BIRCHTREE INVESTMENTS LTD.

FINANCIAL STATEMENTS

FOR THE YEARS ENDED AUGUST 31, 2023 AND 2022

(EXPRESSED IN CANADIAN DOLLARS)

AGT Partners LLP
Chartered Professional Accountants

Tel: 905-266-0287
Fax: 905-266-1349
info@agtllp.com

7675 Highway 27, unit 23
Woodbridge, ON L4L 4M5
www.agtllp.com

INDEPENDENT AUDITOR'S REPORT

To the Shareholders of **Birchtree Investments Ltd.**

Opinion
We have audited the accompanying financial statements of **Birchtree Investments Ltd.** (the "Company"), which comprise the statements of financial position as at August 31, 2023 and the statements of comprehensive income (loss), changes in shareholders' equity and cash flows for the years then ended, and a summary of significant accounting policies and other explanatory information.

In our opinion, the financial statements present fairly, in all material respects, the financial position of **Birchtree Investments Ltd.** as at August 31, 2023 and its financial performance and its cash flows for the years then ended in accordance with International Financial Reporting Standards (IFRS).

Basis for Opinion
We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audits of the Financial Statements* section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters
We have determined that there are no key audit matters to communicate in our report.

Emphasis of Matter
We draw attention to Note 1 in the financial statements, which indicates that the Company incurred a net loss during the year ended August 31, 2023, and, as of that date, the Company had an accumulated deficit. As stated in Note 1, these events or conditions, along with other matters as set forth in Note 1, indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Other Matter
The financial statements of the Company for the year ended August 31, 2022, were audited by another auditor who had expressed an unmodified opinion on those statements on February 10, 2023.

Information Other than the Financial Statements and Auditor's Report Thereon
Management is responsible for the other information. The other information comprises the Management Discussion and Analysis and any other statutory or other reports which may include financial information.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information, and in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Financial Statements
Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audits of the Financial Statements
Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner on the audit resulting in this independent auditor's report is Umair Tasadduq.

AGT Partners LLP

Woodbridge, Canada
December 28, 2023

LICENSED PUBLIC ACCOUNTANTS

Birchtree Investments Ltd.
Statements of Financial Position
(Expressed in Canadian Dollars)

As at		August 31, 2023		August 31, 2022
ASSETS				
Current				
Cash	$	**94,141**	$	289,139
Subscription receivable		**1,800**		1,800
Prepaid insurance		**12,245**		-
Loan receivable (note 5)		**-**		533,699
Total current assets		**108,186**		824,638
Convertible debenture (notes 4 and 5)		**593,772**		-
Investments (note 4)		**1,513,137**		2,147,865
Total assets	$	**2,215,095**	$	2,972,503
LIABILITIES				
Accounts payable and accrued liabilities	$	**110,611**	$	109,814
Insurance loan payable		**9,454**		-
Total liabilities	$	**120,065**	$	109,814
SHAREHOLDERS' EQUITY				
Share capital (note 7)	$	**5,468,140**	$	5,321,000
Contributed surplus		**51,415**		130,340
Deficit		**(3,454,525)**		(2,588,651)
Total shareholders' equity		**2,095,030**		2,862,689
Total liabilities and shareholder's equity	$	**2,215,095**	$	2,972,503

Nature of operations and going concern (note 1)

Approved on behalf of the Board:

"Vitali Savitski" — **Director**

"James Greig" — **Director**

Birchtree Investments Ltd.
Statements of Income (Loss) and Comprehensive Income (Loss)
(Expressed in Canadian Dollars)

Year Ended	August 31, 2023	August 31, 2022
Income (loss)		
Realized gain (loss) on sale of investments (note 4)	**$ -**	$ 515,193
Unrealized gain (loss) on investments (note 4)	**(634,728)**	322,724
Accretion (note 5)	**-**	180,358
Interest income (notes 4 and 5)	**60,105**	33,726
Income (loss) from investments	**(574,623)**	1,052,001
Expenses		
Investor relations	**35,382**	7,304
Office and general	**10,344**	1,517
Professional fees (note 13)	**164,110**	176,580
Share-based compensation (note 9)	**51,415**	-
Total operating expenses	**261,251**	185,401
Net income (loss) for the year	**$ (835,874)**	$ 866,600
Net income (loss) per share – basic/diluted (note 10)	**(0.01)**	0.01
Weighted average number of common shares outstanding – basic/diluted (note 10)	**77,655,226**	73,353,500

Birchtree Investments Ltd.
Statements of Cash Flows
(Expressed in Canadian Dollars)

Year Ended	August 31, 2023	August 31, 2022
Operating activities		
Net income (loss) for the period	**$ (835,874)**	$ 866,600
Items not affecting cash:		
Accretion (note 5)	**-**	(180,358)
Accrued interest income (note 4 and 5)	**(60,073)**	(33,699)
Realized gain on sale of investments	**-**	(515,193)
Unrealized loss (gain) on investments (note 4)	**634,728**	(322,724)
Share-based compensation	**51,415**	-
Share-based supplier payments	**16,800**	-
Changes in non-cash working capital items:		
Subscription receivable	**-**	24,785
Prepaid insurance	**(12,245)**	-
Accounts payable and accrued liabilities	**797**	58,234
Insurance loan payable	**9,454**	-
Net cash used in operating activities	**(194,998)**	(102,355)
Investing activities		
Purchase of investments	**-**	(1,192,645)
Sale of investments	**-**	1,675,512
Loan to American Aires Inc.	**-**	(500,000)
Net cash used in investing activities	**-**	(17,133)
Net change in cash	**(194,998)**	(119,488)
Cash, beginning of period	**289,139**	408,627
Cash, end of period	**$ 94,141**	$ 289,139

Supplemental information		
American Aires loan plus accrued interest exchanged for convertible debenture investment	**$ 593,772**	-

Birchtree Investments Ltd.
Statements of Changes in Shareholders' Equity
(Expressed in Canadian Dollars)

	Number of Shares	Share Capital	Special Warrants	Contributed Surplus	Deficit	Total
Balance, August 31, 2021	**56,705,500**	**$ 4,469,000**	**$ 852,000**	**$ 130,340**	**$ (3,455,251)**	**$ 1,996,089**
Conversion of special warrants (note 6)	20,810,000	852,000	(852,000)	-	-	-
Net income (loss) for the year	-	-	-	-	866,600	866,600
Balance, August 31, 2022	**77,515,500**	**$ 5,321,000**	**$ -**	**$ 130,340**	**$ (2,588,651)**	**$ 2,862,689**
Balance, August 31, 2022	**77,515,500**	**$ 5,321,000**	**$ -**	**$ 130,340**	**$ (2,588,651)**	**$ 2,862,689**
Expiry of warrants	-	130,340	-	(130,340)		-
Stock-based compensation (note 9)	-	-	-	51,415	-	51,415
Issuance of stock in settlement of debt (note 7)	1,000,000	16,800	-	-	-	16,800
Net income (loss) for the year	-	-	-	-	(835,874)	(835,874)
Balance, August 31, 2023	**78,515,500**	**$ 5,468,140**	**$ -**	**$ 51,415**	**$ (3,424,525)**	**$ 2,095,030**

1. NATURE OF OPERATIONS AND GOING CONCERN

Birchtree Investments Ltd. (previously Greenridge 4.0 Acquisitions Corp.) ("Birchtree" or the "Company") was incorporated under the Business Corporations Act (British Columbia) on February 2, 2021. The registered head office of the Company is 2900-550 Burrard Street, Vancouver, BC V6C 0A3, Canada. The Company is an investment company with the long-term goal of divesting its investment assets at a profit. Its investment focus is on (i) companies in early stages of development, (ii) technologies that are developed and validated but may be in the early stage of commercialization, or (iii) target companies that require strategic guidance and thus are undervalued.

The Company filed a notice of alteration of its articles in order to change its name to “Birchtree Investments Ltd.” on June 23, 2021 in order to coincide with the voluntary dissolution of its subsidiary, Birchtree Investments Limited ("Limited"). Limited was incorporated under the Business Corporations Act (British Columbia) on January 29, 2021 and was voluntarily dissolved on June 9, 2021. On May 18, 2021, pursuant to a share exchange agreement Birchtree issued 54,100,000 common shares as consideration for acquisition of the 54,100,000 outstanding common shares in the capital of Limited. The acquisition was accounted for as a reverse takeover ("RTO") whereby Limited was identified as the acquirer for accounting purposes and the resulting financial statements are presented as a continuance of Limited. The Company began trading on the Canadian Securities Exchange (“CSE”) under the trading symbol "BRCH" as of market open on March 1, 2023.

These financial statements have been prepared on a going concern basis, which contemplates the realization of assets and settlement of liabilities in the normal course of business as they come due. For the year ended August 31, 2023, the Company reported a net loss of $835,874 (year ended August 31, 2022 - net income of $866,600) and had a cash outflow from operating activities of $194,998 (year ended August 31, 2022 - cash outflows of $102,355). The Company has cash balance of $94,141 (August 31, 2022 - $289,139). The Company's ability to continue as a going concern is dependent upon its ability to develop and maintain profitable operations or to obtain additional financing. However, there is no assurance that the outcome of these matters will be successful and, as a result, there are material uncertainties that might cause significant doubt regarding the going concern assumption.

These financial statements do not give effect to any adjustments which would be necessary should the Company be unable to continue as a going concern and therefore be required to realize its assets and discharge its liabilities in other than the normal course of business and at amounts different from those reflected in the accompanying financial statements. Such adjustments could be material.

2. BASIS OF PREPARATION

Statement of compliance

The financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") issued by the International Accounting Standards Board (“IASB”) and interpretations issued by the IFRS Interpretations Committee ("IFRIC"). These financial statements were approved and authorized for issuance by the Board of Directors on December 28, 2023.

Basis of measurement

These financial statements have been prepared on a historical cost basis except for cash and investments which are classified as financial instruments at fair value through profit or loss, which are stated at their fair value. In addition, these financial statements have been prepared using the accrual basis of accounting, except for cash flow information.

Functional currency and presentation currency

These financial statements are presented in Canadian dollars, except as otherwise noted, which is the functional currency of the Company.

3. SIGNIFICANT ACCOUNTING POLICIES

The Company's accounting policies and its financial disclosures set out below are in accordance with IFRS and have been applied consistently throughout the period presented in these financial statements, unless otherwise stated.

Financial Assets

Initial recognition and measurement

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

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

Financial assets with embedded derivatives are considered in their entirety when determining their classification. The assets and embedded derivatives are measured at FVTPL on the date of acquisition. The Company has measured cash at FVTPL and subscription receivables at amortized cost.

After initial recognition, financial assets measured at amortized cost are subsequently measured at the end of each reporting period at amortized cost using the Effective Interest Rate ("EIR") method. Amortized cost is calculated by taking into account any discount or premium on acquisition and any fees or costs that are an integral part of the EIR. The EIR amortization is included in profit or loss.

Subsequent measurement – financial assets at FVTPL

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

Subsequent measurement – financial assets at FVOCI

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

Dividends from such investments are recognized in other income in the statement of loss when the right to receive payments is established.

Derecognition

A financial asset is derecognized when the contractual rights to the cash flows from the asset expire, or the Company no longer retains substantially all the risks and rewards of ownership.

Impairment of financial assets

The Company's only financial assets subject to impairment are subscription receivable, loan receivable and convertible debenture which are measured at amortized cost. The Company has elected to apply the simplified approach to impairment as permitted by IFRS 9, which requires the expected lifetime loss to be recognized at the time of initial recognition of the receivable. To measure estimated credit losses, accounts receivable have been grouped based on shared credit risk characteristics, including the number of days past due. An impairment loss is reversed in subsequent periods if the amount of the expected loss decreases and the decrease can be objectively related to an event occurring after the initial impairment was recognized.

Financial Liabilities

Initial recognition and measurement

Financial liabilities are measured at amortized cost, unless they are required to be measured at FVTPL as is the case for held for trading or derivative instruments, or the Company has opted to measure the financial liability at FVTPL. Accounts payable, accrued liabilities and insurance loan payable are measured at amortized cost.

Subsequent measurement – financial liabilities at amortized cost

After initial recognition, financial liabilities measured at amortized cost are subsequently measured at the end of each reporting period at amortized cost using the EIR method. Amortized cost is calculated by taking into account any discount or premium on acquisition and any fees or costs that are an integral part of the EIR. The EIR amortization is included in profit or loss.

Derecognition

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

Classification of financial instruments

The following is a summary of significant categories of financial instruments at August 31, 2023:

Cash and cash equivalents	FVTPL
Investments	FVTPL
Subscription receivable	Amortized cost
Convertible debenture	Amortized cost
Accounts payable and accrued liabilities	Amortized cost
Insurance loan payable	Amortized cost

Carrying and fair values of financial assets and liabilities at amortized cost are approximately equal.

Fair value hierarchy

The Company classifies financial instruments recognized at fair value in accordance with a fair value hierarchy described below:

Level 1 – Unadjusted quoted prices in active markets that are accessible at the measurement date for identical, unrestricted assets or liabilities.

Level 2 – Quoted prices in markets that are not active, or inputs that are observable, either directly or indirectly, for substantially the full term of the asset or liability.

Level 3 – Prices or valuation techniques that require inputs that are both significant to the fair value measurement and unobservable (supported by little or no market activity).

Share-based payments

The Company may grant stock options to acquire common shares of the Company to directors, officers, employees and consultants. An individual is classified as an employee when the individual is an employee for legal or tax purposes, or provides services similar to those performed by an employee.

Stock options granted to directors, officers and employees are measured at their fair values determined on their grant date, using the Black-Scholes option pricing model, and are recognized as an expense over the vesting periods of the options on a graded basis. Options granted to consultants or other non-insiders are measured at the fair value of goods or services received from these parties, or at their Black-Scholes fair values if the fair value of goods or services received cannot be measured. A corresponding increase is recorded to equity reserves for share-based payments recorded.

When stock options are exercised, the cash proceeds along with the amount previously recorded as equity reserves are recorded as share capital. When the right to receive options is forfeited before the options have vested, any expense previously recorded is reversed.

Financing costs

Costs incurred to obtain equity financing are deducted from the value assigned to shares issued. When costs are incurred prior to the closing of a financing arrangement, these amounts are presented as a deferred asset until the financing has closed. When an expected financing arrangement does not occur, any deferred costs are recorded as an expense.

Income taxes

Tax provisions are recognized when it is considered probable that there will be a future outflow of funds to a taxing authority. In such cases, a provision is made for the amount that is expected to be settled, where this can be reasonably estimated. This requires the application of judgment as to the ultimate outcome, which can change over time depending on facts and circumstances. A change in estimate of the likelihood of a future outflow and/or in the expected amount to be settled would be recognized in income in the period in which the change occurs. Deferred tax assets or liabilities, arising from temporary differences between the tax and accounting values of assets and liabilities, are recorded based on tax rates expected to be enacted when these differences are reversed.

Deferred tax assets are recognized only to the extent it is considered probable that those assets will be recovered. This involves an assessment of when those deferred tax assets are likely to be realized, and a judgment as to whether or not there will be sufficient taxable profits available to offset the tax assets when they do reverse. This requires assumptions regarding future profitability and is therefore inherently uncertain. To the extent assumptions regarding future profitability change, there can be an increase or decrease in the amounts recognized in respect of deferred tax assets as well as in the amounts recognized in income in the period in which the change occurs. Tax provisions are based on enacted or substantively enacted laws. Changes in those laws could affect amounts recognized in income both in the period of change, which would include any impact on cumulative provisions, and in future periods.

Income (loss) per share

Basic (loss) earnings per share is calculated by dividing net (loss) earnings by the weighted average number of common shares outstanding during the period which excludes shares held in escrow. All of the escrow shares are considered contingently returnable until the Company completes a qualifying transaction and, accordingly, are not considered to be outstanding shares for the purposes of the calculation.

Diluted (loss) earnings per share is determined by dividing net (loss) earnings by the weighted average number of common shares outstanding adjusted for dilutive instruments, which includes stock options, as if they were in effect at the measurement date. The calculation of the diluted number of common shares assumes that the holders will use the proceeds received from the exercise of “in-the- money” stock options and common share purchase warrants to purchase common shares of the Company at their average market price for the period.

In periods that the Company reports a net loss, any stock options or warrants outstanding are excluded from the calculation of diluted loss per share as their inclusion would be anti-dilutive.

Summary of accounting estimates and assumptions

The preparation of these financial statements under IFRS requires management to make certain estimates, judgments and assumptions about future events that affect the amounts reported in the financial statements and related notes to the financial statements. Although these estimates are based on management’s best knowledge of the amount, event or actions, actual results may differ from those estimates and these differences could be material.

The areas which require management to make significant judgements, estimates and assumptions in determining carrying values include, but are not limited to:

Income taxes

The calculation of income taxes requires judgment in interpreting tax rules and regulations. There are transactions and calculations for which the ultimate tax determination is uncertain. The Company's tax filings also are subject to audits, the outcome of which could change the amount of current and deferred tax assets and liabilities. Management believes that it has sufficient amounts accrued for outstanding tax matters based on information that currently is available.

Judgment is used to determine the amounts of deferred tax assets and liabilities and future tax liabilities to be recognized in particular when assessing the timing of the reversal of temporary differences to which future income tax rates are applied.

Share-based payments

The fair value of stock-based compensation and warrants are estimated using the Black-Scholes option pricing model and rely on a number of estimates, such as the expected life of the option, the volatility of the underlying share price, the risk-free rate of return, and the estimated rate of forfeiture of options granted.

Going concern

Management's assessment of going concern and uncertainties of the Company's ability to raise additional capital and/or obtain financing to meet its commitments.

Accounting standards issued and adopted

The Company adopted the following accounting policies during the period.

IAS 37 – Provisions, Contingent Liabilities, and Contingent Assets ("IAS 37") was amended. The amendments clarify that when assessing if a contract is onerous, the cost of fulfilling the contract includes all costs that relate directly to the contract – i.e. a full-cost approach. Such costs include both the incremental costs of the contract (i.e. costs a company would avoid if it did not have the contract) and an allocation of other direct costs incurred on activities required to fulfill the contract – e.g. contract management and supervision, or depreciation of equipment used in fulfilling the contract. On September 1, 2022, the Company adopted the amendment, there was no impact on the financial statements upon adoption of this policy.

IFRS 3 – Business Combinations ("IFRS 3") was amended. The amendments introduce new exceptions to the recognition and measurement principles in IFRS 3 to ensure that the update in references to the revised conceptual framework does not change which assets and liabilities qualify for recognition in a business combination. An acquirer should apply the definition of a liability in IAS 37 – rather than the definition in the Conceptual Framework – to determine whether a present obligation exists at the acquisition date as a result of past events. For a levy in the scope of IFRIC 21, the acquirer should apply the criteria in IFRIC 21 to determine whether the obligating event that gives rise to a liability to pay the levy has occurred by the acquisition date. In addition, the amendments clarify that the acquirer should not recognize a contingent asset at the acquisition date. On September 1, 2022, the Company adopted the amendment, there was no impact on the financial statements upon adoption of this policy.

Accounting standards issued but not yet applied

Certain pronouncements were issued by the IASB or the IFRIC that are mandatory for annual periods beginning on or after January 1, 2022 or later periods.

IAS 1 – Presentation of Financial Statements ("IAS 1") was amended in January 2020 to provide a more general approach to the classification of liabilities under IAS 1 based on the contractual arrangements in place at the reporting date. The amendments clarify that the classification of liabilities as current or noncurrent is based solely on a company's right to defer settlement at the reporting date. The right needs to be unconditional and must have substance. The amendments also clarify that the transfer of a company's own equity instruments is regarded as settlement of a liability, unless it results from the exercise of a conversion option meeting the definition of an equity instrument. The amendments are effective for annual periods beginning on January 1, 2023.

(Expressed in Canadian Dollars)

4. INVESTMENTS

The Company's investments are financial instruments and have been classified at FVTPL with gains and losses recorded in net income. Investment transactions are recorded on a trade date basis.

	August 31, 2022				August 31, 2023				Change in Unrealized
Investment	**Number**	**Cost**	**FMV**	**Unrealized**	**Number**	**Cost**	**FMV**	**Unrealized**	**P&L Impact**
ThreeD Capital Inc.									
Common Shares	106,082	$ 121,995	$ 72,136	$ (49,859)	106,082	$ 121,995	$ 34,477	$ (87,518)	$ (37,659)
Ehave Inc.									
Common Shares	1,743,861	$ 350,000	$ 15,775	$ (334,225)	1,743,861	$ 350,000	$ 235	$ (349,765)	$ (15,540)
Xebra Brands Ltd.									
Common Shares	1,750,000	$ 281,936	$ 113,750	$ (168,186)	350,000	$ 281,936	$ 7,000	$ (274,936)	$ (106,750)
Warrants	3,125,000	$ -	$ 5,536	$ 5,536	-	$ -	$ -	$ -	$ (5,536)
Bluecorp Capital Corp.									
Common Shares	10,000,000	$ 500,000	$ 1,000,000	$ 500,000	10,000,000	$ 500,000	$ 500,000	$ -	$ (500,000)
American Aires									
Common Shares	4,100,000	$ 391,145	$ 184,500	$ (206,645)	4,100,000	$ 391,145	$ 41,000	$ (350,145)	$ (143,500)
Warrants	7,250,000	$ -	$ 110,968	$ 110,968	18,810,000	$ -	$ 65,008	$ 65,008	$ (45,960)
Firstpayment Inc.									
Common Shares	600,000	$ 150,000	$ 150,000	$ -	600,000	$ 150,000	$ 30,000	$ (120,000)	$ (120,000)
Warrants	300,000	$ -	$ 23,230	$ 23,230	300,000	$ -	$ -	$ -	$ (23,230)
Sommerset Energy									
Common Shares	1,670,000	$ 501,000	$ 390,635	$ (110,365)	1,670,000	$ 501,000	$ 751,500	$ 250,500	$ 360,865
Warrants	835,000	$ -	$ 81,335	$ 81,335	835,000	$ -	$ 83,918	$ 83,918	$ 2,583
Total		**$ 2,296,076**	**$ 2,147,865**	**$ (148,211)**		**$ 2,296,076**	**$ 1,513,137**	**$ (782,939)**	**$ (634,728)**

Investment in ThreeD Capital Inc. ("ThreeD")

Prior to fiscal year 2022, the Company had 359,782 common shares of ThreeD. During the year ended August 31, 2022, the Company sold 253,700 common shares for proceeds of $337,998 and recognized a realized gain on sale of $78,399. As at August 31, 2022, the Company had 106,082 common shares of ThreeD. There were no transactions during the year ended August 31, 2023. The investment in common shares is considered Level 1 in the fair value hierarchy. As a result of changes in the fair market value of the shares held in ThreeD an unrealized loss of $37,659 (August 31, 2022 - $62,588) has been recorded in the statements of income (loss) and comprehensive income (loss) for the year ended August 31, 2023.

Investment in Ehave, Inc. ("Ehave")

Prior to fiscal year 2022 and during the years ended August 31, 2022 and 2023, the Company had 1,743,861 common shares of Ehave. The investment in common shares is considered a Level 1 in the fair value hierarchy. As a result of changes in the fair market value of the shares held in Ehave an unrealized loss of $15,540 (August 31, 2022 - $57,823) has been recorded in the statements of income (loss) and comprehensive income (loss) for the year ended August 31, 2023.

Investment in Xebra Brands Ltd. ("Xebra")

Prior to fiscal year 2022, the Company had 5,000,000 subscription receipts of Xebra with a fair value of $581,936. Each subscription receipt entitled the holder to acquire one common share of Xebra and one-half a common share purchase warrant. Each whole warrant entitled the holder to acquire one additional common share of the Company at an exercise price of $0.35 per share until October 4, 2022.

During the year ended August 31, 2022, the subscription receipts were converted into 5,000,000 common shares and 2,500,000 warrants at no additional cost. Upon conversion the common shares were categorized as Level 1 in the fair value hierarchy and the warrants were categorized as Level 2 in the fair value hierarchy. The 5,000,000 common shares were assigned a fair market value of $500,000 and the warrants were assigned a fair market value of $31,936. During year ended August 31, 2022, the Company sold 4,500,000 common shares for proceeds of $1,337,514. The Company recognized a realized gain on sale of $437,514 on the sale of common shares.

During the year ended August 31, 2022, the Company also purchased 1,250,000 units for $150,000. Each unit entitled the holder to acquire one common share of Xebra and one-half a common share purchase warrant. Each whole warrant entitled the holder to acquire one additional common share of the Company at an exercise price of $0.25 per share until April 11, 2023. The warrants were assigned a fair market value of $22,180 on the acquisition date. As at August 31, 2022, the Company had 1,750,000 common shares and 3,125,000 warrants of Xebra.

During the year ended August 31, 2023, 2,500,000 warrants with an expiry date of October 4, 2022 and 625,000 with an expiry date of April 11, 2023 expired unexercised. On March 1, 2023, Xebra completed a 5 to 1 share consolidation. All Xebra share numbers have subsequently been updated to reflect the consolidation. There were no other transactions involving Xebra during the year and as at August 31, 2023, the Company had 350,000 common shares (post-consolidation).

The investment in common shares is considered Level 1 in the fair value hierarchy. As a result of changes in the fair market value in Xebra an unrealized loss of $106,750 (August 31, 2022 - $69,070) has been recorded in the statements of income (loss) and comprehensive income (loss) for the year ended August 31, 2023.

The investment in warrants is considered a Level 2 in the fair value hierarchy. As a result of changes in the fair market value and expiration of the warrants held in Xebra an unrealized loss of $5,536 (August 31, 2022 - $48,580) has been recorded in the statements of income (loss) and comprehensive income (loss) during the year ended August 31, 2023.

Investment in Bluecorp Capital Corp. ("Bluecorp")

Prior to fiscal year 2022, the Company had 10,000,000 special warrants of Bluecorp. Each special warrant entitled the holder to acquire one common share of Bluecorp for no additional consideration. On November 11, 2021, the special warrants were converted into common shares, and as at August 31, 2022, the Company had 10,000,000 common shares of Bluecorp. There were no transactions involving Bluecorp during the year and the Company had 10,000,000 shares as at August 31, 2023.

The investment in these common shares is considered a Level 3 in the fair value hierarchy as Bluecorp is a private company. As a result of changes in the fair market value of Bluecorp an unrealized loss of $500,000 (August 31, 2022 - $500,000 gain) has been recorded in the statements of income (loss) and comprehensive income (loss) during the year ended August 31, 2023.

Investment in American Aires Inc. ("American Aires")

During the year ended August 31, 2022, the Company acquired the following securities related to American Aires:

- 2,500,000 units in a non-brokered private placement for $250,000. Each unit was comprised of one common share and half of one common share purchase warrant exercisable at a price of $0.15 for a period of 24 months from the date of closing.

- 1,000,000 units in a non-brokered private placement for $100,000. Each unit comprised of one common share and common share purchase warrant exercisable at a price of $0.15 for a period of 24 months from the date of closing.

- The Company purchased 600,000 common shares of American Aires for $41,145.

- On February 7, 2022 in connection with the loan agreement (note 5), American Aires issued 5,000,000 common share purchase warrants exercisable at a price of $0.10 per share for a period of three years from the issuance date.

As at August 31, 2022, the Company had 4,100,000 common shares and 7,250,000 warrants of American Aires.

During the year ended August 31, 2023, the Company had the following transaction with respect to American Aires:

- Loan receivable (Note 5) in the amount of $578,575 ($500,000 principal balance and $78,575 accrued interest) was fully converted into a convertible debenture of American Aires on June 9, 2023. The convertible debenture bears interest at a rate of 12% per annum, payable semi-annually in arrears on the last day of June and December in each year, with the first interest payment payable on June 30, 2023. The maturity date is June 30, 2025. The debenture is convertible into common shares of the Company at the market price of the common shares at the time of conversion, determined by the most recent closing price on the day of conversion, at the option of the holder at any time prior to maturity. The convertible debenture was issued in units and each unit is comprised of $1,000 principal amount of the debenture and 20,000 common share purchase warrants. Each warrant shall entitle the holder thereof to acquire one common share at an exercise price of $0.05 until June 30, 2025. The Company received 578 units of the convertible debenture and 11,560,000 warrants because of the loan receivable conversion. The debenture is measured at amortized cost using the effective interest rate method. The effective interest rate is equal to the coupon rate of 12% because it reflects the market interest rate on similar non-convertible debt instruments. The Company exercised judgement and consideration of all relevant factors when making this classification decision. A fair value of $320,212 was assigned to the warrants issued, estimated using the Black-Scholes valuation model with the following assumptions: dividend yield 0%, share price of $0.04, expected volatility of 150%, a risk-free rate of return of 4.49% and an expected life of 2 years.

The investment in common shares is considered Level 1 in the fair value hierarchy. As a result of changes in the fair market value of the shares held in American Aires an unrealized loss of $143,500 (August 31, 2022 - $133,141) has been recorded in the statements of income (loss) and comprehensive income (loss) for the year ended August 31, 2023.

The investment in warrants is considered Level 2 in the fair value hierarchy. As a result of changes in the fair market value of the warrants held in American Aires an unrealized loss of $45,960 (August 31, 2022 - $142,894) has been recorded in the statements of income (loss) and comprehensive income (loss) for the year ended August 31, 2023.

Investment in Firstpayment Inc. ("Firstpayment")

During year ended August 31, 2022, the Company purchased 600,000 units of Firstpayment for $150,000. Each unit entitled the holder to acquire one common share of Firstpayment and one-half a common share purchase warrant. Each warrant entitled the holder to acquire one additional common share of the Company at an exercise price of $0.35 per share for two years from the date of issuance. As at August 31, 2023 and 2022, the Company had 600,000 common shares and 300,000 warrants of Firstpayment. There were no transactions involving Firstpayment during the year ended August 31, 2023.

The investment in these common shares and warrants is considered Level 3 in the fair value hierarchy as Firstpayment is a private company. As a result of changes in the fair market value in Firstpayment common shares an unrealized loss of $120,000 (August 31, 2022 - unrealized gain of $33,337) has been recorded in the statement of income (loss) and comprehensive income (loss) for the year ended August 31, 2023. As a result of changes in the fair market value of Firstpayment warrants an unrealized loss of $23,230 (August 31, 2022 - $10,107) has been recorded in the statement of income (loss) and comprehensive income (loss) for the year ended August 31, 2023.

Somerset Energy Partners ("Somerset")

During year ended August 31, 2022, the Company purchased 1,670,000 units of Somerset for $501,000. Each unit entitled the holder to acquire one common share and one-half a common share purchase warrant. Each warrant entitles the holder to acquire one additional common share of the Company at an exercise price of $0.45 per share for two years from the date of issuance. As at August 31, 2023 and 2022, the Company had 1,670,000 common shares and 835,000 warrants of Somerset. There were no transactions involving Somerset during the year ended August 31, 2023.

(Expressed in Canadian Dollars)

The investment in these common shares and warrants is considered Level 3 in the fair value hierarchy as Somerset is a private company. As a result of changes in the fair market value in Somerset common shares an unrealized gain of $360,865 (August 31, 2022 – unrealized loss of $3,365) has been recorded in the statements of income (loss) and comprehensive income (loss) for the year ended August 31, 2023. As a result of changes in the fair market value in Somerset warrants an unrealized gain of $2,583 (August 31, 2022 - unrealized loss of $25,665) has been recorded in the statements of income (loss) and comprehensive income (loss) for the year ended August 31, 2023.

5. LOAN RECEIVABLE

On February 7, 2022 the Company entered into a loan agreement with American Aires, whereby the Company advanced $500,000, with a maturity date of three months from the date of issuance, unless further extended by agreement for an additional three months. The rate of interest on the loan was 12% per annum. The loan was secured by a general security interest over the assets of the American Aires. Under the general security agreement, American Aires agreed, among other things, to not sell, lease or otherwise dispose of its assets, other than in the normal course, without prior written consent of the Company. In connection with the loan agreement, American Aires issued 5,000,000 common share purchase warrants exercisable at a price of $0.10 per share for a period of three years from issuance date. Effective December 7, 2022, the parties signed an amendment extending the maturity date to May 7, 2024. The warrants were valued at $180,358 using a Black-Scholes valuation model with the following assumptions: share price of $0.095, expected dividend yield of 0%, expected volatility of 100%, risk-free rate of 1.43%, and expected life of 3 years.

During the year ended August 31, 2023, the Company recognized interest income of $44,877 (August 31, 2022 - accretion income of $180,358 and interest income of $33,699). As mentioned in Note 4 above, the full amount of the loan receivable of $578,575 ($500,000 principal balance and $78,575 of accumulated accrued interest) was converted into a convertible debenture of American Aires on June 9, 2023. The details of the convertible debenture are described in Note 4.

6. SPECIAL WARRANTS

In connection with the RTO the Company issued 20,810,000 special warrants with a gross value of $1,040,500, incurred transaction costs of $188,500, which consisted of 998,500 broker warrants, broker fees of $99,950, and 200,000 special warrants. Each special warrant entitles the holder thereof to automatically receive, without payment of additional consideration and without further action on the part of the holder, one common share of the Company. On November 12, 2021, the 20,810,000 special warrants were converted into 20,810,000 common shares for no additional consideration.

6. SHARE CAPITAL

(a) Authorized share capital

The Company is authorized to issue an unlimited number of common shares without par value.

(b) Common shares issued

	Shares		Amount
Balance, August 31, 2021	**56,705,500**	**$**	**4,469,000**
Conversion of special warrants (note 6)	20,810,000		852,000
Balance August 31, 2022	**77,515,500**	**$**	**5,321,000**
Expiry of warrants issued (Note 8)	-		134,340
Issuance of stock in settlement for services (i)	1,000,000		16,800
Balance August 31, 2023	**78,515,500**	**$**	**5,468,140**

(i) On July 12, 2023, the Company issued 1,000,000 common shares in exchange for services offered by a consultant in the investment relations space in the amount of $16,800.

(Expressed in Canadian Dollars)

7. WARRANTS

Prior to fiscal year 2022, the Company issued 4,000,000 warrants with $0.05 exercise price and expiry date of February 15, 2023 and 998,500 warrants with $0.05 exercise price and expiry date of April 28, 2023. During the year ended August 31, 2023, all warrants of the Company expired unexercised and there are no more warrants outstanding. As this was a capital transaction the value attributed to the expired warrants has been credited to share capital (Note 7).

8. STOCK OPTIONS

The Company has adopted an incentive stock option plan. Options may be granted for a maximum term of ten years from the date of the grant. They are not transferable. Unless the Board determines otherwise, options shall be exercisable in whole or in part at any time during this period. Options expire within 90 days of termination of employment or holding office as director or officer of the Company and, in the case of death, expire within a maximum period of one year after such death, subject to the expiry date of the option.

	Number of Stock options	Weighted Average Exercise Price ($)
Balance, September 1, 2022	**-**	**-**
Issued (i)	1,550,000	0.10
Balance, August 31, 2023	**1,550,000**	**0.10**

(i) On February 16, 2023, the Company granted stock options to directors, and officers to purchase 1,550,000 common shares of the Company at an exercise price of $0.10 for a period of 5 years following the date of grant which vest immediately. The options were valued at $51,415 using a Black-Scholes valuation model with the following assumptions: share price of $0.05 per common shares, expected dividend yield of 0%, expected volatility of 100%, risk-free rate of 3.45%, and expected life of 5 years.

10. GAIN (LOSS) PER SHARE

Basic income (loss) per share is computed using the weighted average number of common shares outstanding during the year. The treasury stock method is used for the calculation of diluted income per share, whereby all “in the money” stock options and share purchase warrants are assumed to have been exercised at the beginning of the period and the proceeds from their exercise are assumed to have been used to purchase common shares at the average market price during the period. When a loss is incurred during the period, basic and diluted loss per share are the same, as the inclusion of stock options and warrants is anti-dilutive.

Year Ended August 31,	**2023**	**2022**
Weighted average shares outstanding -basic	**77,655,226**	73,353,500
Dilutive effect of warrants and options	**-**	-
Weighted average shares outstanding -diluted	**77,655,226**	73,353,500
Income (loss) per share -basic & diluted	**$ (0.01)**	**$ 0.01**

(Expressed in Canadian Dollars)

11. FINANCIAL INSTRUMENTS AND OBJECTIVES AND POLICIES

Risk Management

In the normal course of business, the Company is exposed to a number of risks that can affect its operating performance. These risks, and the actions taken to manage them, are as follows:

Fair Values

The Company has designated its cash as FVTPL and is measured at fair value. Fair value of cash is determined based on transaction value and is categorized as a Level One measurement.

- Level One - includes quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level Two - includes inputs that are observable other than quoted prices included in Level One.
- Level Three - includes inputs that are not based on observable market data.

The following tables present the Company's financial instruments that have been measured at fair value as at August 31, 2023 and 2022:

As at August 31, 2023	**Level 1**	**Level 2**	**Level 3**	**Total**
Cash	$ 94,141	$ -	$ -	$ 94,141
Investments - Common Shares	$ 82,712	$ -	$ 1,281,500	$ 1,364,212
Investments - Warrants	$ -	$ 65,008	$ 83,918	$ 148,926

As at August 31, 2022	**Level 1**	**Level 2**	**Level 3**	**Total**
Cash	$ 289,139	$ -	$ -	$ 289,139
Investments - Common Shares	$ 386,161	$ -	$ 1,540,635	$ 1,926,796
Investments - Warrants	$ -	$ 116,504	$ 104,565	$ 221,069

Credit Risk

Credit risk is the risk of loss associated with a counterparty’s inability to fulfill its payment obligations. As at August 31, 2023, management believes that the credit risk with respect to cash and cash equivalents, subscription receivable, and convertible debenture is minimal. Cash is held with reputable Canadian financial institutions, and receivables are from trusted institutions or individuals from which management believes the risk of loss to be minimal.

Liquidity Risk

Liquidity risk is the risk that the Company will not have sufficient cash resources to meet its financial obligations as they come due. The Company’s liquidity and operating results may be adversely affected if the Company's access to the capital market is hindered, whether as a result of a downturn in stock market conditions generally or matters specific to the Company. The Company generates cash flow primarily from its financing activities. As at August 31, 2023, the Company had cash of $94,141 to settle current liabilities of $120,065. All of the Company's financial liabilities have contractual maturities of less than 30 days and are subject to normal trade terms. The Company regularly evaluates its cash position to ensure preservation and security of capital as well as liquidity.

Market Risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in market risk factors.

Price risk

Price risk is the risk that the value of financial instruments will fluctuate as a result of changes in market prices (other than those arising from interest rate risk or currency risk), whether caused by factors specific to an individual investment, its issuer, or all factors affecting all instruments traded in a market or market segment. All investments present a risk of loss of capital. This risk is managed through a careful selection of investments and other financial instruments within the parameters of the investment strategies.

Price risk typically arises from exposure to equity and commodity securities. If the prices for these securities increased or decreased by 10%, all other variables held constant the investment value would increase or decrease by approximately $151,314 (August 31, 2022 - $214,787).

There were no changes to the Company's risk profile during the year ended August 31, 2023.

12. CAPITAL MANAGEMENT

The Company's objective when managing its capital is to ensure sufficient financial flexibility to achieve the ongoing business objectives including funding of future growth opportunities, and pursuit of accretive acquisitions and to maximize shareholder return through enhancing the share value. The Company monitors its capital structure and makes adjustments according to market conditions in an effort to meet its objectives given the current outlook of the business and industry in general. The Company may manage its capital structure by issuing new shares, repurchasing outstanding shares, adjusting capital spending, or disposing of assets. The capital structure is reviewed by management and the Board of Directors on an ongoing basis. The Company's ability to continue to carry out its planned activities is uncertain and dependent upon the continued financial support of its shareholders and securing additional financing. The Company considers its capital to be equity, which comprises share capital, special warrants, warrants, contributed surplus and, accumulated deficit, which as at August 31, 2023 totaled $2,095,030 (August 31, 2022 - $2,862,689). Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company, is reasonable.

13. RELATED PARTY TRANSACTIONS

Related parties include the Board of Directors, officers, close family members and enterprises that are controlled by these individuals as well as certain persons performing similar functions.

The Chief Financial Officer ("CFO") of the Company is the managing director of Marrelli Support Services Inc. ("MSSI"). During the year ended August 31, 2023, the Company incurred professional fees of $31,175 (August 31, 2022 - $25,825) to MSSI. These services were incurred in the normal course of operations for general accounting and financial reporting matters and CFO fees. As at August 31, 2023, MSSI was owed $842 (August 31, 2022 - $10,145), with respect to services provided, and this amount was included in accounts payable and accrued liabilities.

The Chief Executive Officer ("CEO") of the Company entered a contract with the Company for a monthly compensation of $10,000 starting from June 2023 and during the year ended August 31, 2023, the Company incurred compensation costs of $30,000 to the CEO. As at August 31, 2023, CEO was owed $10,000 (August 31, 2022 - $nil), with respect to service provided, and this amount was included in accounts payable and accrued liabilities. The CEO also acts as a chief financial officer of one portfolio investment company - American Aires Inc. The Company therefore has a related party debt (convertible debenture) outstanding with American Aires Inc. as described in detail in note 4. Management has performed its assessment of the Company's holdings in American Aires Inc. and concluded that there is no significant influence as at August 31, 2023.

14. SUBSEQUENT EVENTS

On September 12, 2023, American Aires Inc. performed a 10:1 stock consolidation which resulted in the Company's holdings changing from 4,100,000 common shares and 18,810,000 warrants to 410,000 common shares and 1,881,000 warrants.

(Expressed in Canadian Dollars)

On September 26, 2023, the Company converted all its outstanding convertible debenture balance of $578,000 plus accrued interest of $20,713 into 6,652,366 common shares of American Aires Inc. at a price of $0.09 per share. This conversion has resulted in the Company owning 19% of the outstanding common shares of American Aires Inc. Management has performed its assessment over the Company's exposure to American Aires Inc. and concluded that there is no significant influence.

On September 28, 2023, the CFO of the Company (Marrelli Support Services Inc.) resigned from the position. This vacant position was filled by an existing director of the Company on September 30, 2023. On October 2, 2023, the new CFO was issued 1,000,000 stock options of the Company with an exercise price of $0.05 per share and expiry date of October 2, 2023. With the resignation of Marelli Support Service Inc. on September 28, 2023, all accounting and bookkeeping is performed in-house by one of the existing directors of the Company.

On December 1, 2023, the Company entered into two (2) loan agreements for aggregate proceeds of $50,000 (collectively, the "Loans"). The Loans are unsecured, bear an interest fee of 12% per annum and are due three (3) months from the receipt of funds. The lenders have the option to extend the Loans for an additional term of three (3) months. The proceeds from the loan will be used for general working capital. One of the loan agreements, for aggregate proceeds of $20,000, was entered into with an arm's length party and the second loan agreement, for aggregate proceeds of $30,000 (the "Related Party Loan"), was entered into with a company that is controlled by a director and officer of the Company.

15. COMPARATIVE PERIOD

Some of the numbers for the comparative period in these financial statements have been reclassified between various line items to match the presentation of 2023 and to ensure consistency of calculation methodology.

- 2022 realized gain on sale of investments changed from $857,813 to $515,193 and 2022 unrealized loss of $19,896 changed to unrealized gain of $322,754. The net impact on net income (loss) for fiscal 2022 is $nil as this adjustment is a reclassification between the two financial statement line items.
- 2022 audited financial statements had a portion of investment cost of American Aires Inc., Xebra Brands Ltd., Firstpayment Inc. and Sommerset Energy assigned to the respective warrants and that cost was reclassified to the common shares for consistency with 2023 accounting treatment. The net impact on net income (loss) for fiscal 2022 is $nil as this adjustment is a reclassification between the two internal accounts.

16. INCOME TAXES

Rate reconciliation

A reconciliation of actual income tax expense and the accounting loss multiplied by the Company's statutory tax rate of 26.5% is as follows:

	August 31, 2023	August 31, 2022
Income (loss) before income taxes	(835,874)	866,600
Expected income tax (recovery) based on statutory rate	(221,507)	229,649
Increase (decrease) in income taxes resulting from:		
Non-deductible permanent differences	97,726	(134,921)
Tax benefits from previously unrecognized losses	-	(94,728)
Tax benefits not recognized	123,781	-
Total provision for income taxes	**-**	**-**

(Expressed in Canadian Dollars)

Deferred tax assets and liabilities

Deferred income tax assets have not been recognized in respect of these items because it is not probable that future taxable profit will be available against which the Company can use the benefits. Deferred income tax assets have not been recognized in respect of the following deductible temporary differences:

	August 31, 2023	August 31, 2022
Non-Capital losses carry forward	271,855	60,865
Financing cost – 20(1)(e)	122,520	183,780
Unrealized loss (gain)	391,470	74,106
Total deductible temporary differences	**785,845**	**318,750**

Non-capital losses

As of August 31, 2023, the Company has non-capital losses of $271,855 (2022 - $60,864) available to reduce taxable income of future years. These losses will expire as follows:

2041	$60,864
2043	$210,991