

# **SPIRIT BLOCKCHAIN CAPITAL INC.**

**Condensed Interim Consolidated Financial Statements**

**For the three and nine months ended September 30, 2024 and 2023**

(Unaudited - Expressed in Canadian dollars)

**Notice of Disclosure of Non-auditor Review of the Condensed Interim Consolidated Financial Statements for the Three and nine months ended September 30, 2024 and 2023**

Pursuant to National Instrument 51-102 *Continuous Disclosure Obligations*, part 4, subsection 4.3(3)(a) issued by the Canadian Securities Administrators, if an auditor has not performed a review of the interim financial statements, they must be accompanied by a notice indicating that the financial statements have not been reviewed by an auditor.

The accompanying unaudited condensed interim consolidated financial statements of Spirit Blockchain Capital Inc. for the interim periods ended September 30, 2024 and 2023, have been prepared in accordance with the International Accounting Standard 34 *Interim Financial Reporting*, as issued by the International Accounting Standards Board, and are the responsibility of management.

The independent auditors, Reliant CPA, have not performed a review of these unaudited condensed interim consolidated financial statements.

November 28, 2024

**SPIRIT BLOCKCHAIN CAPITAL INC.**  
**Condensed Interim Consolidated Statements of Financial Position**  
(Unaudited - Expressed in Canadian dollars)

	Note	September 30, 2024	December 31, 2023
		\$	\$
<b>ASSETS</b>			
<b>Current</b>			
Cash		13,100	375,491
Amounts receivable		107,583	48,804
Loans receivable	5	131,277	488,672
Digital assets	6	19,432	39,024
Due from related parties	12	147,090	138,303
Prepaid expenses		1,530	-
		<b>420,012</b>	<b>1,090,294</b>
Non-current portion of digital assets	6	-	48,725
Investments	7	67,595	-
Convertible notes receivable	8	145,086	-
<b>Total assets</b>		<b>632,693</b>	<b>1,139,019</b>
<b>LIABILITIES</b>			
<b>Current</b>			
Accounts payable and accrued liabilities	9,12	1,302,957	776,391
Convertible debentures	10	1,075,903	961,339
Derivative liability	10(b)	153,003	153,003
		<b>2,531,863</b>	<b>1,890,733</b>
Non-current portion of convertible debentures	10	615,734	250,004
<b>Total liabilities</b>		<b>3,147,597</b>	<b>2,140,737</b>
<b>SHAREHOLDERS' DEFICIENCY</b>			
Share capital	11(b)	14,476,504	14,397,583
Contributed surplus		1,369,251	1,193,487
Accumulated other comprehensive loss		(47,590)	(43,844)
Deficit		(18,313,069)	(16,548,944)
<b>Total shareholders' deficiency</b>		<b>(2,514,904)</b>	<b>(1,001,718)</b>
<b>Total liabilities and shareholders' deficiency</b>		<b>632,693</b>	<b>1,139,019</b>

Nature of operations and going concern (Note 1)

Subsequent events (Note 15)

Approved and authorized for issue on behalf of the Board of Directors:

/s/ Lewis Bateman  
Director

/s/ Raymond O'Neill  
Director

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

**SPIRIT BLOCKCHAIN CAPITAL INC.**
**Condensed Interim Consolidated Statements of Loss and Comprehensive Loss**

(Unaudited - Expressed in Canadian dollars, except number of shares)

	Note	Three months ended September 30,		Nine months ended September 30,	
		2024	2023	2024	2023
		\$	\$	\$	\$
<b>Operating expenses</b>					
Consulting fees	12	395,693	119,375	1,102,125	429,709
Filing fees		2,756	13,500	9,225	20,250
General and administrative		81,573	11,679	195,691	103,371
Professional fees		227,601	8,716	294,979	137,806
Share-based compensation	12	2,348	18,605	12,212	319,821
		<b>709,971</b>	<b>171,875</b>	<b>1,614,232</b>	<b>1,010,957</b>
<b>Other income (expenses)</b>					
Accretion expense	10	(24,481)	(3,158)	(62,323)	(3,158)
Change in fair value of digital assets	6	(16,814)	(17,495)	(12,995)	32,096
Dividend income		-	-	-	49
Foreign exchange gain (loss)		(3,130)	631	(265)	(16,482)
Interest expense	10	(40,408)	(3,933)	(110,444)	(3,933)
Other income	6,8	5,977	905	17,970	5,242
Realized gain (loss) on sale of digital assets	6	(57,242)	-	(33,272)	24,290
Realized gain on sales of investments held for trading		-	-	-	8,869
		<b>(136,098)</b>	<b>(23,050)</b>	<b>(201,329)</b>	<b>46,973</b>
<b>Loss before income tax recovery</b>		<b>(846,069)</b>	<b>(194,925)</b>	<b>(1,815,561)</b>	<b>(963,984)</b>
Income tax recovery		-	-	-	590
<b>Net loss</b>		<b>(846,069)</b>	<b>(194,925)</b>	<b>(1,815,561)</b>	<b>(963,394)</b>
<b>Other comprehensive income (loss)</b>					
Change in fair value of digital assets	6	(51,436)	-	-	5,607
Change in foreign currency translation		7,624	471	(3,746)	1,738
<b>Net loss and comprehensive loss</b>		<b>(889,881)</b>	<b>(194,454)</b>	<b>(1,819,307)</b>	<b>(956,049)</b>
<b>Net loss per common share:</b>					
Basic and diluted		<b>(0.01)</b>	<b>(0.00)</b>	<b>(0.02)</b>	<b>(0.01)</b>
<b>Weighted average number of common shares:</b>					
Basic and diluted		<b>104,936,112</b>	<b>96,638,690</b>	<b>104,237,571</b>	<b>94,039,949</b>

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

**SPIRIT BLOCKCHAIN CAPITAL INC.**  
**Condensed Interim Consolidated Statements of Cash Flows**  
(Unaudited - Expressed in Canadian dollars)

	Nine months ended September 30,	
	2024	2023
	\$	\$
<b>Operating activities:</b>		
Net loss for the period	(1,815,561)	(963,394)
Adjustments for:		
Share-based compensation	12,212	319,821
Accretion expense	62,323	3,158
Change in fair value of digital assets	12,995	(32,096)
Foreign exchange (gain) loss	(1,602)	33
Interest expense	110,444	3,933
Other income	(17,970)	(4,778)
Realized loss (gain) on sale of digital assets	33,272	(24,290)
Realized gain on sales of investments held for trading	-	(8,869)
Changes in non-cash working capital items:		
Amounts receivable	(58,779)	(4,980)
Due from related parties	(8,787)	(57,358)
Prepaid expenses	(1,530)	720
Accounts payable and accrued liabilities	552,243	(10,124)
<b>Cash used in operating activities</b>	<b>(1,120,740)</b>	<b>(778,224)</b>
<b>Investing activities:</b>		
Loan receivable provided to Troon	(50,000)	-
Convertible notes receivable provided to CoinChange	(133,310)	-
Proceeds from repayment of loan receivable to InvestDEFY	133,310	-
Proceeds from sales of investments held for trading	-	35,110
Proceeds from sales of digital assets	329,138	297,556
Payment for investment in CryptoSlam	(67,595)	-
Payment for investment in InvestDEFY	-	(24,999)
Payment for investment in Pixel	-	(25,000)
<b>Cash provided by investing activities</b>	<b>211,543</b>	<b>282,667</b>
<b>Financing activities:</b>		
Proceeds from issuance of units in private placement	110,000	55,000
Proceeds from issuance of convertible debentures	440,000	220,000
<b>Cash provided by financing activities</b>	<b>550,000</b>	<b>275,000</b>
Effect of exchange rate on changes in cash	(3,194)	13,426
Change in cash	(362,391)	(207,131)
Cash, beginning of the period	375,491	269,206
<b>Cash, end of the period</b>	<b>13,100</b>	<b>62,075</b>
<b>Supplemental cash flow information:</b>		
Cash interest earned	-	-
Cash dividends received	-	-
Cash interest paid	-	-
Cash income tax recovery	-	590
Fair value of common shares issued for debt settlement	-	126,100
Fair value of common shares issued for investment in InvestDEFY	-	270,000
Fair value of digital assets received as partial settlement of InvestDEFY loan receivable	271,515	-
Fair value of services received as partial settlement of Troon loan receivable	8,876	-

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

**SPIRIT BLOCKCHAIN CAPITAL INC.**
**Condensed Interim Consolidated Statements of Changes in Shareholders' Deficiency**

(Unaudited - Expressed in Canadian dollars, except number of shares)

	Number of shares	Share capital	Contributed surplus	Accumulated other comprehensive loss	Deficit	Total shareholders' equity (deficiency)
	#	\$	\$	\$	\$	\$
Balance, December 31, 2022	86,717,182	13,923,358	810,605	(59,349)	(14,582,380)	92,234
Units issued in private placement	2,200,000	52,354	2,646	-	-	55,000
Shares issued for debt settlement	2,441,074	126,100	-	-	-	126,100
Shares issued for investment in InvestDEFY	5,400,000	270,000	-	-	-	270,000
Fair value of conversion feature of convertible debentures	-	-	44,203	-	-	44,203
Share-based compensation	-	-	319,821	-	-	319,821
Change in fair value of digital assets	-	-	-	5,607	-	5,607
Change in foreign currency translation	-	-	-	1,738	-	1,738
Net loss for the period	-	-	-	-	(963,394)	(963,394)
Balance, September 30, 2023	96,758,256	14,371,812	1,177,275	(52,004)	(15,545,774)	(48,691)
Units issued in private placement	272,300	(4,478)	18,093	-	-	13,615
Shares issued for debt settlement	1,430,556	51,250	-	-	-	51,250
Adjustment to fair value of shares issued for debt settlement	-	(57,001)	-	-	-	(57,001)
Shares issued for investment in InvestDEFY	4,275,000	171,000	-	-	-	171,000
Adjustment to fair value of shares issued for investment in InvestDEFY	-	(135,000)	-	-	-	(135,000)
Fair value of conversion feature of convertible debentures	-	-	(7,235)	-	-	(7,235)
Share-based compensation	-	-	5,354	-	-	5,354
Change in fair value of digital assets	-	-	-	(5,607)	-	(5,607)
Change in foreign currency translation	-	-	-	13,767	-	13,767
Net loss for the period	-	-	-	-	(1,003,170)	(1,003,170)
Balance, December 31, 2023	102,736,112	14,397,583	1,193,487	(43,844)	(16,548,944)	(1,001,718)
Units issued in private placement	2,200,000	78,921	31,079	-	-	110,000
Fair value of conversion feature of convertible debentures	-	-	132,473	-	-	132,473
Share-based compensation	-	-	12,212	-	-	12,212
Change in fair value of digital assets	-	-	-	51,436	-	51,436
Reclassification of other comprehensive income to deficit	-	-	-	(51,436)	51,436	-
Change in foreign currency translation	-	-	-	(3,746)	-	(3,746)
Net loss for the period	-	-	-	-	(1,815,561)	(1,815,561)
<b>Balance, September 30, 2024</b>	<b>104,936,112</b>	<b>14,476,504</b>	<b>1,369,251</b>	<b>(47,590)</b>	<b>(18,313,069)</b>	<b>(2,514,904)</b>

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

**SPIRIT BLOCKCHAIN CAPITAL INC.**  
**Notes to the Condensed Interim Consolidated Financial Statements**  
**For the three and nine months ended September 30, 2024 and 2023**  
(Unaudited - Expressed in Canadian dollars, except where noted)

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**1. NATURE OF OPERATIONS AND GOING CONCERN**

Spirit Blockchain Capital Inc. (the "Company") 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 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 service and undertake merger and acquisition activity. The Company's registered and records office is located at Suite 1570, 505 Burrard Street Vancouver, British Columbia, V7X 1M5. On September 14, 2022, the Company common shares began trading on the Canadian Securities Exchange (the "CSE") under the symbol "SPIR".

These unaudited condensed interim consolidated financial statements for the three and nine months ended September 30, 2024 and 2023 ("financial statements") have been prepared on a going concern basis, which assumes that the Company will be able to realize its assets and discharge its liabilities in the ordinary course of business in the foreseeable future. Historically, the Company has not earned sufficient income to finance day-to-day activities through operations. The Company's ability to continue on a going concern basis is dependent upon its ability to generate future cash flows or raise equity capital or borrowings sufficient to meet current and future obligations.

As at September 30, 2024, the Company has a working capital deficiency of \$2,111,851 (December 31, 2023 - \$800,439), has not yet achieved profitable operations, and has an accumulated deficit of \$18,313,069 (December 31, 2023 - \$16,548,944). These factors indicate the existence of material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern. Management intends to finance operating costs over the next twelve months with equity financing including private placements of common shares, potential debt financing, and the generation of income from its operations; however, there can be no assurance that this will occur. These financial statements do not reflect adjustments would be necessary if the going concern assumption were not appropriate, which could be material.

**2. BASIS OF PREPARATION**

**a) Statement of compliance**

These financial statements were approved by the Board of Directors and authorized for issue on November 28, 2024.

These financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS Accounting Standards") as issued by the International Accounting Standards Board applicable to the preparation of interim financial statements including International Accounting Standard 34 *Interim Financial Reporting*. These financial statements do not include all disclosures required for annual audited financial statements. Accordingly, they should be read in conjunction with the notes to the Company's audited financial statements for the years ended December 31, 2023 and 2022 (the "Annual Financial Statements").

**b) Basis of presentation**

These financial statements have been prepared using the historical cost basis, except for certain financial assets and liabilities which are measured at fair value, as specified by IFRS Accounting Standards for each type of asset, liability, income, and expense as set out in the accounting policies below. In addition, these financial statements have been prepared using the accrual basis of accounting except for cash flow information.

**c) Functional and presentation currency**

These financial statements are presented in Canadian dollars ("CAD"), which is the functional and presentation currency of the Company. The functional currency is the currency of the primary economic environment in which an entity operates. References to "US\$" or "USD" are to United States dollars and references to "CHF" are to Swiss francs.

**d) Basis of consolidation**

These financial statements include the accounts of the Company and its subsidiaries. All intercompany transactions and balances are eliminated on consolidation. Control exists where the parent entity has power over the investee and is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Subsidiaries are included in the consolidated financial statements from the date control commences until the date control ceases.

**SPIRIT BLOCKCHAIN CAPITAL INC.**  
**Notes to the Condensed Interim Consolidated Financial Statements**  
**For the three and nine months ended September 30, 2024 and 2023**  
(Unaudited - Expressed in Canadian dollars, except where noted)

**2. BASIS OF PREPARATION (continued)**

A summary of the Company's subsidiaries included in these financial statements as at September 30, 2024 is as follows:

<b>Name of subsidiary</b>	<b>Country of incorporation</b>	<b>Percentage Ownership</b>	<b>Functional Currency</b>	<b>Principal Activity</b>
Spirit Blockchain AG	Switzerland	100%	CHF	Holding company
Spirit Blockchain Holdings Inc.	Canada	100%	CAD	Holding company

**3. MATERIAL ACCOUNTING POLICIES**

In the preparation of these financial statements, the Company used the same accounting policies as those applied and disclosed in the notes to the Annual Financial Statements, except for the following pronouncement which became effective for periods beginning on or after January 1, 2024.

Classification of liabilities as current or non-current - amendments to IAS 1

The amendments to IAS 1 specify the requirements for classifying liabilities as current or non-current. The amendments clarify:

- What is meant by a right to defer settlement
- That a right to defer must exist at the end of the reporting period
- That classification is unaffected by the likelihood that an entity will exercise its deferral right
- That only if an embedded derivative in a convertible liability is itself an equity instrument would the terms of a liability not impact its classification.

In addition, an entity is required to disclose when a liability arising from a loan agreement is classified as non-current and the entity's right to defer settlement is contingent on compliance with future covenants within twelve months. The amendments have not had an impact on the classification of the Company's liabilities.

**4. SIGNIFICANT JUDGMENTS AND SOURCES OF ESTIMATION UNCERTAINTY**

The preparation of the financial statements requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, and expenses.

The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances and which form the basis of making judgments about carrying values of assets and liabilities that are not readily apparent from other sources. 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 revision affects only that period, or in the period of the revision and further periods if the revision affects both current and future periods.

In the preparation of these financial statements, the Company used the same accounting estimates and judgments as those applied and disclosed in the notes to the Annual Financial Statements.

**SPIRIT BLOCKCHAIN CAPITAL INC.****Notes to the Condensed Interim Consolidated Financial Statements****For the three and nine months ended September 30, 2024 and 2023**

(Unaudited - Expressed in Canadian dollars, except where noted)

**5. LOANS RECEIVABLE**

A summary of the Company's loans receivable is as follows:

	<b>InvestDEFY</b>	<b>Troon</b>	<b>Total</b>
	\$	\$	\$
Balance, December 31, 2022	-	-	-
Advances	1,076,469	83,620	1,160,089
Interest earned	5,400	227	5,627
Repayments	(677,044)	-	(677,044)
Balance, December 31, 2023	404,825	83,847	488,672
Advances	-	50,000	50,000
Interest earned	-	6,306	6,306
Repayments	(404,825)	(8,876)	(413,701)
<b>Balance, September 30, 2024</b>	<b>-</b>	<b>131,277</b>	<b>131,277</b>

**a) Loan to InvestDEFY**

On December 5, 2023, the Company completed a non-brokered private placement of convertible debentures for gross proceeds of \$1,054,463, comprised of \$54,463 in cash and \$1,000,000 in 1,066,973.230 EOS tokens (Note 10(b)). Upon completion of the private placement, all 1,066,973.230 EOS tokens with fair value of \$1,076,469 were loaned to InvestDEFY Technologies Inc. ("InvestDEFY"), a non-arm's length party and the loan is repayable in either cash or digital assets. The loan bears interest at 7.5% per annum and is payable on demand.

During the year ended December 31, 2023, InvestDEFY made loan repayments of \$128,566 in the form of 95,250 USD Coins, and cash of \$548,478.

During the nine months ended September 30, 2024, InvestDEFY made loan repayments of \$404,825 in the form of tokens worth \$271,515 and cash of \$133,310.

As at September 30, 2024, the InvestDEFY loan was fully repaid.

**b) Loan to Troon**

On December 15, 2023, the Company advanced \$83,620 to Troon Technologies Canada Inc. ("Troon"), a non-arm's length party. The loan bears interest at 7.5% per annum and is payable on demand.

During the nine months ended September 30, 2024, the Company advanced an additional \$50,000 and was provided services valued at \$8,876 as partial settlement of the loan.

As at September 30, 2024, the Troon loan receivable had a balance owing of \$131,277 (December 31, 2023 - \$83,847) of which \$6,306 (December 31, 2023 - \$227) was accrued interest.

**SPIRIT BLOCKCHAIN CAPITAL INC.****Notes to the Condensed Interim Consolidated Financial Statements****For the three and nine months ended September 30, 2024 and 2023**

(Unaudited - Expressed in Canadian dollars, except where noted)

**6. 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:

	September 30, 2024			December 31, 2023		
	Units held	Fair value	Cost	Units held	Fair value	Cost
	#	\$	\$	#	\$	\$
<b>Current</b>						
Ethereum	-	-	-	0.707	2,135	2,036
Sushiswap	<b>1,692.130</b>	<b>1,831</b>	<b>27,317</b>	1,692.130	2,803	26,764
USD Coin	<b>13,718.744</b>	<b>17,601</b>	<b>14,559</b>	25,727.884	34,086	34,029
		<b>19,432</b>	<b>41,876</b>		39,024	62,829
<b>Non-current</b>						
Cardano	-	-	-	20,222.004	15,895	26,452
Polkadot	-	-	-	3,029.243	32,830	62,824
		-	-		48,725	89,276
		<b>19,432</b>	<b>41,876</b>		87,749	152,105

During the three and nine months ended September 30, 2024, the Company recorded a loss on change in fair value of digital assets of \$16,814 and \$12,995, respectively (2023 – loss of \$17,495 and a gain of \$32,096, respectively) through profit or loss and a realized loss on sale of digital assets of \$57,242 and \$33,272 (2023 - gain of \$nil and \$24,290).

During the three and nine months ended September 30, 2024, the Company recorded a gain of \$nil and \$51,436 (2023 - \$nil and gain of \$5,607) through other comprehensive income and transferred \$51,436 and \$51,436 (2023 - \$nil and \$nil) to deficit on disposals of the assets.

The receipt of staking rewards was recognized as other income in profit or loss.

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

	Three months ended		Nine months ended	
	September 30, 2024	September 30, 2023	September 30, 2024	September 30, 2023
	\$	\$	\$	\$
Avalanche	-	-	-	296
Cardano	<b>5</b>	55	<b>101</b>	208
Cosmos	-	-	-	1,306
Polkadot	<b>99</b>	850	<b>1,389</b>	2,968
	<b>104</b>	905	<b>1,490</b>	4,778

**SPIRIT BLOCKCHAIN CAPITAL INC.****Notes to the Condensed Interim Consolidated Financial Statements****For the three and nine months ended September 30, 2024 and 2023**

(Unaudited - Expressed in Canadian dollars, except where noted)

**7. 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	-	-	67,595	67,595
<b>Balance, September 30, 2024</b>	<b>-</b>	<b>-</b>	<b>67,595</b>	<b>67,595</b>

**a) Investment in InvestDEFY**

On February 6, 2023, the Company entered into a subscription agreement with InvestDEFY, whereby it subscribed for 645,162 Class B voting shares of InvestDEFY ("InvestDEFY Shares").

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

1. to pay cash consideration of US\$200,000 (paid \$24,999 (US\$17,946) on September 26, 2023); and
2. 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 September 30, 2024 and December 31, 2023, the carrying value of the investment in InvestDEFY was \$nil.

**b) 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 agreed to the following terms:

1. First instalment of US\$25,000 payable on February 7, 2023 (paid \$25,000 (US\$18,145));
2. 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
3. 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 September 30, 2024 and December 31, 2023, the carrying value of the investment in Pixel was \$nil.

**c) Investment in CryptoSlam SAFE**

On March 7, 2024, the Company entered into a simple agreement for future equity ("SAFE") with CryptoSlam Inc. ("CryptoSlam") with an expiration date of December 31, 2024. Pursuant to the SAFE, the Company invested \$67,595 (US\$50,000 - the "Purchase Amount") to support CryptoSlam's innovation program. The investment in CryptoSlam is measured at cost, which approximates fair value.

## **SPIRIT BLOCKCHAIN CAPITAL INC.**

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## **7. INVESTMENTS (continued)**

In the event that CryptoSlam completes an 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 preferred share equal to CryptoSlam's post-money valuation capitalization divided by CryptoSlam's total number of common 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 an 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 CryptoSlam's dissolution before the expiration or termination of the SAFE, the Company will receive the Purchase Amount.

As at September 30, 2024, the SAFE has not been converted due to no triggering events taking place since the issuance of the SAFE and had a balance of \$67,595 (December 31, 2023 - \$nil).

## **8. CONVERTIBLE NOTES RECEIVABLE**

On December 5, 2023, the Company entered into an agreement to acquire an unsecured, 10% convertible notes receivable with a principal amount of \$133,310 (US\$100,000 - the "Notes"), convertible into common shares of CoinChange Financials Inc. ("CoinChange"). The transaction closed on January 4, 2024. The Notes mature on December 5, 2026 ("Maturity Date") and accrue interest at 10% per annum. The outstanding principal amount of the Notes plus all accrued and unpaid interest becomes due and receivable in cash on December 5, 2026.

The convertible notes receivable may be converted into shares of CoinChange as a result of the following four conditions:

1. A financing for aggregate gross proceeds for at least US\$5,000,000 - excluding conversion of the Notes and CoinChange's other debts (a "Qualified Financing").

In the event of a Qualified Financing, the Notes plus any unpaid accrued interest will automatically convert into the highest-ranking common shares of CoinChange at a conversion price equal to the lesser of:

- 80% of the price per share paid by investors participating in the Qualified Financing; and
- US\$25,000,000 divided by the number of all issued and outstanding shares of CoinChange immediately prior to the Qualified Financing, calculated on a fully-diluted basis.

2. An initial public offering of its common shares on a recognized stock exchange in Canada with net proceeds of US\$50,000,000 (an "IPO").

3. A consolidation or merger of CoinChange with or into any other corporation resulting in a surviving entity in which shareholders of CoinChange continue to hold a majority of voting power; or any transaction or series of transactions to which CoinChange is a party resulting in more than 50% of CoinChange's voting power is maintained; or a sale, lease, exclusive license or other disposition of all or substantially all of CoinChange's assets (collectively referred to as "Sale of Corporation").

In the event of a IPO or Sale of Corporation, the Company has the option to convert the Notes plus any unpaid accrued interest into the highest-ranking common shares of CoinChange at a conversion price equal to US\$25,000,000 divided by the number of all issued and outstanding shares of CoinChange, calculated on a fully-diluted basis, on the conversion date.

If the Notes have not been converted pursuant to any of the events above, the Company has the option to convert the Notes plus any unpaid accrued interest into highest-ranking common share of CoinChange at a conversion price equal to US\$25,000,000 divided by the number of all issued and outstanding shares of CoinChange, calculated on a fully-diluted basis, on the conversion date, which must be at least 10 days prior to the Maturity Date.

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**8. CONVERTIBLE NOTES RECEIVABLE (continued)**

As at September 30, 2024, the Notes have not been converted due to no triggering events taking place since the issuance of the Notes and had a balance of \$145,086 (December 31, 2023 - \$nil). During the three and nine months ended September 30, 2024, the Company recorded a foreign exchange loss of \$2,008 and gain of \$1,602, respectively (2023 - \$nil and \$nil, respectively) and accrued interest income of \$3,438 and \$10,174, respectively (2023 - \$nil and \$nil, respectively).

**9. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES**

A summary of the Company's accounts payable and accrued liabilities is as follows:

	September 30, 2024	December 31, 2023
	\$	\$
Trade payables	944,457	718,142
Accrued liabilities	358,500	58,249
	<b>1,302,957</b>	<b>776,391</b>

**10. CONVERTIBLE DEBENTURES**

A summary of the Company's convertible debentures is as follows:

	First Tranche	Second Tranche	EOS Tranche	Third Tranche	Total
	\$	\$	\$	\$	\$
Balance, December 31, 2022	-	-	-	-	-
Issuance - liability component	191,854	45,641	950,969	-	1,188,464
Interest expense	8,092	291	7,123	-	15,506
Accretion expense	3,954	172	3,247	-	7,373
Balance, December 31, 2023	203,900	46,104	961,339	-	1,211,343
Issuance - liability component	-	-	-	307,527	307,527
Interest expense	12,386	3,066	78,175	16,817	110,444
Accretion expense	6,527	1,915	36,389	17,492	62,323
<b>Balance, September 30, 2024</b>	<b>222,813</b>	<b>51,085</b>	<b>1,075,903</b>	<b>341,836</b>	<b>1,691,637</b>
Current	-	-	1,075,903	-	1,075,903
Non-current	222,813	51,085	-	341,836	615,734

**a) First Tranche**

On July 5, 2023, the Company completed a non-brokered private placement (the "First Tranche") of convertible debentures for gross proceeds of \$220,000. 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 July 5, 2026. 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 July 5, 2026. The fair value of the liability component was determined using the rate of interest that would apply to an identical financial instrument without the conversion option. As a result, fair value of \$191,854 was allocated to the liability component and \$28,146 was allocated to the equity component representing the conversion feature.

During the three and nine months ended September 30, 2024, the Company recorded accretion expense of \$2,256 and \$6,527, respectively (2023 - \$nil and \$nil, respectively) and interest expense of \$4,159 and \$12,386, respectively (2023 - \$nil and \$nil, respectively) on the First Tranche.

**b) Second Tranche and EOS Tranche**

On December 5, 2023, the Company completed a non-brokered private placement of convertible debentures for total fair value of \$1,054,463, of which \$54,463 was received in cash proceeds (the "Second Tranche") and \$1,000,000 in EOS tokens (the "EOS Tranche").

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#### **10. CONVERTIBLE DEBENTURES (continued)**

The Second Tranche matures three years from the date of issuance on December 5, 2026 and bear interest at 7.5% per annum payable semi-annually. The Second Tranche is convertible into common shares at a price of \$0.18 per common share during the 18 months after the date of issue and \$0.24 per common share afterwards until December 5, 2026. In the event of an acquisition of the Company ("Change of Control"), the Second Tranche will be repaid in full plus any accrued and unpaid interest. The fair value of the liability component was determined using the rate of interest that would apply to an identical financial instrument without the conversion option. As a result, fair value of \$45,641 was allocated to the liability component and \$8,822 was allocated to the equity component representing the conversion feature.

The EOS Tranche bears interest at 10% per annum payable on maturity date of December 5, 2024, which will be reduced to 7.5% in the event of Change of Control. The EOS Tranche is convertible into common shares of the Company as follows:

1. At the option of the holders before December 5, 2024 at (i) the lesser of \$0.18 per common share and (ii) the weighted average price of the Company's common shares for the 30 days immediately prior to the date of conversion ("Conversion Price"); or
2. Automatically upon the Company's completion of a \$10,000,000 financing, at the lower of \$0.18 per common share and 75% of the price per common share in such financing; or
3. In the event of a Change of Control:
  - o The EOS Tranche will be repaid in the amount of 105% of the principal amount plus unpaid interest; or
  - o If the Company is acquired by an existing reporting issuer or the Change of Control results in a new successor issuer, the EOS Tranche will be replaced by new notes of such existing reporting issuer or new successor issuer, in the amount of 105% of principal amount of the EOS Tranche; or
  - o The EOS Tranche will be converted into common shares of the Company at the Conversion Price.

On initial recognition, the fair value of the derivative liability was determined to be \$49,031. As a result, fair value of \$950,969 was allocated to the host liability component.

As at December 31, 2023, the EOS Tranche's derivative liability had a fair value of \$153,003. As a result, the Company recorded change in fair value of derivative liability of \$103,972. As at September 30, 2024, fair value of the EOS Tranche's derivative liability approximates the fair value as at December 31, 2023.

During the three and nine months ended September 30, 2024, the Company recorded accretion expense of \$13,342 and \$38,304, respectively (2023 - \$nil and \$nil, respectively) and interest expense of \$27,932 and \$81,241, respectively (2023 - \$nil and \$nil, respectively) on the combined Second Tranche and EOS Tranche.

#### **c) Third Tranche**

On March 28, 2024, the Company completed a non-brokered private placement (the "Third Tranche") 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 until September 28, 2025 and \$0.24 per common share afterwards until March 28, 2027. The fair value of the liability component was determined using the rate of interest that would apply to an identical financial instrument without the conversion option. As a result, fair value of \$307,527 was allocated to the liability component and \$132,473 was allocated to the equity component representing the conversion feature.

During the three and nine months ended September 30, 2024, the Company recorded accretion expense of \$8,882 and \$17,492, respectively (2023 - \$nil and \$nil, respectively) and interest expense of \$8,318 and \$16,817, respectively (2023 - \$nil and \$nil, respectively) on the Third Tranche.

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**11. SHARE CAPITAL**

**a) Authorized share capital**

Unlimited number of common shares without par value.

**b) Issued and outstanding**

During the nine months ended September 30, 2024, the Company had the following share capital transaction:

- 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 until March 28, 2026. Proceeds were allocated using the relative fair value method. As a result, fair value of \$78,921 was allocated to share capital and fair value \$31,079 was allocated to contributed surplus.

During the year ended December 31, 2023, the Company had the following share capital transactions:

- On January 19, 2023, the Company settled consulting fees of \$126,100 through the issuance of 2,441,074 common shares of the Company to certain consultants and employees, of which 2,171,331 common shares were issued at \$0.02 per common share for a total fair value of \$48,821. As a result, the Company recorded gain on settlement of debts of \$77,279.
- On February 6, 2023, the Company issued 5,400,000 common shares at \$0.025 per common share for total value of \$135,000 as part of the consideration for the investment in InvestDEFY (Note 7(a)).
- On July 5, 2023, the Company completed a non-brokered unit private placement of 2,200,000 units at \$0.025 per unit for gross proceeds of \$55,000. 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. Proceeds were allocated using the relative fair value method. The closing price of one common share on July 5, 2023 was \$0.02, as a result, \$38,220 was allocated to share capital and \$16,780 was allocated to contributed surplus.
- On October 20, 2023, the Company issued 4,275,000 common shares at \$0.04 per common share for total value of \$171,000 as part of the consideration for the investment in InvestDEFY (Note 7(a)).
- On November 17, 2023, the Company settled consulting fees of \$36,500 by cash payment in the amount of \$18,250 and issuing 405,556 common shares at \$0.05 per common share for total fair value of \$20,278 to a former consultant of the Company. As a result, the Company recorded a loss on settlement of debt of \$2,028.
- On November 17, 2023, the Company issued an aggregate of 1,025,000 common shares at a price of \$0.05 per common share for total value of \$51,250 to certain directors of the Company (the "Shares for Debt"). The Shares for Services have been issued in lieu of cash payments for services rendered pursuant to consulting agreements whereby these individuals provided various management services to the Company (Note 12).
- On December 5, 2023, the Company completed a non-brokered unit private placement of 272,300 units at \$0.05 per unit for gross proceeds of \$13,615. 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. Proceeds were allocated using the relative fair value method. The closing price of one common share on December 5, 2023 was \$0.055, as a result, \$9,656 was allocated to share capital and \$3,959 was allocated to contributed surplus.

**c) Stock options**

In June 2023, the Company cancelled 3,600,756 unvested stock options.

During the year ended December 31, 2023, the Company granted 333,333 stock options to an officer of the Company, with an exercise price of \$0.05 per common share and expiration date of November 1, 2027. The options vest over a period of three years with one-third vested every anniversary until fully vested.

During the three and nine months ended September 30, 2024, the Company recorded share-based compensation expense of \$650 and \$1,952, respectively (2023 - \$1,432 and \$202,699, respectively).

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**11. SHARE CAPITAL (continued)**

A summary of the Company's stock option activity is as follows:

	Number of options	Weighted average exercise price
	#	\$
Balance, December 31, 2022	5,401,134	0.125
Granted	333,333	0.050
Cancelled	(3,600,756)	0.125
<b>Balance, September 30, 2024 and December 31, 2023</b>	<b>2,133,711</b>	<b>0.113</b>

A summary of the Company's stock options outstanding and exercisable as at September 30, 2024 is as follows:

Expiry date	Number of options outstanding	Number of options exercisable	Weighted average exercise price	Weighted average remaining life
	#	#	\$	Years
July 31, 2026	1,800,378	1,800,378	0.125	1.83
November 1, 2027	333,333	111,111	0.050	3.09
	<b>2,133,711</b>	<b>1,911,489</b>	<b>0.113</b>	<b>2.03</b>

A summary of the Company's weighted average inputs used in Black-Scholes option pricing model to determine the fair value of the stock options granted during the year ended December 31, 2023 is as follows:

Share price	\$0.04
Exercise price	\$0.05
Expected life	5.00 years
Risk-free interest rate	3.54%
Expected volatility <sup>(1)</sup>	120.00%
Expected annual dividend yield	0.00%

(1) Expected volatility has been estimated based on volatility of common share prices of a selection of comparable publicly traded companies.

**d) Restricted share units**

During the year ended December 31, 2023, the Company granted 166,667 RSUs to consultants of the Company at a price of \$0.035 and expiring on November 1, 2025. Each RSU is comprised of one common share of the Company. The granted RSUs vest in three tranches on November 1, 2023; November 1, 2024; and November 1, 2025. The fair value of the RSUs at the grant date was \$0.035 per RSU.

In June 2023, the Company cancelled 1,056,828 unvested RSUs.

During the three and nine months ended September 30, 2024, the Company recorded share-based compensation expense of \$1,698 and \$10,260, respectively (2023 - \$17,173 and \$117,122, respectively) related to previously issued RSUs.

A summary of the Company's RSU activity is as follows:

	Number of RSUs	Weighted average grant price
	#	\$
Balance, December 31, 2022	1,800,383	0.125
Granted	166,667	0.035
Cancelled	(1,056,828)	0.125
<b>Balance, September 30, 2024 and December 31, 2023</b>	<b>910,222</b>	<b>0.109</b>

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**11. SHARE CAPITAL (continued)**

A summary of the Company's RSUs outstanding as at September 30, 2024 is as follows:

<b>Expiry date</b>	<b>Number of RSUs outstanding</b>	<b>Weighted average fair value</b>	<b>Weighted average remaining life</b>
	#	\$	Years
November 1, 2025	166,667	0.035	1.09
July 31, 2026	743,555	0.125	1.83
	<b>910,222</b>	<b>0.109</b>	<b>1.70</b>

**e) Share purchase warrants**

A summary of Company's warrant activity is as follows:

	<b>Number of warrants</b>	<b>Weighted average exercise price</b>
	#	\$
Balance, December 31, 2022	-	-
Issued	1,236,150	0.18
Balance, December 31, 2023	1,236,150	0.18
Issued	1,100,000	0.18
<b>Balance, September 30, 2024</b>	<b>2,336,150</b>	<b>0.18</b>

Share purchase warrants issued during the nine months ended September 30, 2024 resulted from the non-brokered unit private placement on March 28, 2024 of 2,200,000 units which included 2,200,000 half warrants, or 1,100,000 warrants (Note 11(b)). The warrants issued on March 28, 2024 have an exercise price of \$0.18 and expire on March 28, 2026.

A summary of the Company's outstanding warrants as at September 30, 2024, is as follows:

<b>Expiry date</b>	<b>Number of warrants outstanding</b>	<b>Weighted average exercise price</b>	<b>Weighted average remaining life</b>
	#	\$	Years
July 5, 2025	1,100,000	0.18	0.76
December 5, 2025	136,150	0.18	1.18
March 28, 2026	1,100,000	0.18	1.49
	<b>2,336,150</b>	<b>0.18</b>	<b>1.13</b>

A summary of the Company's weighted average inputs used in the Black-Scholes option pricing model for the share purchase warrants issued during the nine months ended September 30, 2024 and the year ended December 31, 2023, is as follows:

	<b>2024</b>	<b>2023</b>
Share price	<b>\$0.07</b>	\$0.02
Exercise price	<b>\$0.18</b>	\$0.18
Expected life	<b>2 years</b>	2 years
Risk-free interest rate	<b>4.17%</b>	4.61%
Expected volatility	<b>207.68%</b>	274.74%
Expected annual dividend yield	<b>0.00%</b>	0.00%

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**12. RELATED PARTY TRANSACTIONS**

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

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

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

	Three months ended September 30,		Nine months ended September 30,	
	2024	2023	2024	2023
	\$	\$	\$	\$
Consulting fees	212,400	119,375	864,625	314,875
Share-based compensation	2,253	12,165	11,541	61,640
	214,653	131,540	876,166	376,515

A summary of the Company's amounts due from and to related parties is as follows:

	September 30, 2024	December 31, 2023
	\$	\$
Due from related parties	147,090	138,303
Accounts payable and accrued liabilities	(513,883)	(166,675)

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

**13. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT**

As at September 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 and measures 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 at fair value through profit or loss.

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

**a) 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 credit risk results from the following financial assets:

	September 30, 2024	December 31, 2023
	\$	\$
Cash	13,100	375,491
Loans receivable	131,277	488,672
Due from related parties	147,090	138,303
Investments in private companies	67,595	-
Convertible notes receivable	145,086	-
<b>Total credit risk associated with financial assets</b>	<b>504,148</b>	<b>1,002,466</b>

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**13. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (continued)**

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

**b) 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 September 30, 2024, the Company's cash balance of \$13,100 (December 31, 2023 - \$375,491) will not be sufficient to meet its current obligations related to its accounts payable and accrued liabilities balance of \$1,302,957 (December 31, 2023 - \$776,391) and convertible debentures of \$1,075,903 (December 31, 2023 - \$961,339). Therefore, the Company has assessed its liquidity risk as high and will be required to raise additional capital in the future to fund its operations.

**c) 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 September 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:

	<b>September 30,</b>	December 31,
	<b>2024</b>	2023
	\$	\$
Cash	<b>154</b>	721
Accounts payable and accrued liabilities	<b>(605)</b>	-
	<b>(451)</b>	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 \$23.

**14. CAPITAL MANAGEMENT**

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 primarily through equity 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 invests all capital that is surplus to its immediate operational needs in either CAD or CHF in various bank accounts. There were no changes to the Company's approach to capital management during the year. The Company is not subject to externally imposed capital requirements. There have been no changes to the Company's capital management policy during the three and nine months ended September 30, 2024.

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**15. SUBSEQUENT EVENTS**

During October 2024, the Company issued 200,000 units at a price of \$0.05 per unit for gross proceeds of \$10,000. Each unit consists of one common share of the Company and one-half of one common share purchase 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.

During October 2024, the Company issued convertible debentures for gross proceeds of \$40,000. The convertible debentures mature three years from the date of issuance ("Maturity Date") and bear interest at a rate of 7.5% per annum. 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 the Maturity Date.

On November 18, 2024, the Company announced a brokered private placement of up to 30,000,000 units at a price of \$0.165 per unit. Each unit consists of one common share of the Company and one-half of one common share purchase warrant. Each whole warrant entitles the holder to purchase one common share of the Company at an exercise price of \$0.255 for a period of 24 months.

On November 22, 2024, the Company closed the acquisition of Dogecoin Portfolio Holdings Corp. ("Dogecoin"), acquiring all issued and outstanding securities of Dogecoin, including common shares and share purchase warrants ("Dogecoin Shares"), from Dogecoin's shareholders. In consideration for the acquisition of Dogecoin Shares, the Company issued 14,000,000 common shares and 14,000,000 share purchase warrants. Each warrant entitles the holder to purchase one common share of the Company at an exercise price of \$0.05 per share for a period of 24 months.