.

SPIRIT BLOCKCHAIN CAPITAL INC.

Management's Discussion and Analysis

For the three and six months ended June 30, 2024 and 2023

(Expressed in Canadian dollars)

MANAGEMENT'S DISCUSSION AND ANALYSIS

This Management's Discussion and Analysis ("MD&A") supplements, but does not form part of, the condensed interim consolidated financial statements of Spirit Blockchain Capital Inc. (the "Company") and its subsidiaries as well as the notes thereto for the three and six months ended June 30, 2024 and 2023 (collectively referred to hereafter as the "Financial Statements"). The following discussion and analysis, prepared by management, reviews the Company's financial condition and results of operations for the three and six months ended June 30, 2024 and 2023. The MD&A should be read in conjunction with the Financial Statements, which have been prepared in accordance with International Financial Reporting Standards ("IFRS Accounting Standards"), as issued by the International Accounting Standards Board ("IASB") and the International Financial Reporting Interpretations Committee including International Accounting Standards 34 *Interim Financial Reporting*. In addition, the MD&A should be read in conjunction with the audited consolidated financial statements for the years ended December 31, 2023 and 2022 (the "Annual Financial Statements"), as some disclosures from the Annual Financial Statements have been condensed or omitted. This MD&A provides management's analysis of the Company's historical financial and operating results and provides estimates of the Company's future financial and operating performance based on information that is currently available.

In this MD&A, the "Company", or the words "we", "us", or "our", collectively refer to Spirit Blockchain Capital Inc. and its subsidiaries. The first, second, third and fourth quarters of the Company's fiscal years are referred to as "Q1", "Q2", "Q3" and "Q4", respectively. The six months ended June 30, 2024 and 2023 are referred to as "YTD 2024" and "YTD 2023".

All amounts are presented in Canadian dollars, the Company's presentation currency, unless otherwise stated. The functional currency of the Company and its subsidiaries is disclosed in the notes to the Financial Statements. Amounts denominated in United States dollars are denoted as "USD" or "US$" and the amounts denominated in Swiss francs are denoted as "CHF".

This MD&A has been approved by the Company's Board of Directors ("Board") as at August 29, 2024 (the "MD&A date"). For further information on the Company, reference should be made to its public filings on SEDAR+ at www.sedarplus.ca.

FORWARD-LOOKING STATEMENTS

Certain statements in this document constitute forward-looking information under applicable securities legislation. Forward-looking information typically contains statements with words such as "anticipate", "believe", "estimate", "will", "expect", "plan", "intend", or similar words suggesting future outcomes or an outlook. Forward-looking information in this document includes, but is not limited to:

- our business plan and investment strategy; and
- general business strategies and objectives.

Such forward-looking information is based on a number of assumptions which may prove to be incorrect. Assumptions have been made with respect to the following matters, in addition to any other assumptions identified in this document which includes, but is not limited to:

- taxes and capital, operating, general & administrative and other costs;
- general business, economic and market conditions;
- the ability of the Company to obtain the required capital to finance its investment strategy and meet its commitments and financial obligations;
- the ability of the Company to obtain services and personnel in a timely manner and at an acceptable cost to carry out activities; and
- the timely receipt of required regulatory approvals.

Although the Company believes that the expectations reflected in such forward-looking information are reasonable, undue reliance should not be placed on them as there can be no assurance that such expectations will prove to be correct. Forward-looking information is based on expectations, estimates and projections that involve a number of risks and uncertainties which could cause actual results to differ materially than anticipated and described in the forward-looking information. The material risks and uncertainties include, but are not limited to:

- meeting current and future commitments and obligations;
- general business, economic and market conditions;
- the uncertainty of estimates and projections relating to future costs and expenses;
- changes in, or in the interpretation of, laws, regulations or policies;
- the ability to obtain required regulatory approvals in a timely manner;
- the outcome of existing and potential lawsuits, regulatory actions, audits, and assessments; and
- other risks and uncertainties described elsewhere in this document.

The foregoing list of risks is not exhaustive. For more information relating to risks, see the section titled "Risks and Uncertainties" herein. The forward-looking information contained in this document is made as of the date hereof and, except as required by applicable securities law, the Company undertakes no obligation to update publicly or revise any forward-looking statements or information, whether as a result of new information, future events or otherwise.

OVERVIEW

This MD&A has been prepared by management and reviewed by the Board. For the purposes of preparing this MD&A, management, in conjunction with the Board, considers the materiality of information. Information is considered material if: (i) such information results in, or would reasonably be expected to result in, a significant change in the market price or value of the common shares; or (ii) there is a substantial likelihood that a reasonable investor would consider it important in making an investment decision. Management, in conjunction with the Board, evaluates materiality with reference to all relevant circumstances, including potential market sensitivity.

DESCRIPTION OF BUSINESS

Spirit Blockchain Capital Inc. was incorporated under the Business Corporations Act on January 19, 2021 in British Columbia, Canada. The purpose of the Company is to offer products and services to the digital assets and blockchain ecosphere. The Company holds a portfolio of crypto-currencies, some of which it has staked, and invests in other listed companies operating in this ecosphere. The Company provides blockchain and advisory services to third parties. The Company can mine crypto-currencies, lend both fiat money and crypto coins (royalties and streaming), provide consulting services, undertake merger, and acquisition activity.

The Company aims to generate recurring cash flow streams through its different business units. The diversification of its activities will allow the Company to be less volatile than the digital asset markets. The Company wants to become a value stock in a growing environment.

The Company aims to become a leading blockchain & digital asset company focused on streaming, royalties, and digital asset investments. The firm provides investors with a direct exposure to the sector, without the technical complexity or constraints of purchasing the underlying digital assets. The Company's strategy is based upon management's conviction that the blockchain and digital asset ecosystem will register significant growth and outperform traditional asset classes over the medium to long-term. As a result, digital assets will become an integral part of diversified portfolios.

The Company's strategy focuses on four complimentary economic units:

- Royalties & Streams by providing capital to blockchain ecosystem participants, where repayment of the notional takes place in the form of digital assets.
- Advisory & Research Services for institutional and private investors with investment products.
- Treasury Management through balance sheet enhancement with major digital asset investments.
- Licensing Blockchain and Digital Assets Technology products to market participants initially in Europe as well as providing consulting services to support these products.

HIGHLIGHTS

During the six months ended June 30, 2024, the Company had the following transactions:

- On March 7, 2024, the Company entered into a simple agreement for future equity ("SAFE") with CryptoSlam, Inc. ("CryptoSlam"). Pursuant to the SAFE, the Company invested $67,595 (US$50,000) to help support CryptoSlam's innovation program. The SAFE is initially recorded at fair value and is revalued at the end of each reporting period. The fair value of the investment in SAFE is measured by investment at cost, which approximates fair value.
- On March 28, 2024, the Company completed a non-brokered unit private placement of 2,200,000 units at $0.05 per unit for gross proceeds of $110,000. Each unit consists of one common share and one-half warrant, each whole warrant entitles the holder to purchase one common share of the Company at an exercise price of $0.18 for a period of 24 months.
- On March 28, 2024, the Company completed a non-brokered private placement of convertible debentures for gross proceeds of $440,000. The convertible debentures are unsecured, bear interest at 7.5% per annum, payable semi-annually and mature three years after the date of issue on March 28, 2027. Each convertible debenture is convertible into common shares at a price of $0.18 per common share during the period of 18 months after the date of issue and $0.24 per common share afterwards until March 28, 2027.
- During the six months ended June 30, 2024, InvestDEFY made loan repayments of $404,825 in the form of 263,343.132 EOS tokens and cash of $133,310.
- During the six months ended June 30, 2024, the Company advanced to Troon Technologies Canada Inc. ("Troon") an additional $50,000 and was provided services valued at $8,876 in exchange for repayment of the loan.

DIGITAL ASSETS

The Company has a brokerage account with Crypto Finance AG in Zurich, Switzerland, Bitcoin Suisse AG in Grafenauweg, Switzerland and a multi-signature wallet. Digital assets are recorded at their fair value on the date they are received and are revalued to their fair value at each reporting date.

A summary of the Company's digital assets is as follows:

			June 30, 2024			December 31, 2023
	Units held	**Fair value**	**Cost**	Units held	Fair value	Cost
	#	**$**	**$**	#	$	$
Current						
Ethereum	**0.707**	**42,370**	**2,107**	0.707	2,135	2,036
Sushiswap	**1,692.130**	**1,938**	**27,697**	1,692.130	2,803	26,764
USD Coin	**4,123.415**	**23,331**	**5,705**	25,727.884	34,086	34,029
		67,639	**35,509**		39,024	62,829
Non-current						
Cardano	**20,334.585**	**10,916**	**33,740**	20,222.004	15,895	26,452
Polkadot	**3,139.303**	**56,619**	**80,133**	3,029.243	32,830	62,824
		67,535	**113,873**		48,725	89,276
Total		**135,174**	**149,382**		87,749	152,105

During the three and six months ended June 30, 2024, the Company recorded a loss on change in fair value of digital assets of $7,194 and a gain of $3,819, respectively (2023 - loss of $14,808 and a gain of $49,591, respectively) through profit or loss; gain of $nil and $51,436 (2023 - $nil and $5,607) through other comprehensive income; and a realized gain on sale of digital assets of $33,408 and $23,970 (2023 - $1,139 and $24,290).

The non-current portion of digital assets comprises of digital assets that are used for staking rewards that the Company received from blockchain networks in which it participates. The receipt of staking rewards were recognized as other income in profit or loss.

A summary of the Company's staking rewards received included in other income is as follows:

	Q2 2024	Q2 2023	**YTD 2024**	YTD 2023
	$	$	**$**	$
Avalanche	**-**	-	**-**	296
Cardano	**53**	75	**96**	153
Cosmos	**-**	90	**-**	1,306
Polkadot	**537**	1,024	**1,290**	2,118
	590	1,189	**1,386**	3,873

INVESTMENTS

A summary of the Company's investments is as follows:

	InvestDEFY	**Pixel**	**CryptoSlam**	**Total**
	$	$	$	$
Balance, December 31, 2022	-	-	-	-
Additions	330,999	25,000	-	355,999
Change in fair value	(330,999)	(25,000)	-	(355,999)
Balance, December 31, 2023	-	-	-	-
Addition	-	-	68,435	68,435
Balance, June 30, 2024	**-**	**-**	**68,435**	**68,435**

Investment in InvestDEFY

On February 6, 2023, the Company entered into a subscription agreement with InvestDEFY, whereby the Company purchased 645,162 Class B voting shares of InvestDEFY ("InvestDEFY Shares") for a purchase price of US$400,000.

In consideration for the purchase of the InvestDEFY Shares, the Company agreed to the following terms:

- to pay cash consideration of US$200,000 (paid $24,999 (US$17,946) on September 26, 2023); and
- to issue a total of 9,675,000 common shares of the Company (delivered 5,400,000 common shares on February 6, 2023 at $0.025 for a fair value of $135,000, and 4,275,000 common shares on October 20, 2023 at $0.04 for a fair value of $171,000).

The InvestDEFY Shares convert into Class A common shares after a two-year period subject to InvestDEFY's right to repurchase 40% of the Class B shares at the end of such two-year period.

As at December 31, 2023, InvestDEFY had not provided any updates on its business activities nor any information with respect to future financing rounds. Due to the absence of a market to sell the shares and the inability to reliably measure the fair value of the investment, the Company assessed the fair value at $nil and recorded a loss on change in fair value of $330,999 for the year ended December 31, 2023.

As at June 30, 2024 and December 31, 2023, the carrying value of the investment in InvestDEFY was $nil.

Investment in Pixel

On February 7, 2023, the Company entered into a share purchase agreement with Pixel (Cayman) Limited ("Pixel"), whereby the Company agreed to purchase 40,000 common shares of Pixel for a purchase price of US$50,000.

In consideration for the purchase of the Pixel common shares the Company has agreed to the following terms:

- First instalment of US$25,000 payable on February 7, 2023 (paid $25,000 (US$18,145));
- Second instalment of US$25,000 on the earlier of April 30, 2023 or when Pixel completes an equity investment ("Pixel Equity Investment") that enables it to build and launch the Pixel stablecoin platform; and
- A top-up instalment subject to certain conditions payable on the closing date of Pixel Equity Investment.

As at December 31, 2023, Pixel had not provided any updates on its business activities nor any information with respect to future financing rounds. Due to the absence of a market to sell the shares and the inability to reliably measure the fair value of the investment, the Company ceased pursuing the investment in Pixel and assessed the fair value at $nil recorded a loss on change in fair value of $25,000 for the year ended December 31, 2023.

As at June 30, 2024 and December 31, 2023, the carrying value of the investment in Pixel was $nil.

Investment in CryptoSlam

On March 7, 2024, the Company entered into a simple agreement for future equity ("SAFE") with CryptoSlam, Inc. ("CryptoSlam"). Pursuant to the SAFE, the Company invested $67,595 (US$50,000 - the "Purchase Amount") to help support CryptoSlam's innovation program. The SAFE is initially recorded at fair value and is revalued at the end of each reporting period. The fair value of the investment in CryptoSlam is measured at cost, which approximates fair value. The investment in CryptoSlam is subsequently impacted by foreign exchange movement.

In the event of a CryptoSlam's equity financing before the expiration or termination of the SAFE, CryptoSlam will automatically issue to the Company the number of preferred shares equal to the Purchase Amount divided by the lower of:

- the price per preferred share issued in the equity financing; and
- the price per share equal to CryptoSlam's post-money valuation capitalization divided by CryptoSlam's total number of shares issued and outstanding immediately prior to the equity financing.

In the event of a CryptoSlam's liquidation before the expiration or termination of the SAFE, the Company will receive amount equal to the greater of:

- the Purchase Amount; and
- the amount payable on the number of ordinary shares equal to the Purchase Amount divided by the liquidity price (equal to CryptoSlam's post-money valuation cap divided by CryptoSlam's total number of shares issued and outstanding immediately prior to the liquidation event).

In the event of a CryptoSlam's dissolution before the expiration or termination of the SAFE, the Company will receive the Purchase Amount.

As at June 30, 2024, t the SAFE has not been converted due to no triggering events taking place since the issuance of the SAFE and had a balance of $68,435 (December 31, 2023 - $nil).

SUMMARY OF QUARTERLY RESETLS

The following table summarizes selected quarterly financial information for the last eight quarters:

	Q2 2024	Q1 2024	Q4 2023	Q3 2023
	$	$	$	$
Net loss	**527,584**	441,909	1,003,170	194,925
Comprehensive loss	**530,355**	399,072	995,010	194,454
Net loss per share - basic and diluted	**0.01**	0.00	0.01	0.00

	Q2 2023	Q1 2023	Q4 2022	Q3 2022
	$	$	$	$
Net loss	504,270	264,199	773,649	445,745
Comprehensive loss	505,689	255,906	743,084	418,102
Net loss per share - basic and diluted	0.01	0.00	0.01	0.01

During the last eight quarters, the Company's net loss has ranged between $194,925 and $1,003,170. The Company has not yet achieved profitable operations and the range of net loss and comprehensive loss are correlated to the stability of the crypto market in any given quarter as this has an overall impact on the Company's digital assets and investments in other listed companies operating in the same industry.

During Q3 2023, the Company incurred a net loss and comprehensive loss of $194,925. This decrease compared to $445,745 in Q3 2022 is as a result of reduced consulting fees and professional fees as a result of normal course cost reductions, along with reduced share-based payments due to the accelerated vesting of stock options and restricted shares units. During Q4 2023, the Company incurred a net loss of $1,003,170, mainly attributed to consulting fees and change in fair value of investment

Net loss in Q1 2024 decreased from net loss in Q4 2023, mainly due to reduction in professional fees in Q1 2024 which is as a result of the non-occurrence of legal expenses related to the preparation of an option and RSU agreement for the CEO in the prior period and a supplier credit of $17,540 received in Q1 2024, loss in change in fair value of derivative liability and loss in change in fair value of investments in Q4 2023. Net loss increased to $525,032 in Q2 2024 due to an increase in consulting fees with the addition of three new members to the senior management team and an increase in fees to the chief executive office ("CEO").

RESULTS OF OPERATIONS

	Q2 2024	Q2 2023	**YTD 2024**	YTD 2023
	$	$	**$**	$
Operating expenses				
Consulting fees	**362,345**	94,000	**706,432**	310,334
Filing fees	**1,794**	4,500	**6,469**	6,750
General and administrative	**58,760**	40,395	**114,118**	60,692
Professional fees	**71,047**	121,446	**67,378**	160,090
Share-based compensation	**4,932**	231,473	**9,864**	301,216
	498,878	491,814	**904,261**	839,082
Other income (expenses)				
Accretion expense	**(23,222)**	-	**(37,842)**	-
Change in fair value of digital assets	**(7,194)**	(14,808)	**3,819**	49,591
Dividend income	**-**	-	**-**	49
Foreign exchange gain (loss)	**1,250**	24	**2,865**	(17,113)
Interest expense	**(39,314)**	-	**(70,036)**	-
Other income	**6,366**	1,189	**11,993**	4,337
Realized gain on sale of digital assets	**33,408**	1,139	**23,970**	24,290
Realized gain on sales of investment held for trading	**-**	-	**-**	8,869
	(28,706)	(12,456)	**(65,231)**	70,023
Loss before tax	**(527,584)**	(504,270)	**(969,492)**	(769,059)
Income tax recovery	**-**	-	**-**	590
Net loss	**(527,584)**	(504,270)	**(969,492)**	(768,469)
Other comprehensive income (loss)				
Change in fair value on digital assets	**-**	-	**51,436**	5,607
Change in foreign currency translation	**(2,771)**	(1,419)	**(11,370)**	1,267
Net loss and comprehensive loss	**(530,355)**	(505,689)	**(929,426)**	(761,595)

Q2 2024 compared to Q2 2023

Net loss increased to $527,584 from $504,270 in the prior year comparable period. The primary drivers of this increase in net loss were as follows:

- Consulting fees increased to $362,345 compared to $94,000 in the prior year comparable period mainly due to the addition of three personnel that joined the Company's senior management team as the chief investment officer, chief strategy officer, and the chief financial officer. Additionally, there was an increase in the remuneration to the CEO, in the current period.
- General and administrative increased to $56,409 compared to $40,395 in the prior year comparable period mainly due to additional travel expenses and marketing costs relating to branding and shareholder communication during the current period.
- Accretion expense was $23,222 compared to $nil in the prior year comparable period as a result of the issuance of convertible debentures in July 2023, December 2023, and March 2024.
- Change in fair value of digital assets was 7,194 compared to 14,808 in the prior year comparable period due to decrease in digital assets held by the Company.

- Interest expense was $39,314 compared to $nil in the prior year comparable period as a result of the issuance of convertible debentures in July 2023, December 2023, and March 2024.
- Realized gain on sale of digital assets increased to $33,408 compared to gain of $1,139 in the prior year comparable period due to the sales of certain digital assets during the current period.

Partially offsetting the decrease in net loss were increases to certain expenses as follows:

- Professional fees decreased to $71,047 compared to expenses of $121,446 in the prior year comparable period due to increased legal expenses related to the preparation of an option and RSU agreement for the CEO in the prior period which did not recur and a supplier credit of $17,540 received in the current period.
- Share-based compensation decreased to $4,932 compared to $231,473 in the prior year comparable period mainly due to the accelerated vesting of stock options and restricted shares units following the termination of certain consultants in the prior year comparable period.

YTD 2024 compared to YTD 2023

Net loss increased to $969,492 from $768,469 in the prior year comparable period. The primary drivers of this increase in net loss were as follows:

- Consulting fees increased to $706,432 compared to $310,334 in the prior year comparable period mainly due to payments to three personnel that joined the Company's the senior management team as the chief investment officer, chief strategy officer, and chief financial officer. Additionally, there was an increase in the CEO's remuneration to the CEO, both in the current period.
- General and administrative increased to $114,118 compared to $60,692 in the prior year comparable period mainly due to additional travel expenses and marketing costs relating to branding and shareholder communication during the current period.
- Accretion expense was $37,842 compared to $nil in the prior year comparable period as a result of the issuance of convertible debentures in July 2023, December 2023, and March 2024
- Interest expense was $70,036 compared to $nil in the prior year comparable period as a result of the issuance of convertible debentures in July 2023, December 2023, and March 2024.

Partially offsetting the increase in net loss were decreases to certain expenses as follows:

- Professional fees decreased to $67,378 compared to $160,090 in the prior year comparable period due to an increase in legal expenses related to the preparation of an option and RSU agreement for the CEO in the prior period. Additionally, a supplier credit of $68,909 was received in the current period.
- Share-based compensation decreased to $9,864 compared to $301,216 in the prior year comparable period mainly due to the accelerated vesting of stock options and restricted shares units following the termination of certain consultants in the prior year comparable period.
- Change in fair value of digital assets decreased to $3,819 compared to $49,591 in the prior year comparable period mainly due to the sale of digital assets in the current period.
- Foreign exchange gain was $2,865 compared to a loss of $17,113 in the prior year comparable period mainly due to the impact of the strengthening of US dollar against the Swiss franc on the translation of US dollar denominated digital assets and investments in the prior year comparable period.

SOURCES AND USES OF CASH

	YTD 2024	YTD 2023
	$	$
Cash (used in) provided by operating activities	**(1,017,417)**	(285,610)
Cash provided by (used in) investing activities	**166,810**	28,221
Cash provided by financing activities	**550,000**	-
Effect of exchange rate on changes in cash	**(9,827)**	13,415
Change in cash and cash equivalent	**(310,434)**	(243,974)
Cash, beginning of the period	**375,491**	269,206
Cash, end of the period	**65,057**	25,232

Cash used in operating activities increased to $1,017,417 compared to $285,610 in the prior year comparable period due to an increase in consulting fees to key senior management and marketing expenses.

Cash provided by investing activities increased to $166,810 compared to $28,221 in the prior year comparable period due to increased proceeds from sales of digital assets partially offset by an investment made to CryptoSlam and advancing a loan receivable to Troon.

Cash provided by financing activities was $550,000 compared to $nil in the prior year comparable period due to the issuance of convertible debentures and the completion of a non-brokered unit private placement on March 28, 2024. The funds raised by the private placement will be used for revenue-generating lending, streaming arrangements, investments into blockchain-focused equities and working capital.

LIQUIDITY AND CAPITAL RESOURCES

As at June 30, 2024, the Company's cash balance of $65,057 (December 31, 2023 - $375,491) will not be sufficient to meet its current obligations related to its accounts payable and accrued liabilities balance of $662,097 (December 31, 2023 - $776,391) and convertible debentures of $1,036,324 (December 31, 2023 - $961,339). Therefore, the Company is exposed to liquidity risk and will be required to raise additional capital in the future to fund its operations.

As at June 30, 2024, the Company has a working capital deficiency of $1,368,010 (December 31, 2023 - $800,439), has not yet achieved profitable operations, and has an accumulated deficit of $17,518,436 (December 31, 2023 - $16,548,944).

CAPITAL DISCLOSURES

The Company's capital structure consists of all components of shareholders' equity. The Company's objective when managing capital is to maintain adequate levels of funding to support the current operations and the necessary corporate and administrative functions to facilitate these activities. This is done through both equity and debt financing. Future financings are dependent on market conditions and there can be no assurance the Company will be able to raise funds in the future.

The Company holds all capital that is surplus to its immediate operational needs in either Canadian dollars, US dollars or Swiss francs in various bank accounts. There were no changes to the Company's approach to capital management during the period. The Company is not subject to externally imposed capital requirements.

RELATED PARTY TRANSACTIONS

Key management includes the personnel having authority and responsibility for planning, directing, and controlling the activities of the Company. The Company has determined that key management personnel consist of members of the Company's Board and corporate officers.

All related party transactions are recorded at the exchange amount which is the amount agreed to by the Company and the related party.

A summary of the Company's related party transactions in profit or loss is as follows:

	Q2 2024	Q2 2023	**YTD 2024**	YTD 2023
	$	$	**$**	$
Consulting fees	**272,000**	15,000	**564,500**	120,000
Share-based compensation	**3,486**	42,202	**6,973**	55,671
	275,486	57,202	**571,473**	175,671

A summary of the Company's amounts due to and from key management personnel is as follows:

	June 30, 2024	December 31, 2023
	$	$
Due from related party	**139,670**	138,303
Accounts payable and accrued liabilities	**(269,913)**	(166,675)
	(130,243)	(28,372)

The amounts above relate to certain officers, bear no interest and have no specified terms of repayment.

OUTSTANDING SECURITIES DATA

A summary of the Company's outstanding securities is as follows:

	June 30, 2024	MD&A Date
	$	$
Common shares	104,936,112	104,936,112
Stock options	2,133,711	2,133,711
Share purchase warrants	2,336,150	2,336,150
Non-vested restricted share units	910,222	910,222

OFF-BALANCE SHEET ARRANGEMENTS

As at June 30, 2024 and the MD&A date, the Company has no off-balance sheet arrangements.

FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

As at June 30, 2024 and December 31, 2023, the carrying value of cash, due from related parties and accounts payable and accrued liabilities approximate their respective fair values because of their short-term nature.

The Company's financial instruments consist of cash, loans receivable, convertible notes receivable, investments, due from related parties, accounts payable and accrued liabilities and convertible debentures. The Company classifies its cash, loans receivable, accounts payable and accrued liabilities, convertible debentures, and due from related parties at amortized cost, and investments and convertible notes receivable as fair value through profit or loss.

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

Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty fails to meet an obligation under contract. The Company's cash, loans receivable, due from related parties, investments and convertible notes receivable are exposed to credit risk. The Company limits its credit risk by placing its cash with high credit quality financial institutions.

As at June 30, 2024, the Company held $65,057 (December 31, 2023 - $375,491) in cash, $128,841 (December 31, 2023 - $488,672) in loans receivable, $139,670 (December 31, 2023 - $138,303) in due from related parties, $68,435 (December 31, 2023 - $nil) in investments in private companies and $143,657 (December 31, 2023 - $nil) in convertible notes receivable.

The Company's credit risk is predominantly related to cash balances held in financial institutions, loans receivable, convertible notes receivable and due from related party. The maximum exposure to credit risk is equal to the carrying value of such financial assets. As at June 30, 2024, the Company expects to recover the full amount of such assets.

Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they come due. As a result, accounts payable and accrued liabilities as well as convertible debentures exposed the Company to liquidity risk. The Company controls liquidity risk by ensuring that it has sufficient cash resources to pay for its financial obligations. As the Company's operations do not generate cash, financial liabilities are discharged using funding through the issuance of common shares or debt as required.

As at June 30, 2024, the Company's cash balance of $65,057 (December 31, 2023 - $375,491) will not be sufficient to meet its current obligations related to its accounts payable and accrued liabilities balance of $662,097 (December 31, 2023 - $776,391) and convertible debentures of $1,036,324 (December 31, 2023 - $961,339). Therefore, the Company is exposed to liquidity risk and will be required to raise additional capital in the future to fund its operations.

Market risk

Market risk is the risk that changes in market prices will affect the Company's earnings or the value of its financial instruments. The objective of market risk management is to manage and control exposures within acceptable limits, while maximizing returns.
Interest rate risk

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company has exposure as at June 30, 2024 to interest rate risk through its convertible debentures, which have interest rates between 7.5% to 10% per annum.

Foreign currency risk

Foreign currency risk is the risk that the fair values of future cash flows of a financial instrument will fluctuate because they are denominated in currencies that differ from the respective functional currency. The Company is exposed to foreign currency risk, as certain monetary financial instruments are denominated in CHF and USD.

A summary of the Company's carrying amounts of the foreign currency denominated monetary assets (liabilities) is as follows:

	June 30, 2024	December 31, 2023
	$	$
Cash	**146**	721
Accounts payable and accrued liabilities	**(575)**	-
	(428)	721

The Company has not entered any foreign currency contracts to mitigate this risk. A 5% shift in exchange rates would result in a foreign exchange gain or loss of approximately $21.

SIGNIFICANT JUDGMENTS AND SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Company's accounting policies, management is required to make judgments, estimates and assumptions about the carrying amount and classification of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revisions affect only that period, or in the period of the revision and future periods, if the revision affects both current and future periods.

The accounting estimates, judgements and assumptions used in the preparation of the Financial Statements are consistent with those applied and disclosed in the Annual Financial Statements.

PROPOSED TRANSACTIONS

Investment in Troon

On October 26, 2023, the Company and Troon entered into an agreement for the acquisition of Troon. Pursuant to the agreement, the Company plans to acquire 10% of the outstanding shares of Troon at the aggregate price of US$370,000 or in the form of common shares of the Company. Following the initial acquisition, the Company commits to purchasing the remaining 90% of Troon's outstanding shares over the period of 3 years with 30% each on the first, second and third anniversary of the closing date of the Transaction, subject to the parties achieving certain performance-based targets at end of each fiscal year. The pricing for each tranche of the additional share acquisition will be determined based on the effective growth rate of the ongoing business developed by Troon, with a minimum growth rate of 20% per year. The Company may pay all or any part of the consideration in cash.

Investment in Vesta

On March 12, 2024, the Company entered into a share swap agreement with Vesta Equity Inc. ("Vesta"), pursuant to which the Company plans to acquire 270,727 common shares of Vesta ("Vesta Shares"). In consideration for the acquisition of the Vesta Shares, the Company is required to issue 2,054,722 common shares to Vesta at a deemed price of $0.085 per share for a deemed value of $175,000.

RISKS AND UNCERTAINTIES

For a detailed listing of the risks and uncertainties faced by the Company, please refer to the Company's MD&A for the years ended December 31, 2023 and 2022.