eXeBlock Technology Corporation

Unaudited Condensed Interim
Consolidated Financial Statements

For the period ended February 29, 2024

(Expressed in Canadian Dollars)

April 24, 2024

Management's Responsibility for Financial Reporting

The accompanying unaudited condensed interim consolidated financial statements of **eXeBlock Technology Corporation** (the "Company") are the responsibility of management and have been approved by the Board of Directors. The unaudited condensed interim consolidated financial statements have been prepared by management in accordance with International Financial Reporting Standards ("IFRS"). The unaudited condensed interim consolidated financial statements include certain amounts and assumptions that are based on management's best estimates and have been derived with careful judgment.

In fulfilling its responsibilities, management has developed and maintains a system of internal accounting controls. These controls are designed to provide reasonable assurance that the financial records are reliable for the preparation of the financial statements. The Audit Committee of the Board of Directors reviewed and approved the Company's unaudited condensed interim consolidated financial statements and recommended their approval by the Board of Directors.

These unaudited condensed interim consolidated financial statements have not been reviewed by the external auditors of the Company.

(signed) *"Ian Klassen"*
President and Chief Executive Officer
Vancouver, British Columbia

(signed) *"Robert Randall"*
Chief Financial Officer
Halifax, Nova Scotia

eXeBlock Technology Corporation
Consolidated Statements of Financial Position
Expressed in Canadian dollars
As at February 29, 2024 and August 31, 2023

	February 29, 2024 $	August 31, 2023 $
Assets		
Current assets		
Cash and cash equivalents	**405,228**	505,696
Sales taxes recoverable	**24,800**	16,773
	430,028	522,469
Investment (note 4)	**192,500**	192,500
Total assets	**622,528**	714,969
Liabilities		
Current liabilities		
Accounts payable and accrued liabilities	**96,303**	78,388
Shareholders' Equity		
Common stock (note 5)	**6,898,973**	6,898,973
Deficit	**(6,372,748)**	(6,262,392)
Deficit	**526,225**	636,581
Total liabilities and equity	**622,528**	714,969

Nature of operations and going concern (note 1)
Commitments and contingencies (note 9)

Approved on behalf of the Board of Directors on April 24, 2024.

"Paul Thomson"
Paul Thomson, Director

"Ian Klassen"
Ian Klassen, Director

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

eXeBlock Technology Corporation
Consolidated Statements of Loss and Comprehensive Loss
Expressed in Canadian dollars
For the periods ended February 29, 2024 and February 28, 2023

	Three months ended February 29, 2024 $	Three months ended February 28, 2023 $	**Six months ended February 29, 2024 $**	Six months ended February 28, 2023 $
Expenses				
Professional and consulting fees (note 9)	**44,958**	51,926	**96,296**	97,174
Rent and administrative costs (note 9)	**7,957**	7,897	**15,825**	20,432
Securities and regulatory fees	**5,340**	2,643	**9,240**	5,043
Market development and advertising	**-**	1,642	**-**	3,210
Loss before interest income and income taxes	**58,255**	64,108	**121,361**	125,859
Interest income	**5,837**	6,641	**11,005**	12,416
Income taxes (note 6)	**-**	-	**-**	-
Net loss and comprehensive loss for the period	**52,418**	57,467	**110,356**	113,443
Loss per share – basic and diluted	**0.001**	0.001	**0.002**	0.002
Weighted-average number of common shares outstanding	**53,539,031**	53,539,031	**53,539,031**	53,539,031

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

eXeBlock Technology Corporation
Consolidated Statements of Changes in Equity
Expressed in Canadian dollars
For the periods ended February 29, 2024 and 2023

	Common Shares (note 5)				
	Shares **#**	**Amount** **$**	**Contributed Surplus** **$**	**Deficit** **$**	**Total** **$**
Balance, August 31, 2022	**53,539,031**	**6,898,973**	**-**	**(6,039,358)**	**859,615**
Net loss for the period	-	-	-	(113,443)	(113,443)
Balance, February 28, 2023	**53,539,031**	**6,898,973**	**-**	**(6,152,801)**	**746,172**
Net loss for the period	-	-	-	(109,591)	(109,591)
Balance, August 31, 2023	**53,539,031**	**6,898,973**	**-**	**(6,262,392)**	**636,581**
Net loss for the period	-	-	-	**(110,356)**	**(110,356)**
Balance, February 29, 2024	**53,539,031**	**6,898,973**	**-**	**(6,372,748)**	**526,225**

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

eXeBlock Technology Corporation
Consolidated Statements of Cash Flows
Expressed in Canadian dollars
For the periods ended February 29, 2024 and February 28, 2023

	Six months ended February 29, 2024 $	Six months ended February 28, 2023 $
Operating activities		
Net loss for the period	**(110,356)**	(113,443)
Changes in non-cash working capital		
Decrease (increase) in amounts receivable	**(8,027)**	25,324
Increase in accounts payable and accrued liabilities	**17,915**	21,111
Net cash used in operating activities	**(100,468)**	(67,008)
Decrease in cash and cash equivalents during the period	**(100,468)**	(67,008)
Cash and cash equivalents, beginning of period	**505,696**	689,573
Cash and cash equivalents, end of period	**405,228**	622,565

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

1. NATRUE OF OPERATIONS AND GOING CONCERN

eXeBlock Technology Corporation (formerly 1040433 B.C. Ltd.) (the "Company"), was incorporated pursuant to the British Columbia Business Corporations Act on June 19, 2015. On August 18, 2017, the Company and eXeBlock Technology Inc. ("eXeBlock Inc.") entered a Share Exchange Agreement (the "SEA") under which the transaction was completed and the Company effected a change in directors, management and business. eXeBlock Inc., which was federally incorporated pursuant to the Canada Business Corporations Act on July 11, 2017, was deemed to be the continuing entity for financial reporting purposes and therefore its historical operations, assets and liabilities are included.

With the termination of the Company's merger agreement with Nodalblock Canada Holdings Inc. ("Nodalblock"), the CSE has determined that the Issuer has not met the continued listing requirements as set out in CSE Policy and deemed the Company to be inactive. Pursuant to CSE Policy, the Company may not rely on confidential price protection, nor may the Company complete any financing without prior CSE approval. An ".X" extension is added to the listed securities of the Company.

The Company's corporate office address is suite 1050, 1090 West Georgia Street, Vancouver, British Columbia, V6E 3V7 and its registered office is located at Suite 3200, 650 West Georgia Street, Vancouver, BC, Canada, V6B 4P7. The Company's administrative office is located at Suite 2001, 1969 Upper Water Street, Halifax, Nova Scotia, Canada, B3J 3R7.

These consolidated financial statements have been prepared on a going-concern basis, which assumes that the Company will be able to realize its assets and discharge its liabilities in the normal course of operations as they come due. For the period ended February 29, 2024, the Company incurred net loss of $110,356 (August 31, 2023 – $223,034). The Company has no revenue from operations. In addition to its working capital requirements, the Company must secure sufficient funding to develop its private blockchain business and fund its general operating costs. The Company has a planning and budgeting process to monitor operating cash requirements, including amounts projected for capital expenditures, which are adjusted as input variables change. These variables include, but are not limited to, the ability of the Company to generate revenue from current and prospective customers, general and administrative requirements of the Company and the availability of capital markets. As these variables change, liquidity risks may necessitate the need for the Company to issue equity or obtain debt financing. These material uncertainties may cast significant doubt about the Company's ability to continue as a going concern. Management is evaluating alternatives to secure additional financing so that the Company can continue to operate as a going concern. Nevertheless, there can be no assurance that these initiatives will be successful or sufficient.

The Company's ability to continue as a going concern is dependent upon its ability to fund its working capital and operating requirements and eventually to generate positive cash flows from operations. These consolidated financial statements do not reflect the adjustments to the carrying values of assets and liabilities and the reported expenses and statement of financial position classifications that would be necessary were the going concern assumption determined to be inappropriate and these adjustments could be material.

2. STATEMENT OF COMPLIANCE AND BASIS OF PREPARATION

Statement of compliance with International Financial Reporting Standards ("IFRS")

The Company prepares its unaudited condensed consolidated interim financial statements in accordance with Canadian generally accepted accounting principles as set out in the Handbook of Chartered Professional Accountants of Canada – Part 1 ("CPA Canada Handbook"), which incorporates International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB").

These unaudited condensed interim consolidated financial statements have been prepared in accordance with International Accounting Standard 34, *Interim Financial Reporting* ("IAS 34"), as issued by the IASB.

2. STATEMENT OF COMPLIANCE AND BASIS OF PREPARATION (continued)

Accordingly, certain information normally included in annual financial statements prepared in accordance with IFRS, as issued by the IASB, have been omitted or condensed. The unaudited condensed interim consolidated financial statements should be read in conjunction with the audited financial statements of eXeBlock Technology Corporation for the year ended August 31, 2023.

Approval of the consolidated financial statements

These unaudited condensed interim consolidated financial statements for the period ended February 29, 2024 were reviewed by the Company's Audit Committee and approved and authorized for issue by the Company's Board of Directors on April 24, 2024.

The policies applied in these unaudited condensed interim consolidated financial statements are based on the IFRS as of April 24, 2024, the date the Board approved the financial statements. Any subsequent changes to IFRS that are given effect in the Company's annual consolidated financial statements for the year-ended August 31, 2024 could result in the restatement of these unaudited condensed interim consolidated financial statements.

Basis of Measurement

These annual financial statements are presented in Canadian dollars, the Company's functional currency, and have been prepared on the historical costs basis.

These consolidated financial statements also include the effects of the reverse acquisition transaction as described in note 1. All significant inter-company transactions have been eliminated on consolidation.

Critical accounting judgments and estimates

The preparation of the financial statements in conformity with IFRS requires management to make judgments and estimates that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results could differ from these estimates. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected.

Information about critical accounting judgments and estimates in applying accounting policies that have the most significant impact on the amounts recognized in the financial statements are outlined below.

Stock-Based Compensation

Management is required to make certain estimates when determining the fair value of stock option awards, and the number of awards that are expected to vest. These estimates affect the amount would be recognized as stock-based compensation in the unaudited condensed interim consolidated statement of loss and comprehensive loss based on estimates of volatility, forfeiture and expected lives of the underlying options.

3. SIGNIFICANT ACCOUNTING POLICIES

These unaudited condensed interim consolidated financial statements have been prepared using the same policies and methods of computation as the annual consolidated financial statements of eXeBlock Technology Corporation for the year ended August 31, 2023. Refer to note 2, *Significant Accounting Policies*, of the annual financial statements of eXeBlock Technology Corporation for the year ended August 31, 2023 for information on the accounting policies as well as new accounting standards not yet effective.

4. INVESTMENT

Termination of Agreement to acquire Nodalblock Canada Holdings Inc.

On August 18, 2022, the Company agreed with Nodalblock Canada Holdings Inc. ("Nodalblock"), to mutually terminate their proposed amalgamation, originally announced on December 7, 2020.

In consideration of the early termination of the merger agreement, Nodalblock issued to the Company 350,000 common shares. The Company has recorded these shares at $0.55 per share, the issue price of the last arms-length financing completed by Nodalblock, resulting in a fair value of $192,500 for the Company's investment in its shares of Nodalblock.

5. SHARE CAPITAL

a) Common shares

Authorized share capital of the Company consists of an unlimited number of fully paid common shares without par value.

b) Stock based compensation

The Company has a stock option plan a restricted share unit plan and a deferred share unit plan. (collectively the "Plans") for directors, officers, employees and consultants of the Company. The Board of Directors have the authority to issue up to 10% of the issued and outstanding common shares of the Company under the Plans. The options can have up to a ten-year life and the vesting period is set by the Board of Directors. Options are granted at a price no lower than the market price of the common shares on the date issued. The performance criteria and performance period of the restricted share units are determined by the Board of Directors. Any deferred share units shall be granted on terms determined by the Board of Directors in accordance with the deferred share unit plan.

The estimated fair value of options recognized has been estimated at the grant date using the Black-Scholes option pricing model. Option pricing models require the input of highly subjective assumptions, including the expected volatility. Changes in the assumptions can materially affect the fair value estimate and, therefore, the existing models do not necessarily provide a reliable estimate of the fair value of the Company's stock options.

There was no stock based compensation issued during the period ended February 29, 2024 and the year ended August 31, 2023. There are no options, restricted share units or deferred share units outstanding as at February 29, 2024 and August 31, 2023.

c) Warrants

There are no warrants outstanding as at February 29, 2024 and August 31, 2023.

Warrant pricing models require the input of highly subjective assumptions, including the expected volatility. Changes in the assumptions can materially affect the fair value estimate and, therefore, the existing models may not necessarily provide a reliable estimate of the fair value of the Company's warrants.

6. INCOME TAXES

The provision for income taxes reported differs from the amounts computed by applying the applicable income tax rates to the net loss before tax provision due to the following:

	2023	**2022**
	$	$
Loss before income taxes	(223,034)	(102,736)
Statutory rate	27%	27-29%
Tax recovery at statutory rate	(60,219)	(28,000)
Tax recovery on losses and deductible temporary differences not recognized in the current year	60,219	28,000
Income tax recovery	-	-

At August 31, 2023, the Company has unused non-capital losses in Canada of $6,800,000 available for carry-forward purposes which expire from 2036 to 2043.

At August 31, 2022 the Company has $6,582,000 of deductible temporary differences for which no deferred tax asset has been recognized (2021 - $6,377,672) which is comprised of the following:

	2023	**2022**
	$	$
Tax losses	6,800,000	6,480,000
Share issuance costs	-	102,000

7. RELATED PARTY TRANSACTIONS

Parties are considered to be related if one party has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operating decisions. Related parties may be individuals or corporate entities. A transaction is considered to be a related party transaction when there is a transfer of resources or obligations between related parties. Key management includes directors and key officers of the Company, including the President, Chief Executive Officer and Chief Financial Officer.

During the period ended February 29, 2024, the Company incurred consultancy fees of $42,000 (year ended August 31, 2023 - $84,000) from a related party, Numus Financial Inc. (“Numus”), a company which provided services under a consultancy agreement for a fee of $7,000 per month which continues until both Numus and the Company mutually agree to terminate. Numus and its principals are significant shareholders of the Company. Additionally, if the agreement with Numus is cancelled by the Company, a break fee of eighteen months of remuneration, being $108,000, will be payable to Numus, along with the service fees applicable for the 90 day notice period.

The agreement also provides for the rental of office space and general office services for $2,550 per month. The Company incurred office rental charges of $15,300 from Numus for the period ended February 29, 2024 (year ended August 31, 2023 $30,600). If the office space and general office services agreement is cancelled by the Company without notice, a break fee of six months of remuneration, being $15,300, will be payable to Numus.

7. RELATED PARTY TRANSACTIONS (continued)

In addition, Numus shall have a first right of refusal to act as an advisor on an eXeBlock transaction for a fee of 1.25% of the value of the transaction and Numus, or its subsidiary, shall have a first right of refusal to act as an agent on all financings conducted by the Company.

The Company also incurred consulting and director fees to certain directors and officers. The following table summarizes the key management compensation and related party expenses incurred during the periods ended February 29, 2024 and February 28, 2023:

Related party	**Period ended February 29, 2024**	**Period ended February 28, 2023**
	$	**$**
IMK Management Inc. – for services of Ian Klassen, CEO	30,000	30,000
Randall Consulting Inc. – for services of Rob Randall, CFO and Corporate Secretary	19,556	17,025

As at February 29 2024, the amount payable to related parties was $70,552 (August 31, 2023 - $51,889).

8. FAIR VALUE OF FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

a) Capital Management

The Company manages its capital to ensure that it will be able to continue as a going-concern while maximizing the return to stakeholders through the optimization of debt and equity balances.

The capital of the Company consists of items included in equity. The Company has capital resources of cash and cash equivalents and are not subject to external capital requirements.

The Company manages its capital structure and makes adjustments in light of changes in economic conditions. The Company has a planning and budgeting process to monitor operating cash requirements, including amounts projected for capital expenditures, which are adjusted as input variables change. These variables include, but are not limited to, the ability of the Company to generate revenue from current and prospective customers, general and administrative requirements of the Company and the availability of capital markets. As these variables change, liquidity risks may necessitate the need for the Company to issue equity or obtain debt financing.

b) Fair Values of Financial Instruments

Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants. The carrying amounts reported in the consolidated statement of financial position for cash and cash equivalents, deposits and accounts payable approximate their fair values based on the short-term maturities of these financial instruments.

c) Financial Risk Management Objectives

The Company examines the various financial instrument risks to which it is exposed and assesses the impact and likelihood of those risks. These risks may include credit risk, liquidity risk, currency risk and interest rate risk. Where material, these risks are reviewed and monitored.

8. FAIR VALUE OF FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (continued)

d) Credit Risk

Credit risk is the risk that a counterparty to a financial instrument will fail to discharge an obligation or commitment that it has entered into with the Company. The carrying amounts of financial assets best represent the maximum credit risk exposure at the reporting date. Cash and cash equivalents are held with reputable banks in Canada. The long-term credit rating of these banks, as determined by Standard and Poor's, was A+.

e) Liquidity Risk

Liquidity risk is the risk that the Company will not meet its financial obligations as they become due. Refer to note 1 for additional details related to the ability of the Company to continue as a going concern.

The Company is currently pursuing financing alternatives. There can be no assurance that additional future financings will be available on acceptable terms or at all. If the Company is unable to obtain additional financing when required, the Company may have to substantially reduce or eliminate planned expenditures.

Accounts payables are paid in the normal course of business generally according to their payment terms. In the normal course of business, the Company enters into contracts that give rise to commitments for future minimum payments. The following table summarizes the remaining contractual maturities of the Company's financial liabilities as at February 29, 2024:

	Within 1 year	2-3 years	4-5 years	Over 5 years	Total
	$	$	$	$	$
Accounts payable	96,303	-	-	-	96,303

f) Currency Risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. Currency risk exposure arises from the Company entering into transactions which are denominated in currencies other than its functional currency.

The Company is exposed to currency risk on its accounts payable and accrued liabilities that are held in currencies that are not in the transacting entity's functional currency. As at February 29, 2024, a 5% decrease in the exchange rate between the functional currency and foreign currencies would have no effect on the net loss; a 5% increase would increase the net loss by approximately $nil. The Company currently does not hedge its currency risk.

g) Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of financial instruments will fluctuate because of changes in market interest rates. An immaterial amount of interest rate exposure exists in respect of cash balances on the statement of financial position. As a result, the Company is not exposed to material cash flow interest rate risk on its cash balances.

8. FAIR VALUE OF FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (continued)

h) Fair Value Measurements Recognized in the Statement of Financial Position

The fair value hierarchy establishes three levels to classify the inputs to valuation techniques used to measure fair value. Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities. Level 2 fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices). Level 3 fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs).

At November 30, 2023 the Company had no financial instruments that were measured and recognized on the consolidated statements of financial position at fair value other than cash and cash equivalents, which is classified at level 1 and Investment, which is classified at level 2. In addition, there were no transfers between levels during the year.

9. COMMITMENTS AND CONTINGENCIES

The Company has a consultancy agreement with Numus for the provision of management and accounting services and office rent at a fee of $9,550 per month, continuing until both parties mutually agree to terminate. The agreement with Numus is subject to break fees, and a first right of refusal on advisory services, as described in Note 7.