)

13. Financial Risk and Capital Management (continued)

	As at July 31, 2023		
	Level 1	**Level 2**	**Level 3**
	$	**$**	**$**
Cash and cash equivalents	46,979	-	
Digital assets	-	21,951	-

Digital assets and risk management

Digital assets are measured using Level 2 fair values, determined by taking the rate from www.finance.yahoo.com.

Digital asset prices are affected by various forces including global supply and demand, interest rates, exchange rates, inflation or deflation and global political and economic conditions. A decline in the market prices for digital assets could negatively impact the Company's future operations. The Company has not hedged the conversion of any of its sales of digital assets.

Digital assets have a limited history and the fair value historically has been relatively volatile. Historical performance of digital assets is not indicative of their future price performance. The Company's digital assets currently consist solely of Ethereum. As of October 31, 2023, had the market price of Ethereum increased or decreased by 10% with all other variables held constant, the corresponding digital assets value increase or decrease respectively would amount to $2,195.

(b) Financial risk management:

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

Credit risk
Credit risk is the risk of potential loss to the Company if the counterparty to a financial instrument fails to meet its contractual obligations. The Company's credit risk is primarily attributable to its liquid financial assets including cash. The Company limits its exposure to credit risk on liquid financial assets through maintaining its cash with high-credit quality financial institutions. The credit risk is considered low.

Liquidity risk
Liquidity risk is the risk that the Company will encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset. As at October 31, 2023, the Company has cash of $65,852 (July 31, 2023 - $46,979) and digital assets of $21,951 (July 31, 2023 - $21,951) available to apply against short-term business requirements and current liabilities of $4,203,279 (July 31, 2023 - $2,701,723).

Market risk
Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in market prices. Market risk comprises three types of risk: foreign currency risk, interest rate risk and other price risk. The Company is exposed to market risk of its digital assets held. As at October 31, 2023, it is management's conclusion that the exposure to market risk is not material.

(Expressed in Canadian Dollars)

14. Segmented Information

At October 31, 2023, the Company operated in one geographic area and one operating segment. During the period ended October 31, 2022, Company operated within two geographic areas, Canada and Vietnam and had one operating segment, which is the design, development, and sale of exclusive Non-Fungible Tokens (“NFTs”).

	Canada **$**	**Vietnam** **$**	**Total** **$**
Period ended October 31, 2023			
Revenue	651,586	-	651,586
Net Income	296,268	-	296,268
Period ended October 31, 2022			
Revenue	137,066	-	137,066
Net Loss	(2,302,398)	(46,626)	(2,349,024)
As at October 31, 2023			
Total non-current assets	254,150	-	254,150
As at July 31, 2023			
Total non-current assets	583,547	-	583,547

15. Capital Management

The Company’s capital structure consists of shareholders’ equity. The Company’s objective when managing capital is to maintain adequate levels of funding to support the development of its business and maintain the necessary corporate and administrative functions to facilitate these activities. This is done primarily through equity financing and related party loans.

Future financings are dependent on market conditions and there can be no assurance the Company will be able to raise funds in the future. The Company invests all capital that is surplus to its immediate operational needs in short-term, highly-liquid, high-grade financial instruments. There were no changes to the Company’s approach to capital management during the period ended October 31, 2023.

The Company is not subject to externally imposed capital requirements. The Company does not currently have adequate sources of capital for the development of its business and will need to raise additional capital by obtaining equity financing through private placements or debt financing. The Company may raise additional debt or equity financing in the near future to meet its current obligations.

16. Revenues

The Company’s main source of revenue is the sale of digital goods to customers. The following is a break-down of revenues earned:

	Period ended October 31, **2023** **$**	 2022 $
NFT sales	**651,586**	**-**
Design services income	**-**	137,066
	651,586	137,066

16. Revenues (continued)

Deferred Revenue

The Company receives payments based on the payment terms established in its contracts. Such payments are initially recorded to deferred revenue and are recognized into revenue as the Company satisfies its performance obligations. Deferred revenue consists of payments received from the Company's virtual land NFT sales in advance of revenue recognition. As of October 31, 2023, the aggregate amount of revenue allocated to unsatisfied performance obligations of $1,519,324 (July 31, 2023- $2,170,910) is included in deferred revenue.

Deferred Contract Costs

The Company defers contract costs that are direct and incremental to obtaining user contracts. At October 31, 2023, the Company had deferred $224,867 (July 31, 2023 - $321,240) of contract costs consisting of commissions paid for communication services provided in connection with the Company's virtual land NFT sales. These costs will be amortized over the estimated period of time the corresponding products are available to the user in proportion to the revenue recognized.

17. Contingencies

During the year ended July 31, 2023, a claim was commenced against the Company by Thanh Khiet Nguyen against Looking Glass Labs Ltd. The claim is brought against the Company, its directors and former directors, and third parties for conspiracy to extract all of the value out of the Plaintiff's former company and is brought under section 227 of the BC Business Corporations Act.

The Company intends to vigorously defend itself against the claim made. As set out in the Company's response to civil claim, it believes that the allegations are without merit.

18. Subsequent Events

On November 23, 2023, the Company closed a non-brokered private placement offering of issued 10,005,000 units at a price of $0.10 per Unit, for gross proceeds of $1,000,500 of which $35,000 was received in advance. Each Unit will consist of one common share in the capital of the Company and one common share purchase warrant. Each Warrant will entitle the holder thereof to purchase one additional Share of the Company at an exercise price of $0.10 for a period of two years from the closing date of the Offering.

Additionally on November 23, 2023, the Company issued 10,000,000 Units of the Company to arm's length creditors for outstanding promissory notes. Each Unit will consist of one common share in the capital of the Company and one common share purchase warrant. Each Warrant will entitle the holder thereof to purchase one additional Share of the Company at an exercise price of $0.10 for a period of two years from the closing date of the Offering.