CRYPTOBLOX TECHNOLOGIES INC.

Condensed Consolidated Interim Financial Statements

For the three and six months ended July 31, 2024 and 2023

(Expressed in Canadian dollars)

(Unaudited)

NOTICE OF NO AUDITOR REVIEW OF INTERIM FINANCIAL STATEMENTS

Under National Instrument 51-102, Part 4, subsection 4.3(3)(a), if an auditor has not performed a review of the interim financial statements, they must be accompanied by a notice indicating that the interim financial statements have not been reviewed by an auditor.

The accompanying unaudited condensed consolidated interim financial statements of the Company have been prepared by and are the responsibility of the Company's management. The Company's independent auditor has not performed a review of these condensed consolidated interim financial statements in accordance with the standards established by the Chartered Professional Accountants of Canada for a review of the condensed consolidated interim financial statements.

CRYPTOBLOX TECHNOLOGIES INC.
Condensed Consolidated Interim Statements of Financial Position
(Expressed in Canadian dollars)

	July 31, 2024 $	January 31, 2024 $
Assets		
Current assets		
Cash	9,834	3,276
Loan receivable (Note 2)	275,167	263,200
GST/ HST receivable	401,486	413,381
Deposits and prepaid expenses	2,050,000	2,050,000
Investment in securities (Note 3)	1,725,484	1,725,484
Total current assets	4,461,971	4,455,341
Non-current assets		
Equipment (Note 6)	332,500	332,500
Intangible Asset - License (Note 7)	666,667	766,667
Intangible Asset - Intellectual property (Note 8)	1,607,322	1,607,322
Total non-current assets	2,606,489	2,706,489
Total assets	7,068,460	7,161,830
Liabilities and shareholders' equity		
Current liabilities		
Accounts payable and accrued liabilities	1,210,946	1,200,933
Liability on purchase contracts (Note 8)	1,607,322	1,607,322
Obligation to issue shares (Note 8)	1,216,921	1,216,921
Due to related parties (Note 5)	106,400	75,000
Income tax payable	4,332	4,332
Loan payable (Note 9)	225,000	40,000
Total liabilities	4,370,921	4,144,508
Shareholders' equity		
Share capital (Note 10)	50,730,490	50,670,490
Equity reserves	761,192	666,902
Accumulated other comprehensive loss	(4,731)	(4,216)
Deficit	(48,789,412)	(48,315,854)
Total shareholders' equity	2,697,539	3,017,322
Total liabilities and shareholders' equity	7,068,460	7,161,830

Nature of operations and going concern (Note 1)
Subsequent events (Note 16)

Approved and authorized for issuance by the Board of Directors on September 25, 2024:

/s/ "Victor Hui-Fai Ho"	*/s/ "Akshay Sood"*
Victor Ho, Audit Committee Chair	*Akshay Sood*, CEO

CRYPTOBLOX TECHNOLOGIES INC.
Condensed Consolidated Interim Statements of Loss and Other Comprehensive Loss
(Expressed in Canadian dollars)

	Three months ended July 31, 2024 $	Three months ended July 31, 2023 $	Six months ended July 31, 2024 $	Six months ended July 31, 2023 $
Revenue	$ -	$ -	$ -	$ -
Expenses				
Advertising	-	-	-	-
Amortization (Note 7)	50,000	38,063	100,000	63,063
Consulting fees	31,784	30,000	62,680	60,000
Foreign exchange loss (gain)	367	(2,246)	2,403	(1,009)
Interest expense (Note 9)	12,303	1,415	15,536	2,828
Management fees (Note 5)	30,000	-	60,000	-
Office and general	33,803	9,681	43,196	29,141
Professional fees	43,524	32,273	107,752	50,148
Share-based compensation (Note 5,12)	46,918	100,000	94,290	100,000
Total expenses	247,979	209,186	485,857	304,171
Loss before other income	(247,979)	(209,186)	(485,857)	(304,171)
Other income	-	6,049	-	11,901
Interest income (Note 2)	6,381		12,299	
Investment gain (loss) (Note 4)	-	-	-	(4,838)
Net loss for the period	(241,598)	(203,137)	(473,558)	(297,108)
Other comprehensive (loss) income	(79)	481	(515)	216
Net loss and comprehensive loss for the period	$ (241,677)	$ (202,656)	$ (474,073)	$ (296,892)
Basic and diluted loss per share	$ (0.00)	$ (0.00)	$ (0.00)	$ (0.01)
Weighted average number of shares outstanding	164,656,965	58,357,693	164,632,989	56,147,666

(The accompanying notes are an integral part of these Condensed Consolidated Interim financial statements)

CRYPTOBLOX TECHNOLOGIES INC.
Condensed Consolidated Interim Statements of Changes in Shareholders' Equity (Deficit)
(Expressed in Canadian dollars)

	Share capital			Accumulated other		
	Number of shares	Amount $	Equity reserve $	comprehensive loss $	Deficit $	Total shareholders' equity (deficit) $
Balance, January 31, 2023	53,863,144	47,796,278,	584,842	(4,157)	(40,102,089)	2,274,874
Shares issued for Red Water Acquisition	11,828,280	1,774,212	-	-	-	1,774,212
Shares issued for directors' fees	714;286	100,000	-	-	-	100,000
Net loss for the period	-	-	-	216	(297,108)	(296,892)
Balance, July 31, 2023	**66,405,510**	**49,670,490**	**584,842**	**(3,941)**	**(46,399,197)**	**3,852,194**
Balance, January 31, 2024	109,205,509	50,670,490	666,902	(4,216)	(48,315,854)	3,017,322
Shares issued for debt settlement	109,091	60,000	-	-	-	60,000
Stock options expense	-	-	94,290	-	-	94,290
Net loss for the period	-	-	-	(515)	(473,558)	(474,073)
Balance, July 31, 2024	**109,314,600**	**50,730,490**	**761,192**	**(4,731)**	**(48,819,412)**	**2,697,539**

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

CRYPTOBLOX TECHNOLOGIES INC.
Condensed Consolidated Interim Statements of Cash Flows
(Expressed in Canadian dollars) (CAD)

	Six months ended July 31, 2024 $	Six months ended July 31, 2023 $
Operating activities		
Net loss from continuing operations	(473,558)	(297,108)
Items not involving cash:		
Amortization (Note 7)	100,000	63,063
Share-based compensation (Note 5, 12)	94,290	-
Interest income (Note 2)	(11,967)	(11,901)
Interest expense (Note 9)	-	2,827
Gain (loss) in investment in associate	-	4,838
Changes in non-cash working capital items:		
Accounts payable and accrued liabilities	40,013	118,826
Shares issued for directors' fees (Note 11)	-	100,000
Accounts receivable	-	10,507
Due to related parties	61,400	-
Deposits and prepaid expenses	-	(5,000)
GST/HST receivable	11,895	(4,458)
Net cash used in operating activities	(177,927)	(18,406)
Financing activities		
Loan payable (Note 9)	185,000	-
Net cash provided by financing activities	185,000	-
Effect of foreign currency translation	(515)	216
Increase (decrease) in cash	6,558	(18,190)
Cash, beginning	3,276	21,683
Cash, ending	9,834	3,493
Non-Cash investing and financing activities		
Share issued for account payable settlement	60,000	-
Fair Value of shares issued for Redwater (Note 8)	-	(1,774,212)

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

1. Nature of Operations and Going Concern

CryptoBlox Technologies Inc. (the "Company") was incorporated under the laws of British Columbia on January 16, 2015. The Company's shares are listed on the Canadian Securities Exchange (the "Exchange") under the symbol "BLOX". The Company's registered records office is 6th floor – 905 West Pender Street, Vancouver, BC V6C 1L6.

CryptoBlox Technologies Inc. is a blockchain technology and infrastructure company working to develop three (3) divisions: Digital Asset Infrastructure & Mining, Mining Products & Technology and Structured Blockchain Products & Services, which collectively comprise its Diversified Blockchain Ecosystem Strategy.

On November 1, 2023, the Company completed a 10:1 consolidation of its total issued and outstanding shares. No fractional shares were issued. All fractional shares that resulted from the consolidation were rounded up or down to the nearest whole number. All share figures and references have been retroactively adjusted to reflect the share consolidation.

These condensed consolidated interim financial statements have been prepared on a going concern basis, which assumes that the Company will be able to realize its assets and discharge its liabilities in the normal course of business. The Company does not have sufficient cash to sustain operations for the next twelve months without additional financing. The continued operations of the Company are dependent on its ability to generate future cash flows, raise additional cash through debt or equity, or liquidate its assets. Management is of the opinion that sufficient working capital will be obtained from external financing to meet the Company's liabilities and commitments as they become due; however, they may not be at terms that are favorable to the Company. These factors indicate the existence of a material uncertainty that may cast significant doubt upon the Company's ability to continue as a going concern. These condensed consolidated interim financial statements do not reflect any adjustments that may be necessary if the Company is unable to continue as a going concern.

Basis of Presentation and Compliance:

a) Statement of Compliance and Principles of Consolidation

These condensed consolidated interim financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") and interpretations of the IFRS Interpretations Committee as issued by the International Accounting Standards Board ("IASB") on a going concern basis.

These Interim condensed consolidated interim financial statements include the accounts of the Company and its wholly owned subsidiaries, 1Linx Ltd., CryptoPlug Technologies Inc., Optimal CP Inc. and Red Water Acquisition Corp. All intercompany transactions and balances have been eliminated on consolidation. On October 29, 2021, the Company entered into a share exchange agreement to acquire CryptoPlug Technologies Inc. as its wholly owned subsidiary to perform activities related to developing a blockchain-based, crypto-compatible application for smartphones. On December 8, 2021, the Company closed a share exchange agreement to acquire Optimal CP Inc., a company focused on the development and management of crypto mining facilities. On June 29, 2023, the Company acquired 100% of the issued and outstanding shares of Red Water Acquisition Corp ("Red Water"). IONiX Pro Battery Technologies Inc ("IONiX") was removed from the consolidation in October 2021 after the Company's ownership in IONiX dropped below 50%. On January 2, 2024, the company sold its ownership in IONiX Pro Battery Technologies Inc. ("IONiX"). The Company records IONiX in accordance with the equity method under IFRS.

The Company recognized a gain from the dissolution of GRT Technologies Inc. (GRT) of $1,179,357 in the statement of loss and comprehensive loss for the year ended January 31, 2023. GRT was dissolved as there was no business activity for the past several years.

These condensed consolidated interim financial statements were approved by the Board of Directors of the Company on September 25, 2024.

b) Basis of Presentation and Functional Currency

The condensed consolidated interim financial statements have been prepared on a historical cost basis and are presented in Canadian dollars. The functional currency of the Company, CryptoPlug, Optimal CP Inc., and Red Water Acquisition Corp. is the Canadian dollar. The functional currency of 1Linx Ltd. is the United States dollar and the currency translation adjustment is recognized through other comprehensive income.

c) Use of Estimates, Assumptions and Judgements

The preparation of the condensed consolidated interim financial statements in conformity with IFRS requires the Company's management to make estimates and assumptions that affect the application of accounting policies and reported amounts of assets, liabilities, revenues and expenses. Actual results may differ from these estimates. 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 and in any future periods affected.

Significant areas requiring the use of estimates include the useful life and amortization of equipment and intangible assets, measurement of share-based payments, and deferred income tax asset valuation allowances, impairment considerations for investments.

The preparation of condensed consolidated interim financial statements in accordance with IFRS requires the Company to make judgments, apart from those involving estimates and business acquisitions, in applying accounting policies. Judgments made by management in the application of IFRS that have a significant effect on the financial statements include the factors supporting the capitalization and recoverability of property and equipment and intangible assets, and inputs into the calculation of the fair value of notes payable and share-based payments.

d) Recent Accounting Pronouncements

The accounting standards or amendments to existing accounting standards that have been issued but have future effective dates are either not applicable or are not expected to have a significant impact on the Company's condensed consolidated interim financial statements.

e) Material Accounting Policy

The material accounting policies applied to these condensed consolidated interim financial statements are the same as those applied to the Company's audited consolidated financial statements for the year ended January 31, 2024.

2. Loan Receivable

On April 13, 2022, the Company issued a $200,000 unsecured promissory note receivable bearing interest at 12% per annum and a maturity date of December 31, 2022. The Company granted the borrower an extension and the borrower has agreed to pay a penalty of $20,000 with accrued interest up to the date the amount is paid in full. The Company recognized interest income of $11,967.13 for the six months ended July 31, 2024 (July 31, 2023 - $11,901).

(Expressed in Canadian dollars)

3. Investment in Securities

a) Investment in Modern Battery Solutions Inc.:

On January 2, 2024, the Company sold its investment in IONiX Pro Battery Technologies Inc. and settled on outstanding debts for an investment in Modern Battery Solutions Inc. (Modern) of 571,161 common shares at $3.00 per shares for a total value of $1,725,483. Modern Battery Solutions Inc. is a privately held company. As at July 31, 2024, the company has an investment of $1,725,483 (January 31, 2024 - $1,725,483).

b) Investment in Voltaire Services Corp:

	July 31, 2024, and 2023	
	Cost **$**	**Fair Value** **$**
Available-for-sale securities:		
Voltaire Services Corp. - 1,000 common shares	1	1

4. Investment in Associate

	July 31, 2024 **$**	**January 31 2024** **$**
IONiX Pro Battery Technologies Inc.	-	-

On January 2, 2024, the Company sold its remaining 25% interest in IONiX Pro Battery Technologies Inc. (IONiX) to the Modern Battery Solutions Inc. (Modern) and assigned a debt outstanding for a total consideration of $1,725,483 for 571,161 common shares at a fair value of $3.00 per share. The Company's assigned $1,225,482 of debt owing from IONiX to Modern in exchange for 571,161 common shares of Modern.

On January 2, 2024, the carrying value of the investment in IONiX was $4,838 and the carrying value of the outstanding receivable from IONiX was $339,642. The Company recognized a gain on sale of investment of 1,450,333 the year ended January 31, 2024.

5. Related Party Transactions

The Company has identified the directors and senior officers as key management personnel.

As at July 31, 2024, the Company owed a balance of $106,400 to the CEO (January 31, 2024 - $75,000). During the six months ended July 31, 2024, the Company expensed $60,000 in management fees for the CEO (July 31, 2024 – Nil). On March 11, 2024, the company issued 54,545 shares at the value per share of $0.55 for total consideration for $30,000 for CEO debt conversion.

On June 9, 2023, the Company incurred $100,000 director and officer fees by way of a common share issuance of 7,142,856 common shares. The shares were priced at $0.014 per share based on a 20-day volume weighted average price, resulting in a total transaction value of $100,000 (2023 - $nil).

On January 24, 2024, the Company granted stock options to the officers and directors of the company at an exercise price of $0.065 for a term of five years. The options vest over a schedule of three years starting with 25% immediately and 12.5% after each six months, totally 100% vesting in three years. The fair value of the stock options calculated using the Black-Scholes model was $0.055 per stock option.

(Expressed in Canadian dollars)

a) The CEO and director received 2,500,000 stock options. During the six months ended July 31, 2024, the Company expensed $41,355 through the statement of loss and comprehensive loss for vesting stock options.

b) The CFO received 250,000 stock options. During the six months ended July 31, 2024, the Company expensed $4,136 through the statement of loss and comprehensive loss for vesting stock options.

c) The directors received 100,000 stock options each for a total of 200,000 stock options. During the six months ended July 31, 2024, the Company expensed $3,308 through the statement of loss and comprehensive loss for vesting stock options.

On June 16, 2023, Bryson Goodwin resigned as Chief Executive Officer and director of the Company. The Company appointed Taryn Stemp as its Interim Chief Executive Officer. On June 16, 2023, the Company appointed Akshay Sood to its board of directors. On August 4, 2023, the Company appointed Akshay Sood as its CEO. On August 25, 2023, Taryn Stemp resigned as director. On August 25, 2023, the Company appointed Rahim Teja to its board of directors.

As at July 31, 2024, the directors of the Company were Akshay Sood, Rahim Teja, and Victor Hiu-Fai Ho.

6. Equipment

The Company acquired 133 ASIC Miners through the acquisition of Red Water (Note 8). The ASIC Miners are not in use in the period ended July 31, 2024 and year ended January 31, 2024, and therefore have not been amortized.

Cost	**Amount ($)**
Acquired on June 29, 2023 (Note 8)	332,500
Balance at January 31, 2024	**332,500**
Amortization	
Additions	-
Balance at January 31 and July 31, 2024	-
Net Book Value	
Balance at January 31 and July 31, 2024	**332,500**

7. Intangible Asset- Technology License

a) <u>Crypto Green Tech Inc. Patent License</u>

On November 17, 2023, the Company has entered into a 4-year patent license agreement with Crypto Green Tech Inc., ("Crypto Green") an Ontario Corporation, whereby the Company has acquired a four-year royalty-free, assignable, worldwide license to develop and distribute products based on Crypto Green's crypto mining hybrid solar and wind tree with water reservoir system. Crypto Green holds the rights to a patent application submitted with the International Bureau of WIPO respecting the Renewable Energy Powered Crypto Mining Technology. In consideration for the license agreement, the Company has issued 40,000,000 common shares in capital of the Company to Crypto Green's shareholders. A finder's fee of 2,800,000 common shares was issued to the party that introduced Crypto Green to the Company. The fair value of the consideration was $0.25 per common share for a total of $1,070,000, $1,000,000 for the Patent license and 70,000 for the share issuance cost. The Crypto Green Patent license was fairly valued at $800,000 on the date of purchase and recognized a $200,000 impairment on intangible during the year ended January 31, 2024. The Crypto Green License is amortized over 4 years.

	$

Cost:	
Balance, January 31, 2023	-
Addition on November 17, 2023	1,000,000
Impairment	(200,000)
Balance, January 31, 2024 / July 31, 2024	800,000
Accumulated Amortization:	-
Balance, January 31, 2023	-
Additions	33,333
Balance, January 31, 2024	33,333
Additions	100,000
Balance, July 31, 2024	133,333
Net Book Value:	
Balance, January 31, 2023	766,667
Balance, July 31, 2024	666,667

b) Battery Management Systems Technology License

On August 31, 2020, the Company signed a definitive agreement with IBS - Intelligent Battery Services Ltd. and Jiangsu RichPower New Energy Co. Ltd. to acquire the exclusive North and South American rights, as well as the European and African rights to a broad set of applied technologies and solutions for battery management systems, energy storage technology applications and battery safety applications (BMS Technology). The BMS Technology license was amortized over a 10-year period.

As at July 31, 2024 the BMS Technology intangible asset's net book value is $Nil (January 31, 2024: $Nil). As at July 31, 2024, the outstanding amount on the BMS license fee is $Nil (January 31, 2024 $Nil) payable in common shares. The six months ended July 31, 2024 had an amortization expense of $Nil (July 31, 2023: $50,000). During the year ended January 31, 2024, the Company took an impairment loss of $760,278 on the intangible asset.

8. Intangible Assets – Intellectual Property

a) Red Water Acquisition Corp.

On June 16, 2023, the Company entered into a Share Purchase Agreement (the "Agreement") with Red Water Acquisition Corp ("Red Water") to acquire 100% of the issued and outstanding shares of Red Water. The acquisition is determined to be a business combination. In exchange for 100% of the total issued and outstanding shares of Red Water, the Company will issue 22,000,000 common shares of the Company (the "Consideration Shares") at a deemed price of $0.50 per Consideration Share to the shareholders of Red Water for a deemed transaction value of $11,000,000. The Consideration Shares issued in tranches with 11,828,080 Consideration Shares being delivered to the shareholders on Red Water upon closing of the Acquisition on June 29, 2023, and the remaining 10,171,920 Consideration Shares to be delivered upon the completion of certain milestones being met by Red Water pursuant to the terms of the agreement. The fair value of the consideration for the first tranche of 11,828,080 common shares is $1,774,212 at $0.15 per common share. The fair value of the outstanding consideration second and third tranche of 10,171,920 common shares is $.12 per common share for a value of $1,216,921.

The purchase price allocation is as follows:

	Amount ($)	Amount ($)
Purchase Consideration		

(Expressed in Canadian dollars)

Shares issued (11,828,080 shares at $0.15 per Share)		1,774,212
Outstanding share (10,171,920 shares at $0.12 per share, discounted at 4.9% over 3 months)		1,216,921
Total Purchase Consideration		2,991,133
Net identifiable assets		
Accounts Receivable and other assets	2,401	
Equipment – 133 ASIC Miners	332,500	
Purchase Contracts	1,607,322	
Accounts Payable and Accrued Liabilities	(4,615)	
Liability on rights to purchase contracts	(1,607,322)	
Total net identifiable assets		330,286
Goodwill		2,660,847
Total Net Assets		2,991,133

During the year ended January 31, 2024, the company took a goodwill impairment of $2,660,847 as the transaction was not closed by the outside date per the share purchase agreement. On May 15, 2024, the company entered into an amendment to the share purchase agreement extending the share purchase agreement to June 30, 2024.

b) Optimal CP Inc.

On November 22, 2021, the Company entered into a share exchange agreement to acquire Optimal CP Inc. ("Optimal"), a company focused on the development and management of crypto mining facilities. As compensation for the acquisition, the Company agreed to issue 5,500,000 common shares at a price of $2.50 per common share, to the shareholders of Optimal, for a deemed transaction value of $13,750,000. On December 8, 2021, the Company closed the acquisition of Optimal CP Inc., by issuing 5,500,000 common shares at a price of $2.50 per common share to the shareholders of Optimal CP Inc., for a deemed transaction value of $13,750,000. There are 3,000,000 of 5,5000,000 common shares issued held in an escrow account until the milestones specified in the agreement are met. As at July 31, 2024, the 3,000,000 shares remain held in escrow. The acquisition of Optimal does not constitute a business combination as the Company does not meet the definition of a business under IFRS 3 – Business Combination. As a result, the transaction has been measured at the fair value of equity consideration issued to acquire this Company.

9. Loan Payable

a) CEBA Loan

As at July 31, 2024, the CEBA loan has a balance outstanding of $Nil (January 31, 2024 - $Nil). During the six months ended July 31, 2023, the Company recognized interest expense $Nil (July 31, 2023 - $2,828). The company repaid the amount of $40,000 on January 18, 2024 and received a loan forgiveness of $16,865 during the year ended January 31, 2024 through other income.

b) XLabs Therapeutics (ONT) Inc. Loan

On January 18, 2024, the Company received a $40,000 loan from Xlabs Therapeutics (ONT) Inc. that will accrue interest of 18% compounded annually until maturity date January 18, 2025.The funds were used to repay the CEBA loan. During the six months ended July 31, 2024, the interest expense was $3,590.

(Expressed in Canadian dollars)

On March 28, 2024, the Company received $75,000 loan from Xlabs Therapeutics (ONT) Inc. that will accrue interest of 18% compounded annually until maturity date March 28, 2025. The funds were used to repay the audit fees. During the six months ended July 31, 2024, the interest expense was $ 4,623.

On May 7, 2024, the Company received $60,000 from Xlabs Therapeutics (ONT) Inc. that will accrue interest of 18% compounded annually until maturity date May 7, 2025. The funds were used to repay the audit fees. During the six months ended July 31, 2024, the interest expense was $2,515.

On May 24, 2024, the Company received $25,000 from Xlabs Therapeutics (ONT) Inc. that will accrue interest of 18% compounded annually until maturity date May 24, 2025. The funds were used to repay the audit fees. During the six months ended July 31, 2024, the interest expense was $838.

On June 25, 2024, the Company received $25,000 from Xlabs Therapeutics (ONT) Inc. that will accrue interest of 18% compounded annually until maturity date June 25, 2025. The funds were used to repay the audit fees. During the six months ended July 31, 2024, the interest expense was $444.

10. Share Capital

Authorized: Unlimited common shares without par value

On November 1, 2023, the Company completed a 10:1 consolidation of its total issued and outstanding shares. No fractional shares were issued. All fractional shares that resulted from the consolidation were rounded up or down to the nearest whole number. All share figures and references have been retroactively adjusted to reflect the share consolidation.

Share issuances:

For the *six months ended July 31, 2024*

a) On March 11, 2024, the company issued 54,545 shares at the value per share of $0.55 for total consideration for $30,000 for CEO debt conversion.

b) On March 11, 2024, the company issued 54,545 shares at the value per share of $0.55 for total consideration for $30,000 for a consultant debt conversion.

For the *six months ended July 31, 2023*

a) On June 12, 2023, the Company issued 7,142,856 common shares at a price of $0.014 for a deemed transaction value of $100,000 to the directors and officer of the Company for directors' fees for the year ended January 31, 2023.

b) On June 29, 2023, the Company issued 118,280,800 common shares at a deemed price of $0.05 to Redwater shareholders for total consideration of $5,914,040 as part of consideration of Red Water acquisition.

The following tables present share issuance continuity for the year ended January 31, 2024 and the six months ended July 31, 2024.

	Number of Shares	Value $
Balance net of share issuance cost, January 31, 2023	**53,863,143**	**47,796,278**
Shares issued for directors' fees	714,286	100,000
Shares issued for Red Water acquisition	11,828,080	1,774,212
Shares issued for Crypto Green acquisition	42,800,000	1,070,000

(Expressed in Canadian dollars)

Share issuance costs	-	(70,000)
Balance net of share issuance cost, January 31, 2024	**109,205,509**	**50,740,490**
Shares issued for CEO debt conversion	54,545	30,000
Shares issued for consultant for debt conversion	54,546	30,000
Balance July 31, 2024	**109,314,600**	**50,730,490**

11. Purchase Warrants

The following table summarizes information about the warrants at and July 31, 2024 and the changes for the period then ended:

	July 31, 2024		**January 31, 2024**	
	Number of Warrants	**Weighted average exercise price $**	**Number of Warrants**	**Weighted average exercise price $**
Warrants outstanding – beginning of year	3,018,680	6.27	12,849,180	1.55
Expired	(1,560,280)	5.00	(7,600,000)	0.08
Expired	(1,008,400)	10.00	(2,230,500)	0.17
Warrants outstanding – end of the period / year	450,000	2.50	3,018,680	6.27

On February 11, 2024, 1,560,280 share purchase warrants with an exercise price of $5.00 expired.

On April 1, 2024, 638,000 share purchase warrants with an exercise price of $10.00 expired.

On June 9, 2024, 370,400 shares purchase warrants with an exercise price of $10.00 expired.

The following table summarizes information about granted, exercised purchase warrants and outstanding warrants at July 31, 2024.

Date issued	**Expiry date**	**Number of warrants issued**	**Exercise price**	**Number of warrants Exercised**	**Exercised Amount**	**Number of warrants Outstanding**
Jan 17, 2022	Jan 17, 2025	450,000	2.50	-	-	450,000
Balance at July 31, 2024		450,000	2.50	-	-	450,000

12. Stock Options

The Company has a stock option plan that provides for the issuance of options to its directors, officers, and employees. The maximum number of outstanding options must be no more than 10% of the issued and outstanding shares of the Company at any point in time. The term of the options must be no longer than 10 years and the directors determine the vesting period.

On August 14, 2023, 270,000 stock options with an exercise price of $0.10 expired.

On January 24, 2024, the Company granted 5,700,000 stock options exercisable at $0.065 per share for a period of five years. The options vest over a schedule of three years, starting with 25% immediately and 12.5% after each six months, totaling 100% vesting in three years. The fair value of the stock options is $0.055 per stock option and was calculated using the Black-Scholes model.

(Expressed in Canadian dollars)

During the six months ended July 31, 2024, the company recognized stock option expense of $94,290 (July 31, 2023 - $Nil) (Note 5).

The following table summarizes information about the options at July 31, 2024 and January 31, 2024, and the changes for the periods ended:

	July 31, 2024		January 31, 2024	
	Number of options	Weighted average exercise price	Number of options	Weighted average exercise price
		$		$
Options outstanding – beginning of year	5,700,000	0.065	270,000	0.1
Expired	-	-	(270,000)	0.1
Stock options issued	-	-	5,700,000	0.065
Options outstanding – end of the period / year	5,700,000	0.065	5,700,000	0.065

13. Commitments and Contingencies

a) As a result of a Temporary Order issued on November 26, 2018, issued by the B.C. Securities Commission against certain consultants, the Company is reviewing a private placement that closed in June 2018. The Order cites improper use of the “consultant’s exemption” contained in section 2.24 of National Instrument 45-106 and the payment of consulting fees to the persons named in the Order. The June 2018 private placement involved multiple consultants named in the Order. Following completion of the private placement, the Company paid consulting fees to these consultants. There is a risk that the Commission in its review may view the private placement to the consultants and the use of proceeds, as an improper use of s.2.24 and an illegal distribution of shares. If such is adjudicated to be the case, the Company may be required to take remedial action. Such action, if required, cannot at this time be determined.

b) On July 11, 2019, two individuals filed a Notice of Civil Claim in the Supreme Court of British Columbia seeking certification for a class action against the Company and numerous other parties. Management is not able to quantify the impact of this action. At this time, there are respondents who have still not yet been served and the Claim has not yet been certified. The probability that the claim will proceed and what the time frame will be is not determinable.

14. Financial Instruments

a) Fair Values

Assets and liabilities measured at fair value on a recurring basis were presented on the Company’s consolidated statement of financial position as at July 31, 2024, as follows:

	Quoted prices in active markets for identical instruments (Level 1) $	Significant other observable inputs (Level 2) $	Significant unobservable inputs (Level 3) $
Cash	9,834	–	–
Investment in securities (Note 3)	–	–	1,725,483
Investment in Voltaire		–	1
Balance July 31, 2024	9,834	–	1,725,484

The fair values of other financial instruments, which include accounts receivable, accounts payable, loans payable, liability on purchase contracts, obligation to issue shares, and amounts due to related parties, approximate their carrying values due to the relatively short-term maturity of these instruments.

The investment in Modern Battery Solutions Inc. (Modern) is an investment in a private company valued at fair value. The acquisition of this investment was between two arm's length parties and occurred on January 2, 2024, for consideration of $1,725,483.

b) Credit Risk

Financial instruments that potentially subject the Company to a concentration of credit risk consist primarily of cash and accounts receivable. The Company limits exposure to credit loss by placing its cash with high credit quality financial institutions. The Company performs ongoing credit evaluations, does not require collateral and establishes an allowance for doubtful accounts based on the age of the receivable and the specific identification of receivables the Company considers at risk. The carrying amount of financial assets represents the maximum credit exposure.

c) Foreign Exchange Rate Risk

Foreign exchange rate risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Company has exposure to currency risk from assets and liabilities denominated in US dollars. The Company does not use derivative instruments to hedge exposure to foreign exchange rate risk. However, management believes that the risk from fluctuations in foreign exchange rates is not significant.

d) Liquidity Risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company currently settles its financial obligations with cash. The ability to do this relies on the Company raising debt or equity financing in a timely manner and by maintaining sufficient cash in excess of anticipated needs. Liquidity risk is assessed as high.

e) Classification of Financial Instruments

Financial assets and liabilities included in the consolidated statement of financial position are as follows:

	July 31, 2024 $	**January 31, 2024 $**
Financial assets classified as fair value through profit or loss:		
Cash	9,834	3,276
Non-derivative financial liabilities:		
Trade payables	1,210,946	1,200,933

(Expressed in Canadian dollars)

Income tax payable	4,332	4,332
Due to related parties	106,400	75,000
Loan Payable (Note 9)	225,000	40,000
Liability on purchase contracts (Note 8)	1,607,322	1,607,322
Obligation to issue shares (Note 8)	1,216,921	1,216,921
	4,370,921	1,901,411

15. Concentrations

The Company did not generate revenue during the three months ended July 31, 2024 (July 31, 2023 - $Nil). As at July 31, 2024, the Company's loan receivable due from Optimal CP was $275,167 (January 31, 2024 - $263,200).

16. Subsequent Events

On August 22, 2024, the Company received $30,000 from Xlabs Therapeutics (ONT) Inc. by way of a loan at an interest rate of 18% per annum for a one-year term from the date received to pay on going operational costs.

Subsequent to the period ended July 31, 2024, 1,150,000 stock options were exercised at an exercise price of $0.065 per stock option for total proceeds of $74,750 and fair value of $63,250.