BIRCHTREE INVESTMENTS LTD.

FINANCIAL STATEMENTS

FOR THE YEARS ENDED AUGUST 31, 2024 AND 2023

(EXPRESSED IN CANADIAN DOLLARS)

AGT Partners LLP
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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, 2024 and August 31, 2023, and the statements of income (loss) and 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, 2024 and 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 audits 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 audits 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 of the financial statements, which states that the Company requires to maintain profitability and generate cash to support its operations to continue as a going concern. Our opinion is not modified in respect of this matter.

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 audits 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 audits 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.

AGT Partners LLP
Chartered Professional Accountants

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 audits. 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 audits 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 audits resulting in this independent auditor's report is Umair Tasadduq.

AGT Partners LLP

Woodbridge, Canada **LICENSED PUBLIC ACCOUNTANTS**
December 23, 2024

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

As at		August 31, 2024		August 31, 2023
ASSETS				
Current				
Cash	$	**31,242**	$	94,141
Subscription receivable		**200,000**		1,800
Prepaid insurance		**11,938**		12,245
Total current assets		**243,180**		108,186
Convertible debenture (note 4)		-		593,772
Investments (note 4)		**6,211,768**		1,513,137
Total assets	$	**6,454,948**	$	2,215,095
LIABILITIES				
Accounts payable and accrued liabilities (note 10)	$	**78,812**	$	110,611
Insurance loan payable		**9,463**		9,454
Deferred revenue (note 10)		**120,000**		-
Total current liabilities		**208,275**		120,065
Deferred revenue (note 10)		**175,000**		-
Deferred taxes payable (note 11)		**203,727**		-
Total liabilities	$	**587,002**	$	120,065
SHAREHOLDERS' EQUITY				
Share capital (note 5)	$	**6,475,223**	$	5,468,140
Contributed surplus		**59,763**		51,415
Retained earnings (deficit)		**(667,040)**		(3,424,525)
Total shareholders' equity		**5,867,946**		2,095,030
Total liabilities and shareholders' equity	$	**6,454,948**	$	2,215,095

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)

For the year ended		August 31, 2024		August 31, 2023
Income (loss)				
Realized gain (loss) on sale of investments (note 4)	$	171,285	$	-
Unrealized gain (loss) on investments (note 4)		3,525,516		(634,728)
Consulting fee income (note 10)		65,000		-
Interest income (note 4)		4,941		60,105
Income (loss) from investments and consulting		3,766,742		(574,623)
Expenses				
Investor relations		25,119		35,382
Office and general		52,710		10,344
Professional fees (note 10)		287,270		164,110
Share-based compensation (note 5 and 10)		440,431		51,415
Total operating expenses		805,530		261,251
Net income (loss) before incomes taxes		2,961,212		(835,874)
Deferred income tax (note 11)		203,727		-
Net income (loss) and comprehensive income (loss) for the year	$	2,757,485	$	(835,874)
Net income (loss) per share - basic/diluted (note 7)	$	0.03	$	(0.01)
Weighted average number of common shares - basic/diluted (note 7)		82,549,653		77,655,226

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

For the year ended		August 31, 2024		August 31, 2023
Operating activities				
Net income (loss) for the period	$	2,757,485	$	(835,874)
Items not affecting cash:				
Accrued interest income		(4,941)		(60,073)
Interest expense		1,407		
Deferred income taxes		203,727		
Realized loss (gain) on sale of investments		(171,285)		634,728
Unrealized loss (gain) on investments		(3,525,516)		51,415
Share-based compensation		440,431		16,800
Changes in non-cash working capital items:				
Prepaid insurance		307		-
Subscription receivable		(198,200)		-
Accounts payable and accrued liabilities		(31,800)		(12,245)
Deferred revenue		295,000		797
Insurance loan payable		9		9,454
Net cash used in operating activities		(233,375)		(194,998)
Investing activities				
Purchase of investments		(1,393,188)		-
Sale of investments		1,565,070		-
Net cash used in investing activities		171,882		-
Financing activities				
Proceeds from loans received		50,000		-
Repayment of loans		(50,000)		-
Interest paid		(1,407)		-
Net cash used in financing activities		(1,407)		-
Net change in cash		(62,900)		(194,998)
Cash, beginning of period		94,141		289,139
Cash, end of period	$	31,241	$	94,141
Supplemental information				
Shares issued on acquisition of investment	$	575,000	$	-
American Aires convertible debentures converted to common shares	$	598,713	$	-
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		Contributed Surplus		Retained Earnings (Deficit)		Total
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)		-		-
Share-based compensation	-		-		51,415		-		51,415
Issuance of stock in settlement of debt	1,000,000		16,800		-		-		16,800
Net income (loss) and comprehensive 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**
Balance, August 31, 2023	**78,515,500**	**$**	**5,468,140**	**$**	**51,415**	**$**	**(3,424,525)**	**$**	**2,095,030**
Share-based compensation (note 5)	6,100,000		432,083		8,348		-		440,431
Shares issued on acquisition of investment (note 4)	5,000,000		575,000		-		-		575,000
Net income (loss) and comprehensive income (loss) for the year	-		-		-		2,757,485		2,757,485
Balance, August 31, 2024	**89,615,500**	**$**	**6,475,223**	**$**	**59,763**	**$**	**(667,040)**	**$**	**5,867,946**

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, 2024, the Company reported net income of $2,757,485 (year ended August 31, 2023 - net loss of $835,874) and had a cash outflow from operating activities of $233,374 (year ended August 31, 2023 - cash outflows of $194,998). The Company has a cash balance of $31,242 (August 31, 2023 - $94,141). 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 23, 2024.

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 and stated at 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 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 Fair Value Through Profit & Loss (FVTPL) or Fair Value Through Other Comprehensive Income (FVOCI) or 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 or FVOCI 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. Any discount or premium on acquisition and any fees or costs that are an integral part of the financial instrument are amortized using the Effective Interest Rate ("EIR") method. 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 reported at fair value in the statement of financial position with changes in fair value recognized in unrealized gain (loss) from investments in the statement of income (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 investments are recognized in other income in the statement of income (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 asset subject to impairment is subscription receivable which is 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 a financial liability at FVTPL. Accounts payable, accrued liabilities and insurance loan payable are measured at amortized cost. The Company has no liabilities measured at FVTPL.

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 income (loss).

Classification of financial instruments

The following is a summary of significant categories of financial instruments at August 31, 2024:

Cash and cash equivalents	FVTPL
Investments	FVTPL
Subscription receivable	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 measurement hierarchy

The Company measures 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 – Observable inputs other than Level 1 prices such as quoted prices for similar assets or liabilities; 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 others in lieu of cash for supply of goods or services 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 all 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.

The Company may also grant Restricted Share Units (RSUs) comprising shares of the Company to directors, officers, employees and consultants.

RSUs are measured at the closing market price of the Company's stock on the grant date. RSUs are charged to stock based compensation expense based upon the terms of the grant. The expense reflects the value of vested RSUs plus a prorated amount for the value of unvested RSUs to the measurement date. The offset of RSUs expense is to issued share capital.

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 earnings (loss) per share is calculated by dividing net earnings (loss) 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 earnings (loss) per share is determined by dividing net earnings (loss) 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 exercise their options and convert these into common shares of the Company.

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 financial statements under IFRS requires management to make certain estimates, judgments and assumptions about future events that affect the amounts reported 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. In some cases there may be 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.

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.

Impairment of Level 3 Investments

The valuation of Level 3 investments involves significant judgment and the use of unobservable inputs. Management assesses these investments for impairment at each reporting date, considering factors such as forecasted cash flows, discount rates, market comparables, and industry conditions.

Impairment is recognized if the estimated fair value is below the carrying amount and the decline is deemed significant or prolonged. Given the inherent uncertainty in these estimates, actual results may differ, which could result in adjustments to the investment's carrying value in future periods.

Accounting standards issued and adopted

The Company adopted the following accounting policies during the period.

In January 2020 and further amended in July 2020, the IASB issued amendments to IAS 1, "Presentation of Financial Statements," clarifying the criteria for classifying liabilities as current or non-current, particularly concerning rights to defer settlement. These amendments are effective for annual reporting periods beginning on or after January 1, 2024. The Company adopted these amendments on September 1, 2023. The adoption did not have a material impact on the Company's financial statements.

The Company has evaluated other new and amended standards issued by the IASB that are effective for annual reporting periods beginning on or after September 1, 2023, and has determined that they are not applicable to the Company's operations or do not have a material impact on its financial statements.

(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, 2023				August 31, 2024				Change in Unrealized / Realized
Investment	**Number**	**Cost**	**FMV**	**Unrealized**	**Number**	**Cost**	**FMV**	**Unrealized**	**P&L Impact**
ThreeD Capital Inc.									
Common Shares	106,082	$ 121,995	$ 34,477	$ (87,518)	-	$ -	$ -	$ -	$ 5,254
Ehave Inc.									
Common Shares	1,743,861	$ 350,000	$ 235	$ (349,765)	1,743,861	$ 350,000	$ 1,647	$ (348,353)	$ 1,411
Xebra Brands Ltd.									
Common Shares	350,000	$ 281,936	$ 7,000	$ (274,936)	-	$ -	$ -	$ -	$ 10,500
Boba Mint Holdings Ltd.									
Common Shares	10,000,000	$ 500,000	$ 500,000	$ -	11,000,000	$ 550,000	$ 55,000	$ (495,000)	$ (495,000)
American Aires									
Common Shares	4,100,000	$ 391,145	$ 41,000	$ (350,145)	5,624,615	$ 447,730	$ 2,334,215	$ 1,886,485	$ 2,754,614
Warrants	18,810,000	$ -	$ 65,008	$ 65,008	7,505,587	$ 395,960	$ 2,131,906	$ 1,735,946	$ 1,670,938
Firstpayment Inc.									
Common Shares	600,000	$ 150,000	$ 30,000	$ (120,000)	600,000	$ 150,000	$ 30,000	$ (120,000)	$ -
Warrants	300,000	$ -	$ -	$ -	-	$ -	$ -	$ -	$ -
Somerset Energy									
Common Shares	1,670,000	$ 501,000	$ 751,500	$ 250,500	1,670,000	$ 501,000	$ 584,500	$ 83,500	$ (167,000)
Warrants	835,000	$ -	$ 83,918	$ 83,918	-	$ -	$ -	$ -	$ (83,918)
Valkyrie Specialty									
Common Shares	-	$ -	$ -	$ -	795,926	$ 1,074,500	$ 1,074,500	$ -	$ -
Total		**$ 2,296,076**	**$ 1,513,138**	**$ (782,938)**		**$ 3,469,190**	**$ 6,211,768**	**$ 2,742,578**	**$ 3,696,800**

Investment in ThreeD Capital Inc. ("ThreeD")

As at August 31, 2023, the Company had 106,082 common shares of ThreeD. During the year ended August 31, 2024, the Company sold its entire position in ThreeD for total proceeds of $39,730 as part of portfolio rebalancing. The investment in common shares is measured at Level 1 in the fair value hierarchy. As a result of this disposition, a realized loss of $82,265 was booked in the statement of income (loss) and comprehensive income (loss) during the year ended August 31, 2024.

Investment in Ehave, Inc. ("Ehave")

Prior to fiscal year 2023 and as at the years ended August 31, 2023 and 2024, the Company had 1,743,861 common shares of Ehave. The investment in common shares is measured at 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 gain of $1,411 (August 31, 2023 – loss $15,540) has been recorded in the statement of income (loss) and comprehensive income (loss) during the year ended August 31, 2024.

Investment in Xebra Brands Ltd. ("Xebra")

As at August 31, 2023, the Company had 350,000 common shares of Xebra. During the year ended August 31, 2024, the Company sold its entire position in Xebra for total proceeds of $17,500 as part of portfolio rebalancing. As a result of this disposition a realized loss of $264,436 was booked in the statement of income (loss) and comprehensive income (loss) during the year ended August 31, 2024.

Investment in Boba Mint Holdings Ltd. ("Boba Mint")

As at August 31, 2023, the Company had 10,000,000 common shares of Bluecorp. During the year ended August 31, 2024, the Company purchased an additional 1,000,000 common shares of Bluecorp for $50,000. During the year ended August 31, 2024, Bluecorp was acquired by Snowy Owl Gold Corp. and continued under the new brand Boba Mint Holdings Ltd. On April 26, 2024, Boba Mint was approved for CSE listing and began trading on the stock exchange. Investment in these common shares is measured at Level 1 in the fair value hierarchy (2023 – Level 3 as Bluecorp was a private company). As a result of changes in the fair market value of Boba Mint an unrealized loss of $495,000 (August 31, 2023 - unrealized loss of $500,000) has been recorded in the statement of income (loss) and comprehensive income (loss) during the year ended August 31, 2024.

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

As at August 31, 2023, the Company held 4,100,000 common shares and 18,810,000 common share purchase warrants (warrants) of American Aires. During the year ended August 31, 2024, the Company had the following transactions with respect to American Aires:

- 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.
- 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.
- On February 16, 2024, the Company participated in a private placement where it purchased 5,624,587 units of American Aires (each unit consisting of one common share and one warrant) for $843,688. The warrants are exercisable at a price of $0.25 per share for a period of 2 years. Based on the proportionate fair values of the common shares and warrants in the units purchased, the Company assigned $447,728 of the purchase price to the cost of the common shares and $395,960 to warrants. Although American Aires is a related party due to common management, this is not a related party transaction as the same terms and conditions were offered to, and availed by, other non-related parties. As at August 31, 2024, a fair value of $2,131,906 was assigned to these warrants, estimated using the Black-Scholes valuation model with the following assumptions: dividend yield 0%, share price of $0.415, expected volatility range of 142% to 204%, a risk-free rate of return range 3.55% to 4.27% and an expected life range of 0.40 to of 1.47 years.
- During the year ended August 31, 2024, the Company sold 7,062,338 common shares of American Aires for total proceeds of $1,507,840 realizing a gain of $517,985

The investment in common shares is measured at Level 1 in the fair value hierarchy. As a result of changes in the fair market value of the shares held in American Aires a combined unrealized and realized gain of $2,754,614 (August 31, 2023 – unrealized loss $143,500) has been recorded in the statement of income (loss) and comprehensive income (loss) during the year ended August 31, 2024.

The investment in warrants is measured at 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 gain of $1,670,938 (August 31, 2023 – unrealized loss of $45,960) has been recorded in the statement of income (loss) and comprehensive income (loss) during the year ended August 31, 2024.

Investment in Firstpayment Inc. ("Firstpayment")

As at August 31, 2023 and August 31, 2024, the Company had 600,000 common shares of Firstpayment. There were no transactions involving Firstpayment during the year ended August 31, 2024, except for 300,000 outstanding warrants with a fair value of $nil (2023 - $nil) expiring unexercised on October 29, 2023. The investment in these common shares is measured at Level 3 in the fair value hierarchy as Firstpayment is a private company. As a result of no changes in the fair market value of Firstpayment during the year ended August 31, 2024 an unrealized gain/loss of $nil (2023 – unrealized loss $120,000) has been recorded in the statements of income (loss) and comprehensive income (loss).

(Expressed in Canadian Dollars)

Somerset Energy Partners ("Somerset")

As at August 31, 2023 and August 31, 2024, the Company held 1,670,000 common shares of Somerset. At the end of the prior year, it also held 835,000 warrants with a fair value of $83,918 that expired unexercised on December 20, 2023. The investment in these common shares is measured at 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's common shares an unrealized loss of $167,000 (2023 – unrealized gain $360,865) has been recorded in the statements of income (loss) and comprehensive income (loss) during the year ended August 31, 2024. Due to the expiry of the Somerset warrants the prior year unrealized gain of $83,918 was reversed to an unrealized loss in the current year.

Valkyrie Specialty Corporation ("Valkyrie")

On March 29, 2024, the Company acquired an aggregate of 795,926 common shares in the capital of a private British Columbia company that is the sole shareholder of Valkyrie Specialty Corporation. Pursuant to a share exchange agreement (the "SEA") dated March 23, 2024, the Company issued to Valkyrie an aggregate of 5,000,000 common shares at a deemed price of $0.115 per share, in exchange for 425,926 common shares of Valkyrie at a deemed price of $1.35 per share. In addition, the Company subscribed for an additional 370,000 common shares in the capital of Valkyrie at a price of $1.35 per share for $499,500. The investment in these common shares is measured at Level 3 in the fair value hierarchy as Valkyrie is a private company. As there have been no changes in the fair market value of Valkyrie no gain/loss of $nil has been recorded in the statements of income (loss) and comprehensive income (loss) during the year ended August 31, 2024.

5. 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, 2022	**77,515,500**	**$**	**5,321,000**
Expiry of warrants (i)	-		130,340
Issuance of stock in settlement for services (ii)	1,000,000		16,800
Balance August 31, 2023	**78,515,500**	**$**	**5,468,140**
Balance August 31, 2023	**78,515,500**	**$**	**5,468,140**
Shares issued on acquisition of Valkyrie (note 4)	5,000,000		575,000
Share-based compensation (iii)	6,100,000		432,083
Balance August 31, 2024	**89,615,500**		**6,475,223**

i. In fiscal year 2022, the Company issued 4,000,000 warrants with a $0.05 exercise price and expiry date of February 15, 2023 and 998,500 warrants with a $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 had been credited to share capital

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

iii. On May 8, 2024, the Company granted 12,200,000 restricted stock units ("RSUs") to its directors and officers, 50% of which vested immediately and the remaining 50% to vest 9 months from the grant date. The share-based compensation of $432,083 was recorded in the statement of income (loss) and comprehensive income (loss) during the year ended August 31, 2024.

(Expressed in Canadian Dollars)

6. 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**
Issued (ii)	1,000,000	0.05
Forfeited (iii)	(850,000)	(0.10)
Balance, August 31, 2024	**1,700,000**	**0.07**

(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.

(ii) On October 2, 2023, the Company granted stock options to an incoming CFO to purchase 1,000,000 common shares of the Company at an exercise price of $0.05 for a period of 3 years following the date of grant which vest immediately. The options were valued at $8,348 using a Black-Scholes valuation model with the following assumptions: share price of $0.01 per common shares, expected dividend yield of 0%, expected volatility of 200%, risk-free rate of 4.03%, and expected life of 3 years.

(iii) During the year ended August 31, 2024, 850,000 options expired on an accelerated basis due to some of the optionees no longer being involved with the Company.

7. INCOME (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.

For the year ended	**August 31, 2024**	**August 31, 2023**
Weighted average shares outstanding -basic	**82,549,653**	77,655,226
Dilutive effect of warrants and options	-	-
Weighted average shares outstanding -diluted	**82,549,653**	77,655,226
Income (loss) per share -basic and diluted	**$ 0.03**	$ (0.01)

(Expressed in Canadian Dollars)

8. 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, 2024 and 2023:

As at August 31, 2024	Level 1	Level 2	Level 3	Total
Cash	$ 31,242	$ -	$ -	$ 31,242
Investments - Common Shares	$ 2,390,862	$ -	$ 1,689,000	$ 4,079,862
Investments - Warrants	$ -	$ 2,131,906	$ -	$ 2,131,906

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

The valuation of Level 3 investments involves significant judgment and the use of unobservable inputs. The fair value for each investment was determined using techniques consistent with the principles outlined in IFRS 13, as described below:

<u>Valkyrie</u>

The fair value was determined based on the price from the most recent private placement, which represents an orderly transaction between market participants under current market conditions. This transaction reflects the value at which investors were willing to transact and is considered the best estimate of fair value at the reporting date. No adjustments were deemed necessary, as the transaction was recent and aligned with observable market evidence.

<u>Firstpayment</u>

The valuation remained unchanged from the prior year due to the absence of new operational developments, contracts, or revenues. While the company has not generated activity, management exercised judgment in maintaining the carrying value, as the business has potential to pivot into new directions that could enhance future value. The fair value was not reduced further, as management believes that the company’s intangible assets and potential strategic repositioning justify the current valuation. This assessment is inherently subjective and involves significant uncertainty. The absence of observable market data or recent transactions increases the reliance on management’s judgment. Any future developments or transactions will be reflected in subsequent reporting periods.

<u>Somerset</u>

The fair value was determined based on the price from the most recent private placement, which represents an orderly transaction between market participants under current market conditions. This transaction reflects the value at which investors were willing to transact and is considered the best estimate of fair value at the reporting date. A Level 3 adjustment (reduction of $167,000) was made in fiscal 2024 to reflect current fair value and is based on recent subscriptions received by Somerset for its shares.

Key Inputs and Sensitivity Analysis

The valuations incorporate the following significant unobservable inputs:

- Valkyrie: Recent private placement price (no adjustments applied)
- Firstpayment: Management judgment on the potential for future business developments
- Somerset: Recent private placement price (adjustment applied)

Changes in these inputs, particularly the completion of private placements or significant business developments, could materially affect the fair value. While specific sensitivity analyses have not been provided due to the binary nature of key inputs (e.g., occurrence of transactions or business milestones), future fair value measurements will reflect any observable changes in these assumptions.

Valuation Methodology and Compliance

These valuations are consistent with IFRS 13 principles, incorporating the most reliable information available at the reporting date. The use of recent transactions (Valkyrie, Somerset) and management judgment (Firstpayment) reflects fair value as defined by IFRS 13.

Management regularly reviews valuations to ensure they remain reflective of market conditions and adjusts them as new information becomes available.

Credit Risk

Credit risk is the risk of loss associated with a counterparty's inability to fulfill its payment obligations. As at August 31, 2024, 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, 2024, the Company had cash of $31,242 to settle monetary current liabilities of $88,276. 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 and monitoring 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 $621,177 (August 31, 2023 - $151,314).

There were no changes to the Company's risk profile during the year ended August 31, 2024.

9. 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, contributed surplus and accumulated deficit, which as at August 31, 2024 totaled $5,867,946 (August 31, 2023 - $2,095,030). Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company, is reasonable.

10. 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. All related party transactions are valued at the exchange amount which is the value agreed upon by the related parties.

Prior to September 28, 2023, the Chief Financial Officer ("CFO") of the Company was the managing director of Marrelli Support Services Inc. ("MSSI"). During the year ended August 31, 2024, the Company incurred professional fees of $13,095 (year ended August 31, 2023 - $31,175) to MSSI. These services were incurred for general accounting and financial reporting matters and CFO fees. As at August 31, 2024, MSSI was owed $nil (August 31, 2023 - $842), with respect to services provided, and this amount was included in accounts payable and accrued liabilities.

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 estimated value of $8,348 as described in Note 6.

From September 28, 2023, all accounting, bookkeeping and reporting is performed in-house by one of the existing directors of the Company. During the year ended August 31, 2024, the Company incurred $36,510 with respect to the above. Amount payable at August 31, 2024 is $3,390 and included in accounts payable and accrued liabilities.

The Chief Executive Officer ("CEO") of the Company entered into a contract with the Company for a monthly compensation of $10,000 per month (exclusive of tax) in June 2023 and during the year ended August 31, 2024, the Company incurred professional fees of $139,500 to the CEO. As at August 31, 2024, CEO was owed $11,300 (August 31, 2023 - $10,000), with respect to service provided, and this amount is included in accounts payable and accrued liabilities. The CEO is also the chief financial officer of a portfolio investment - American Aires Inc.

On December 1, 2023, the Company obtained a short-term loan of $30,000 from a director and officer of the Company. Total interest incurred was $888 in during the year ended August 31, 2024. The loan was repaid in full on maturity date and there are no more loans outstanding as at August 31, 2024.

On February 16, 2024, the Company entered into a consulting agreement with American Aires. The consulting agreement is for a period of 3 years and the Company is to act as consultant on various matters such as commercial sales strategy, capital markets support, assisting with due diligence packages for strategic partners, advising on large commercial engagements and other business areas. American Aires paid $360,000 to the Company as part of the consulting agreement, which has been recorded on the statement of financial position as deferred revenue. The deferred revenue will be gradually reduced and brought into income as services are performed by the Company. During the year ended August 31, 2024, the Company recorded $65,000 as consulting fee income and the remaining $295,000 is recorded as deferred revenue on the statement of financial position as at August 31, 2024 ($120,000 as current liability and $175,000 as long-term liability).

(Expressed in Canadian Dollars)

On May 8, 2024, the Company granted 12,200,000 restricted stock units ("RSUs") to its directors and officers, 50% of which vested immediately and the remaining 50% to vest 9 months from the grant date. The share-based compensation of $432,083 was recorded in the statements of income (loss) and comprehensive income (loss) during the year ended August 31, 2024.

11. 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:

Year		2024		2023
Income (loss) before income taxes	**$**	**2,961,211**	**$**	**(835,874)**
Expected income tax (recovery) based on statutory rate		784,721		(221,507)
Increase (decrease) in income taxes resulting from:				
Non-deductible permanent differences		(372,745)		97,726
Tax benefits previously not recognized		-		-
Tax benefits not recognized		(208,249)		123,781
Total provision for income taxes	**$**	**203,727**	**$**	-

Components of income tax expense

The major components of the income tax expense recorded on the statements of income (loss) and comprehensive income (loss) are as follows:

Year		2024		2023
Current		-		-
Deferred		203,727		-
Provision for income taxes	**$**	**203,727**	**$**	-

Components of deferred tax asset/liabilities

The significant components of the Company's deductible/ taxable tax difference are as follows:

Year		2024		2023
Non-capital losses carry forward		542,630		271,855
Financing cost – 20(1)(e)		61,260		122,520
Unrealized loss (gain)		(1,371,288)		391,470
Total deductible temporary differences	**$**	**(767,398)**	**$**	**785,845**

Non-capital losses

As of August 31, 2024, the Company has non-capital losses of $542,630 (2023 - $271,855) available to reduce taxable income of future years. These losses will expire as follows:

2041	$ 60,864
2043	$ 210,991
2044	$ 270,775