METASPHERE LABS INC.

ANNUAL INFORMATION FORM

FOR THE FISCAL YEAR ENDED JULY 31, 2024

DATED AS OF OCTOBER 29, 2024

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Contents

PRELIMINARY NOTES

In this Annual Information Form ("**AIF**"), Metasphere Labs Inc. is referred to as the "**Company**" or "**Metasphere**". All information in this AIF is as of July 31, 2024, unless otherwise indicated. For additional information and details, readers are referred to the audited consolidated financial statements for the year ended July 31, 2024 and the accompanying notes, as well as the annual management's discussion and analysis (the "**MD&A**"), which are available on the Canadian Securities Administrators SEDAR+ System at www.sedarplus.ca.

All dollar amounts in this AIF are expressed in Canadian dollars unless otherwise indicated.

The information provided in this AIF is supplemented by disclosure contained in the documents listed below, which are incorporated by reference into this AIF. These documents must be read together with the AIF in order to provide full, true and plain disclosure of all material facts relating to the Company. The documents listed below are not contained within or attached to this document but can be accessed on SEDAR+ at www.sedarplus.ca under the Company's profile.

- the Company's financial statements and MD&A for the years ended July 31, 2024 and 2023;
- the Company's news releases and material change reports filed during and subsequent to the financial year ended July 31, 2024; all of which are available under the Company's profile on SEDAR+; and
- the Company's reports of exempt distributions filed during and subsequent to the financial year ended July 31, 2024; all of which are available on BSCS and OSC websites as applicable, or under the Company's profile on SEDAR+.

CAUTIONARY NOTE REGARDING FORWARD-LOOKING INFORMATION

The information provided in this AIF, including schedules and information incorporated by reference, may contain “forward-looking statements” about the Company. In addition, the Company may make or approve certain statements in future filings with Canadian securities regulatory authorities, in press releases, or in oral or written presentations by representatives of the Company that are not statements of historical fact and may also constitute forward-looking statements. All statements, other than statements of historical fact, made by the Company that address activities, events or developments that the Company expects or anticipates will or may occur in the future are forward-looking statements, including, but not limited to, statements preceded by, followed by or that include words such as “may”, “will”, “would”, “could”, “should”, “believes”, “estimates”, “projects”, “potential”, “expects”, “plans”, “intends”, “anticipates”, “targeted”, “continues”, “forecasts”, “designed”, “goal”, or the negative of those words or other similar or comparable words. Although the Company believes that the expectations reflected in these forward-looking statements are based on reasonable assumptions, there are several of risks and uncertainties that could cause actual results to differ materially from such forward-looking statements. These include, among others, the cautionary statements under “*Description of Business*”.

Specific forward-looking information contained in this AIF include, among others, statements, management’s beliefs, expectations or intentions regarding the following:

- timelines;
- the business and operations of the Company;
- the business, operations, strategies and expectations of the Company;
- the Company’s business objectives and discussion of trends affecting the business of the Company;
- the funds available to the Company and the principal purposes of those funds;
- anticipated revenues and cash flows from operations and funding requirements of the Company;
- capital, operating and general expenditures;
- expectations regarding the ability to raise capital;
- anticipated revenues to be realized by the Company from future contracts;
- treatment under governmental regulatory regimes and expectations with respect to regulatory approvals; and
- other forward-looking statements including, but not limited to, information concerning the intentions, plans and future actions of the Company.

Forward-looking statements are based on reasonable assumptions, estimates, analysis and opinions of management made considering of its experience and its perception of trends, current conditions and expected developments, as well as other factors that management believes to be relevant and reasonable in the circumstances at the date that such information is made available. Forward-looking statements are inherently subject to known and unknown risks and uncertainties and other factors that may cause the actual results, level of activity, performance or achievements of the Company to be materially different from those expressed or implied by such forward-looking statements. Although the Company has attempted to identify important factors that could cause actual results to differ materially, there may be other factors that cause results not to be as anticipated, estimated or intended, including the factors and risks described or referred to elsewhere herein, as well as unanticipated and/or unusual events. Many of such factors are beyond the Company’s ability to predict or control. Risks and uncertainties that may affect forward-looking statements include, but are not limited to, those which relate to the following:

- the limited operating history of the Company and its Subsidiaries;
- the historical lack of profitability of the Company;
- the need to obtain additional financing and uncertainty as to the availability and terms of future financing;
- the ability to acquire funds necessary for general working capital and continuing operations;

- reliance on sale of equity or investments to access required funds;
- the possibility that opportunities will arise that require more cash than the Company has or can reasonably obtain;
- uncertainties associated with business opportunities that may be presented to, or pursued by the Company;
- the Company's operations, strategies and profitability may be adversely affected by competition from other similar entities;
- uncertainties related to early stage of technology and product development;
- uncertainties related to regulatory regimes and laws;
- dependence on key personnel;
- fluctuations in the currency markets and stock market volatility;
- going concern considerations;
- conflicts of interest;
- changes in the regulatory environment;
- competition for, among other things, capital, acquisitions, equipment and skilled personnel;
- operating or technical difficulties in connection with business activities;
- the possibility of cost overruns or unanticipated expenses;
- the requirements of being a public-traded company may strain the Company's resources, divert management's attention and affect its ability to attract and retain executive management and qualified board members;
- the Company's business is reliant on blockchain technology;
- the continuing development and acceptance of NFTs and blockchain technology are subject to a variety of risks;
- regulatory changes or actions may alter the nature of an investment in the Company or restrict the use of NFTs in a manner that adversely affects the Company's operations;
- an NFT's status as a "security" in any relevant jurisdiction is subject to a high degree of uncertainty and if the Company is unable to properly characterize an NFT, the Company may be subject to regulatory scrutiny, investigations, fines, and other penalties, which may adversely affect the Company's business, operating results, and financial condition;
- blockchain transactions are irrevocable and losses may occur;
- the Company's use of proprietary and non-proprietary software, data and intellectual property may be subject to substantial risk;
- the Company's business is exposed to the potential misuse of NFTs and malicious actors;
- the business of the Company will be exposed to cybersecurity risks;
- digital wallets may be hacked;
- uninsured or uninsurable risks;
- a decline in the adoption and use of NFTs could materially and adversely affect the performance of the Company;
- the demand and prices of NFTs are extraordinarily volatile;
- political or economic crises may motivate large-scale sales of NFTs, which would result in a reduction in values and materially and adversely affect the Company;
- market adoption of NFTs and blockchain technology has been limited to date and further adoption is uncertain;
- the Company will have to adapt to respond to evolving security risks;
- the Company may be unable to obtain adequate insurance to insure its operations;
- intellectual property rights claims may adversely affect the operation of the Company's business;
- all active and liquid trading markets in the Common Shares may fail to develop;
- the Company's compliance and risk management programs may not be effective;
- unexpected market disruptions may cause major losses for the Company;
- foreign exchange risk;

- the Company will depend on its senior management and directors to source suitable investment opportunities for the Company;
- managing different business lines could present conflicts of interest;
- operational risk may materially and adversely affect the Company's performance and results;
- the Company may not be effective in mitigating risk;
- force majeure events may materially and adversely affect the business continuity of the Company;
- the Company will be reliant, in part, on attracting and retaining skilled management and directors;
- situations may arise where the directors and/or officers of the Company may be in competition with the Company and may have interests that conflict with, or differ from, the Company's interests;
- the Company may be subject to litigation; and
- the other factors discussed under the heading "*Risk Factors*".

The reader is cautioned that the foregoing list of factors is not exhaustive of the factors that may affect forward looking statements. New factors emerge from time to time, and it is not possible for management to predict all such factors and to assess in advance the impact of each such factor on the business of the Company or the companies in which it is invested, or the extent to which any factor or combination of factors may cause actual results to differ materially from those contained in any forward-looking statement. The reader is also cautioned to consider these and other factors, uncertainties and potential events carefully and not to put undue reliance on forward-looking statements. Although the forward-looking statements contained in this AIF are based upon what management of Company currently believes to be reasonable assumptions; actual results, performance or achievements could differ materially from those expressed in, or implied by, these forward-looking statements and, accordingly, no assurance can be given that any of the events anticipated by the forward-looking statements will transpire or occur, or if any of them do so, what benefits will be derived therefrom. These forward-looking statements are made as of the date of this AIF and, other than as specifically required by law, the Company does not assume any obligation to update or revise any forward-looking statement to reflect events or circumstances after the date on which such statement is made, or to reflect the occurrence of unanticipated events, whether as a result of new information, future events or results, or otherwise.

Consequently, all forward-looking statements made in this AIF and other documents of the Company are qualified by such cautionary statements and there can be no assurance that the anticipated results or developments will actually be realized or, even if realized, that they will have the expected consequences to or effects to the Company.

Readers are cautioned that these factors and risks are difficult to predict and that the assumptions used in the preparation of forward-looking statements, although considered reasonably accurate at the time of preparation, may prove to be incorrect. Accordingly, readers are cautioned that the Company's actual results achieved could vary from the information provided in this AIF, and the variations may be material. Readers are also cautioned that the foregoing list of factors is not exhaustive. Consequently, there is no representation by the Company that actual results achieved will be the same, in whole or in part, as those set out in the forward-looking statements. Furthermore, the forward-looking statements contained in this AIF are made as of the date of this AIF, and the Company does not undertake any obligation, except as required by Applicable Securities Laws, to update publicly or to revise any of the included forward-looking statements, whether as a result of new information, future events or otherwise. The forward-looking statements contained in this AIF are expressly qualified by this cautionary statement.

GLOSSARY OF TERMS

The following is a glossary of certain defined terms used throughout this AIF. This is not an exhaustive list of defined terms used in this AIF, and additional terms are defined throughout the document. Words importing the singular, where the context requires, include the plural and vice versa, and words importing any gender include all genders.

"**Affiliate**" has the meaning ascribed to such term under Section 2(1) of the BCBCA;

"**AIF**" means this AIF including the schedules attached hereto;

"**Applicable Securities Laws**" means all securities and corporate laws, rules, regulations, instruments, notices, blanket orders, decision documents, statements, circulars, procedures and policies that are applicable to the Company;

"**Associate**" has the meaning ascribed to such term under Section 192(1) of the BCBCA;

"**Annual Financial Statements**" means the audited annual financial statements of the Company for the fiscal years ended July 31, 2024 and 2023. The Annual Financial Statements previously filed with applicable securities commissions are available on the Company's SEDAR+ profile at www.sedarplus.ca and are incorporated into this AIF;

"**Annual MD&A**" means the management's discussion and analysis of the Company for the fiscal years ended July 31, 2024 and 2023. The Annual MD&A previously filed with applicable securities commissions are available on the Company's SEDAR+ profile at www.sedarplus.ca and are incorporated into this AIF;

"**Audit Committee**" means the audit committee of the Company;

"**BCBCA**" means the *Business Corporations Act* (British Columbia), as amended, including the regulations promulgated thereunder;

"**BCSC**" means the British Columbia Securities Commission;

"**Bluesphere**" means Bluesphere Ventures Inc.;

"**Bluesphere Agreement**" means the definitive agreement between the Company and Bluesphere dated March 1, more details ascribed to below in *Section 2 – General Development* of the Business in this AIF;

"**Board of Directors**" means the board of directors of Company;

"**Bot Media**" means Bot Media Corp.;

"**Bot Media Agreement**" means a definitive agreement dated February 6, 2024 between the Company and Bot Media Corp, more details ascribed to below in *Section 2 – General Development* of the Business in this AIF;

"**Bot Ventures**" means Bot Ventures Inc.;

"**Bot Ventures Agreement**" means the definitive agreement signed between the Company and Bot Ventures on May 8, more details ascribed to below in *Section 2 – General Development* of the Business in this AIF;

"B2B" means Business to Business;

“B2C” means Business to Consumer;

“**CBOE Canada**” means the CBOE Canada Inc.;

“**CEO**” means Chief Executive Officer;

“**CFO**” means Chief Financial Officer;

“**Closing**” means the completion of the Transaction;

“**Commissions**” means the BCSC, Ontario Securities Commission and the Alberta Securities Commission.

“**Common Shares**” means the common shares in capital of the Company;

“**Company**” or “**Metasphere**” means Metasphere Labs Inc.;

“**Concurrent Financing**” means the non-brokered private placement of the Company completed on November 10, 2021 consisting of 66,666 Units at a price of $37.50 per Unit, for gross proceeds of $2,500,000. Each Unit consists of one Common Share and one Warrant of the Company. Each Warrant will entitle the holder thereof to purchase one additional Common Share a price of $93.75 per Common Share for a period of two years.

“**Consideration Shares**” means the 600,000 Common Shares issued to the shareholders of HoK at a deemed price of $7.50 per Consideration Share;

“**Share Exchange Agreement**” means the definitive share exchange agreement dated September 29, 2021 among HoK and Metasphere;

“**Earn-Out Shares**” means the Common Shares to be issued to the Vendors upon realization of certain revenue-related milestones achieved by HoK for the years ending December 31, 2021 and December 31, 2022;

“**forward-looking statements**” has the meaning ascribed to such term under the heading *“Cautionary Statement on Forward Looking Statements”*;

“**GPI**” means Genzeroes Productions Inc.;

“**GPI Agreement**” has the meaning ascribed to it below in *Section 2 – General Development* of the Business in this AIF;

“**HoK”** means HoK Technologies Inc. d/b/a House of Kibaa;

“**IFRS**” means International Financial Reporting Standards as issued by the International Accounting Standards Board;

“**LOI**” means letter of intent as the context requires;

“**MD&A**” means management’s discussion and analysis;

“**NFT**” means non-fungible token;

“**NP 46-201**” means National Policy 46-201 – *Escrow for Initial Public Offerings*;

“**Options**” means incentive stock options to purchase shares of the Company;

“**Person**” means a company or individual;

"**Promoter**" means, (a) a person or company who, acting alone or in conjunction with one or more other persons, companies or a combination thereof, directly or indirectly, takes the initiative in founding, organizing or substantially reorganizing the business of an issuer, or (b) a person or company who, in connection with the founding, organizing or substantial reorganizing of the business of an issuer, directly or indirectly, receives in consideration of services or property, or both services and property, 10% or more of any class of securities of the issuer or 10% or more of the proceeds from the sale of any class of securities of a particular issue, but a person or company who receives such securities or proceeds either solely as underwriting commissions or solely in consideration of property shall not be deemed a "Promoter" if such person or company does not otherwise take part in founding, organizing, or substantially reorganizing the business;

"**Protocol Development Agreement**" means the definitive agreement signed between the Company, Ecoblox, PureSky on July 8, 2024 with details set out in *Section 2 – General Development;*

"**PureSky**" mean Pure Sly Registry LLC;

"**RSUs**" mean Restricted Share Units.

"**SEDAR+**" means the System for Electronic Document Analysis and Retrieval;

"**Shareholders**" means the holders of the Common Shares;

"**Subsidiaries**" means the direct and indirect subsidiaries of the Company.

"**Transaction**" means, collectively, the Share Exchange Agreement, and all transactions contemplated by the Share Exchange Agreement, including without limitation, the acquisition by the Company of all issued and outstanding shares of HoK;

"**Units**" means the Units issued under the private placements of the Company as the context requires;

"**Warrants**" means warrants to purchase Common Shares;

"Web 3.0" means Web 3.0 Holdings Corp.

"**Web 3.0 Acquisition**" has the meaning ascribed to it below in *Section 2 – General Development of the Business* in this AIF;

"**Web 3.0 SPA**" means the share purchase agreement dated August 9, 2022 among the shareholders of Web 3.0 Holdings Inc. and Metasphere;

"Web 3.0 Consideration Shares" means 184,363 Common Shares issued to the Vendors at a deemed price of $10.50 per Web 3.0 Consideration Share;

"2021 Share Consolidation" means the consolidation of all issued and outstanding Common Shares on basis of one (1) new Common Share for every three (3) old Common Shares on April 23, 2021; and

"**2023 Share Consolidation**" means the consolidation of all issued and outstanding Common Shares on basis of one (1) new Common Share for every seventy-five (75) old Common Shares on October 6, 2023.

1. CORPORATE STRUCTURE

1.1 Name, Address and Incorporation

On June 19, 2015, the Company was incorporated under the BCBCA under the name 1040426 B.C. Ltd. On July 12, 2017, the Company changed its name to BluKnight Aquafarms Inc. On October 8, 2021, the Company changed its name to Looking Glass Labs Ltd. On February 29, 2024, the Company changed its name to Metasphere Labs Inc.

The Company's head office and registered and records office is located at 1890 – 1075 West Georgia Street, Vancouver, BC V6E 3C9.

On April 23, 2021, the Company consolidated all issued and outstanding Common Shares on the basis of one (1) new share for every three (3) old shares (the "**2021 Share Consolidation**"), resulting in a reduction of its issued and outstanding capital to 30,073,489 Common Shares as of April 23, 2021.

On October 6, 2023, the Company consolidated all issued and outstanding Common Shares on basis of one (1) new share for every seventy-five (75) old shares (the "**2023 Share Consolidation**"), resulting in a reduction of its issued and outstanding capital to 1,985,764 Common Shares as of October 6, 2023.

The Common Shares reserved under its equity and incentive plans were adjusted to reflect the 2021 Share Consolidation and 2023 Share Consolation. All Common Shares and per share data presented in this AIF have been retroactively adjusted to reflect the 2021 Share Consolidation and 2023 Share Consolidation unless otherwise noted.

The Company is a reporting issuer in the Provinces of British Columbia, Alberta and Ontario. The Company's Common Shares were listed on Cboe Canada Inc. (the "**CBOE**") from February 3, 2022 to September 3, 2024, and commenced trading on the Canadian Securities Exchange (the "**CSE**") on September 4, 2024 under the symbol "LABZ". The Common Shares are also listed under OTC Pinksheets under the symbol "LABZF" and on the Frankfurt Stock Exchange under the symbol "H1N".

1.2 Intercorporate Relationships

As of July 31, 2024, the Company has three (3) wholly-owned subsidiaries as follows:

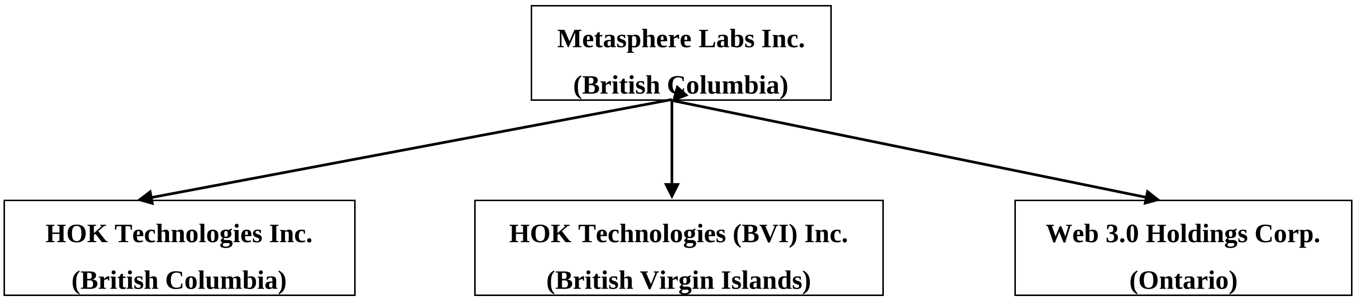
Subsidiary	Jurisdiction of Incorporation	Ownership Percentage		Direct or Indirect Ownership
		July 31, 2024	July 31, 2023	
HOK Technologies Inc. ("**HoK**")	BC	100%	100%	Direct
HOK Technologies (BVI) Inc. ("**HOK BVI**")	British Virgin Islands	100%	100%	Direct
Web 3.0 Holdings Corp. ("**Web 3.0**")	ON	100%	100%	Direct

HoK was incorporated under the BCBCA under the name of West Peak Accessories Inc. on December, 31, 2019. HoK changed its name to HOK Technologies Inc. on June 28, 2021. HoK has been established to create one of a kind digital artwork and digital assets in the form of non-fungible tokens (NFTs), an ecosystem for 3D assets, and allowing functional art to exist simultaneously across different NFT blockchain environments. HoK was acquired by the Company in the Transaction.

HOK BVI is a company incorporated in the British Virgin Islands on April 7, 2022. As of the date of this AIF, HOK BVI is inactive.

Web 3.0 was incorporated under the laws of the Province of Ontario on June 11, 2021. Web 3.0 has been established to offer a portfolio of retail-focused engagement and optimization assets, including crossover digital identity code scripts and digital distribution product frameworks. The technology company is addressing B2C and B2B infrastructure challenges within Web3 environments. Web 3.0 was acquired by the Company pursuant to the Web 3.0 SPA.

The following diagram presents the organizational chart of the Company, as of the date of this AIF:



2. GENERAL DEVELOPMENT OF THE BUSINESS

2.1 <u>Three Year History</u>

Set out below are certain significant events in the development of the Company’s business over the last three years and up to the date of this AIF.

During the fiscal year ended July 31, 2022

On August 30, 2021, the Company announced the appointment of Dorian Banks as CEO and Francis Rowe as CFO & Corporate Secretary of the Company. Mr. Gregory Baron resigned as a director and as CEO, and Ms. Jessica Ross resigned as the CFO of the Company.

On September 14, 2021, the Company announced that it had entered into a letter of intent to acquire all the issued and outstanding shares of HoK, which specializes in the creation of exclusive NFTs for extended reality.

On September 29, 2021, the Company executed the definitive agreement and acquired 100% of the issued and outstanding securities of HoK in consideration for 600,000 Consideration Shares at a deemed price of $7.50 per Consideration Share, payable to the shareholders of HoK (the "**Vendors**"). The Consideration Shares are subject to the applicable escrow provisions pursuant to NP 46-201. The Vendors are eligible to earn Earn-Out Shares upon achieving certain revenue-related milestones achieved by HoK for the years ending December 31, 2021 and December 31, 2022. If these revenue milestones are met, the number of Earn-Out Shares will be determined in accordance with the market value of the Common Shares at that time (the “**Transaction**”). In connection with Transaction, the Company also issued an aggregate of 2,666 Common Shares at a deemed price of $7.50 per Common Share to extinguish certain outstanding accounts payable of HoK. The Company paid a finder’s fee of 30,000 Common Shares at a deemed price of $7.50 per Common Share to certain qualified third parties in connection with the closing of the Transaction.

On September 30, 2021, HoK sold a collection of 10,000 NFTs under the name GenZeroes, developed in collaboration with several artists whose work includes projects for both the StarWars and Marvel franchises. As a result of the sale, which generated gross proceeds of approximately $6.2M, the Vendors became eligible for an earn-out payment consisting of $750,000 in cash and $2,000,000 of Earn-Out Shares. The $750,000 cash payment was made by the Company to the Vendors, and the $2,000,000 Earn-Out Shares was issued on February 25, 2022, at a deemed price of $57.75 per Common Share, resulting in the issuance of 34,562 Earn-Out Shares.

On October 7, 2021, the Company closed a non-brokered private placement of 26,666 Common Shares issued at a price of $7.50 per Common Share, resulting in gross proceeds of $200,000.

On October 8, 2021, the Company changed its name to Looking Glass Labs Ltd. to better reflect its forward-looking business pursuits, including the closing of the Transaction.

On October 14, 2021, the Company appointed Mr. Patrick O'Flaherty to the Board of Directors, following the resignation of Mr. Eugene Beukman as a director. Additionally, the Company granted an aggregate of 80,000 Options to its directors, officers, and consultants. Each Option is exercisable for a period of five years at an exercise price of $7.50 per Common Share. The Options vest over a period of 18 months, in one-third tranches of equal size, after the passing of each successive six-month period.

On October 24, 2021, the Company engaged Calgary-based Meadowbank Strategic Partners Inc. ("**Meadowbank**") to provide investor relations, capital markets, and corporate development advisory services. The Company agreed to pay Meadowbank a minimum fee of $6,000 per month for its services.

On October 25, 2021, the Company appointed Carl Chow to the Board of Directors, following the resignation of Troy Grant from this position.

On November 4, 2021, the Company changed its auditors from Adam Sung Kim Ltd. to WDM Professional Chartered Accountants.

On November 9, 2021, the Company appointed William Neil Stevenson-Moore as its Chief Product Officer.

On November 10, 2021, the Company completed a non-brokered private placement consisting of 66,666 Units at a price of $37.50 per Unit, resulting in gross proceeds of $2,500,000. Each Unit consists of one Common Share and one Warrant of the Company. Each Warrant entitles the holder thereof to purchase one additional Common Share at a price of $93.75 per Common Share for a period of two years. In connection with the private placement, the Company paid finder's fees consisting of a $15,900 cash commission, 424 Warrants and 1,946 Common Shares to arm's-length finders. Each finder's Warrant is exercisable into one Common Share at a price of $93.75 per Common Share for a period of five years.

On February 24, 2022, the Company announced that it had engaged MarketSmart Communications Inc. ("**MarketSmart**"), an arm's length party to the Company, to provide investor relations services and the management of the Company's social media channels (collectively, the "**Services**") for an initial period of six (6) months, with the option to renew at the Company's election. The Company agreed to pay to MarketSmart $9,500 plus GST per month for the Services. In addition to the monthly retainer, the Company granted to MarketSmart an aggregate of 1,333 Options. Each Option is exercisable to purchase one (1) Common Share in the capital of the Company at a price of $57.00 per Common Share for a period of two (2) years and shall vest in one-third (1/3) tranches over a period of 18 months.

On February 25, 2022, the Company issued 34,562 Common Shares at a deemed price of approximately $57.75 per share pursuant to the acquisition of HoK. The shares were earned by the Vendors as a result of HoK achieving a pre-determined revenue-related milestone for the calendar year ended December 31, 2021.

On February 24, 2022, the Company announced that it had entered into a letter of intent to acquire the Development Division of LACA Solutions Corporation, subject to a definitive agreement and regulatory approvals. However, the Company did not proceed with the transaction contemplated under the letter of intent.

On March 17, 2022, the Company appointed Ben Yu as a new member of its strategic advisory board, granting him of 666 Options. Each Option is exercisable for a period of two years at an exercise price of $60.00 per Common Share of the Company. The Options vested four months from the grant date.

On March 17, 2022, the Company retained the services of Hybrid Financial Ltd. ("**Hybrid**") to provide marketing services. Hybrid was engaged to heighten market and brand awareness for the Company and to broaden its reach within the investment community. The engagement was for an initial period of twelve months (the "**Initial Term**"), renewable automatically for successive six-month periods, unless terminated by the Company in accordance with the agreement. Hybrid was paid an upfront cash fee of $80,000 and a monthly cash fee of $22,500, plus applicable taxes, during the Initial Term. Hybrid is arm's length from the Company and does not currently own any of the Company's securities.

On March 17, 2022, the Company filed a non-offering preliminary short form prospectus with the Commissions and on SEDAR. The non-offering preliminary short form prospectus was subsequently withdrawn on September 14, 2022.

On April 12, 2022, the Company appointed Arjun Krishan Kalsy, VP Growth at Polygon, based in Dubai, UAE and Nuseir Yassin, CEO of Nas Academy in Los Angeles, CA, to its strategic advisory board. The Company granted 666 Options to each of the two newly appointed advisory board members. Each Option is exercisable for a period of two years from grant date at an exercise price of $56.25 per Common Share of the Company. The Options vest four months from the grant date.

On April 14, 2022, the Company appointed Tom Sweeney to its strategic advisory board. The Company granted 666 Options to Mr. Sweeney. Each Option is exercisable for a period of two years from grant date at an exercise price of $56.25 per Common Share of the Company. The options vest four months from the grant date.

On April 14, 2022, the Company granted an aggregate of 79,000 RSUs to directors, officers and consultants (the "**Eligible Parties**") of the Company. The RSUs granted to directors of the Company will vest over a period of 18 months. Of the total RSUs granted, 333 RSUs were granted to Meadowbank. These additional RSUs granted to Meadowbank are in addition to the previously reported compensation paid to Meadowbank for its services. Meadowbank and its affiliates are unrelated and unaffiliated entities of the Company. The RSUs entitle the Eligible Parties to acquire one Common Share of the Company underlying each such RSU by delivering a notice of acquisition to the Company in accordance with the RSU Plan for a period of five years from issuance at a price of $52.50 per Common Share.

On April 19, 2022, the Company reported gross proceeds totaling approximately $2.59 million from its virtual land sale. The land sale consisted of four-acre parcels of virtual land (with each parcel being a "**Pocket Dimension**"). Pocket Dimension features 10 different environments including Archipelago, Countryside, Dale, Dunes, Fjord, Marsh, Savanna, Tundra, Woodland and Zen. Each environment will offer users various forms of utility, including but not limited to hosting events, renting out space, integrating custom structures and adding digital assets. Each Pocket Dimension is a private space representing an area size of approximately 4 acres in which owners can visit, invite friends, display NFTs, create settings, collaborate with others or facilitate experiences through various utilities and uses.

On May 27, 2022, the Company announced its engagement with MarketAcross, an Israel-based public relations ("**PR**") firm, to enhance the visibility of the marketing initiatives of HoK.

On June 1, 2022, Ron Moravek was appointed as a member of the Company's advisory board. The Company granted 666 Options to Mr. Moravek. Each Option is exercisable for a period of two years from grant date at an exercise price of $18.75 per Common Share of the Company. The options vest four months from the grant date.

On July 28, 2022, the Company received approval from the Deposition Trust Company ("**DTC**") to make the Company's Common Share eligible to be electronically cleared and settled through DTC.

During the fiscal year ended July 31, 2023

On August 9, 2022, the Company announced that it had agreed to acquire 100% of Web 3.0, a technology company that is addressing B2C and B2B infrastructure challenges within Web3 environments (the **"Web 3.0 Acquisition**"). The Company agreed to pay the shareholders of Web 3.0 an aggregate of up to $3.15 million, payable in Common Shares of the Company at a deemed price per Common Share equal to the closing price on the day prior to the agreement date. On September 8, 2022, the Company entered into the Web 3.0 SPA and completed the Web 3.0 Acquisition by issuing an aggregate of 184,363 Common Shares at a deemed price of $11.25 per Common Share. The Company relied on Section 2.16 of the *National Instrument* – Prospectus Exemptions, also known as the take-over bid prospectus exemption, in connection with the issuance of the consideration shares.

On September 8, 2022, the Company announced the appointment of Ryan Lange as the Director of Partnerships for HoK.

On September 13, 2022, the Company granted 129,250 Options to its consultants at an exercise price of $10.50 per Common Share for up to five years. The Options vest quarterly over 24 months.

On October 20, 2022, the Company announced that it had set the launch date for the next step in the staged release of its Pocket Dimension metaverse assets for November 1, 2022.

On November 14, 2022, the Company announced that it completed its admission to the Access segment of the AQSE Growth Market and trading commenced on November 14, 2022 under the ticker "NFTX". The Company's Common Shares also continue to trade on the CBOE.

On December 9, 2022, the Company announced the development of technical platforms and preliminary suite of tools to create tailored brand activations inside of its metaverse offering.

On December 15, 2022, the Company announced that it had incorporated artificial intelligence into its next Genesis Member NFT airdrop. Over 900 digital assets featuring nine different designs are planned to be distributed to over 800 Genesis memberships.

On December 19, 2022, the Company announced the signing of a strategic development agreement, which would form the basis of a strategic development partnership with Cavrnus, Inc. The primary objective of this agreement is to co-develop immersive metaverse experiences for consumer brands. The strategic development partnership did not result in any products or offerings, and subsequently was not pursued further.

On January 25, 2023, the Company appointed James Henning as an independent Director, following the resignation of Adam Deffett from the Board of Directors. Mr. Henning was also appointed as the chair of the audit committee.

On January 27, 2023, the Company granted 40,133 RSUs to certain directors, officers, and a consultant of the Company with a four-month hold period for directors and officers. The RSUs vested immediately for the consultants. The grant of RSUs was pursuant to the terms of the RSU Plan and the policies of the CBOE.

On February 17, 2023, the Company announced that it scheduled the launch date for the beta release of its Pocket Dimension metaverse offering for February 21, 2023.

On March 20, 2023, the Company announced that it entered into a letter of intent to vend GPI, the Genx smart contract (“**GenX**”) and all associated intellectual property (the “**Related IP**”) (collectively, the “**Assets**”) to GenZeroes Universe Inc. (the “**Purchaser**”).

On March 30, 2023, the Company announced the completion of the sale of its subsidiary, GPI, GenX, and the Related IP to the Purchaser in accordance with the GPI Agreement. As consideration for the Assets, the Company received a promissory note (the “**Note**”) for CA$800,000 bearing 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 Company also retained a 50% royalty in perpetuity on all net proceeds from GPI, which relates to the already completed first season of the GenZeroes series. The Note is secured against the shares of GPI and the Related IP. Upon closing of the transaction, the Purchaser has also granted 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 was for a period from the closing date until the Note is fully paid.

On May 29, 2023, the Company announced the launch of its next version Pocket Dimension. LGL's Pocket Dimension metaverse is an online virtual space providing their owners and users a virtual space represented by one of eleven different environments including Archipelago, Countryside, Dale, Dunes, Fjord, Marsh, Savanna, Tundra, Woodland, Zen, and Genesis Moon. Each environment represents a unique representation of one of Earth's ecosystems, as described in each environment's name. Users of Pocket Dimension interact with other users through avatars. The Company also announced the appointment of Kevin Cornish to the Board of Directors, following the resignation of Patrick O’Flaherty from its Board of Directors.

On June 1, 2023, the Company announced that it entered into a debt settlement agreement with an arm’s-length creditor to eliminate an aggregate of $367,500 of indebtedness, through the issuance of an aggregate of 98,000 Common Shares of the Company. The Common Shares were subject to a hold period of four months plus a day from the date of the issuance.

During the fiscal year ended July 31, 2024

On October 6, 2023, the Company consolidated all its issued and outstanding Common Shares, reducing the total from 148,937,668 pre-Consolidation Common Shares to 1,985,764 post-Consolidation Common Shares of no-par value (“**2023 Share Consolidation**”). The Company's name and trading symbol did not change. The new CUSIP number is 54342Q205 and the ISIN number is CA54342Q2053 for the Common Shares. The exercise or conversion price of warrants and options, and the number of Common Shares issuable thereunder, were proportionately adjusted upon the completion of the 2023 Share Consolidation.

On October 17, 2023, the Company announced the appointment of Armita Jalooli to the Board of Directors, following the resignation of Lucas Stemshorn-Russell from the Board of Directors.

On November 23, 2023, the Company closed a private placement offering of 10,005,000 units (the “**Units**”) at a price of $0.10 per Unit, for gross proceeds of $1,000,500. Each Unit consists of one (1) Common Share in the capital of the Company and one Common Share purchase warrant (each a “**Warrant**”). Each Warrant entitles the holder thereof to purchase one (1) additional Common Share of the Company at an exercise price of $0.10 for a period of two (2) years from the closing date of the private placement. Additionally, the Company settled $1,000,000 in debt through the issuance of 10,000,000 Units of the Company, with the same terms and conditions as the private placement, to arm’s length creditors for outstanding promissory notes.

On December 18, 2023, the Company announced the appointment of Jared Gurfein as its CEO, replacing Dorian Bank.

On January 19, 2024, the Company announced its intention to withdraw the Company's Common Shares from the AQUIS Stock Exchange Growth Market. The Common Shares will continue to trade in Canada on CBOE under "LABZ", on OTCPink under "LABZF", and on the Frankfurt Stock Exchange under "H1N".

On February 7, 2024, the Company announced the signing of an agreement with Bot Media Corp. ("**Bot Media**") to acquire its climate and artificial intelligence (AI) web3 assets (the "**Purchase Assets**") (the "**Bot Media Agreement**"). The purchase price is $765,000, payable through the issuance of 3,060,000 Common Shares of the Company at a deemed price of $0.25 per Common Share. The Purchase Assets include carbon.bot: a hub for carbon economy insights, and climate.bot: a carbon footprint analysis and mitigation technology.

On February 8, 2024, the Company closed the acquisition contemplated under the Bot Media Agreement. The acquisition includes Carbon.Bot and Climate.Bot. Carbon.Bot is a digital platform that tracks news related to climate-focused companies and generates articles using AI, incorporating capabilities of ChatGPT. Developed by Bot Media, Carbon.Bot acts as a real-time news aggregator in the environmental sustainability sector, leveraging Large Language Models like ChatGPT to summarize and disseminate articles from its network. Climate.Bot is a web-based digital tool offering a range of calculators to evaluate various environmental impacts, focusing on carbon footprint assessments. It enables users to take direct action toward remediation, such as carbon offsetting through tree planting initiatives.

On February 23, 2024, the Company announced the appointment of Mrs. Natasha Ingram as its new CEO, replacing Mr. Jared Gurfein.

On February 28, 2024, the Company changed its name from Looking Glass Labs Inc. to Metasphere Labs Inc. The Company's new stock ticker on the CBOE has been changed to LABZ, and its ISIN and CUSIP numbers have been updated to CA59140M1086 and 59140M108, respectively, in alignment with the rebranding.

On March 4, 2024, the Company announced its engagement with climate tech venture studio Blusphere Ventures Inc. ("**Bluesphere**") through a letter of intent dated March 1, 2024. Bluesphere entrusted Metasphere with the creation of "Ents World", a "Play to Earn" game that rewards players for restoring habitats and promoting biodiversity in the real world.

On March 21, 2024, the Company announced that it entered into a definitive agreement dated March 20, 2024, with Bluesphere (the "**Bluesphere Agreement**") to create "Ents World", an open metaverse built on the Bitcoin blockchain, aimed at combining "Play to Earn" gaming with impactful environmental restoration. Pursuant to the Bluesphere Agreement, Metasphere will develop a comprehensive presentation and website outlining Ents World's concept, features, and the impact on environmental restoration. Metasphere will also assist in developing the game's governance ecosystem. The Company will complete its work in November 2024.

On March 27, 2024, the Company announced a non-binding Memorandum of Understanding ("**PureSky MOU**") dated March 27, 2024 with Pure Sky Registry LLC ("**PureSky**"). Under the PureSky MOU, the Company explored a commission to integrate PureSky's carbon credit registry with blockchain technology, marking an advancement in environmental sustainability efforts. Pursuant to the PureSky MOU, the Company will also deliver a comprehensive statement of work ("**SOW**") that will detail the scope, timeline, and responsibilities for the integration of the PureSky registry web application with the PureSky Decentralized Autonomous Organization ("**DAO**") and carbon credit registry smart contracts. This SOW will serve as the basis for any future contractual agreement regarding the project.

On April 5, 2024, the Company announced a market making services agreement dated April 8, 2024 ("**ITG Agreement**") with Independent Trading Group, Inc. ("**ITG**") for market making services. Under the ITG Agreement, ITF will receive compensation of $7,500 per month. This partnership aims to enhance the liquidity and market efficiency of the Company's securities trading on Canadian exchanges.

On May 8, 2024, the Company announced a definitive agreement with Bot Ventures Inc. ("**Bot Ventures**") to develop a decentralized domain marketplace for domain protocols that operate on the Bitcoin blockchain (the "**Bot Ventures Agreement**"). This marketplace will facilitate the registration, transfer, and management of digital domains directly anchored to the Bitcoin blockchain, allowing users to buy, sell, and manage domain names with enhanced security and decentralized control. In consideration for the development services provided, Bot Ventures shall pay a royalty of 20% of all gross sales revenue generated from the platform, capped at a maximum total payment of $1,000,000 USD (the "**Royalty**"). This Royalty does not apply to sales of any other products or services associated with the platform being developed by the Company. Given that the compensation for services is contingent on Bot Ventures' ability to generate revenue from the platform, there can be no assurance that the Company will earn any Royalty from this arrangement.

On May 14, 2024, the Company finalized its partnership with PureSky to integrate blockchain technology into environmental sustainability efforts. Following the initial PureSky MOU dated March 27, 2024, the Company will develop a Minimum Viable Product ("**MVP**") to fully integrate PureSky's carbon credit registry and DAO operations. This initiative aims to transform the environmental sector by making carbon credit transactions more transparent, secure, and efficient, aligning with the trend of tokenizing real-world assets for better tracking and verifiability. The solution was delivered to PureSky on September 20, 2024.

On May 30, 2024, the Company announced the appointment of Dustin Muscato as an advisor for its carbon credit protocol designed for grid-scale batteries.

On June 6, 2024, the Company entered into a joint letter of intent with Ecoblox, PureSky, and Bluesphere to cofound a for-profit consortium dedicated to developing a Carbon-Aware Routing Protocol.

On June 13, 2024, the Company announced the appointment of Guy Bourgeois to the board of directors, replacing Armita Jalooli.

On June 21, 2024, the Company announced the signing of a definitive software development agreement dated June 21, 2024 (the "**AR Agreement**") with AR Cannabis BC Ltd. ("**ARCannabis**"). The purpose of this AR Agreement is to enhance the online cannabis shopping experience by using an advanced virtual reality (VR) technology. The Company expects to provide a VR virtual store for ARCannabis by the end of Q4 this year. The project is valued at $8,000.

On July 9, 2024, the Company announced the signing of a definitive agreement dated July 8, 2024 with Ecoblox and PureSky (the "**Protocol Development Agreement**"), to co-develop a Carbon-Aware Routing Protocol (the "**Protocol**"). This Protocol aims to reduce the carbon footprint of internet and data centre operations by selecting network paths based on carbon intensity and managing real-time offsets. Pursuant to the Protocol Development Agreement, the collaboration will operate through a newly incorporated company ("**Consortium Company**") whereby the Company will own 50% and the Ecoblox and PureSky will own the remaining 50% of the Consortium Company. All intellectual property developed by the Consortium Company will be the property of the Consortium Company. In addition, the Company will grant a royalty-free license to the Consortium Company to use the internet domain carbon.bot in connection with the collaboration.

Operating History Subsequent from August 1, 2024 to the date of this AIF

On August 8, 2024, the Company provided additional information for its disclosure in: (a) the news releases dated February 7 and 8, 2024 announcing the entering of the Bot Media Agreement and subsequent closing of the acquisition of Bot Media regarding the Purchased Assets; (b) the news release dated March 21, 2024 announcing the Bluesphere Agreement with Bluesphere; and (c) the news release dated June 6, 2024 announcing the LOI with Ecoblox, PureSky and Bluesphere, followed by the news release and material change report dated July 9, 2024 announcing the entering of the Carbonbot Agreement with Ecoblox and PureSky in connection with the previously announced LOI.

The additional disclosures were as follows:

(a) In addition to the information provided in the news releases dated February 7 and 8, 2024, the Company provided additional information relating to the acquisition of the Purchased Assets, which is comprised of carbon.bot and climate.bot. Research and development of climate.bot commenced in February 2023 and took place over the period from February 2023 to October 2023 with estimated development costs of $167,000. Carbon.bot was originally acquired by the Bot Media from Bot Ventures and developed over the course of 2019 and 2020 with estimated development costs of $184,000. There are no patents or licenses associated with the purchased assets relating to climate.bot or carbon.bot. Bot Media was incorporated on May 29, 2023.

(b) On June 6, 2024, the Company entered into the letter of intent with Ecoblox, PureSky, and Bluesphere to cofound a consortium dedicated to developing a carbon-aware routing protocol (the "**Protocol**"). As a result of the joint letter of intent, the Company entered the Protocol Development Agreement with Ecoblox and PureSky on July 8, 2024 to jointly develop the Protocol. Although a party to the joint letter of intent, Bluesphere withdrew from the proposed collaboration and did not enter into the Protocol Development Agreement. Under the Protocol Development Agreement, the parties thereto agreed to incorporate the Consortium Company to jointly develop the Protocol. The Company will own 50% of the Consortium Company and each of Ecoblox and Puresky will own 25% of the Consortium Company, respectively. All intellectual property developed by the Consortium Company will be the property of the Consortium Company. Metasphere will grant a royalty-free license to the Consortium Company to use the internet domain "carbon.bot". In addition, the shareholders of the Consortium Company will share their expertise and resources to develop the carbon-aware routing protocol. The Protocol Development Agreement does not require any shareholder of the Consortium Company to contribute a specific amount of capital to fund operations. Funding requirements will be determined on a case-by-case basis. The liability of the shareholders of the Consortium Company will be limited to any capital contributed by such shareholder.

(c) As of the date of the referenced clarifying news release, Bluesphere owns 64.2% of the Vendor and 47.7% of PureSky. Each of Bot Media, Bot Ventures, Bluesphere, and PureSky is under common control of Shidan Gouran and/or Eddie Soleymani. Mr. Shidan Gouran owns directly and indirectly 45.32% of Bot Media (through his 15.4% direct interest in Bot Media and 46.6% interest in Bluesphere); 91% of Bot Ventures; 46.6% of Bluesphere; and 22.23% of PureSky (indirectly through his 46.6% interest in Bluesphere). Similarly, Mr. Eddie Soleymani owns directly and indirectly 45.32% of Bot Media (through his 15.4% direct interest in Bot Media and 46.6% interest in Bluesphere); 46.6% of Bluesphere; and 22.23% of PureSky (indirectly through his 46.6% interest in Bluesphere).

On September 3, 2024, the Company ceased trading on the CBOE at market close on September 3, 2024 and subsequently commenced trading on the CSE under the symbol "LABZ" at the market open on September 4, 2024.

On September 20, 2024, the Company announced the completion of the development of PureSky blockchain-based carbon credit registry.

2.2 Significant Acquisitions

During the most recently completed financial year, the Company acquired the Carbon.bot and Climate.bot digital platforms (the "Platforms") from Bot Media Corp. in exchange for the issuance of 3,060,000 common shares of the Company on February 8, 2024. Once launched, the Platforms are intended to serve as a unique real time news aggregator in the environmental sustainability sector, utilizing large language models such as ChatGPT to summarize and present articles from its network. The transaction was accounted for as an acquisition of assets as it does not meet the definition of a business under IFRS 3. The transaction was recorded at the fair value of the consideration transferred of $765,000. There are no patents or licenses associated with the purchased assets relating to climate.bot or carbon.bot.

3. DESCRIPTION OF BUSINESS

3.1 General Summary

The Company specializes in consumer engagement applications to leverage immersive metaverse environments, gamification and Web 3.0/blockchain monetization strategies.

The Company's current focus is to leverage its developed products with the latest blockchain technology to further develop Web3 applications designed to foster sustainable and impactful solutions across various sectors to solve social coordination problems for acting on climate change and addressing global challenges relating to the environment. The Company will focus on creating applications that not only push the boundaries of virtual worlds but also prioritize environmental sustainability, social impact, and the promotion of freedom of speech.

The Company's roadmap for 2024 and 2025 consists of continuing to develop its monetization strategies while maintaining its working capital for further development of its assets, and focus on three major projects this year and providing contract development services to third parties. Three in-house projects are: a Carbon-Aware Routing Protocol, a VR Virtual Store software system, and the enhancement of Metasphere's climate SaaS offering, Climate.bot. The Company's goal is to leverage blockchain, metaverse, and AI technologies to drive innovation and sustainability.

Project 1: Carbon-Aware Routing Protocol

Description: The Carbon-Aware Routing Protocol being developed with Ecoblox and PureSky aims to minimize the carbon footprint of data transactions on blockchain networks. By integrating real-time carbon data, this protocol will allow for dynamic routing decisions based on current carbon emissions.

Development Goals:

- Architecture Design: Develop a scalable and efficient system architecture that integrates real-time carbon emission data.
- Prototype Development: Create a working prototype that demonstrates the core functionality of carbon-aware routing.
- Data Integration: Integrate various data sources to provide accurate and real-time carbon footprint information.
- Testing and Optimization: Conduct extensive testing to ensure the protocol's accuracy and efficiency, followed by optimization based on feedback.
- Documentation: Prepare comprehensive documentation for developers and users to facilitate adoption and integration.

Project 2: VR Virtual Store

Description: The Company is developing a VR Virtual Store for a client that provides an immersive shopping experience. This store will feature a 3D environment where users can browse products, get detailed information, and make purchases seamlessly.

Development Goals:

- Environment Design: Create a visually engaging and user-friendly 3D store environment.
- User Interaction: Develop intuitive navigation and interaction mechanisms to enhance the user experience.

- Product Integration: Integrate product catalog into the virtual store, including detailed product descriptions, images, and purchasing options.
- Payment System: Implement a secure and efficient payment system that supports various payment methods, including cryptocurrencies.
- User Testing: Conduct user testing sessions to gather feedback and make necessary improvements to the store's design and functionality.
- Launch and Promotion: Prepare for the official launch of the VR Virtual Store and plan promotional activities to attract users.

Project 3: Climate.bot Enhancement

Description: Climate.bot is a web service that provides users with insights into their carbon footprint and suggestions for reducing it. The Company's goal is to enhance the service by improving its AI capabilities and expanding its feature set.

Development Goals:

- AI and ML Integration: Integrate AI and machine learning algorithms to provide more accurate and personalized recommendations.
- Feature Expansion: expand the database of the carbon footprint calculator and include informational tips for reducing emissions, and a community forum for users to share ideas.
- User Interface Improvement: Redesign the user interface to make it more intuitive and engaging.
- Mobile App Development: Develop a mobile app version of Climate.bot to reach a wider audience and provide on-the-go access.
- Partnerships: Establish partnerships with environmental organizations to offer users additional resources and incentives for businesses to reduce their carbon footprint.
- Marketing Campaign: Launch a marketing campaign to increase awareness and user engagement with Climate.bot.

Pocket Dimension Metaverse

The Pocket Dimension metaverse is a hyper-realistic digital world. Pocket Dimensions feature 10 different environments. Pocket Dimension is a private virtual space that provides users the ability to explore the virtual space and socialize with other users, through avatars.

The Company released its Alpha version of its Pocket Dimension metaverse on November 1, 2022, its Beta version on February 21, 2023, and publicly released the Pocket Dimension metaverse on May 29, 2023.

Each Pocket Dimension is a private space for holders of the specific NFT to visit, invite friends, and interact with the friends through the internet. All Pocket Dimensions have this same function. The difference between each Pocket Dimension is the aesthetics. There are ten types of Pocket Dimensions: Tundra, Dale, Woodland, Dunes, Savanna, Archipelago, Zen, Countryside, Fjord, and Marsh. Each type of Pocket Dimension represents a biome. For example, the Tundra Pocket Dimension represents an ice age biome; the Dale Pocket Dimension represents a forest biome, and the Dunes Pocket Dimension represents a desert biome. Holders of a Pocket Dimension NFT select a specific Pocket Dimension type/biome based on their personal preference.

Content Creation

The Company has an in-house design and blockchain development team, available to provide consulting services such as NFT design and back-end solutions to third-party clients. The Company has successfully launched several Web 3.0 strategies for company's seeking to expand from traditional consumer markets to Web 3.0.

<u>Crypto Assets and Safeguards</u>

The Company stores its Ethereum cryptocurrency ("**ETH**"), if it owns any, on physical hardware device often referred to as a "hardware wallet". The hardware device is similar looking to a USB thumb drive, except instead of saving data to the device, the devices store cryptocurrency offline. The Company does not hold any other cryptocurrencies beyond ETH. The seed phrase to be used to retrieve the contents of the wallet if the ledger device is physically lost is maintained by two officers of the Company. If the ledger device is lost; the officers of the Company may gain access of the wallet by providing the correct seed phrase. The redundancy is to ensure that the seed phrase is available if required at any time. On a weekly basis, the Company assesses the cryptocurrency market conditions and its quarterly budget requirements while it monitors and liquidates its ETH holdings into Canadian currency on at least a bi-weekly basis by transferring the required ETH on a cryptocurrency exchange for immediate sale for Canadian currency

Below is a summary of the options for any cryptocurrency holder to store their cryptocurrency, and the justification for why the Company has elected to store its cryptocurrency on a hardware wallet.

There are various options to store cryptocurrency including hardware devices (hardware wallet), software applications (hot wallet) and custodial (third-party). The Company has chosen to store its cryptocurrency on a hardware wallet until it decides to liquidate the ETH for Canadian currency, as cold wallet always provides the Company with direct access and control of its ETH.

	HARDWARE WALLET	**HOT WALLET**	**CUSTODIAL WALLET**
Description	Hardware that stores cryptocurrency offline.	Application that stores cryptocurrency online.	Another party, such as a crypto exchange, stores your cryptocurrency.
Benefits	Highest level of security.	Convenience and ease of use.	Simplest option and most convenient.
Drawbacks	Cost of device (~ $100) and inconvenience.	Security risk of storing cryptocurrency online.	Security risk of leaving cryptocurrency in another party's possession.

Hardware Wallet

A hardware wallet is an offline crypto wallet utilizing a hardware device. Hardware wallets are small devices that connect to your computer and store cryptocurrency. They connect to the internet when sending and receiving cryptocurrency, but, other than that, they keep cryptocurrency offline. Each hardware wallet has a recovery phrase (also known as a seed phrase). This phrase, which is a series of randomly generated words allows the wallet holder to recover the cryptocurrency if the device is lost. The words in the seed phrase may consist of 12 or 24 words and each word is randomly generated, and have no particular meaning when the 12 or 24 words are read in sequence.

Offline crypto storage is widely considered the best option from a security perspective. While cryptocurrency is held offline, it cannot be accessed or transacted by third parties. Cold wallets protect cryptocurrency from hackers and exchange outages. Using a cold wallet means that no one can access the Company's ETH and other cryptocurrencies without that specific hardware device or its backup seed phrase. With pin codes, passwords and biometrics (i.e. touch ID and facial recognition), cold wallets are the best way to protect (https://www.forbes.com/sites/forbes-personal-shopper/2021/07/19/best-crypto-wallet/?sh=f33dcc2b0093)

The biggest downside of cold wallets is the convenience factor. Since one needs to connect the hardware wallet to a computer to move cryptocurrency (i.e. move cryptocurrency to another address on the blockchain or to a cryptocurrency exchange to sell for currency), the process is slower than it would be if the cryptocurrency is kept online.

Hot Wallet

A hot wallet is an application that stores cryptocurrencies online. Hot wallets are typically available as desktop and mobile apps, and there are also web-based hot wallets. Hot crypto wallets have a few notable good points:

- They give control over crypto;
- Free to use; and
- Convenient - one can send and receive cryptocurrency very quickly with this type of wallet.

However, because hot wallets store cryptocurrency online, they carry the risk of being hacked if the computer using the hot wallet is compromised by a virus.

Custodial Wallet

A custodial wallet is when a third party holds cryptocurrency for the owner. The third party may hold the cryptocurrency, either through cold (offline) storage, hot (online) storage, or a combination of the two.

- Many investors use custodial wallets with no issues, and there are advantages to this type of wallet:
- It requires the least amount of work on the user's part;
- Provides easy to access to the cryptocurrency by logging into the third party's website; and
- No concerns about losing a wallet. As long as the owner can access its account with the third party, the owner can access the cryptocurrency being held on behalf of the owner.

However, as a third-party controls and is in possession of the cryptocurrency, the owner is relying on its security measures implemented by the third party as well as the financial stability of the third party.

General Industry Overview

The following section provides an overview of certain common components in the Web 3.0 industry, NFT industry (i.e. token vs. non- fungible token, metaverse), followed by a brief history of the NFT market.

Tokens

Tokens are digital objects which represent the right to perform some operation. There are many different types of tokens, but the most common are utility, security, and currency tokens. Utility tokens are often unique codes or identifiers that provide their owner with access to a digital service. A fungible token can be easily exchanged for another item or value because each token is equivalent, and all tokens have the same value. Bitcoin (BTC) is an example of a fungible token. If you borrow 1 BTC from a lender, you can pay the lender back with a different BTC, and the lender would be receiving the same value in return[1].

Non-Fungible Tokens

In contrast, a non-fungible token is unique. It is one of a kind, and it has its own value. It therefore cannot be replaced by another NFT. A digital piece of art that is “tokenized” with an NFT is also unique. While it is possible to make a copy of the artwork, the NFT makes it easy to determine that the copy is not the original. When an artist tokenizes his or her digital piece of art and creates an NFT, it can be certified as a one-of-a-kind copy, and thus the NFT achieves the same kind of subjective value as a physical piece of art. NFTs are digital tokens that can include digital arts, digital assets, music, video, or any other asset in the digital world that is built based on blockchain technology[2].

Any digital asset, or a right in an underlying asset, can be tokenized to make an NFT. When an object is tokenized with an NFT, its data is turned into a digital form that exists on a blockchain with unique digital information which will distinguish it from other NFTs. Blockchains record a series of events or transactions. Once an asset on the blockchain is sold, the data of the transaction constitutes a link in the chain. Each subsequent transaction is then added as a new link[3].

Blockchains are immutable, and the data entered into a chain is irreversible. This means that transactions on a chain for a digital asset cannot be modified or reversed. Also, as a decentralized network, a blockchain is typically open and anyone can view the history of the transactions for a digital asset themselves. These properties prevent assets on a blockchain from being pirated, stolen, or destroyed, and allow individuals to easily verify the uniqueness of the asset[4].

As a novel development evolved from the blockchain technology, NFTs represent a new era of digital goods. Each NFT has a unique signature and transforms an underlying digital or physical asset, such as art and other collectibles, into an “one-of-a-kind”, verifiable digital asset. These NFTs can then be securely owned and easily traded, making it the fastest growing and most attractive technology for artists and collectors.

Metaverse

Metaverse is a broad term that does not have an exact definition, but generally refers to shared virtual world environments which people can access via the internet[5]. The term “metaverse” is an evolving concept but can be loosely defined as “a virtual-reality space in which users can interact with a computer-generated environment and other users” in XR. Extended Reality, or XR, refers to all real-and-virtual combined environments and human-machine interactions generated by computer technology and wearables. XR brings Augmented Reality (AR), Virtual Reality (VR), and Mixed Reality (MR) under one umbrella term.

As certain metaverses are intended to represent an environment for users to interact in the XR, NFTs have been implemented as a component in the metaverse to represent a unique being (i.e. human, robot, animal, etc.), unique object (i.e. artwork, virtual land, etc.) or a unique trait.

Now, people interact with each other online by going to websites such as social media platforms or using messaging applications. The idea of the metaverse is that it will create new online spaces in which people’s

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[1] “Non-fungible tokens: Emerging issues in the emerging marketplace,” DLA Piper (https://www.dlapiper.com/en/us/insights/publications/2021/03/ipt-news-q1-2021/non-fungible-tokens-emerging-issues-in-the-emerging-marketplace/)
[2] See Note 2
[3] See Note 2
[4] See Note 2
[5] https://www.reuters.com/technology/what-is-metaverse-2021-10-18/

interactions can be more multi-dimensional, where users are able to immerse themselves in digital content rather than simply viewing it. There are various types of metaverses ranging from social platforms where people can socially interact with other people in the metaverse instead of the real world, or gaming worlds where users have a character that is able to walk around and interact with other players under a certain storyline.

NFT Industry Origins

The original concept for NFT started in 2014 when a project known as Counterparty was launched as a peer-to-peer financial platform where users could create their own unique currency[6], but it wasn't until 2017 when the first projects began appearing on the Ethereum blockchain in the ERC 20 standard, and over the next two years more NFT standards were accepted and utilized. Each NFT is composed of metadata which gives each one their individuality these attributes can include size, artist name scarcity etc.[7] CryptoPunks was released in June 2017 as one of the first NFTs on the Ethereum blockchain. Only 10,000 CryptoPunk NFTs were issued, and each CryptoPunk NFT represented a unique character (human, zombie, ape, alien) with varying attributes. CryptoKitties was another NFT project launched in 2017[8]. Each CryptoKitty NFT represented a unique digital cat that could "breed" with another CryptoKitty to create offspring with traits passed down from the original "parent" CryptoKitties. Between 2018 and 2021 NFTs slowly move into public awareness before exploding into mainstream adoption in early 2021[9].

From 2018 to 2019, the adoption of NFTs was on the downtrend, but from 2019 to 2020, the demand for NFTs increased as demonstrated by an increasing trend in the number of active digital wallets interacting with an NFT, the number of NFT buyers and sellers, the value of NFTs purchased and sold[10].

By 2020, well known brands showed interest in or started to implement NFTs as part of their marketing strategy for their businesses. Video game companies like Ubisoft (Rabbid Tokens) and Atari (Atari Token), sports leagues like the NBA (NBA Top Shot) and MLB (MLB Champions), fashion and luxury brands like Nike (CryptoKicks) and Breitling (luxury watch digital certificates), entertainment and cinema brands like BBC Studios and Warner Music Group, technology and infrastructure companies like IBM and Samsung (with NFT support), and art and auction houses like Christie's (NFT-bound artwork) and Sotheby's, all either offered NFTs, supported NFTs or showed interest in NFT-related projects).[11]

Market Overview

Reuters reports that the NFT market has reached US$2.5 billion in sales volume during the first half of 2021, which is nearly 200x more than the US$13.7 million in sales registered during the first half of 2020[12].

The implementation of NFTs into augmented reality (AR) and virtual reality (VR) represents a value-added combination of two complementary technologies. AR and VR environments grant users a platform to showcase, explore, and interact with 3-dimensional NFTs and metaverses are created as a result. With the possibility of generating profit through increasing asset and real estate values as well as through cash flow associated with the economic activity happening within the virtual worlds, this innovative market is rapidly gaining traction for artists, collectors, and investors alike, generating immense growth in sales and revenues.

Intellectual Property

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[6] https://www.indiatimes.com/technology/news/non-fungible-tokens-history-crypto-digital-art-548624.html
[7] "Non-Fungible Tokens Yearly Report – 2020", page 3 (NonFungible.com)
[8] https://www.digitaltrends.com/features/what-are-nfts-non-fungible-tokens-history-explained/
[9] https://blog.portion.io/the-history-of-nfts-how-they-got-started/
[10] "Non-Fungible Tokens Yearly Report – 2020", page 26 (NonFungible.com)
[11] "Non-Fungible Tokens Yearly Report – 2020", pages 104-106 (NonFungible.com)
[12] https://www.coinspeaker.com/nft-market-2-5b-sales-h1-2021/

The Company believes its properties, namely HouseofKibaa. have intangible value, and the necessary and appropriate applications for associated rights are underway. The Company has also taken steps to register the following trademarks associated with the Company's business:

Summary of Trademark Portfolio
of Trademark Portfolio
ademark Portfolio
Applicant: Looking Glass Labs Ltd.

Matter	VL Ref”	Trademark	Jurisdiction	App.No.
1	T1	Looking Gass Labs	Canada	2150389
			US	97/147026

Summary of Trademark Portfolio
Applicant: HOK Technologies Inc.

Matter	VL Ref”	Trademark	Jurisdiction	App.No.
1	T1	HOUSE OF KIBAA	Canada	2136381
			US	97/050010
2	T2	HOK	Canada	2136393
			US	97/050044
3	T3	HK AND DESIGN	Canada	2136397
			US	97/050069
4	T4	GENZEROES	Canada	2140520
			US	97/127097
5	T5	GENZEROES DESIGN	Canada	2147378
			US	97/127294
6	T6	GENX	Canada	2140521
			US	97/127174

Seasonality

The Company does not anticipate that any of its business lines will have any seasonality. However, the demand for NFTs and the market value of NFTs are subject to fluctuations as a component of the market desire for NFTs is based on the perception of owners and buyer and therefore is difficult to anticipate the possible factors which can drive the next purchases of NFTs. See "*Risk Factors*" for additional risk factors.

Dependence on Suppliers and Foreign Operations

The Company is not currently dependent on any specific third-party contract and has several alternatives for each key function provided by third parties. The Company has no risks associated with foreign operations.

Employees

As at the date of this AIF, the Company has zero employees.

Competitive Conditions

The Company is uniquely positioned to compete with a market advantage given its branding, relationships, social media following and execution ability, both operational and technical. From a relationship perspective, the Company's current team has a combined 25+ years in the digital asset space and have strong relationships with key players both within the industry and outside. This enables HoK to lock in key partnerships, especially with NFT sales to help drive the growth of the Company's revenue streams and customer base. Lastly, from an execution perspective, the team has a strong track record for executing and building profitable businesses from ideation to completion. See "*Risk Factors*" for risk factors related to competitors.

Lending

The Company does not undertake any lending activities.

Bankruptcies, Receiverships and Similar Proceedings

There has never been any bankruptcy, receivership or similar proceedings against the Company or HoK and the Company or HoK has not been party to any voluntary bankruptcy, receivership or similar proceedings.

Reorganizations

There has not been any material reorganization of the Company or HoK since its incorporation other than the completion of the Transaction.

3.2 <u>Risk Factors</u>

The risks and uncertainties described herein are not the only risks and uncertainties that the Company faces. Additional risks and uncertainties of which management is not currently aware or that management currently believes to be immaterial may also materially adversely affect the Company's business, assets, liabilities, financial condition, results of operations, prospects, cash flows and the value or future trading price of the Common Shares (one or more of the foregoing, a "**Material Adverse Effect**"). The occurrence of any of the possible events and risks described below and elsewhere in this AIF could have a Material Adverse Effect.

This AIF also contains forward-looking statements that involve risks and uncertainties. The Company's actual results may differ materially from those anticipated in these forward-looking statements as a result of various factors, including the risks described below and elsewhere in this AIF. See "*Cautionary Note Regarding Forward-Looking Statements*".

The Company is exposed in varying degrees to a variety of risks, some of which may be anticipated by the Company and some of which may not be anticipated. The risk factors below detail some, but not all, of the risks that the Company is subjected to.

The Market price of the Common Shares may experience significant volatility

The market price for Common Shares may be subject to general volatility. Factors such as variations in the Company's financial results, announcements by the Company, developments affecting the business and customers, general interest rate levels, the market price of the Common Shares and general market volatility could cause the market price of the Common Shares to fluctuate significantly.

In addition, future sales or the availability for sale of substantial amounts of Common Shares in the public market could adversely affect the prevailing market price of the Common Shares and could impair the Company's ability to raise capital through future sales of its securities.

Market Acceptance

The operating results of the Company's business is subject to the market acceptance of the HoK Products and Services. If the HoK Products and Services do not gain market acceptance, its operating results may be negatively affected. If the markets for the HoK Products and Services fail to develop, develop more slowly than expected or become subject to increased competition, its business may suffer. As a result, the Company may be unable to: (i) successfully market its products; (ii) develop new products or services; or (iii) complete new products and services currently under development. If the HoK Products and Services are not accepted by its customers or by other businesses in the marketplace, the Company's business, operating results and financial condition will be materially affected.

The growth of the NFT market and the digital asset industry in general, and distributed ledger technology that supports digital assets, is subject to a high degree of uncertainty. The factors affecting the further development of the digital asset industry, as well as distributed ledger technology, include: continued worldwide growth in the adoption and use of digital assets; government and quasi-government regulation of digital assets and their use, or restrictions on or regulation of access to and operation of applicable distributed ledger technology or systems that facilitate their issuance and secondary trading; the maintenance and development of the open-source software protocols of certain blockchain networks used to support digital assets; advancements in technology, including computing power, that may render existing distributed ledger technology obsolete or inefficient; the use of the networks supporting digital assets for developing smart contracts and distributed applications; changes in consumer demographics and public tastes and preferences; the availability and popularity of other forms or methods of buying and selling goods and services, including new means of using fiat currencies; and general economic conditions and the regulatory environment relating to digital assets.

Conflicts of Interest

The directors and officers of the Company will not be devoting all of their time to the affairs of the Company. The directors and officers of the Company are directors and officers of other companies, some of which will be in similar businesses as those of the Company. The directors and officers of the Company are required by law to act in the best interests of the Company. They have the same obligations to the other companies in respect of which they act as directors and officers. Discharge by the directors and officers of their obligations to the Company may result in a breach of their obligations to the other companies, and in certain circumstances this could expose the Company to liability to those companies. Similarly, discharge by the directors and officers of their obligations to the other companies could result in a breach of their obligations to act in the best interests of the Company. Such conflicting legal obligations may expose the Company to liability to others and impair its ability to achieve its business objectives.

The Company has a Limited Operating History

The Company has a very limited history of operations and is in the early stage of operations. As such, the Company will be subject to many risks common to such enterprise including, undercapitalization, cash shortages, limitations with respect to personnel, financial and other resources, and lack of revenue. There is no assurance that the Company will be successful in achieving a return on shareholders' investment and the likelihood of success must be considered in light of its early stage of operations. There can be no assurance that the Company will be able to earn material revenue or that any of its activities will generate positive cash flow.

The Company generated a net loss of $14,345 and a net loss of $12,545,912 for the years ended July 31, 2024 and 2023, respectively. The Company's accumulated deficit as of July 31, 2024 was $25,226,127. The Company intends to continue to expend significant funds to develop its business. As the Company grows, the Company expects the aggregate amount of these expenses will also continue to grow. There is no assurance that sufficient funding will be available in the future. Management has the option to raise funds through a combination of equity and/or debt financing, along with a sale of investments. The success of these plans will depend upon the ability of the Company to generate cash flows from its portfolio investments.

The Company's efforts to grow the business may be more costly than expected and the Company may not be able to increase its revenue enough to offset higher operating expenses. The Company may incur significant losses in the future for several reasons, including as a result of unforeseen expenses, difficulties, complications and delays, the other risks described in this document and in the Company's public disclosure record and other unknown events. The amount of future net losses will depend, in part, on the growth of the Company's future expenses and its ability to generate revenue. If the Company continues to incur losses in the future, the net losses and negative cash flows incurred to date, together with any such future losses, will have a Material Adverse Effect on the Company's stockholders' equity and working capital. Even if the Company achieves profitability in the future, it may not be able to sustain profitability in subsequent periods. If the Company is unable to achieve and sustain profitability, the market price of the Common Shares may significantly decrease and the Company's ability to raise capital, expand its business or continue operations may be impaired. A decline in the Company's value may also cause investors to lose all or part of their investment.

Expenses May Not Align with Revenues

Unexpected events may materially harm the Company's ability to align incurred expenses with recognized revenues. The Company incurs operating expenses based upon anticipated revenue trends. Since a high percentage of these expenses may be relatively fixed, a delay in recognizing revenues from transactions related to these expenses (such a delay may be due to the factors described elsewhere in this risk factor section or it may be due to other factors) could cause significant variations in operating results from quarter to quarter, and such a delay could materially reduce operating income. If these expenses are not subsequently matched by revenues, the Company's business, financial condition, or results of operations could be materially and adversely affected.

Failure to Grow at the Rate Anticipated

The Company is a start-up company with no sustained history of sales or profitability. If the Company is unable to achieve adequate revenue growth, its ability to become profitable may be adversely affected and the Company may not have adequate resources to execute its business strategy.

Attracting and Retaining Key Personnel

The Company may be unable to attract or retain key personnel with sufficient experience, and the Company may be unable to attract, develop and retain additional employees required for the Company's development and future success. The Company's success is largely dependent on the performance of its Board of Directors and management team. Qualified individuals are in high demand, and the Company may incur significant costs to attract and retain them. The loss of the services of any key personnel, or an inability to attract other suitably qualified persons when needed, could prevent the Company from executing on its business plan and strategy, and the Company may be unable to find adequate replacements on a timely basis, or at all. The Company does not currently maintain key-person insurance on the lives of any of the Company's key personnel.

Ability to Secure Adequate Sources of Funding

The continued development of the Company's business will require additional financing and there is no assurance that the Company will obtain the financing necessary to be able to achieve its business objectives. The Company's ability to obtain additional financing will depend on investor demand, the Company's performance and reputation, market conditions and other factors. The Company's inability to raise such capital could result in the delay or indefinite postponement of the Company's current business or in its inability to continue to carry on its business. There can be no assurance that additional capital or other types of financing will be available if needed or that, if available, the terms of such financing will be favorable to the Company.

In addition, from time to time, the Company may enter into transactions to acquire assets. The Company's continued growth may be financed, wholly or partially, with debt, which may increase the Company's debt levels. Any debt financing secured in the future could involve restrictive covenants relating to capital raising activities and other financial and operational matters, which may make it more difficult for the Company to obtain additional capital and to pursue business opportunities, including potential acquisitions. Debt financings may also contain provisions that, if breached, may entitle lenders or their agents to accelerate repayment of loans or realize upon security over the Company's assets, and there is no assurance that the Company would be able to repay such loans in such an event or prevent the enforcement of security granted pursuant to any such debt financing.

Risk Management Efforts May Not Be Effective

The Company could incur substantial losses and its business operations could be disrupted if the Company is unable to effectively identify, manage, monitor and mitigate financial risks, such as credit risk, interest rate risk, liquidity risk, and other market-related risk, as well as operational risks related to the Company's business, assets and liabilities. The Company's risk management policies, procedures and techniques, may not be sufficient to identify all of the risks that the Company is exposed to, mitigate the risks that are identified or identify concentrations of risk or additional risks to which the Company may become subject in the future.

Dependence on Third Party Relationships

The Company may become highly dependent on a number of third-party relationships to conduct its business and implement expansion plans. It cannot be assured that all of these partnerships will turn out to be as advantageous as anticipated or that other partnerships would not have proven to be more advantageous. In addition, it is impossible to assure that all associated partners will perform their obligations as agreed.

Tax and Accounting Changes

The Company is subject to numerous tax and accounting requirements, and changes in existing accounting or taxation rules or practices, or varying interpretations of current rules or practices, could have a significant adverse effect on the Company's financial results, or the manner in which the Company conducts its business. The Company may expand its operations into foreign jurisdictions in the future. These operations, and any expansion thereto, will require the Company to comply with the tax laws and regulations of multiple jurisdictions, which may vary substantially. Complying with the tax laws of these jurisdictions can be time consuming and expensive and could potentially subject the Company to penalties and fees in the future if the Company were to fail to comply.

Additional Costs to Maintain Public Listing

The Company is a reporting issuer and incurs significant legal, accounting and other expenses. The Company will incur increased costs as a result of operating as a publicly-traded company and its management will be required to devote substantial time to compliance. In addition, securities laws and regulations and stock exchanges rules and polices impose various requirements on public companies, including requirements to file annual, quarterly and event-driven reports with respect to the Company's business and financial condition and operations and to establish and maintain effective disclosure and financial controls and corporate governance practices. The Company's existing management team will need to devote a substantial amount of time to these matters, and may need to hire additional personnel to assist the Company with complying with these requirements. Moreover, these rules and regulations will increase the Company's legal and financial compliance costs and will make some activities more time consuming and costly.

In addition, changing laws, regulations and standards relating to corporate governance and public disclosure are creating uncertainty for public companies, increasing legal and financial compliance costs and making some public companies required activities more time consuming. These laws, regulations and standards are subject to varying interpretations, in many cases due to their lack of specificity and, as a result, their application in practice may evolve over time as new guidance is provided by regulatory and governing bodies. This could result in continuing uncertainty regarding compliance matters and higher costs necessitated by ongoing revisions to disclosure and governance practices.

Being a public company and complying with applicable rules and regulations will make it more expensive for the Company to obtain director and officer liability insurance, and the Company will incur substantially higher costs to obtain coverage. These factors could also make it more difficult for the Company to attract and retain qualified executive officers and board members.

Internal Controls

Proper internal control systems and disclosure are critical to the operation of a public company. However, the Company does not expect that its internal controls will prevent all errors and all fraud. A control system, no matter how well designed and operated, can provide only reasonable, not absolute, assurance that the control system's objectives will be met. Further, the design of a control system must reflect the fact that there are resource constraints and the benefits of such controls must be considered relative to their costs. Because of the inherent limitations in all control systems, no evaluation of controls can provide absolute assurance that all control issues and instances of fraud, if any, have been detected. Due to the inherent limitations in a cost-effective control system, misstatements due to error or fraud may occur and may not be detected in a timely manner or at all. If the Company cannot provide reliable financial reports or prevent fraud, the Company's reputation and operating results could be materially adversely affected, which could cause investors to lose confidence in the Company and its reported financial information, which in turn could result in a reduction in the value of the Common Shares.

Investor Tax Issues

Income tax consequences in relation to the Common Shares will vary according to the circumstances of each investor. Prospective investors should seek independent advice from their own tax and legal advisors.

Dividends

The Company has not paid any dividends on its outstanding Common Shares. Any payments of dividends on the Common Shares will be dependent upon the financial requirements of the Company to finance future growth, the financial condition of the Company and other factors which the Board of Directors may consider appropriate in the circumstance. It is unlikely that the Company will pay dividends in the immediate or foreseeable future.

Political and Economic Instability

The Company may be affected by possible political or economic instability. The risks include, but are not limited to, terrorism, military repression, extreme fluctuations in currency exchange rates and high rates of inflation. Changes or shifts in political attitude towards blockchain technology in certain countries may adversely affect the Company's business.

Going Concern Assumption

The financial statements of the Company and HoK have been prepared in accordance with IFRS on a going concern basis, which presumes that the Company and HoK will be able to realize its assets and discharge its liabilities in the normal course of business for the foreseeable future. The Company and HoK, and therefore the Company's continuation as a "going concern" is uncertain and is dependent upon, amongst other things, attaining a satisfactory revenue level, the support of its customers, its ability to continue profitable operations, the generation of cash from operations, and its ability to obtain financing arrangements and capital in the future. These material uncertainties represent risks to the Company's ability to continue as a going concern and realize its assets and pay its liabilities as they become due. If the "going concern" assumption was not appropriate for the financial statements, then adjustments would be necessary to the carrying values of assets and liabilities, the reported expenses and the balance sheet classifications used. Such adjustments could be material.

Need to Manage Growth

The Company could experience rapid growth in revenues, personnel, complexity of administration and in other areas. There can be no assurance that the Company will be able to manage the impact that growth could place on the Company's administrative infrastructure, systems and controls. If the Company is unable to manage future growth effectively, the Company's business, operations and operating results and financial condition may be materially adversely affected.

Global Financial Developments

Stress in the global financial system may adversely affect the Company's finances and operations in ways that may be hard to predict or to defend against. Financial developments seemingly unrelated to the Company or to its industry may adversely affect the Company over the course of time. For example, material increases in any applicable interest rate benchmarks may increase the debt payment costs for any credit facilities. Credit contraction in financial markets may hurt its ability to access credit in the event that the Company requires significant access to credit for business expansion. A reduction in credit, combined with reduced economic activity, may adversely affect business. Any of these events, or any other events caused by turmoil in world financial markets, may have a material adverse effect on the Company's business, operating results, and financial condition.

Minority Shareholder Risk

Insiders of the Company own approximately <1% of the Company's outstanding Common Shares. Accordingly, insiders of the Company will not likely be able to exercise effective control over all matters requiring the approval of the Shareholders, including the election of directors and significant corporate transactions.

Regulatory Risks

The business and activities of the Company may be heavily regulated in all jurisdictions where it will carry on business. The proposed activities of the Company may be subject to various laws, regulations and guidelines by governmental authorities, grant government agencies and self-regulatory bodies broad administrative discretion over the activities of the Company, including the power to limit or restrict business activities as well as impose additional disclosure requirements on the Company's products and services. The Company's business objectives are contingent upon, in part, compliance with regulatory requirements enacted by these governmental authorities and obtaining all regulatory approvals, where necessary, for the provision of its services. Although the operations of the Company are currently carried out in accordance with all applicable rules and regulations, no assurance can be given that new rules and regulations will not be enacted or that existing rules and regulations will not be applied in a manner which could limit or curtail the Company's ability to conduct business in the jurisdictions and industries in which it currently operates or intends to operate. Amendments to current laws and regulations governing the Company's current and/or intended operations, more stringent implementation thereof or other unanticipated events could have a material adverse impact on the business, financial condition and operating results of the Company.

Permits and Licenses

The Company believes it currently has all permits and licences that are necessary to carry on its business. It may require additional licences or permits in the future and there can be no assurance that the Company will be able to obtain all such additional licences and permits. In addition, there can be no assurance that any existing licences and permits will be renewable if and when required or that such existing licences and permits will not be revoked.

Changes in Laws, Regulations and Guidelines

The Company's operations will be subject to various laws, regulations, guidelines and licensing requirements in the United States, Canada and potentially other jurisdictions. Although the Company is expected to comply with all such laws, any changes to such laws, regulations, guidelines and policies due to matters beyond the control of the Company could have a material adverse effect on the Company's business, results of operations and financial condition.

Litigation

The Company may become involved in litigation that may materially adversely affect it. From time to time in the ordinary course of the Company's business, it may become involved in various legal proceedings. Such matters can be time-consuming, divert management's attention and resources and cause the Company to incur significant expenses. Furthermore, because litigation is inherently unpredictable, the results of any such actions may have a material adverse effect on the Company's business, operating results or financial condition. More specifically, the Company may face claims relating to information that is retrieved from or transmitted over the Internet or through the solution and claims related to the Company's products. In particular, the nature of the Company's business exposes it to claims related to intellectual property rights, rights of privacy, and personal injury torts. Furthermore, there is no assurance that any liability incurred as a result of litigation can be recovered from the Company's insurance policy. See section 11 "Legal Proceedings and Regulatory Actions" of this AIF for particular litigation matters.

Foreign and Crypto Currency Exchange Risk

The Company is a Canadian company, and a material amount of its expenses and fund raising is done in Canadian dollars. Certain of the expenses of the Company may be denominated in U.S. dollars and the initial revenues generated from the sale of NFT products will be in Ethereum. As a result, the Company is subject to foreign and cryptocurrency exchange risks relating to the relative value of the U.S. dollar or Ethereum compared to the Canadian dollar. A decline in the U.S. dollar or Ethereum would result in a decrease in the real value of the Company's revenues and adversely impact financial performance.

General Blockchain and NFT Risks

Valuation of NFTs

The Company will offer, hold, or have funds associated with NFTs. NFTs are unique, one-of-a- kind digital assets made possible by certain digital asset network protocols. Because of their non-fungible nature, NFTs introduce digital scarcity and have become popular as online “collectibles,” similar to physical rare collectible items, such as trading cards or art. Like real world collectibles, the value of NFTs may be prone to “boom and bust” cycles as popularity increases and subsequently subsides. Certain metadata pertaining to NFTs may be stored “offchain,” i.e., not on a decentralized digital asset network. If the entity behind an NFT project ceases hosting relevant metadata relating to NFTs, such NFTs may become worthless. If any of these events were to occur, it could adversely affect the value of certain of the Company’s future strategies. In addition, because NFTs generally rely on the same types of underlying technologies as digital assets, most risks applicable to digital assets (including phishing, hacking, blockchain risks) are also applicable to NFTs and hence any investment into NFTs will be subject to general digital assets risks as described elsewhere in these risk factors.

There is uncertainty in determining the value of NFTs when the Company introduces an NFT collection to the market. The valuation of NFTs depends considerably on uniqueness, scarcity and the perception of owners and buyers alongside the availability of distribution channels. It is extremely difficult to anticipate the possible factors which can drive a potential buyer’s purchase. Therefore, the value of NFTs would basically depend on how the buyer perceives the NFT in terms of desirability, thereby leading to fluctuations in demand and price.

Difficulty of Market Forecast

The Company must rely largely on its own market research to forecast sales as detailed forecasts are not generally obtainable from other sources at this early stage of the NFT industry. A failure in the demand for its products to materialize as a result of competition, trends, technological change or other factors could have a material adverse effect on the business, results of operations and financial condition of the Company.

Demand for NFTs and Volatility

NFTs are unique, one-of-a- kind digital assets made possible by certain digital asset network protocols. Because of their non-fungible nature, NFTs introduce digital scarcity and have become popular as online “collectibles,” similar to physical rare collectible items, such as trading cards or art. Like real world collectibles, the demand for and value of NFTs may be prone to “boom and bust” cycles as popularity increases and subsequently subsides. The demand for the Company’s products and services will correlate with the general NFT market conditions.

NFT Specific Fraud Risks

The growth in popularity of NFTs has resulted in prominent cybersecurity and fraud risks. NFT risks of replica stores that appear similar to original NFT stores with the same logo and content from authentic stores. Another prominent challenge associated with the risks and challenges related to NFTs in cybersecurity refers to fake NFT stores. The fake NFT stores could sell off NFTs which are not present in the first place. At the same time, buyers must also be wary of the concerns due to artist impersonation or counterfeit NFTs. Bad actors can impersonate well known NFT artists and sell fake NFTs in their names. Other risks relate to copyright theft whereby the NFT creator is not the owner of the underlying copyrighted work.

Smart Contract Risks and NFT Maintenance

Smart contracts on the public blockchain network are susceptible to hackers. There have been instances where hackers were able to exploit the smart contract vulnerability of a blockchain network to alter transactions or re-direct transactions in favour of the hackers.

Although software is being developed to curtail speculative and malicious activities, there can be no assurance that those measures will sufficiently deter those and other illicit activities in the future. Advances in technology, such as quantum computing, could lead to a malicious actor or botnet (a voluntary or hacked collection of computers controlled by networked software coordinating the actions of the computers) being able to alter the blockchain on which NFT transactions rely. In such circumstances, the malicious actor or botnet could control, exclude or modify the ordering of transactions, or generate new NFTs or transactions, using such control.

The security procedures and operational infrastructure of the Company may be breached due to the actions of outside parties, error or malfeasance of an employee of the Company or otherwise, and, as a result, an unauthorized party may obtain access to the Company's infrastructure. Additionally, outside parties may attempt to fraudulently induce employees of the Company to disclose sensitive information in order to gain access to the infrastructure of the Company. As the techniques used to obtain unauthorized access, disable or degrade service, or sabotage systems change frequently, or may be designed to remain dormant until a predetermined event, and often are not recognized until launched against a target, the Company may be unable to anticipate these techniques or implement adequate preventative measures.

Dependence on Internet Infrastructure; Risk of System Failures, Security Risks and Rapid Technological Change

The success as a developer of blockchain-based offerings and platforms will depend by and large upon the continued development of a stable public infrastructure, with the necessary speed, data capacity and security, and the timely development of complementary products such as high-speed modems for providing reliable internet access and services. It cannot be assured that the infrastructure that supports blockchain-based technologies will continue to be able to support the demands placed upon it by this continued growth or that the performance or reliability of the technology will not be adversely affected by this continued growth. It is further not assured that the infrastructure or complementary products or services necessary to make blockchain-based technologies viable will be developed in a timely manner, or that such development will not result in the requirement of incurring substantial costs in order to adapt the Company's services to changing technologies.

Reliance of Blockchain Technology

The Company will rely on blockchain technology to continue to function and carry out its operations as intended. The Company's business plan depends upon the growth and adoption of blockchain technology generally and NFTs, bitcoin and Ethereum specifically. If industry participants determine that such crypto asset ecosystems are not effective protocols, due to security risks or other shortcomings, or if another technology emerges which is superior to the blockchain technology, then the value of the Company's products and services may fall or become worthless.

In particular, current NFT offerings by HoK rely on the Ethereum decentralized network to create, sell and transfer NFTs. Ethereum is a decentralized, open-source blockchain with smart contract functionality. Ether is the native cryptocurrency of the platform. The platform allows anyone to deploy permanent and immutable decentralized applications onto it, with which users can interact. In this regard, Ethereum allows for the creation, exchange and application of NFTs. In the event that the Ethereum network is not available to the Company on a temporary or permanent basis, such event will adversely affect the Company's business of creating NFTs and offering its products.

Limited History of the Blockchain and NFT Markets

Blockchain technology is a new technological innovation with a limited history. The use of NFTs for various purposes on blockchain networks commenced in 2015. There is no assurance that usage of blockchain or NFTs will continue to grow. A contraction in the use of blockchain or NFTs may result in increased volatility and have an adverse impact on the success of the Company's blockchain-based and NFT offerings.

The risks associated with blockchain and NFT technologies may not emerge until the technology is widely used. Blockchain systems could be vulnerable to fraud, particularly if a significant minority of participants colluded to defraud the rest. Access to a given blockchain requires an individualized key, which, if compromised, could result in loss due to theft, destruction or inaccessibility. There is little regulation of blockchain technology other than the intrinsic public nature of the blockchain system. Any future regulatory developments could affect the viability and expansion of the use of blockchain and NFT technologies. Because blockchain technology systems may operate across many national boundaries and regulatory jurisdictions, it is possible that blockchain technology may be subject to widespread and inconsistent regulation.

Timely Adaptation to Technology Innovations

The blockchain and telecommunications markets are experiencing rapid technological changes. Failure to anticipate technology innovations or adapt to such innovations in a timely manner, or at all, may result in the Company's products becoming obsolete at sudden and unpredictable intervals. To maintain the relevancy of the Company's products and services, the Company may invest in product and service planning and research and development. The process of developing and marketing new products and services is inherently complex and involves significant uncertainties. There are a number of risks, including the following: (a) the Company's product and service planning efforts may fail in resulting in the development or commercialization of new technologies or ideas; (b) the Company's research and development efforts may fail to translate new product and service plans into commercially feasible products; (c) the Company's new technologies or new products may not be well received by consumers; (d) the Company may not have adequate funding and resources necessary for continual investments in product planning and research and development; (e) the Company's products may become obsolete due to rapid advancements in technology and changes in consumer preferences; and (f) the Company's newly developed technologies may not be protected as proprietary intellectual property rights.

Any failure to anticipate the next-generation technology roadmap or changes in customer preferences or to timely develop new or enhanced products in response could result in decreased revenue and market share. In particular, the Company may experience difficulties with product design, product development, marketing or certification, which could result in excessive research and development expenses and capital expenditure, delays or prevent the Company's introduction of new or enhanced products and services. Furthermore, the Company's research and development efforts may not yield the expected results, or may prove to be futile due to the lack of market demand.

Risk of Regulatory Restrictions on NFTs

As NFTs have grown in both popularity and market size, governments around the world may reacted differently. Ongoing and future regulatory actions may alter, perhaps to a materially adverse extent, the ability of the Company to continue to operate. The effect of any future regulatory change with respect to the use of NFTs is impossible to predict, but any such change could be substantial and adverse to the Company. Governments may in the future take regulatory actions that prohibit or severely restrict the right to acquire, own, hold, sell, use or trade digital assets, or to exchange digital assets for fiat currency. These government actions may result in the restriction of the acquisition, ownership, holding, selling, use or trading in NFTs. Any such restriction could result in decreased market demand for the Company's products and services, and may adversely affect the price of the Common Shares.

Risk of Dependency on the Future Regulatory Environment in the United Sates and elsewhere

It is likely that the ability to conduct business in the United States and with U.S. customers will be critical to the Company's products and services.

Notwithstanding that U.S. legislators and regulators generally express support for innovation in financial markets and products, they have arguably not moved quickly to clarify the status of cryptocurrencies and other digital assets under U.S. laws, especially securities, commodities, banking and money-transmitter laws, or to accommodate proposals for new businesses or offerings. In recent years, the U.S. Securities and Exchange Commission (the "**SEC**"), the United States' primary securities and financial markets regulator, has taken noteworthy actions to, among other things, sanction many issuers of digital tokens, reject applications for crypto-related exchange-traded funds and suggest that bitcoin and other digital assets are not suitable holdings for traditional investment funds. It is impossible to predict what directions U.S. regulation might take in the future in respect to NFTs, which depend among other things on agency priorities and budgets, agency personnel turnover and appointments following presidential elections, legislation, judicial decisions, public perception and economic conditions. There can be no assurance that U.S. regulation will advance in a way that is favorable for the Company.

In the event that the Company conducts business in other jurisdictions other than the U.S. and Canada, it will be required to comply with applicable regulatory requirements in those jurisdictions which could be as onerous or more onerous than those of the U.S.

Status of NFTs as a "Security"

A particular NFT's status as a "security" in any relevant jurisdiction is subject to a high degree of uncertainty and if the Company is unable to properly characterize an NFT, the Company may be subject to regulatory scrutiny, investigations, fines, and other penalties, which may adversely affect the Company's business, operating results, and financial condition.

Although recent years have seen some guidance emerge with respect to the question of whether a digital asset constitutes a security for certain purposes under Canada and U.S. law, there remains little or no clear legal authority or established practice with respect to the application to digital assets of concepts like fungibility, settlement, clearing, trade execution and reporting, collateralization, rehypothecation, custody, repo, margin, restricted securities, short sales, bankruptcy and insolvency and many others. Some or all of these concepts may be needed for crypto-related marketplaces to continue to grow, mature and attract institutional participants; there can be no assurances that rules and practices for such concepts will develop in Canada and the United States in a manner that is timely, clear, favorable to the Company or compatible with other jurisdictions' regimes.

There have been a number of proceedings and investigations conducted by securities authorities regarding digital assets and initial coin offerings but none on NFTs in particular.[13] Due to the lack of direct guidelines relating to NFTs, a registered broker-dealer sent a petition to the SEC in April 2021 requesting that the SEC publish a concept release on the regulation of NFTs and propose rules to address when NFTs are securities.[14] The petition echoed unofficial comments made by the SEC's Commissioner Hester Pierce who warned people to be cautious selling fractionalized NFTs. She pointed out that the main concept of NFTs is that they are non-fungible and therefore less likely to be a security. However, she added that whether NFTs qualify as securities would largely depend on their use[15]. The SEC's view appears to be that since NFTs lose their uniqueness when they are fractioned, they are more likely to qualify as "securities"[16].

If Ethereum, or any other supported digital asset such as an NFT, is deemed to be a security under any Canadian provincial, U.S. federal, state, or foreign jurisdiction, or in a proceeding in a court of law or otherwise, it may have adverse consequences for such supported digital asset and would have a material and adverse effect on the Company and its business and prospectus. For instance, all offerings in such supported digital asset would have to be registered with the applicable Canadian provincial securities authorities, SEC or other foreign authority, or conducted in accordance with an exemption from registration, which could severely limit its liquidity, usability and transactability. Moreover, the networks and platforms such as the Company's on which such supported digital assets are utilized may be required to be regulated as securities intermediaries, and subject to applicable rules, which could effectively render the network impracticable for its existing purposes. Further, it could draw

[13]https://mcmillan.ca/insights/nfts-and-implications-under-canadian-securities-law/
[14] https://www.sec.gov/rules/petitions/2021/petn4-771.pdf
[15] Sophie Kiderlin, "The SEC's 'Crypto Mom' Hester Peirce says selling fractionalized NFTs could be illegal" (26 March 2021) - https://markets.businessinsider.com/news/currencies/sec-crypto-mom-hester-peirce-selling-nft-fragments-illegal-2021-3
[16] See Note 19

negative publicity and a decline in the general acceptance of the digital asset. Also, it may make it difficult for such supported digital asset to be traded, cleared, and custodied as compared to other digital asset that are not considered to be securities.

Irrevocability Digital Asset Transactions

Digital asset transactions are not reversible without the consent and active participation of the recipient of the transaction. Once a transaction has been verified and recorded in a block that is added to the blockchain, an incorrect transfer of digital assets, such as NFTs, will not be reversible. To the extent that the Company is unable to effect a corrective transaction with a third party, or is incapable of identifying the recipient of its NFTs through error or theft, the Company will not be able to revert or otherwise recover any incorrectly transferred NFTs, or to convert or recover NFTs transferred to uncontrolled accounts.

Software and Intellectual Property

The Company's operations may rely on the use of proprietary and non-proprietary software, data and intellectual property of third parties. The operation of any electronic platform, may be severely and adversely affected by the malfunction of technology. For example, an unforeseen software or hardware malfunction could occur as a result of a virus or other outside force, or as result of a design flaw in the design and operation of the network or platform. Further, the Company's software, hardware, data or other intellectual property is found to infringe on the rights of any third party, the underlying value of the Company's products and services could be materially and adversely affected. Regardless of the merit of any intellectual property or other legal action, any threatened action that reduces confidence in the underlying value or functionality of an NFT offered by the Company may adversely affect the value of the Company's products and services. Additionally, a meritorious intellectual property claim could prevent the Company and other end-users from accessing various networks or holding, using or transferring their NFTs.

Violation of Third-Party Intellectual Property Rights

The only significant intellectual property rights are certain intellectual property the Company has in its products, and in other future products and solutions it develops. Although the Company is not aware of violating commercial and other proprietary rights of third parties, there can be no assurance that its products do not violate proprietary rights of third parties or that third parties will not assert or claim that such violation has occurred. Although no legal disputes in this respect or perceptible detrimental effects on the Company's business have arisen to date, any such claims and disputes arising may result in liability for substantial damages which in turn could harm the Company's business, results of operations and financial condition.

Cybersecurity Risks

Cyber incidents can result from deliberate attacks or unintentional events, and may arise from internal sources (e.g., employees, contractors, service providers, suppliers and operational risks) or external sources (e.g., nation states, terrorists, hacktivists, competitors and acts of nature). Cyber incidents include unauthorized access to information systems and data (e.g., through hacking or malicious software) for purposes of misappropriating or corrupting data or causing operational disruption. Cyber incidents also may be caused in a manner that does not require unauthorized access, such as causing denial-of-service attacks on websites (e.g., efforts to make network services unavailable to intended users). A cyber incident that affects the Company or its service providers might cause disruptions and adversely affect their respective business operations, and might also result in violations of applicable law (e.g., personal information protection laws), each of which might result in potentially significant financial losses and liabilities, regulatory fines and penalties, reputational harm, and reimbursement and other compensation costs. In addition, substantial costs might be incurred to investigate, remediate and prevent cyber incidents.

Dependence on Digital Keys

The loss or destruction of a private key required to access certain cryptocurrencies or digital wallets may be irreversible. The Company's loss of access to its private keys or its experience of a data loss relating to its cryptocurrency or digital asset wallets could adversely affect the Company. Certain cryptocurrencies and digital wallets are controllable only by the possessor of both the unique public key and private key relating to the local or online digital wallet. Private keys typically must be safeguarded and kept private to prevent a third party from accessing the relevant cryptocurrencies and NFTs held in the wallet. If a private key is lost, destroyed or otherwise compromised and no backup of the private key is accessible, the Company will be unable to access the cryptocurrencies and NFTs held in the wallet. Any loss of private keys relating to digital wallets used to store the Company's cryptocurrencies and NFTs could materially and adversely affect the Company's operations.

Dependence on Cryptocurrency Exchanges

As the Company transacts on the blockchain in connection with the sale of NFTs, the initial payment of the products will be in cryptocurrency. In this regard, the Company will be dependent on cryptocurrency exchanges and the fluctuation of the value of cryptocurrencies. Cryptocurrency market prices depend, directly or indirectly, on the prices set on exchanges and other trading venues, which are new and, in most cases, largely unregulated as compared to established, regulated exchanges for securities, derivatives and other currencies. For example, during the past few years, a number of cryptocurrency exchanges have been closed due to fraud, business failure or security breaches. In many of these instances, the customers of the closed cryptocurrency exchanges were not compensated or made whole for the partial or complete losses of their account balances in such cryptocurrency exchanges. While smaller exchanges are less likely to have the infrastructure and capitalization that provide larger exchanges with additional stability, larger exchanges may be more likely to be appealing targets for hackers and "malware" (i.e., software used or programmed by attackers to disrupt computer operation, gather sensitive information or gain access to private computer systems) and may be more likely to be targets of regulatory enforcement action.

Cryptocurrency is not covered by deposit insurance

Transactions using cryptocurrency are not covered by deposit insurance, unlike banks and credit unions that provide guarantees or safeguards.

Uninsured or Uninsurable Risks

The Company intends to insure its operations in accordance with technology industry practice. However, given the novelty of the business, such insurance may not be available, uneconomical for the Company, or the nature or level may be insufficient to provide adequate insurance cover. The Company may become subject to liability for hazards against which it cannot insure or against which it may elect not to insure because of high premium costs or for other reasons. The payment of any such liabilities would reduce or eliminate the funds available for operations. Payments of liabilities for which the Company does not carry insurance may have a material adverse effect on its financial position.

Risk of a decline in the continuing development and acceptance of digital assets and distributed ledger technology

The growth of the digital asset industry (of which NFTs are a party of) in general, and distributed ledger technology (blockchain technology) that supports digital assets, is subject to a high degree of uncertainty. The factors affecting the further development of the digital asset industry, as well as distributed ledger technology, include: continued worldwide growth in the adoption and use of digital assets; government and quasi-government regulation of digital assets and their use, or restrictions on or regulation of access to and operation of applicable distributed ledger technology or systems that facilitate their issuance and secondary trading; the maintenance and development of the open-source software protocols of certain blockchain networks used to support digital assets; advancements in technology, including computing power, that may render existing distributed ledger technology obsolete or inefficient; the use of the networks supporting digital assets for developing smart contracts and distributed applications; changes in consumer demographics and public tastes and preferences; the availability and popularity of other forms or methods of buying and selling goods and services, including new means of using fiat currencies; and general economic conditions and the regulatory environment relating to digital assets.

Many digital asset networks, including Ethereum, operate on open-source protocols maintained by groups of core developers. The open-source structure of these network protocols means that certain core developers and other contributors may not be compensated, either directly or indirectly, for their contributions in maintaining and developing the network protocol. A failure to properly monitor and upgrade network protocol could damage digital asset networks. As these network protocols are not sold and their use does not generate revenues for development teams, core developers may not be directly compensated for maintaining and updating the network protocols.

Consequently, developers may lack a financial incentive to maintain or develop the network, and the core developers may lack the resources to adequately address emerging issues with the networks. There can be no guarantee that developer support will continue or be sufficient in the future. To the extent that material issues arise with certain digital asset network protocols and the core developers and open-source contributors are unable or unwilling to address the issues adequately or in a timely manner, such digital asset networks, and any corresponding digital assets held may be adversely affected.

Values of digital assets have historically been highly volatile

As digital assets, a decline of value in NFTs that the Company offers or holds would negatively impact its financial position. A significant portion of demand for digital assets such as NFTs is generated by speculators and investors seeking to profit from the short- or long-term holding of these assets. Speculation regarding future appreciation in the value of a digital asset may inflate and make more volatile the price of that digital asset.

Several factors may affect the price of digital assets, particularly cryptocurrencies, including, but not limited to: supply and demand, investors' expectations with respect to the rate of inflation, interest rates, currency exchange rates or future regulatory measures (if any) that restrict the trading of cryptocurrencies or the use of cryptocurrencies as a form of payment. Additionally, some purportedly decentralized digital assets may be more centralized than widely believed, or may become more centralized over time, increasing the risk that an adverse event impacting an individual personality or entity could result in a reduction in the price of digital assets. While digital assets networks are typically decentralized and do not need to rely on any single government or institution to create, transmit and determine value, in reality a single personality or entity may have the ability to exert centralized authority over a network. Where a single personality or entity exerts an outsize influence, an adverse event impacting that individual or entity, such as an insolvency proceeding, could result in a reduction in the price of a digital assets.

There is no assurance that cryptocurrencies will maintain their long-term value in terms of purchasing power in the future, or that acceptance of cryptocurrency payments by mainstream retail merchants and commercial businesses will continue to grow. Only a limited number of cryptocurrencies, including Ethereum and Bitcoin, have become sometimes accepted as a means of payment for some goods and services, and use of cryptocurrencies by consumers to pay at retail and commercial outlets remains very limited. In part, this is because cryptocurrencies face significant scaling obstacles that can lead to high fees or slow transaction settlement times and attempts to increase the volume of transactions may not be effective. A lack of expansion by cryptocurrencies into retail and commercial markets, or a contraction of such limited use as has developed to date, may result in increased volatility or a reduction in the value of that cryptocurrency or cryptocurrencies generally, either of which could materially and adversely affect the Company's investment strategies, the value of its assets and the value of any investment in the Company.

Risk of a decline in the Adoption and Use of NFTs

Because NFTs are a relatively new asset class and a technological innovation, they are subject to a high degree of uncertainty. The adoption, growth and longevity of any digital asset such as NFTs will require growth in its usage and in the blockchain for various applications. A lack of expansion in use of NFTs and blockchain technologies could adversely affect the financial performance of the Company. In addition, there is no assurance that any particular NFT will maintain their value over the long term. Even if growth in the use of any NFT occurs in the near or medium term, there is no assurance that such use will continue to grow over the long term. A lack of expansion of NFTs into the retail and commercial markets may result in increased volatility or a reduction in the market price of these assets. Further, if fees increase for recording transactions on these blockchains, demand for NFTs may be reduced and prevent the expansion of the networks to merchants and commercial businesses, resulting in a reduction in the price of these assets. A contraction in use of any NFT may result in increased volatility or a reduction in prices, which could materially and adversely affect the value of the Company's assets and the value of any investment in the Common Shares.

Other Risks Relating to the Company's Business

Competition

The Company will compete with other NFT businesses. Any market participant with sufficient capital and know-how has the ability to compete with the Company's core businesses. As a result, the Company will face significant competition in the blockchain and NFT sectors. The Company's competitors may include other acquisition vehicles and major blockchain-based businesses worldwide which may have greater financial, technical and human capital than the Company, in addition to superior expertise and experience in the blockchain business.

The NFT market in which the Company competes requires continuous innovation and are highly competitive, rapidly evolving, subject to changing technology, shifting customer trends, competition for new content, and frequent introductions of new products and services. New competitors could launch new businesses in the Company's markets at a relatively low cost since technological and financial barriers to entry are relatively low. Some of the Company's current and potential competitors may have competitive advantages, such as greater name recognition, longer operating histories, broader geographic scope, and larger marketing budgets, as well as substantially greater financial, technical, personnel, and other resources. The Company may also experience competition from smaller, newer competitors that may be more agile in responding to customers' demands. These competitors may be able to respond more quickly and effectively than the Company can to new or changing opportunities, technologies, standards or customer requirements or provide competitive pricing. As a result, even if the Company's products are more effective than the products and services that the Company's competitors offer, potential customers might select competitive products and services in lieu of purchasing the Company's products and services. For these reasons, the Company may not be able to compete successfully against the Company's current and future competitors, which could negatively impact the Company's future sales and harm the Company's business and financial condition.

Operational Risk

Operational risk is the risk of an adverse outcome resulting from inadequate or failed internal processes, people, systems or from external events. The Company's exposure to operational risk arises from routine processing errors, as well as extraordinary incidents, such as major systems failures or legal and regulatory matters. As the Company offers produces and services that are reliant on both technology and human expertise and execution, the Company is exposed to material operational risk arising from a number of factors, including, but not limited to, human error, processing and communication errors, errors of the Company's service providers, counterparties or other third parties, failed or inadequate processes and technology or system failures.

4. DIVIDENDS AND DISTRIBUTIONS

The Company does not currently intend to declare any dividends payable to the holders of the Common Shares. The Company has no restrictions on paying dividends, but if the Company generates earnings in the foreseeable future, it expects that they will be retained to finance growth. The directors of the Company will determine if and when dividends should be declared and paid in the future based upon the Company's financial position at the relevant time. All of the Common Shares will be entitled to an equal share in any dividends declared and paid.

5. DESCRIPTION OF CAPITAL STRUCTURE

5.1 General Description of Capital Structure

Common Shares

The Company is authorized to issue an unlimited number of Common Shares without par value, of which **39,186,754** Common Shares are outstanding as at the date hereof.

Holders of Common Shares are entitled to one vote for each Common Share held at all meetings of Common Shareholders, to receive dividends if, as and when declared by the Board of Directors, and, upon liquidation, to share equally in such assets of the Company as are distributable to the holders of the Common Shares. The Common Shares carry no pre-emptive rights, conversion or exchange rights, redemption, retraction, purchase for cancellation or surrender provisions, sinking or purchase fund provisions, provisions permitting or restricting the issuance of additional securities, or provisions requiring a shareholder to contribute additional capital.

Stock Options and RSUs

As recommended and approved by the directors, at the shareholders meeting held on January 4, 2022, Shareholders approved the Company's stock option plan ("**Option Plan**") and the restricted security units plan ("**RSUs Plan**"), (collectively, the "**Incentive Plans**") to grant Options and RSU's to directors, officers, key employees and consultants of the Company. Pursuant to the Incentives Plans, the Company may reserve up to a maximum of 20% of the issued and outstanding Common Shares at the time of grant.

The Company will seek to re-approve the Incentive Plans at its next annual general meeting of shareholders.

As of the date of this AIF, the Company has the following securities outstanding:

Designation of Security	Amount authorized	Outstanding as of the date of this AIF(1)
Common Shares	Unlimited	39,186,754
Options	20% of issued and outstanding	118,884
RSUs		14,665
Warrants	N/A	6,018,743
Total Fully Diluted		**45,339,046**

(1) The Company completed a consolidation on October 6, 2023 and the numbers reflected are presented on a post-consolidated basis.

5.2 Constraints

There are no constraints on the ownership of securities of the Company.

5.3 Ratings

Neither the Company, nor any of its Subsidiaries, has received any ratings.

6. MARKET FOR SECURITIES

6.1 Trading Price and Volume

The Common Shares were listed and traded on the CBOE Canada under the symbol "LABZ" from February 3, 2022 to September 3, 2024, and commenced trading on the CSE from September 4, 2024. The following table provides the historical monthly trading price ranges and volumes for the Common Shares for the months indicated:

Date	Price Range (CAD$)		Volume (No. of Common Shares) (1)
	High(1)	Low(1)	
August 2023	1.50	0.375	79,029
September 2023	1.125	-	161,346
October 2023	0.38	-	1,100,809
November 2023	0.33	-	272,265
December 2023	0.33	-	38,762
January 2024	0.42	-	95,965
February 2024	0.35	-	79,404
March 2024	1.1	-	196,260
April 2024	1.50	-	884,520
May 2024	4.55	1.38	11,868,491
June 2024	3.19	0.40	15,709,502
July 2024	0.45	0.205	9,638,568
August 2024	1.125	0.375	64,030
September 2024	0.33	0.12	3,485,442
October 1, 2024 – October 28, 2024	0.26	0.145	2,477,955

(1) The Company completed a consolidation on October 6, 2023 and the numbers reflected are presented on a post-consolidated basis.

6.2 Prior Sales

During the fiscal year ended July 31, 2024 and to the date of this AIF, the Company issued the class of securities in the following table:

Security	Date of Issuance	Number of Securities(8)	Issue Price or Exercise Price per Security(8)($)	Expiry Date (if applicable)
Common Shares	November 23, 2023	20,005,000(1)	$0.10	-
Warrants	November 23, 2023	20,005,000(1)	$0.10	November 23, 2025
Common Shares	February 8, 2024	3,060,000(2)	$0.25	-
Common Shares	February 26, 2024	(8)(3)	-	-

Security	Date of Issuance	Number of Securities[8]	Issue Price or Exercise Price per Security[8]($)	Expiry Date (if applicable)
Common Shares	March 13, 2024	9,332[4]	-	-
Common Shares	March 27, 2024	100,000[5]	$0.10	-
Common Shares	March 27, 2024	6,666[4]	-	-
Common Shares	April 3, 2024	100,000[5]	$0.10	-
Common Shares	April 26, 2024	200,000[5]	$0.10	-
Common Shares	April 30, 2024	175,000[5]	$0.10	-
Common Shares	May 8, 2024	1,875,000[5]	$0.10	-
Common Shares	May 28, 2024	800,000[5]	$0.10	-
Common Shares	May 31, 2024	50,000[5]	$0.10	-
Common Shares	June 7, 2024	100,000[5]	$0.10	-
Common Shares	June 14, 2024	800,000[5]	$0.10	-
Common Shares	June 21, 2024	4,300,000[5]	$0.10	-
Common Shares	July 18, 2024	500,000[5]	$0.10	-
Common Shares	July 24, 2024	500,000[5]	$0.10	-
Common Shares	July 30, 2024	550,000[5]	$0.10	-
Common Shares	August 1, 2024	200,000[5]	$0.10	-
Common Shares	August 14, 2024	450,000[5]	$0.10	-
Common Shares	August 21, 2024	150,000[5]	$0.10	-
Common Shares	August 26, 2024	100,000[5]	$0.10	-
Common Shares	September 9, 2024	100,000[5]	$0.10	-
Common Shares	September 11, 2024	550,000[5]	$0.10	-
Common Shares	September 12, 2024	350,000[5]	$0.10	-
Common Shares	September 20, 2024	200,000[5]	$0.10	-
Common Shares	September 25, 2024	200,000[5]	$0.10	-
Common Shares	October 1, 2024	1,020,000[5]	$0.10	-
Common Shares	October 3, 2024	150,000[5]	$0.10	-
Common Shares	October 9, 2024	300,000[5]	$0.10	-
Common Shares	October 15, 2024	150,000[5]	$0.10	-
Common Shares	October 24, 2024	150,000[5]	$0.10	-

(1) 10,005,000 Units were issued pursuant to a private placement of Units and 10,000,000 Units issued pursuant to the Debt Settlement at a deemed price of $0.10 per Unit. Each Unit consists of one common shares in the capital of the Company and one transferrable Warrant – each Warrant entitles the holder to acquire one addition Common Shares of the Company at a price of $0.10 per Common Share for a period of 24 months form the date of issuance.
(2) Common Shares were issued pursuant to closing of Bot Media Agreement.
(3) Common Shares were cancelled pursuant to the shareholder's request and return of treasury order.
(4) Common Shares were issued pursuant to conversion of RSUs.
(5) Common Shares were issued pursuant to the exercise of Warrants.

For greater details, see "*General Development of the Business – Three Year History*".

7. ESCROWED SECURITIES AND SECURITIES SUBJECT TO CONTRACTUAL RESTRICTIONS ON TRANSFER

As at the date of this AIF, there are NIL shares subject to escrow or subject to a contractual restriction on transfer.

8. DIRECTORS AND EXECUTIVE OFFICERS

8.1 Name, Occupation and Security Holding

The following table sets the name, residence and principal occupation of each director and executive officer of the Company. In addition, the table shows the date on which each individual first became a director and/or officer and the number of Common Shares and other securities that each individual beneficially owns, or exercises control or direction over, directly or indirectly, as of the date of this AIF. The information as to shares owned beneficially, not being within the knowledge of the Company, has been forwarded by the directors and officers individually.

Name of Director / Officer	Common Shares Beneficially Owned, Directly or Indirectly, or Controlled or Directed	Number of Other Securities Held(3)
Natasha Ingram		
British Columbia, Canada CEO since February 23, 2024	Nil	Nil
	Principal Occupation for the past five years: Mrs. Ingram was the founder of the digital agency, Transparency Digital, showcasing her strategic vision and execution prowess. In her new role, Mrs. Ingram is set to direct the Company's innovative efforts in developing cutting-edge Open Metaverse applications and digital assets, leveraging the power of Unreal Engine development and blockchain technology.	
Francis Rowe		
British Columbia, Canada CFO since August 25, 2021 and Corporate Secretary since November 30, 2021	Nil	Nil
	Principal Occupation for the past five years: Mr. Rowe is a Chartered Professional Accountant in Victoria, BC where he provides accounting, tax and business advisory services.	
Guy Bourgeois(2)		
New Brunswick, Canada Director since June 13, 2024	Nil	Nil
	Principal Occupation for the past five years: Mr. Bourgeois has served as an owner, investor, advisor, or board member in dozens of innovative companies over the past 30 years. He is skilled in raising capital, obtaining government grants, expanding global business development and creating smart business strategies. He is a seasoned professional with decades of broad expertise centered around commercial growth and innovative/ disruptive technological developments.	
James Henning(2)		
British Columbia, Canada Director since January 25, 2023	Nil	6,666 RSU's
	Principal Occupation for the past five years: Mr. Henning is a Chartered Accountant and Founder and President of Corpfinance Advisors Inc. since 1984.	

Kevin Cornish(2)		
Alberta, Canada Director since May 23, 2023	Nil	Nil
	Principal Occupation for the past five years: Mr. Cornish is skilled at incorporating many facets of business into his role to maximize his overall value to a company.	

(1) Subject to achieving certain milestones.
(2) Member of the Audit Committee.
(3) The Company completed a consolidation on October 6, 2023 and the numbers reflected are presented on a post-consolidated basis.

As of the date of this AIF, the directors and executive officers of the Company as a group, directly or indirectly, beneficially owns or exercises control or direction over Nil Common Shares, representing approximately 0.00% of the issued and outstanding Common Shares.

8.2 Cease Trade Orders, Bankruptcies, Penalties or Sanctions

Cease Trade Orders

Other than described below, to the best of the Company's knowledge, no director, officer or promoter of the Company, or a securityholder holding a sufficient number of securities of the Company to affect materially the control of the Company, has been, within 10 years before the date of this AIF, a director, officer or promoter of any person or company that, while that person was acting in that capacity:

(a) was subject to an order that was issued while the director or executive officer was acting in the capacity as director, chief executive officer or chief financial officer, or

(b) was subject to an order that was issued after the director or executive officer ceased to be a director, chief executive officer or chief financial officer and which resulted from an event that occurred while that person was acting in the capacity as director, chief executive officer or chief financial officer.

On December 2, 2016, BCSC issued a cease trade order ("**CTO**") against the Company for failure to file the annual financial statement, the related annual management's discussion and analysis (the "**MD&A**") and CEO and CFO certifications ended July 31, 2016 (the "**2016 Annual Filings**"). On March 16, 201, the Company filed the 2016 Annual Filings. The CTO was revoked on May 23, 2017.

On October 31, 2023, the Company was granted a management cease trade order ("**MCTO**") by the BCSC to extend the deadline for filing its annual financial statement, the related annual MD&A and CEO and CFO certifications ended July 31, 2023 (the "**2023 Annual Filings**"). On November 1, 2023, the Company filed the 2023 Annual Filings. The MCTO was revoked on November 6, 2023.

On December 5, 2022, the BCSC issued a Failure-to-File Cease Trade Order (FFCTO) against Fiore Cannabis Ltd ("**Fiore**"). Fiore failed to file its annual audited financial statements for the nine-month period ended September 30, 2022 and accompanying MD&A and CEO and CFO certifications prior to the extended filing deadline of November 30, 2022. In response to the FFCTO, the CSE suspended the Fiore's shares trading on the CSE on November 10, 2022. At the time of that the FFCTO was issued, Kevin Cornish was no longer a director and officer of the Issuer as he resigned on November 10, 2022. The FFCTO against Fiore is currently outstanding.

On September 13, 2022, during the period Mr. Henning was acting as the CFO of i3 Interactive Inc. ("i3"), i3 was subject to a CTO issued by the BCSC for failure to file its annual financial statements, the related MD&A and CEO and CFO certifications for the period ended February 28, 2022 and for failure to files its interim financial statements, MD&A and CEO and CFO certifications for the period ended May 31, 2022, within the required time period. The MCTO against i3 is currently outstanding.

On January 12, 2023, during the period Mr. Henning was acting as the CFO of Intrusion Precious Metals Corp. (fka. Major Precious Metals Corp.) ("Intrusion"), Intrusion was subject to a FFCTO issued by the BCSC for failure to file its comparative financial statements and related MD&A for the financial year ended September 30, 2022. The FFCTO was partially revoked on April 8, 2024.

On October 2, 2024, the BCSC was granted a MCTO to G6 Materials Corp. ("**G6**") to provide G6 with additional time to file its annual financial statements and accompanying MD&A for the year-ended May 31, 2024. Kevin Cornish and Guy Bourgeois are currently directors and officers of G6. The MCTO is currently outstanding.

The directors are required by law to act honestly and in good faith with a view to the best interests of the Company and to disclose any interests that they may have in any project or opportunity of the Company. If a conflict of interest arises at a meeting of the Board, any director in a conflict will disclose his interest and abstain from voting on such matter.

To the best of the Company's knowledge, and other than disclosed herein, there are no known existing or potential conflicts of interest among the Company, its promoters, directors and officers or other members of management of the Company or of any proposed promoter, director, officer or other member of management as a result of their outside business interests, except that certain of the directors and officers serve as directors and officers of other companies, and therefore it is possible that a conflict may arise between their duties to the Company and their duties as a director or officer of such other companies. All related party transactions during each reporting period are detailed in the Company's Management Discussion & Analysis for the fiscal year ended July 31, 2024.

Bankruptcies

To the knowledge of the Company, no director or executive officer of the Company, or a shareholder holding a sufficient number of securities of the Company to affect materially the control of the Company:

(a) is, as at the date of this AIF, or has been within the 10 years before the date of this AIF, a director or executive officer of any company (including the Company) that, while that person was acting in that capacity, or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets; or

(b) has, within the 10 years before the date of this AIF, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of the director, executive officer or shareholder.

Penalties or Sanctions

To the knowledge of the Company, no director or executive officer of the Company, or a shareholder holding a sufficient number of securities of the Company to affect materially the control of the Company, has been subject to:

(a) any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority; or

(b) any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable investor in making an investment decision.

8.3 Conflicts of Interest

The directors of the Company are required by law to act honestly and in good faith with a view to the best interest of the Company and to disclose any interests with they may have in any project or opportunity of the Company. If a conflict of interest arises at a meeting of the Board, any director in a conflict will disclose his interest and abstain from voting on such matter. In determining whether or not the Company will participate in any project or opportunity, that director will primarily consider the degree of risk to which the Company may be exposed and its financial position at that time.

To the best of the Company's knowledge, there are no known existing or potential conflicts of interest among the Company and its promoters, directors, officers or other members of management, as a result of their outside business interests except that certain of the directors, officers, promoters and other members of management serve as directors, officers, promotes and members of management of other public companies, and therefore it is possible that a conflict may arise between their duties as a director, officer, promoter or member of management of such other companies.

9. AUDIT COMMITTEE INFORMATION

The Company is required to have an audit committee (the "**Audit Committee**") comprised of not less than three directors, a majority of whom are not officers, control persons or employees of the Company or an affiliate of the Company.

9.1. Composition of Audit Committee and Independence

The Company's current audit committee consists of Guy Bourgeois, James Henning, and Kevin Cornish.

National Instrument 52-110 *Audit Committees*, ("**NI 52-110**") provides that a member of an audit committee is "independent" if the member has no direct or indirect material relationship with the Company, which could, in the view of the Company's Board, reasonably interfere with the exercise of the member's independent judgment. All current members of the Company's audit committee are "independent" within the meaning of NI 52-110.

NI 52-110 provides that an individual is "financially literate" if he or she has the ability to read and understand a set of financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of the issues that can reasonably be expected to be raised by the Company's financial statements. All of the members of the Audit Committee are "financially literate" as that term is defined. The following sets out the Audit Committee members' education and experience that is relevant to the performance of his responsibilities as an audit committee member.

9.2. Relevant Education and Experience

Each member of the Company's Audit Committee has adequate education and experience relevant to their performance as an Audit Committee member and, in particular, the requisite education and experience that provides the member with:

(a) an understanding of the accounting principles used by the Company to prepare its financial statements and the ability to assess the general application of those principles in connection with estimates, accruals and reserves;

(b) experience preparing, auditing, analyzing or evaluating financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of issues that can reasonably be expected to be raised by the Company's financial statements or experience actively supervising individuals engaged in such activities; and

(c) an understanding of internal controls and procedures for financial reporting.

Kevin Cornish – Director– Mr. Cornish is an international public company CFO. Mr. Cornish holds an MBA from Saint Mary's University in Halifax where he also earned his CPA designation. Paired with his HR designation, Mr. Cornish is skilled at incorporating many facets of business into his role to maximize his overall value to a company. Mr. Cornish has served as a CFO and Director for a number of companies listed on the TSXV and the CSE over the past several years.

Guy Bourgeois – Director **-** Mr. Bourgeois possesses a unique combination of business acumen and technical expertise, with a broad vision and the determination to meet sustainability objectives. He holds a Business Administration Degree from University of Moncton. With a commitment to environmental stewardship and a passion for innovative solutions, he has dedicated over 25 years to driving sustainable growth in the tech industry. As a seasoned professional, he has held pivotal roles in leading technology companies, leveraging cutting-edge advancements to address pressing environmental challenges. Throughout his career, Mr. Bourgeois has been instrumental in developing and implementing sustainable technologies that reduce carbon footprints, promote renewable energy, and foster eco-friendly practices. His work has consistently focused on integrating green innovations into mainstream technology, ensuring that progress and sustainability go hand in hand. Mr. Bourgeois's extensive experience includes securing funding for green tech initiatives, collaborating with government agencies to obtain grants, and leading global business development efforts that prioritize sustainability. Their strategic vision and hands-on approach have made a significant impact on the industry, positioning him as a thought leader in the intersection of technology and sustainability. Mr. Bourgeois has served as a CEO and Director for a number of companies listed on the TSXV and the CSE over the past several years.

James Henning – Director **-** Mr. Henning is a Chartered Accountant and Founder and President of Corpfinance Advisors Inc. since 1984. His areas of expertise include the retail cannabis, manufacturing, telecommunications, software, biomedical, oil and gas services as well as renewable energy industries. Mr. Henning has served as a CFO and Director for a number of companies listed on the TSXV and the CSE over the past several years

9.3. Audit Committee Oversight

At no time since the commencement of the Company's most recently completed financial year has the Audit Committee made any recommendations to the Board to nominate or compensate its auditor which were not adopted by the Board.

9.4. Reliance on Certain Exemptions

Since the commencement of the Company's most recently completed financial year, the Company has not relied on:

(a) the exemption in section 2.4 (*De Minimis Non-audit Services*) of NI 52-110;
(b) The exemption in section 3.2 (*Initial Public Offerings*) of NI 52-110;
(c) The exemption in section 3.4 (*Events Outside Control of Member*) of NI 51-110;
(d) The exemption in section 3.5 (*Death, Disability or Resignation of Audit Committee Member*) of NI 52-110; or

(b) an exemption from NI 52-110, in whole or in part, granted under Part 8 (*Exemptions*).

9.5. External Auditor Service Fees

All services to be performed by the independent auditor of the Company must be approved in advance by the Audit Committee. The Audit Committee has considered whether the provisions of services other than audit services is compatible with maintaining the auditor's independence and has adopted a policy governing the provision of these services. This policy requires that pre-approval by the Audit Committee of all audit and non-audit services provide by any external auditor, other than any de minimus non-audit services allowed by applicable law or regulation.

The following table sets forth the fees billed to the Company and its subsidiaries by its auditor for services rendered in the financial years ended July 31, 2024, and 2023.

	Year-Ended July 31, 2024	**Year-Ended July 31, 2023**
Audit fees(1)	$30,000	$45,000
Audit Related Fees(2)	$Nil	$Nil
Tax Fees(3)	$Nil	$Nil
All Other Fees(4)	$7,500	$Nil
Total	**$37,500**	**$45,000**

Notes:

(1) "Audit fees" include aggregate fees billed by the Company's external auditor in each of the last two fiscal years for audit fees.

(2) "Audited related fees" include the aggregate fees billed in each of the last two fiscal years for assurance and related services by the Company's external auditor that are reasonably related to the performance of the audit or review of the Company's financial statements and are not reported under "Audit fees" above. The services provided include employee benefit audits, due diligence assistance, accounting consultations on proposed transactions, internal control reviews and audit or attest services not required by legislation or regulation.

(3) "Tax fees" include the aggregate fees billed in each of the last two fiscal years for professional services rendered by the Company's external auditor for tax compliance, tax advice and tax planning. The services provided include tax planning and tax advice includes assistance with tax audits and appeals, tax advice related to mergers and acquisitions, and requests for rulings or technical advice from tax authorities.

(4) "All other fees" include the aggregate fees billed in each of the last two fiscal years for products and services provided by the Company's external auditor, other than "Audit fees", "Audit related fees" and "Tax fees" above.

10. PROMOTERS

Natasha Ingram, the Company's CEO, may be considered to be a Promoter of the Company in that she took the initiative in organizing the current business of the Company. Mrs. Ingram is the registered and beneficial owner of Nil Common Shares.

Other than as disclosed above, no person who was a Promoter of the Company:

a) received anything of value directly or indirectly from the Company;

b) sold or otherwise transferred any asset to the Company within the last 2 years;

c) is at of the date hereof, or was within 10 years before the date hereof, a director, CEO or CFO of any person or company that was the subject of a cease trade order or similar order or an order that denied the relevant person or company access to any statutory exemptions for a period of more than 30 consecutive days while that person was acting in the capacity as director, CEO or CFO;

d) is at of the date hereof, or was within 10 years before the date hereof, a director, CEO or CFO of any person or company that was the subject of a cease trade order or similar order or an order that denied the relevant person or company access to any statutory exemptions for a period of more than 30 consecutive days that was issued after the person ceased to be a director, CEO or CFO and which resulted from an event that occurred while the person was acting in the capacity as director, CEO or CFO;

e) is at of the date hereof, or was within 10 years before the date hereof, a director or executive officer of any person or company that, while the person was acting in that capacity, or within a year of that person ceasing to act in the capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver or receiver manager or trustee appointed to hold its assets;

f) has, within 10 years before the date hereof, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver-manager or trustee appointed to hold the assets of the person;

g) has been subject to any penalties or sanctions imposed by a court relating to Canadian securities legislation or by a Canadian securities regulatory authority or has entered into a settlement agreement with a Canadian securities regulatory authority; or

h) has been subject to any other penalties or sanctions imposed by a court or regulatory body that would be likely to be considered important to a reasonable investor making an investment decision.

11. LEGAL PROCEEDINGS AND REGULATORY ACTIONS

There are no legal proceedings material to the Company to which the Company is a party or of which any of its property is the subject matter, and there are no such proceedings known to the Company to be contemplated other than the information provided below.

Other than as disclosed below, to the knowledge of the Company, no director, officer or promoter of the Company, or a securityholder holding sufficient securities of the Company to affect materially the control of the Company, has:

(a) been subject to any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority; or

(b) been subject to any other penalties or sanctions imposed by a court or regulatory body, including a self-regulatory body, that would be likely to be considered important to a reasonable securityholder making a decision about the Transaction.

On April 6, 2023, the Company, Dorian Banks - former CEO, Francis Rowe - CFO and Corporate Secretary and Lucas Stemshorn-Russell - a director of the Company and other unrelated named defendants – were served with a Notice of Civil Claim (the "**Claim**") by Thanh Khiet (Jason) Nguyen ("**Mr. Nguyen**"). Mr. Nguyen is claiming civil fraud / fraudulent misrepresentation, breach of contract, civil conspiracy and is seeking remedy under section 227 of the BCBCA. The Company and the named defendants intend to defend the Claim. The Company has hired legal representation; a response to the Claim was filed on December 14, 2023.

During the year ended July 31, 2023, a claim was commenced against the Company by Permanent Enterprises Limited. The claim is brought against the Company for breach of an office lease. During fiscal 2024, the Company settled the claim by paying Permanent Enterprises Limited $60,000 for previously owed rent.

12. INTEREST OF MANAGEMENT AND OTHERS IN MATERIAL TRANSACTIONS

Other than the closing of the Transaction as disclosed at *Section 2 – General Development of the Business – 2.2 Significant Transactions* of this AIF, no director, executive officer or principal shareholder of the Company, or an Associate or Affiliate of a director, executive officer or principal shareholder of the Company, has any material interest, direct or indirect, in any transaction which has occurred within the three years before the date of this AIF or in any proposed transaction, that has materially affected or will materially affect the Company or a subsidiary of the Company.

13. TRANSFER AGENT AND REGISTRAR

The transfer agent and registrar for its Common Shares is Endeavor Trust Corporation, of Suite 702 – 777 Hornby Street, Vancouver, BC V6Z 1S2.

14. MATERIAL CONTRACTS

Except for contracts made in the ordinary course of business, the following are the only material contracts entered into by the Company during the year ended July 31, 2024 and to the date hereof which are currently in effect and considered to be material:

(a) the Protocol Development Agreement with Ecoblox and PureSky, as described elsewhere in this AIF;

(b) the Definitive Agreement with Bot Ventures Inc, as described elsewhere in this AIF;

(c) the ITG Agreement with Independent Trading Group Inc, as described elsewhere in this AIF; and

(d) the Bot Media Agreement, as described elsewhere in this AIF.

The Company confirms that it has posted on SEDAR+ all material contracts listed in this AIF.

15. INTERESTS OF EXPERTS

No person or company whose profession or business gives authority to a statement made by the person or company and who is named as having prepared or certified a part of this AIF or as having prepared or certified a report or valuation described or included in this AIF holds any beneficial interest, direct or indirect, in any securities or property of the Company or of an Associate or Affiliate of the Company and no such person is expected to be elected, appointed or employed as a director, senior officer or employee of the Company or of an Associate or Affiliate of the Company and no such person is a promoter of the Company or an Associate or Affiliate of the Company. WDM Chartered Professional Accountants is independent of the Company in accordance with the rules of professional conduct of the Chartered Professional Accountants of British Columbia.

16. ADDITIONAL INFORMATION

Additional information relating to the Company may be found on SEDAR+ at www.sedarplus.com.

Additional financial information is provided in the Company's audited financial statements and related management discussion and analysis for its financial year ended July 31, 2024, available on SEDAR+ at www.sedarplus.ca. In addition, the Company's Audit Committee Charter is attached hereto as Schedule "A".

SCHEDULE A

AUDIT COMMITTEE CHARTER

Purpose of the Committee

The purpose of the audit committee (the "Audit Committee") of the directors of the Company (the "Board") is to provide an open avenue of communication between management, the Company's independent auditor and the Board and to assist the Board in its oversight of:

• the integrity, adequacy and timeliness of the Company's financial reporting and disclosure practices;
• the Company's compliance with legal and regulatory requirements related to financial reporting; and
• the independence and performance of the Company's independent auditor.

The Audit Committee shall also perform any other activities consistent with this Charter, the Company's articles and governing laws as the Audit Committee or Board deems necessary or appropriate.

The Audit Committee shall consist of at least three directors. Members of the Audit Committee shall be appointed by the Board and may be removed by the Board in its discretion. The members of the Audit Committee shall elect a Chairman from among their number. A majority of the members of the Audit Committee must not be officers or employees of the Company or of an affiliate of the Company. The quorum for a meeting of the Audit Committee is a majority of the members who are not officers or employees of the company or of an affiliate of the Company. With the exception of the foregoing quorum requirement, the Audit Committee may determine its own procedures.

The Audit Committee's role is one of oversight. Management is responsible for preparing the Company's financial statements and other financial information and for the fair presentation of the information set forth in the financial statements in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board. Management is also responsible for establishing internal controls and procedures and for maintaining the appropriate accounting and financial reporting principles and policies designed to assure compliance with accounting standards and all applicable laws and regulations.

The independent auditor's responsibility is to audit the Company's financial statements and provide its opinion, based on its audit conducted in accordance with IFRS, that the financial statements present fairly, in all material respects, the financial position, results of operations and cash flows of the Company in accordance with IFRS.

The Audit Committee is responsible for recommending to the Board the independent auditor to be nominated for the purpose of auditing the Company's financial statements, preparing or issuing an auditor's report or performing other audit, review or attest services for the Company, and for reviewing and recommending the compensation of the independent auditor. The Audit Committee is also directly responsible for the evaluation of and oversight of the work of the independent auditor. The independent auditor shall report directly to the Audit Committee.

AUTHORITY AND RESPONSIBILITIES

In addition to the foregoing, in performing its oversight responsibilities the Audit Committee shall:

1. Monitor the adequacy of this Charter and recommend any proposed changes to the Board.

2. Review the appointments of the Company's Chief Financial Officer and Chief Executive Officer and any other key financial executives involved in the financial reporting process.

3. Review with management and the independent auditor the adequacy and effectiveness of the Company's accounting and financial controls and the adequacy and timeliness of its financial reporting processes.

4. Review with management and the independent auditor the annual financial statements and related documents and review with management the unaudited quarterly financial statements and related documents, prior to filing or distribution, including matters required to be reviewed under applicable legal or regulatory requirements.

5. Where appropriate and prior to release, review with management any news releases that disclose annual or interim financial results or contain other significant financial information that has not previously been released to the public.

6. Review the Company's financial reporting and accounting standards and principles and significant changes in such standards or principles or in their application, including key accounting decisions affecting the financial statements, alternatives thereto and the rationale for decisions made.

7. Review the quality and appropriateness of the accounting policies and the clarity of financial information and disclosure practices adopted by the Company, including consideration of the independent auditor's judgment about the quality and appropriateness of the Company's accounting policies. This review may include discussions with the independent auditor without the presence of management.

8. Review with management and the independent auditor significant related party transactions and potential conflicts of interest.

9. Pre-approve all non-audit services to be provided to the Company by the independent auditor.

10. Monitor the independence of the independent auditor by reviewing all relationships between the independent auditor and the Company and all non-audit work performed for the Company by the independent auditor.

11. Establish and review the Company's procedures for the:

- receipt, retention and treatment of complaints regarding accounting, financial disclosure,
- internal controls or auditing matters; and
- confidential, anonymous submission by employees regarding questionable accounting, auditing and financial reporting and disclosure matters.

12. Conduct or authorize investigations into any matters that the Audit Committee believes is within the scope of its responsibilities. The Audit Committee has the authority to retain independent counsel, accountants or other advisors to assist it, as it considers necessary, to carry out its duties, and to set and pay the compensation of such advisors at the expense of the Company.

13. Perform such other functions and exercise such other powers as are prescribed from time to time for the audit committee of a reporting company in Parts 2 and 4 of National Instrument 52-110 of the Canadian Securities Administrators, the Business Corporations Act (British Columbia) and the articles of the Company.