Digital Commodities Inc.

(Formerly Digital Commodities Capital Corp.)

Condensed Interim Consolidated Financial Statements
(Unaudited)

For the six months ending August 31, 2025 and 2024
(Expressed in Canadian Dollars)

Notice to Reader: No Auditor Review of Condensed Interim Consolidated Financial Statements

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

The accompanying unaudited condensed interim consolidated 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 standards established by the Chartered Professional Accountants of Canada for a review of interim financial statements by an entity's auditor

Digital Commodities Inc.
Condensed Interim Consolidated Statements of Financial Position
(Unaudited - Expressed in Canadian Dollars unless otherwise indicated)

	Notes		August 31, 2025		February 28, 2025
Assets					
Current assets					
Cash		$	964,719	$	1,014,242
Accounts receivable			-		40,354
Prepaid expenses			13,715		91,366
GST receivable			106,560		68,863
Investments	4		751,795		365,470
Digital assets	5		1,617,850		271,558
Inventory			-		47,132
			3,454,639		1,898,985
Machinery and equipment			-		18,289
Intangible assets			-		2,007
		$	**3,454,639**	**$**	**1,919,281**
Liabilities					
Current liabilities					
Accounts payable and accrued liabilities	8	$	32,961	$	101,565
Loan payable	6		-		193,674
			32,961		295,239
Shareholders' equity					
Share capital	7		10,141,639		7,789,109
Reserves	7		1,553,040		1,276,224
Accumulated Deficit			(8,273,001)		(7,441,291)
			3,421,678		1,624,042
		$	**3,454,639**	**$**	**1,919,281**

Nature of operations and going concern (Note 1)
Subsequent events (Note 13)

Approved on behalf of the Board on October 30, 2025 by:

"Brayden Sutton"
Director

"Joshua Taylor"
Director

Digital Commodities Inc.
Condensed Interim Consolidated Statements of Loss and Comprehensive Loss
(Unaudited - Expressed in Canadian Dollars)

	Notes	For the three months ended August 31, 2025	For the three months ended August 31, 2024	For the six months ended August 31, 2025	For the six months ended August 31, 2024
Revenue		-	36,499	-	42,805
Cost of sales		-	(43,709)	-	(200,157)
Amortization and Depreciation		-	(3,429)	-	(6,859)
Gross margin		-	(10,639)	-	(164,211)
Operating expenses					
Accretion expense	6	-	4,590	-	9,113
Advertising and promotion		37,904	-	188,260	1,390
Bad debts (recovery) expense		-	-	-	(38,824)
Consulting fees	8	58,500	64,000	131,900	115,226
Share-based payments	7	131,376	-	163,566	-
Office and administration		6,817	9,597	16,306	24,888
Professional fees and other		202,418	56,155	286,051	130,587
		437,015	134,342	786,083	242,380
Net operating loss		(437,015)	(144,981)	(786,083)	(406,591)
Other expenses (income)					
Foreign exchange loss (gain)		(52)	10	(52)	11
Loss (gain) on debt settlement		-	252,754	-	(28,052)
Gain on deconsolidation	12	-	-	(3,963,012)	-
Loss on investments	4, 12	10,094	-	3,861,619	-
Loss on digital assets	5	109,154	-	143,137	-
Interest expense		3,935	-	3,935	-
Net loss		**$ 560,146**	**$ 397,745**	**$ 831,710**	**$ 378,550**
Basic and diluted loss per common share		$ (0.00)	$ (0.01)	$ (0.01)	$ (0.01)
Weighted average shares outstanding		152,901,784	77,010,982	142,706,882	70,232,117

Digital Commodities Inc.
Condensed Interim Consolidated Statements of Changes in Shareholders' Equity
(Unaudited - Expressed in Canadian Dollars)

	Share Capital				
	Number Outstanding	Amount $	Reserves $	Accumulated Deficit $	Total $
Balance, February 29, 2024	56,510,982	4,965,825	594,325	(5,554,089)	6,061
Share issued for private placement	20,000,000	136,402	263,598	-	400,000
Shares issued for services	500,000	25,000	-	-	25,000
Net loss	-	-	-	(378,550)	(378,550)
Balance, August 31, 2024	77,010,982	5,127,227	857,923	(5,932,639)	52,511

	Share Capital				
	Number Outstanding	Amount $	Reserves $	Accumulated Deficit $	Total $
Balance, February 28, 2025	132,622,795	7,789,109	1,276,224	(7,441,291)	1,624,042
Shares issued for private placement	27,733,331	2,000,000	-	-	2,000,000
Share issuance costs	-	(126,930)	113,250	-	(13,680)
Shares issued pursuant to the Facility Agreement	714,285	49,460	-	-	49,460
Shares issued for warrants exercised	7,600,000	430,000	-	-	430,000
Share-based payments	-	-	163,566	-	163,566
Net loss	-	-	-	(831,710)	(831,710)
Balance, August 31, 2025	168,670,411	10,141,639	1,553,040	(8,273,001)	3,421,678

Digital Commodities Inc.
Condensed Interim Consolidated Statements of Cash Flow
(Unaudited - Expressed in Canadian Dollars)

	For the six months ended	
	August 31, 2025	**August 31, 2024**
Operating activities		
Net loss for the period	(831,710)	(378,550)
Items not involving cash:		
Accretion expense	-	9,113
Amortization and depreciation	-	6,860
Shares issued for services	-	25,000
Inventory write-down	-	116,388
Share-based payments	163,566	-
Bad debt expense (recovery) expense	-	(38,824)
Gain on deconsolidation	(3,963,012)	-
Loss on investments	3,861,619	-
Loss on digital assets	143,137	-
Gain on settlement of debt	-	(28,052)
Change in working capital:		
Accounts receivable	-	65
GST receivable	(106,560)	(15,390)
Prepaid expenses	75,720	(83,828)
Inventory	-	(20,682)
Accounts payable and accrued liabilities	(45,092)	3,570
Cash used in operating activities	**(702,332)**	**(404,330)**
Financing activities		
Net proceeds from issuance of common shares	1,986,320	400,000
Proceeds from loans payable	-	50,000
Repayments of loans payable	(193,674)	-
Proceeds from warrants exercised	430,000	-
Cash provided by financing activities	**2,222,646**	**450,000**
Investing activities		
Proceeds from the sale of investments	419,871	-
Cash used to purchase investments	(547,976)	-
Proceeds from the sale of digital assets	327,429	-
Cash used to purchase digital assets	(1,769,161)	-
Cash used in investing activities	**(1,569,837)**	**-**
Change in cash	(49,523)	45,670
Cash – beginning of the period	1,014,242	4,202
Cash – end of the period	**964,719**	**49,872**

Supplemental cash flow disclosure (Note 11)

1. Nature of operations and going concern

The Digital Commodities Inc., formerly Digital Commodities Capital Corp and the BC Bud Corporation, (the "Company") was incorporated under the laws of Alberta and was continued into British Columbia during the year ended December 31, 2000. On March 31, 2020, the Company changed its name from Waterfront Capital Corporation to Entheos Capital Corp. On September 29, 2021, the Entheos Capital Corp. completed a reverse takeover transaction with The BC Bud Corporation and changed its name to The BC Bud Corporation. The Company is listed on the Canadian Securities Exchange ("CSE") under the symbol "DIGI". The Company's registered office is located at 15th Floor – 1111 West Hastings St., Vancouver, British Columbia, V6E 2J3.

On March 18, 2025, the Company completed a change of business from a cannabis issuer to an investment issuer. The Company invests in digital and physical non-fiat assets, businesses and private and publicly listed entities that are involved in high-growth industries, with a particular focus on hard commodities, cryptocurrencies and the resource sector.

On September 17, 2025, the Company changed its name to Digital Commodities Inc. and has continued out of the provincial jurisdiction of British Columbia under the Business Corporations Act (British Columbia) (the "BCBCA") into the jurisdiction of Canada under the Canada Business Corporations Act (the "CBCA").

These condensed interim consolidated financial statements have been prepared on a going concern basis, which contemplates that the Company will be able to realize its assets and discharge its liabilities in the normal course of business. Accordingly, these condensed interim consolidated financial statements do not include any adjustments to the amounts and classifications of assets and liabilities that might be necessary should the Company be unable to continue as a going concern. Such adjustments could be material.

The Company reported a loss of $831,710 for the six months ended August 31, 2025 (2024 - $378,550) and had an accumulated deficit of $8,273,001 as at August 31, 2025 (February 28, 2025 – $7,441,291) and working capital of $3,421,678 at August 31, 2025 (February 28, 2025 - $1,603,746).

2. Basis of Preparation

Statement of compliance

These condensed interim consolidated financial statements are unaudited and have been prepared in accordance with IAS 34 'Interim Financial Reporting' ("IAS 34") using accounting policies consistent with the IFRS Accounting Standards issued by the International Accounting Board (IFRS Accounting Standards).

The accounting policies and methods of computation applied by the Company in these condensed interim consolidated financial statements are the same as those applied in the Company's annual financial statements for the year ended February 28, 2025.

The Board of Directors approved the condensed interim consolidated financial statements for issue on October 30, 2025.

3. Material Accounting Policy Information

Basis of measurement

The condensed interim consolidated financial statements have been prepared on a historical cost basis, except for certain financial instruments measured at fair value. In addition, these condensed interim consolidated financial statements have been prepared using the accrual basis of accounting, except for cash flow information.

The accounting policies set out in Note 3 have been applied consistently by the Company in all periods presented.

Investment Entity

The Company uses the following criteria, contained within IFRS 10 - Consolidated financial statements, to determine if the Company meets the definition of an Investment Entity ("Investment Entity"):

- Obtain funds from one or more investors for the purpose of providing those investor(s) with investment management services;
- Commits to its investor(s) that its business purpose is to invest funds solely for returns from capital appreciation, investment income or both; and
- Measures and evaluates the performance of substantially all its investments on a fair value basis.

The Company has evaluated the above criteria and determined that it meets the definition of an Investment Entity. As a result of meeting the definition of an Investment Entity, subsidiaries, which otherwise would have been consolidated, are carried at fair value.

Basis of consolidation

These condensed interim consolidated financial statements include the accounts of the Company and its subsidiary. The Company controls its subsidiaries when it is exposed to, or it has rights to variable returns from its involvement with its subsidiaries and has the ability to affect those returns through its power over the subsidiaries. Changes in the Company's ownership interest in subsidiaries that do not result in a loss of control are accounted for as equity transactions.

Name	Jurisdiction of Incorporation	Percentage Owned
The BC Bud Corporation (Formerly The BC Bud Holdings Corp.)	British Columbia, Canada	100%

All intercompany balances and transactions have been eliminated upon consolidation.

At March 18, 2025, the Company became an investment issuer and therefore deconsolidated the operations of The BC Bud Corporation to carry the amount at fair value. Refer to Note 12.

Functional and presentation currency

These condensed interim consolidated financial statements are presented in Canadian dollars, which is the Company's and its subsidiary's functional currency. All financial information is expressed in Canadian dollars unless otherwise stated and have been rounded to the nearest dollar.

Critical accounting estimates and judgements

The preparation of condensed interim consolidated financial statements in conformity with IFRS Accounting Standard requires management to make estimates and assumptions that affect the amounts reported in the condensed interim consolidated financial statements and accompanying notes. It is reasonably possible that circumstances may arise that would cause actual results to differ from management estimates; however, management does not believe it is likely that such differences will materially affect the Company's financial position. A significant area requiring the use of management estimates and judgments is the assessment of the recoverability of inventory, share based payments, and the estimate of the revenues to be recognized given the return rights of the products of the provincial bodies.

The key areas of judgment applied in the preparation of the condensed interim consolidated financial statements that could result in a material adjustment to the amounts reported in the condensed interim consolidated financial statements include:

Fair value of fully owned subsidiary

Due to the change in business from an operating company to an investment issuer during the period, the Company was required to deconsolidate its fully owned subsidiary using IFRS 10. The Company used a market value approach to value the operations of The BC Bud Corporation as it comprised substantially all of the Company's operations at the time of the deconsolidation.

Share-based payments

The Company uses the Black-Scholes option pricing model to value options and warrants granted during the period. The Black-Scholes model was developed for use in estimating the fair value of traded options that have no vesting restrictions and are fully transferable. The model requires management to make estimates that are subjective and may not be representative of actual.

Financial instruments

Financial assets

The Company classifies its financial assets as fair value through profit or loss or amortized cost. The classification depends on the purpose for which the financial assets were acquired. Management determines the classification of financial assets at initial recognition.

Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss ("FVPL") are initially recognized at fair value with changes in fair value recorded in profit or loss. At August 31, 2025, the Company held investments and digital assets which are FVPL (Note 4 and 5).

Amortized cost

Financial assets are classified at amortized cost if both of the following criteria are met and the financial assets are not classified or designated as fair value through profit and loss: 1) the Company's objective for these financial assets is to collect their contractual cash flows and 2) the asset's contractual cash flows solely represent payments of principal and interest. Cash, accounts receivable and other receivables are classified as amortized cost.

Financial liabilities

Financial liabilities are non-derivatives and are recognized initially at fair value, net transaction costs, and are subsequently stated at amortized cost. Any difference between the amounts originally received, net of transaction costs, and the redemption value is recognized in profit or loss over the period to maturity using the effective interest method.

Financial liabilities are classified as current or non-current based on their maturity date. Financial liabilities include accounts payable and loans payable.

Fair value hierarchy

Fair value measurements of financial instruments are required to be classified using a fair value hierarchy that reflects the significance of inputs in making the measurements. The levels of the fair value hierarchy are defined as follows:

Level 1 – Quoted prices (unadjusted) in active markets for identical assets or liabilities.
Level 2 – Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.
Level 3 – Inputs for the asset or liability that are not based on observable market data.

Impairment of financial assets

An entity is required to recognize expected credit losses when financial instruments are initially recognized and to update the amount of expected credit losses recognized at each reporting date to reflect changes in the credit risk of the financial instruments. In addition, IFRS 9 *Financial Instruments* requires additional disclosure requirements about expected credit losses and credit risk.

Impairment losses on financial assets carried at amortized cost are reversed in subsequent periods if the amount of the loss decreases and the decrease can be objectively related to an event occurring after the impairment was recognized.

Cash

Cash consists of cash on hand, balances with banks and short-term investments with an original maturity date of three months or less.

Accounts receivable

Accounts receivable are amounts due from distributors for the sale of goods and services performed in the ordinary course of business. These amounts are classified as current because the collection is expected in one year or less. Accounts receivables are recognized initially at fair value and subsequently measured at amortized cost using the effective interest method, less a provision for impairment.

Inventory

Inventory consists of finished goods, packaging, bulk concentrates, pre-rolls and whole flower. Inventory is recorded at the lower of cost and net realizable value. Cost is determined by using the weighted average cost method and includes the cost of provisions to the customer. Net realizable value is the estimated selling price in the ordinary course of business, less selling expenses.

All inventories are reviewed each reporting period for impairment due to slow-moving and obsolete inventory. Provisions for obsolete, slow-moving or defective inventories are recognized in profit or loss and referred to as return to vendor (“RTV”).

Revenue

Revenue from contracts with customers is recognized by following the five-step process defined under IFRS 15:

1. Identify the contract with a customer: A contract is an agreement between the Company and a Licensed Producer (LP) that creates enforceable rights and obligations. Key characteristics of a contract include:
    - Approval: Both the company and the LP have approved the contract and are committed to fulfilling their respective obligations.
    - Payment Terms: Payment terms are established and can include fixed or variable consideration.

- Commercial Substance: The contract has a commercial substance, meaning it affects the Company's cash flow.
- Collectability: It is probable that the company will collect the consideration to which it is entitled under the contract.

Payment terms are subject to sell through as the evolution of government reach due to outstanding unpaid excise taxes in the industry and collectability is also reliant on whether the government/CRA garnishes funds due to delinquent manufacturers. This impacts the estimate of revenues to be recognized as returns.

2. Identify the Performance Obligations in the Contract: Performance obligations are distinct promises to transfer goods or services to the customer. In the context of cannabis contracts with the LPs common performance obligations may include:
   - Production of cannabis: The Company's obligation to produce cannabis according to specified quality standards, and
   - Sale of cannabis products and final product creation: The Company's obligation to transfer control of the cannabis products to the LP.

3. Determine the Transaction Price: The transaction price is the amount of consideration to which the Company expects to be entitled in exchange for transferring goods or services. For cannabis contracts, transaction price determination involves the following consideration:

   Fixed and variable consideration: The base selling price of the cannabis product to the LP includes fixed amounts, however, there is a significant return rights due to quality or regulatory compliance issues, the Company estimates the expected returns using the expected value method.

4. Allocate the Transaction Price to Performance Obligations: Once the transaction price is determined, it is allocated to each performance obligation based on the standard selling prices of the goods or services. The Company has determined that it has one performance obligation with a significant return right that is estimated reducing the transaction value and recognizing revenues that is highly probable of not being reversed.

5. Recognize Revenue When the Performance Obligations Are Satisfied: This occurs at a point in time when the goods are transferred to the Provincial purchaser and distributor

Share capital

The Company record proceeds from share issued net of issuance costs and any tax effects. Common shares issued for consideration other than cash are valued based on their market value at the date the common shares are issued.

Proceeds from unit placements are allocated between shares and warrants issued using the residual method. Proceeds are first allocated to the shares according to the quoted price of existing shares at the time of issuance and any residual in the proceeds is allocated to warrants.

Share-based payments

The Company may receive or acquire goods or services in a share-based transaction. The Company recognizes a corresponding increase in equity if the goods or services were received in an equity settled share-based payment transaction, or a liability if the goods or services were acquired in a cash-settled share-based payment transaction. For equity-settled share-based payment transactions, the Company measures the goods or services received and the corresponding increase in equity directly at the fair value of the goods or services received, unless the fair value of the goods or services received cannot be estimated reliably, the Company measures their value and the corresponding increase in equity by reference to the fair value of the equity instruments issued.

Share-based payments to employees are measured at the fair value of the instruments issued and amortized over the vesting periods. Share-based payments to non-employees are measured at the fair value of goods or services received or the fair value of the equity instruments issued, if it is determined the fair value of the goods or services cannot be reliably measured and are recorded at the date the goods or services are received. The corresponding amount is recorded to equity reserve.

The fair value of options is determined using the Black–Scholes pricing model. The number of shares and options expected to vest is reviewed and adjusted at the end of each reporting period such that the amount recognized for services received as consideration for the equity instruments granted shall be based on the number of equity instruments that eventually vest. Any consideration paid by plan participants on the exercise of stock options is credited to share capital.

Segmented Information

The Company's operations comprise a single reporting segment. As the operations comprise a single reporting segment, the amounts disclosed in the condensed interim consolidated financial statements for expenses and loss for the period also represent segmented amounts. All of the Company's operations and assets are in Canada.

Loss per share

The Company calculates basic (loss) earnings per share by dividing net (loss) income by the weighted average number of common shares outstanding during the period. Diluted (loss) earnings per share is determined by adjusting profit or loss attributable to common shareholders and the weighted average number of common shares outstanding, for the effects of all dilutive potential common shares, which comprise RSUs, warrants and share options issued.

4. Investments

	Six months ended August 31, 2025	Year Ended February 28, 2025
Opening Balance	$ 365,470	$ -
Additions	547,976	362,219
Disposals	(392,765)	-
Change in unrealized FV gain or loss	231,114	3,251
Ending Balance	751,795	365,470

			# of Share/Trust Unit	
Investments		**Type**	**August 31, 2025**	**February 28, 2025**
SKRR Exploration Investments ("SKRR")	Public	Unit [(i)]	-	100,000
Pacific Ridge Exploration Ltd ("PEX")	Public	Unit [(i)]	250,000	-
Gold Finder Resources Ltd. ("GLD")	Public	Unit [(i)]	10,000,000	-
Sprott Physical Gold Trust	Public	Trust Unit	6,500	-
Sprott Physical Silver Trust	Public	Trust Unit	-	10,000
Sprott Physical Uranium Trust	Public	Trust Unit	-	4,500
Sprott Physical Copper Trust	Public	Trust Unit	-	9,000

[(i)] Each of the Share unit contains one common share and one share purchase warrant

The following is a summary of investments during the six months ended August 31, 2025 and the year ended February 28, 2025.

- During the year ended February 28, 2025, the Company acquired shares in Sprott Physical Silver, Uranium and Copper at a total cost of $351,219. At February 28, 2025, the fair value of these investments was $337,970. During the six months ended August 31, 2025, the Company acquired an additional $30,547 in Sprott Physical Uranium to bring the total cost of all holdings to $381,766. During the six months ended August 31, 2025, the Company sold all Sprott Physical Silver, Uranium and Copper for $397,921 and realized a gain of $16,156.

- On February 20, 2025, the Company acquired 100,000 units of SKRR at a price of $11,000. Each unit consists of one common share and one common share purchase warrant with an exercise price of $0.145 per share for a period of two years. During the six months ended August 31, 2025, the Company sold all SKRR common shares for $21,950 and realized a gain of $10,950. At August 31, 2025, the Company holds 100,000 warrants in SKRR.

- On March 20, 2025, the Company acquired 10,000,000 units of GLD, formerly GoldON Resources Ltd for $250,000. Each unit is comprised of one common share and one common share purchase warrant with an exercise price of $0.05 for two years. Following the Investment, the Company holds 10,000,000 shares of GLD and 10,000,000 warrants of GLD, representing approximately 15.98% of the issued and outstanding GLD shares calculated on an undiluted basis and approximately 27.56% of the issued and outstanding GLD shares on a partially diluted basis, assuming exercise of the GLD

warrants held by the Company. As part of the Investment, the Company has secured the right to nominate a representative to GLD's board of directors. As at August 31, 2025, the fair value of the investment is $450,000 (February 28, 2025 - $nil).

- On May 16, 2025, the Company acquired 250,000 units of PEX for $35,000. Each unit is comprised of one common share of the company and one common share purchase warrant. Each warrant can be exercised for $0.20 for a common share for three years. At August 31, 2025, the fair value of the investment is $65,000 (February 28, 2025 - $nil).

- During the six months ended August 31, 2025, the Company acquired 6,500 in Sprott Physical Gold for a cost of $232,430. At August 31, 2025, the fair value of the investment is $236,795.

The Company does not have a controlling interest in the above companies.

5. Digital Assets

	Six months ended August 31, 2025	Year ended February 28, 2025
Balance, beginning of the period	$ 271,558	$ -
Additions	1,818,621	353,107
Disposals	(469,457)	-
Remeasurement gain (loss)	(2,872)	(81,549)
	$ 1,617,850	**$ 271,558**

During the year ended February 28, 2025, the Company purchased the cryptocurrency Ripple ("XRP") with a cost of $353,107. This is comprised of 85,500 XRP with an average cost per XRP of $4.13. At February 28, 2025, the fair value of XRP was $3.18 per XRP.

During the six months ended August 31, 2025, the Company purchased an additional 32,500 XRP at a cost of $116,860 or an average price of $3.60 per XRP. During the six months ended August 31, 2025, the Company sold all 118,000 XRP for $327,429 and realized a loss of $142,078.

During the six months ended August 31, 2025, the Company purchased 10.563 Bitcoin ("BTC") at a cost of $1,652,301. Additionally, the Company acquired through the issuance of 714,285 units (Note 7) an additional 0.317 BTC with a cost of $49,460. At August 31, 2025, the Company holds 10.880 BTC with an average cost of $156,415 per BTC, and has a fair value of $1,617,850.

6. Loan Payable

Sutton Ventures Ltd. Loans

On January 20, 2021, the Company received a $100,000 secured loan from Sutton Ventures Ltd., a significant shareholder. The loan was secured by all current and future property of the Company. As of February 28, 2025, the Company was in default and the loan became payable on demand. During the year ended February 28, 2025, the Company recognized $28,584 in interest expense related to this loan.

On June 19, 2023, the Company and Sutton Ventures Ltd. entered into an amendment to increase the secured loan amount from $100,000 to $150,000. For the year ended February 28, 2025, accretion and interest expense of $3,378 was recorded in the condensed interim consolidated statements of loss and comprehensive loss. As of February 28, 2025, the Company remained in default and the loan was payable on demand.

During the six months ending August 31, 2025, interest expense of $3,935 was incurred and the outstanding balance of $197,706 to Sutton Ventures Ltd. was repaid in full.

7. Share Capital

Authorized share capital

The authorized capital of the Company consists of unlimited common shares without par value.

Share issuances

During the six months ended August 31, 2025, the Company had the following share capital transactions:

- On July 14, 2025, the Company completed a non-brokered private placement for 26,666,665 units at a price of $0.075 per unit for aggregate gross proceeds of $2,000,000. Each unit consists of one common share and one common share purchase warrant, exercisable at a price of $0.10 per share for a period of two years. The Company paid finders fees of $13,680 in cash commission, 1,066,666 common shares of the Company and 1,249,066 finder warrants. Each finder warrant entitles the holder thereof to acquire one common share of the Company at a price of $0.10 per share for a period of two years from the date issuance.

- On August 19, 2025, the Company issued units in exchange for 0.317 BTC in accordance with a BTC purchase facility (“Facility Agreement") with VanCrypto Tech LTD. In consideration of the BTC, the Company issued VanCrypto 714,285 units of the Company at a deemed price of $0.07 per unit. Each unit consists of one common share of the Company and one common share purchase warrant, with each warrant exercisable into one common share at a price of $0.10 for a period of two years from the date of issuance.

- During the six months ended August 31, 2025, the Company issued 7,600,000 common shares pursuant to the exercise of warrants for total proceeds of $430,000.

During the year ended February 28, 2025, the Company had the following share capital transactions:

- During January 2025, the Company issued 21,986,813 units for proceeds of $1,649,011 at a price of $0.075 per unit. Each unit is comprised of one common share and one share purchase warrant which entitles the holder to acquire an additional common share at a price of $0.15 per share for a period of 24 months. The Company incurred finders' fees of $21,912 and issued 292,160 finders warrants. Each finder's warrant is exercisable into one unit of the Company at a price of $0.075 per finder unit for a period of 24 months, with each finder's unit comprised of one common share and one warrant.

- On November 20, 2024, the Company issued 25,000,000 units for proceeds of $375,000 at a price of $0.015 per unit. Each unit is comprised of one common share and one share purchase warrant which entitles the holder to acquire an additional common share at a price of $0.10 per share until November 20, 2026. A value of $nil was assigned to these warrants, calculated using the residual value method.

- On November 7, 2024, the Company issued 900,000 common shares as compensation to certain directors and consultants. The fair value of the common shares on the issuance date was $13,500, or $0.015 per common share.

- On April 12, 2024, the Company issued 20,000,000 units for proceeds of $400,000 through the sale at a price of $0.02 per unit. Each unit comprised one common share and one share purchase warrant. Each warrant entitles the holder to acquire an additional common share at a price of $0.05 per share until April 12, 2026. A value of $nil was assigned to these warrants, calculated using the residual value method.

- On March 1, 2024, the Company issued 500,000 common shares issued as compensation to Stock Ventures Inc. for advisory services. The fair value of the common shares on the issuance date was $7,500, or $0.015 per common share; however, management determined that the fair value of the services was $25,000 based on similar arrangements. The fair value of the services was recorded as $25,000.

Stock Options

The Company has an omnibus share incentive plan, approved on November 7, 2024, which reserves an aggregate number of securities for issuance up to 10% of the number of the outstanding common shares. Under the stock option plan, stock options can be granted for a maximum term of ten years. Further, the exercise price shall not be less than the price of the Company's common shares on the date preceding the date of the grant.

The following stock option grants took place during the six months ended August 31, 2025:

- On August 27, 2025, the Company granted 4,000,000 stock options to certain directors, officers and consultants of the Company. Each option is exercisable by the holder for one common share at an exercise price of $0.075 for a period of two years. The stock options vested immediately.

- On April 11, 2025, the Company granted 1,000,000 stock options to a consultant of the Company. Each option is exercisable by the holder for one common share at an exercise price of $0.075 for a period of two years. The stock options vested immediately.

The following stock option grants took place during the year ended February 28, 2025:

- On January 22, 2025, the Company granted 8,000,000 stock options to certain directors, officers and consultants of the Company. Each option is exercisable by the holder for one common share at an exercise price of $0.12 for a period of two years.

- On January 31, 2025, the Company granted 1,000,000 stock options to certain consultants of the Company. Each option is exercisable by the holder to purchase one common share of the Company at an exercise price of $0.12 for a period of two years.

Stock option transactions are summarized as follows:

Stock Options	Number of Options	Weighted Average Exercise Price
Balance outstanding and exercisable – February 29, 2024	1,990,000	0.18
Granted	9,000,000	0.12
Forfeited	(1,040,000)	(0.19)
Balance outstanding and exercisable – February 28, 2025	9,950,000	0.12
Granted	5,000,000	0.075
Forfeited	(1,000,000)	(0.12)
Balance outstanding and exercisable – August 31, 2025	**13,950,000**	**0.10**

Stock options outstanding:

Expiry Date	Number of Options	Weighted Average Exercise Price
December 14, 2026	250,000	0.20
January 24, 2027	7,000,000	0.12
January 31, 2027	1,000,000	0.12
April 11, 2027	1,000,000	0.075
August 25, 2027	4,000,000	0.075
February 3, 2028	700,000	0.10
Balance outstanding and exercisable – August 31, 2025	**13,950,000**	**0.10**

The Company recognized share-based payments expense of $163,566 for options granted and vested during the six months ended August 31, 2025 (2024 - $nil).

Share-based payments expense is estimated using the following assumptions. The expected volatility assumption is based on comparable volatility of the Company's common share price on the CSE. The risk-free interest rate assumption is based on yield curves on Canadian government zero-coupon bonds with a remaining term equal to the stock options' expected life. The Company uses historical data to estimate option exercise, forfeiture, and employee termination within the valuation model. The Company has not paid and does not anticipate paying dividends on its common shares.

Six months ended August 31,	**2025**	**2024**
Risk-free interest rate	2.71%	n/a
Expected life of options	2 years	n/a
Expected annualized volatility	236%	n/a
Dividend rate	-	n/a
Forfeiture rate	17%	n/a

Common Share Purchase Warrants

Common Share Purchase Warrant transactions are summarized as follows:

	Number of Warrants	**Weighted Average Exercise Price**
Balance at February 29, 2024	9,446,667	0.15
Granted (Note 7)	66,986,813	0.10
Exercised	(7,725,000)	0.05
Balance at February 29, 2025	68,708,480	0.11
Granted (Note 7)	27,380,950	0.10
Exercised	(7,600,000)	0.06
Balance outstanding and exercisable – August 31, 2025	**88,489,430**	**0.11**

Common Share Purchase Warrants outstanding as at August 31, 2025:

Expiry Date	**Number of Warrants**	**Weighted Average Exercise Price**
February 2, 2026 [(1)]	6,800,000	0.15
April 12, 2026	5,675,000	0.05
August 4, 2026	700,000	0.15
August 25, 2026	1,946,667	0.15
November 20, 2026	24,000,000	0.10
January 17, 2027	8,417,332	0.15
January 24, 2027	6,816,998	0.15
January 29, 2027	6,752,483	0.15
July 9, 2027	13,333,333	0.10
July 14, 2027	13,333,332	0.10
August 19, 2025	714,285	0.10
	88,489,430	**0.11**

(1) During the year ended February 28, 2025, the Company modified these warrants extending the terms for an additional twelve months.

Brokers' Warrants

Brokers' Warrant transactions are summarized as follows:

Warrants	Number of Warrants	Weighted Average Exercise Price
Balance at February 29, 2024	-	-
Granted (Note 7)	292,160	0.075
Balance outstanding and exercisable - February 28, 2025	292,160	0.075
Granted (Note 7)	1,249,066	0.10
Balance outstanding and exercisable - August 31, 2025	1,541,226	0.10

Brokers' Warrants outstanding as at August 31, 2025:

Expiry Date	Number of Warrants	Weighted Average Exercise Price
January 29, 2027	292,160	0.075
July 14, 2027	1,249,066	0.10
	1,541,226	**0.10**

8. Related Party Transactions

Related parties include the directors, corporate officers, key management personnel, significant shareholders and enterprises that are controlled by these. This includes those persons having authority and responsibility for planning, directing and controlling the activities of the Company as a whole and its subsidiaries.

During the six months ended August 31, 2025 and 2024, the Company expensed the following amounts towards related parties:

Consulting fees	Six months ended August 31, 2025	2024
TJT Ventures Ltd. (Management)	$ 10,000	$ 30,000
Brayden Sutton (CEO and Director)	90,000	30,000
Lachlan McLeod (CFO and Corporate Secretary)	46,800	-
	$ 146,800	**$ 60,000**

Rent expense	Six months ended August 31, 2025	2024
Cybin Therapeutics Inc.	$ -	$ 8,400

As at August 31, 2025, the Company had $nil (February 28, 2025 - $17,771) due to related parties included in accounts payable and accrued liabilities. These amounts are non-interest bearing and due on demand.

During the six months ended August 31, 2025, the Company paid $nil to Zeus Capital Ltd., the employer of the former CFO and Corporate Secretary. (2024 - $27,500).

9. Capital Management

The Company's capital management policy is to maintain a strong but flexible capital structure that optimizes the cost of capital, creditor and market confidence while sustaining the future development of the business.

The Company manages its capital structure and adjusts it in light of changes in economic conditions. The Company's capital structure includes shareholders' equity. In order to maintain or adjust the capital structure, the Company may from time-to-time issue shares, seek debt financing and adjust its capital spending to manage current and working capital requirements. The Company is not subject to externally imposed capital requirements. There were no changes to the Company's approach to capital management during the six months ended August 31, 2025.

10. Financial Instruments

Financial instruments
The Company classifies its cash, accounts payable and loan payable as amortized cost instruments. The Company considers that the carrying amount of these financial assets and liabilities measured at amortized cost to approximate their fair value due to the short-term nature of the financial instruments. Loan payable is carried at amortized cost, measured at level 3 inputs of the fair value hierarchy.

Fair value estimates of financial instruments are made at a specific point in time, based on relevant information about financial markets and specific financial instruments. As these estimates are subjective in nature, involving uncertainties and matters of significant judgment, they cannot be determined with precision. Changes in assumptions can significantly affect estimated fair values. Although the Company believes its estimates of fair value are appropriate, the use of different methodologies or assumptions could lead to different measurements of fair value.

Credit risk
Credit risk is the risk of potential loss to the Company if the counterparty to a financial instrument fails to meet its contractual obligations. The Company's credit risk is primarily attributable to its accounts receivable, advances and liquid financial assets, including cash. The Company limits exposure to credit risk on liquid financial assets through maintaining its cash with reputable financial institutions. The Company considers credit risk with respect of these amounts to be low. The carrying amount of financial assets represents the maximum credit exposure.

Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in satisfying financial obligations as they become due. The Company manages its liquidity risk by forecasting cash flows from operations and anticipated investing and financing activities. As at August 31, 2025, the Company had working capital of $3,421,678 (February 28, 2025 – $1,603,746). All of the Company's current liabilities are due within 90 days of August 31, 2025, or on demand.

A summary of undiscounted liabilities and future operating commitments as at August 31, 2025, are as follows:

	Total	Within 1 year	1 – 3 years	3 – 5 years
Maturity analysis of financial liabilities	**$**	$	$	$
Accounts payable and accrued liabilities	32,961	32,961	-	-
	32,961	**32,961**	**-**	**-**

Market risk

Market risk is the risk that the fair value or future cash flow of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk, foreign currency risk and other price risk. The Company is not currently exposed to any significant interest rate foreign currency risk or other price risk.

11. Supplemental Cash Flow Disclosure

Cash at August 31, 2025, consists of $964,719 (February 28, 2025 - $1,014,242) in cash held at financial institutions.

	Six months ended August 31,	
	2025	2024
Common shares issued for services	$ -	$ 25,000
Common shares issued for BTC (Note 7)	49,460	-

12. Change of Business to Investment Issuer

Effective March 18, 2025, the Company changed from a cannabis issuer to an investment issuer. As outlined in IFRS 10, the Company was required to deconsolidate its subsidiary, The BC Bud Corporation, and accounted for it as an investment on the effective date of the change in business. The Company initially fair valued the investment in The BC Bud Corporation using the share price of the Company on the effective date multiplied by the number of outstanding common shares, less any assets or liabilities that were not used in the operations of the BC Bud Corporation, as these operations were substantially all the value of Company at the effective date of the change of business.

Fair value of outstanding shares[(1)]	**5,304,912**
Less: current assets of parent	(1,471,792)
Plus: current liabilities of parent	286,800
Fair value of The BC Bud Corporation	4,119,920
Less: deconsolidated balances of the BC Bud Corporation	(156,908)
Gain on deconsolidation	**3,963,012**

(1) Determined at 132,622,795 common shares at $0.04.

Subsequently, the Company determined the fair value of The BC Bud Corporation to be $nil when the Company performed a discounted cash flow on the investment. Therefore, a revaluation loss of $4,119,920 was recognized on the statement of loss and comprehensive loss during the six months ended August 31, 2025.