Digital Commodities Inc.

(Formerly Digital Commodities Capital Corp.)

Financial Statements

For the years ended February 28, 2026 and 2025
(Expressed in Canadian Dollars)

DAVIDSON

INDEPENDENT AUDITOR'S REPORT

To the Shareholders of
Digital Commodities Inc.

Opinion

We have audited the accompanying financial statements of Digital Commodities Inc. (the "Company"), which comprise the statements of financial position as at February 28, 2026 and 2025, and the statements of comprehensive loss, changes in shareholders' equity, and cash flows for the years then ended, and notes to the financial statements, including material accounting policy information.

In our opinion, these financial statements present fairly, in all material respects, the financial position of the Company as at February 28, 2026 and 2025, and its financial performance and its cash flows for the years then ended in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board ("IFRS Accounting Standards").

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained in our audit is sufficient and appropriate to provide a basis for our opinion.

Material Uncertainty Related to Going Concern

We draw attention to Note 1 of the financial statements, which indicates that the reported a loss of $669,393 for the year ended February 28, 2026, had an accumulated deficit of $8,110,684 and working capital of $3,572,767 at February 28, 2026. The Company's ability to continue as a going concern is dependent upon its ability to achieve profitable operations and obtaining appropriate financing to support its ongoing activities. As stated in Note 1, these material uncertainties may cast significant doubt on the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

In addition to the matter described in the Material Uncertainty Related to Going Concern section, we have determined the matters described below to be the key audit matters to be communicated in our auditor's report.

Investments in Digital Assets (Cryptocurrency)

As described in Note 3 to the financial statements, the Company holds intangible assets related to digital assets ("digital assets") which are cryptocurrencies, specifically Bitcoin (BTC) and Ripple (XRP). As further described in Note 5 to the financial statements, the carrying amount of the Company's digital assets was $994,987 as of February 28, 2026.

We have determined that the completeness and occurrence of transactions involving digital assets during the year ended February 28, 2026; and the existence, and ownership of digital assets balances at February 28, 2026 are a key audit matter. The principal considerations for our determination is the degree to which reporting these transactions and balances depends on specialized controls and processes specific to the digital asset industry. This in turn led to a high degree of auditor judgment, subjectivity, and effort in performing procedures to evaluate audit evidence relating to the estimates and judgments made by management in these areas.

Addressing the matter involved performing procedures and evaluating audit evidence in connection with forming our overall opinion on the financial statements. Our audit procedures included, among others:

- Confirming year-end balances with third party statements.
- Verifying the consideration paid for any acquisition or received for any sale of digital assets.
- Recalculating fair value changes on revaluation of digital assets.
- Assessing the adequacy of the Company's presentation and disclosures in the financial statements.

Accounting for the Deconsolidation of The BC Bud Corporation (Formerly BC Bud Holdings Corp.)

We draw your attention to Note 3 and Note 12 to the financial statements.

Effective March 18, 2025, the Company changed its listing as a cannabis entity to an investment entity. Under IFRS guidelines, the Company was required to deconsolidate The BC Bud Corporation and to recognize it as an investment at fair value through profit and loss. Determining the value of the investment entity required significant management judgment and subjectivity.

The principal considerations for our determination that the valuation of investment in associate is a key audit matter are due to the estimation uncertainty underlying the valuation of the investment at the date of deconsolidation. This determination required the use of appropriate valuation techniques which included significant unobservable inputs. This in turn led to a high degree of auditor judgment, subjectivity and effort in performing procedures to evaluate audit evidence relating to the judgments made by management in their assessment of the fair value of the investment. Addressing the matter involved performing procedures and evaluating audit evidence in connection with forming our overall opinion on the financial statements. These procedures include, among others:

- Obtaining and evaluating management's assessment of whether the Company met the definition and criteria of an investment entity.
- Testing the accuracy and completeness of the balances at the date of deconsolidation, including evaluating the appropriateness of the valuation methodology applied.
- Assessing the adequacy of the Company's presentation and disclosures in the financial statements.

Other Information

Management is responsible for the other information. The other information obtained at the date of this auditor's report includes Management's Discussion and Analysis.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

We obtained Management's Discussion and Analysis prior to the date of this auditor's report. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRS Accounting Standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Company to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner on the audit resulting in this independent auditor's report is Junaid Hassam.



Chartered Professional Accountants Vancouver, Canada

June 29, 2026

Digital Commodities Inc.
Statements of Financial Position
(Expressed in Canadian Dollars unless otherwise indicated)

	Notes		February 28, 2026		February 28, 2025
Assets					
Current assets					
Cash		$	17,030	$	1,014,242
Accounts receivable			-		40,354
GST receivable			104,618		-
Prepaid expenses			30,048		91,366
Other receivable			-		68,863
Investments	4		2,441,050		365,470
Digital assets	5		994,987		271,558
Due from The BC Bud Corporation			75,000		-
Inventory			-		47,132
			3,662,733		1,898,985
Machinery and equipment			-		18,289
Intangible assets			-		2,007
		$	**3,662,733**	**$**	**1,919,281**
Liabilities					
Current liabilities					
Accounts payable and accrued liabilities		$	89,966	$	101,565
Loan payable	6		-		193,674
			89,966		295,239
Shareholders' equity					
Share capital	7		10,094,831		7,789,109
Reserves	7		1,588,620		1,276,224
Accumulated Deficit			(8,110,684)		(7,441,291)
			3,572,767		1,624,042
		$	**3,662,733**	**$**	**1,919,281**

Nature of operations and going concern (Note 1)
Subsequent event (Note 7)

On behalf of the Board:

"Brayden Sutton"
Director

"Joshua Taylor"
Director

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

Digital Commodities Inc.
Statements of Comprehensive Loss
(Expressed in Canadian Dollars)

	Notes	For the year ended February 28, 2026	For the year ended February 28, 2025
Revenue from operations		-	140,760
Cost of sales		-	(484,269)
Amortization and Depreciation		(664)	(13,719)
Gross margin from operations		(664)	(357,228)
Investment income (loss)			
Net gain (loss) on investments at FVPL	4,12	1,469,509	(78,297)
Net loss on digital assets at FVPL	5	(766,000)	-
Total investment income (loss)		703,509	(78,297)
Operating expenses			
Accretion expense		-	13,702
Advertising and promotion		397,112	38,027
Bad debts (recovery) expense		-	(38,824)
Consulting fees	8	252,150	215,326
Share-based payments	7,8	186,594	720,399
Office and administration	8	78,664	53,841
Professional fees and other	8	456,768	422,802
Interest		(431)	26,169
Foreign exchange loss		1,381	235
		1,372,238	1,451,677
Net loss before income taxes		(669,393)	(1,887,202)
Income tax expense		-	-
Net loss and comprehensive loss for the year		**$(669,393)**	**$(1,887,202)**
Basic and diluted loss per common share		$ (0.00)	$ (0.02)
Weighted average shares outstanding		155,617,318	85,828,473

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

Digital Commodities Inc.
Statements of Changes in Shareholders' Equity
(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	66,986,813	2,424,011	-	-	2,424,011
Share issuance costs	-	(25,477)	-	-	(25,477)
Share issued for services	1,400,000	38,500	-	-	38,500
Share issued on warrant exercises	7,725,000	386,250	-	-	386,250
Share-based payments	-	-	681,899	-	681,899
Net loss for the year	-	-	-	(1,887,202)	(1,887,202)
Balance, February 28, 2025	132,622,795	7,789,109	1,276,224	(7,441,291)	1,624,042
Share issued for private placement	27,733,331	2,000,000	-	-	2,000,000
Share issuance costs	-	(156,421)	108,485	-	(47,936)
Share issued for purchase of digital assets	714,285	32,143	17,317	-	49,460
Shares issued on warrant exercises	7,600,000	430,000	-	-	430,000
Share-based payments	-	-	186,594	-	186,594
Net loss for the year	-	-	-	(669,393)	(669,393)
Balance, February 28, 2026	168,670,411	10,094,831	1,588,620	(8,110,684)	3,572,767

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

Digital Commodities Inc.
Statements of Cash Flow
(Expressed in Canadian Dollars)

	For the year ended February 28,	
	2026	**2025**
Operating activities		
Net loss for the year	(669,393)	(1,887,202)
Items not involving cash:		
Accretion expense	-	13,702
Amortization and depreciation	664	13,719
Shares issued for services	-	38,500
Inventory write-down	-	294,121
Share-based payments	186,594	681,899
Bad debt expense (recovery) expense	-	(38,824)
Net gain (loss) on investments at FVPL	(1,469,509)	78,297
Loss on digital assets	766,000	-
Interest expense	-	21,442
Change in working capital:		
Accounts receivable	-	(1,530)
GST receivable	(104,618)	-
Other receivable	49,250	25,718
Prepaid expenses	59,387	(79,351)
Inventory	-	146,000
Accounts payable and accrued liabilities	80,586	(295,085)
Cash used in operating activities	**(1,101,039)**	**(988,594)**
Financing activities		
Net proceeds from issuance of common shares	1,952,064	2,398,534
Proceeds from exercise of warrants	430,000	386,250
Proceeds from loans payable	-	100,000
Repayment of loans payable	-	(170,825)
Cash provided by financing activities	**2,382,064**	**2,713,959**
Investing activities		
Proceeds from sale of Investments	1,008,697	-
Purchase of Investments	(1,517,384)	(362,218)
Proceeds from sale of digital assets	327,429	-
Purchase of digital assets	(1,769,161)	(353,107)
Cash on deconsolidation	(327,818)	-
Cash used in investing activities	**(2,278,237)**	**(715,325)**
Change in cash	(997,212)	1,010,040
Cash – beginning of year	1,014,242	4,202
Cash – end of year	**17,030**	**1,014,242**
Supplemental cash flow disclosure (Note 11)		

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

1. Nature of operations and going concern

Digital Commodities Inc., formerly Digital Commodities Capital Corp., (the "Company") was incorporated under the laws of Alberta and was continued into British Columbia during the year ended December 31, 2000. On March 18, 2025, the Company completed a change of business from a cannabis issuer to an investment issuer and changed its name from The BC Bud Corporation to Digital Commodities Capital Corp. On September 17, 2025, the Company changed its name to Digital Commodities Inc. 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.

These 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 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 $669,393 for the year ended February 28, 2026 (2025 – $1,887,202) and had an accumulated deficit of $8,110,684 as at February 28, 2026 (2025 – $7,441,291) and working capital of $3,572,767 at February 28, 2026 (2025 – $1,603,746). The Company's ability to continue as a going concern is dependent upon its ability to achieve profitable operations and obtaining appropriate financing to support its ongoing activities. These material uncertainties may cast significant doubt on the Company's ability to continue as a going concern.

2. Basis of Preparation

Statement of compliance
These financial statements have been prepared in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board.

The preparation of financial statements in conformity with IFRS Accounting Standards requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the accounting policies. Those areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in note 3. The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented unless otherwise stated.

The Board of Directors approved the financial statements for issue on June 29, 2026.

3. Material Accounting Policy Information

Basis of measurement

The financial statements have been prepared on a historical cost basis, except for certain financial instruments measured at fair value. In addition, these 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

For the year ended February 28, 2025, the financial statements included the accounts of the Company and its wholly-owned subsidiary, The BC Bud Corporation, on a consolidated basis. All intercompany balances and transactions were eliminated for that comparative period.

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

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 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.

3. Material Accounting Policy Information (continued)

Critical accounting estimates and judgements

The preparation of financial statements in conformity with IFRS Accounting Standard requires management to make estimates and assumptions that affect the amounts reported in the 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 fair value of fully owned subsidiary, share-based payments, and classification as an Investment Entity.

The key areas of judgment applied in the preparation of the financial statements that could result in a material adjustment to the amounts reported in the 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 investment in The BC Bud Corporation was initially measured using a market capitalization approach on the date of deconsolidation (March 18, 2025), as the subsidiary comprised substantially all of the Company's operations at that date. Subsequent remeasurement as at February 28, 2026 applied the net asset value ("NAV") method, as the discounted cash flow method was considered inappropriate given The BC Bud Corporation's consistent operating losses and zero revenues. The NAV is classified as a Level 3 measurement. Significant judgment is involved in determining the carrying values of The BC Bud Corporation's assets and liabilities, including the recoverability of receivables and the completeness of liabilities, which form the basis of the NAV calculation.

Share-based payments

The Company uses the Black-Scholes option pricing model to value options and warrants granted during the year. 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.

Revenue (applicable to year ended February 28, 2025 only)

Revenue from contracts with customers was recognized in accordance with IFRS 15 – Revenue from Contracts with Customers. This policy applied to the year ended February 28, 2025 comparative period during which the Company operated as a cannabis issuer. Effective March 18, 2025, the Company completed a change of business to an investment issuer and no longer generates revenue from operations.

Impairment of inventory (applicable to year ended February 28, 2025 only)

The Company measured inventory at the lower of cost and net realizable value and recognized impairment charges for slow-moving or obsolete inventory. This policy applied to the year ended February 28, 2025 comparative period only.

3. Material Accounting Policy Information (continued)

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 February 28, 2026 and 2025, the Company held investments which are FVPL (Note 4).

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, GST 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 and are classified at amortized cost.

3. Material Accounting Policy Information (continued)

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.

Where securities are subject to trading halts, the Company uses the last available quoted price as an input to valuation models and considers whether any publicly available information about pending transactions would indicate a materially different fair value.

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.

Digital assets

Digital assets comprise cryptocurrencies held by the Company and are classified as intangible assets under IAS 38 – Intangible Assets. As an active market exists for the digital assets held, the Company applies the revaluation model, whereby digital assets are carried at fair value at each reporting date.

3. Material Accounting Policy Information (continued)

The fair value of digital assets is determined at the close of the reporting period using the price published on CoinMarketCap (www.coinmarketcap.com), a price aggregator that compiles data from multiple active cryptocurrency exchanges. Bitcoin (BTC) and Ripple (XRP) fair values are considered by management as a Level 2 input under IFRS 13 Fair Value Measurement fair value hierarchy as the price on this source represents an aggregate price in active markets. Digital assets are derecognized on disposal, with any difference between proceeds and carrying amount recognized in profit or loss.

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

GST receivable
GST receivable represents recoverable goods and services tax amounts due from the Receiver General of Canada. The balance is classified as current and is measured at amortized cost. As the debtor is the Receiver General of Canada, management considers the credit risk associated with GST receivable to be low and, accordingly, no impairment has been recognized as at February 28, 2026.

Revenue
Revenue from contracts with customers was recognized by following the five-step process defined under IFRS 15 – Revenue from Contracts with Customers: (1) identify the contract with a customer; (2) identify the performance obligations; (3) determine the transaction price, including estimated variable consideration for return rights; (4) allocate the transaction price to performance obligations; and (5) recognize revenue when performance obligations are satisfied, being at the point of transfer of control to the Provincial purchaser and distributor. This policy applied to the year ended February 28, 2025 comparative period only.

Share capital
The Company records 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.

3. Material Accounting Policy Information (continued)

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, being investment activities. As the operations comprise a single reporting segment, the amounts disclosed in the 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 warrants and share options issued.

4. Investments

Years Ended February 28,	2026	2025
Balance, beginning	$ 365,470	$ -
Additions	1,517,384	362,219
Disposals	(1,008,697)	-
Realized gain on disposal of investments	455,323	-
Unrealized gain (loss) on investments	1,111,569	3,251
Balance, ending	**$ 2,441,050**	**$ 365,470**

The following is a summary of investments during the year ended February 28, 2026 and 2025.

			# of Share/Trust Unit	
Investments		**Type**	**February 28, 2026**	**February 28, 2025**
SKRR Exploration Investments ("SKRR")	Public	Share	-	100,000
SKRR Exploration Investments	Public	Warrant	100,000	100,000
Pacific Ridge Exploration Ltd ("PEX")	Public	Warrant	250,000	-
Gold Finder Resources Ltd. ("GLD")	Public	Share	7,000,000	-
Gold Finder Resources Ltd.	Public	Warrant	8,000,000	-
Naughty Ventures Corp	Public	Share	825,000	-
Cambria Gold Mines Inc. ("CGM")	Public	Share	125,000	-
Cambria Gold Mines Inc.	Public	Warrant	62,500	-
Purpose Bitcoin ETF	Public	Share	35,000	-
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

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. During the year ended February 28, 2026, the Company acquired an additional $30,547 in Sprott Physical Uranium to bring the total cost of all holdings to $381,766. During the year ended February 28, 2026, the Company sold all Sprott Physical Silver, Uranium and Copper for $397,921 and realized a gain of $16,155. At February 28, 2026, the fair value of these investments was $nil (2025 - $337,970).

During the year ended February 28, 2026, the Company acquired 6,500 in Sprott Physical Gold for a cost of $232,430. As at February 28, 2026, the fair value of the investment was $356,022 (2025 - $nil).

4. Investments (continued)

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 year ended February 28, 2026, the Company sold all SKRR common shares for $21,950 and realized a gain of $10,950. At February 28, 2026, the Company holds 100,000 warrants in SKRR with a fair value of $11,719.

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 held 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. During the year ended February 28, 2026, the Company sold 5,000,000 GLD shares for $528,880 and realized a gain of $403,880. Additionally, the Company exercised 2,000,000 GLD warrants for a cost of $100,000. As at February 28, 2026, the fair value of the 7,000,000 GLD shares held was $700,000 (February 28, 2025 - $nil) and the fair value of the 8,000,000 GLD warrants held was $547,173 (February 28, 2025 - $nil) by using the Black Scholes Option Pricing Model.

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. During the year ended February 28, 2026, the Company sold 250,000 PEX shares for $59,304 and realized a gain of $24,304. As at February 28, 2026, the fair value of the 250,000 PEX warrants held was $55,120 (February 28, 2025 - $nil) by using the Black Scholes Option Pricing Model.

During the year ended February 28, 2026, the Company acquired 35,000 shares of Purpose Bitcoin ETF at a cost of $670,239 (2025 - $nil). As at February 28, 2026, the fair value of the investment was $409,150 (2025 - $nil).

On January 13, 2026, the Company acquired 750,000 shares of Naughty Ventures Corp. at a cost of $112,801 and additional 75,000 shares at a cost of $10,760 on January 26, 2026. As at February 28, 2026 the fair value of the investment was $107,250 (2025 - $nil).

On January 12, 2026, the Company acquired 125,000 units of CGM for $75,000. Each unit is comprised of one common share of the company and one half of one common share purchase warrant. Each warrant can be exercised at $0.85 for a common share for 12 months. As at February 28, 2026, the fair value of the share was $187,500 (2025 - $nil) and the fair value of the warrant was $67,116 (2025 - $nil) by using the Black Scholes Option Pricing Model.

4. Investments (continued)

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

The net gain on investments at fair value through profit or loss of $1,469,509 for the year ended February 28, 2026 (2025 - $78,297) comprises: (i) a gain on deconsolidation of The BC Bud Corporation of $3,740,005, offset by a subsequent revaluation loss of $3,837,470 on the Company's investment in The BC Bud Corporation, which was recognized as an investment on deconsolidation on March 18, 2025 (Note 12). The investment was subsequently written down to nil as the adjusted net asset value of The BC Bud Corporation was negative as at February 28, 2026, resulting in a total loss on Investments at FVPL of $3,837,470; and (ii) a net realized gain of $455,323 and net unrealized gain of $1,111,569 on all other investments held during the year.

5. Digital Assets

	Year ended February 28, 2026	Year ended February 28, 2025
Balance, beginning of the period	$ 271,558	$ -
Additions	1,818,621	353,107
Disposals	(327,429)	-
Realized loss on disposal of Digital assets	(142,538)	-
Unrealized loss on Digital assets	(625,225)	(81,549)
	$ 994,987	**$ 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 year ended February 28, 2026, 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 year ended February 28, 2026, the Company sold all 118,000 XRP for $327,429 and realized a loss of $142,538.

During the year ended February 28, 2026, 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 February 28, 2026, the Company holds 10.880 BTC with an average cost of $156,415 per BTC, and has a fair value of $994,987.

The net loss on digital assets at FVPL recognized in the period is presented net of $1,763 in crypto exchange transaction costs.

6. Loan Payable

Sutton Ventures Ltd. Loans

As at February 28, 2025, the Company had an outstanding loan of $193,674 payable to Sutton Ventures Ltd., a significant shareholder. The loan was secured by all current and future property of the Company and was in default and payable on demand.

On the deconsolidation of The BC Bud Corporation on March 18, 2025 (Note 12), the loan payable was included in the net liabilities deconsolidated and is no longer recognized in these financial statements. As at February 28, 2026, the Company has no loans payable.

7. Share Capital

Authorized share capital

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

Share issuances

During the year ended February 28, 2026, 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, $34,256 in legal expense, 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 of issuance.

- On August 19, 2025, the Company issued units in exchange for 0.317 BTC in accordance with a BTC purchase facility agreement ("BTC Agreement") with VanCrypto Tech LTD. In consideration of the BTC Agreement, 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. The proceeds of $49,460 were allocated between shares and warrants using the residual value method in accordance with IAS 32. The share component was valued at $32,143 based on the quoted market price of $0.045 per share on the date of issuance, and the residual value of $17,317 was allocated to warrants.

- During the year ended February 28, 2026, the Company issued 7,600,000 common shares pursuant to the exercise of warrants for total proceeds of $430,000.

7. Share Capital (continued)

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.

7. Share Capital (continued)

The following stock option grants took place during the year ended February 28, 2026:

- On August 25, 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, pursuant to the Company's omnibus share incentive plan. 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 29, 2025	9,950,000	0.12
Granted	5,000,000	0.08
Forfeited	(5,400,000)	0.11
Balance outstanding and exercisable – February 28, 2026	**9,550,000**	**0.10**

7. Share Capital (continued)

Stock options outstanding:

Expiry Date	Number of Options	Weighted Average Exercise Price	Weighted Average Remaining Life (Years)
December 14, 2026	100,000	0.20	0.79
January 24, 2027	4,000,000	0.12	0.90
January 31, 2027	750,000	0.12	0.92
April 11, 2027	1,000,000	0.08	1.11
August 25, 2027	3,000,000	0.08	1.49
February 3, 2028	700,000	0.10	1.93
Balance outstanding and exercisable – February 28, 2026	**9,550,000**	**0.10**	**1.18**

The Company recognized share-based payments expense of $186,594 for options granted and vested during the year ended February 28, 2026 (2025 - $681,899). $75,032 (2025 - $235,530) of which is related parties.

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.

Year ended February 28,	2026	2025
Risk-free interest rate	2.67 - 2.71%	2.96%
Expected life of options	2 years	2 years
Expected annualized volatility	203 - 212%	192%
Dividend rate	-	-
Forfeiture rate	0%	17.44%

Management updated the forfeiture rate as the options granted are vested immediately.

7. Share Capital (continued)

Common Share Purchase Warrants

Common Share Purchase Warrant transactions are summarized as follows:

	Number of Warrants	Weighted Average Exercise Price
Balance – February 29, 2024	9,446,667	0.15
Granted	66,986,813	0.10
Exercised	(7,725,000)	0.05
Balance at February 28, 2025	68,708,480	0.11
Granted	27,380,950	0.10
Exercised	(7,600,000)	0.06
Forfeited	(6,800,000)	0.15
Balance outstanding and exercisable - February 28, 2026	**81,689,430**	**0.11**

A residual value of $17,317 was assigned to the 714,285 warrants issued in connection with the VanCrypto BTC purchase facility, determined using the residual value method.

Common Share Purchase Warrants outstanding as at February 28, 2026:

Expiry Date	Number of Warrants	Weighted Average Exercise Price	Weighted Average Remaining Life (in Years)
April 12, 2026 [(1)]	5,675,000	0.05	0.12
August 4, 2026	700,000	0.15	0.43
August 25, 2026	1,946,667	0.15	0.49
November 20, 2026	24,000,000	0.10	0.72
January 17, 2027	8,417,332	0.15	0.88
January 24, 2027	6,816,998	0.15	0.90
January 29, 2027	6,752,483	0.15	0.91
July 9, 2027	13,333,333	0.10	1.36
July 14, 2027	13,333,332	0.10	1.37
August 19, 2027	714,285	0.10	1.47
	81,689,430	0.11	0.94

(1) Subsequent to February 28, 2026, 5,675,000 common share purchase warrants were modified with the expiry date being extended to April 12, 2029.

7. Share Capital (continued)

Brokers' Warrants

Brokers' Warrant transactions are summarized as follows:

Warrants	Number of Warrants	Weighted Average Exercise Price
Balance at February 29, 2024	-	-
Granted	292,160	0.075
Balance outstanding and exercisable – February 28, 2025	292,160	0.075
Granted	1,249,066	0.10
Balance outstanding and exercisable - February 28, 2026	1,541,226	0.10

Brokers' Warrants outstanding as at February 28, 2026:

Expiry Date	Number of Warrants	Weighted Average Exercise Price	Weighted Average Remaining Life (in Years)
January 29, 2027	292,160	0.075	0.92
July 14, 2027	1,249,066	0.10	1.37
	1,541,226	0.10	1.25

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 years ended February 28, 2026, and February 28, 2025, the Company expensed the following amounts towards related parties:

Consulting and Professional fees	Year ended February 28, 2026	Year ended February 28, 2025
TJT Ventures Ltd. (Management)	$ 10,000	$ 60,000
Brayden Sutton (CEO and Director)	180,000	87,500
Lachlan McLeod (CFO and Corporate Secretary)	93,600	29,120
Brian Taylor (Former Director)	-	3,600
Justin Chorbajian (Former Director)	-	3,600
Sean Flynn (Former Chief Commercial Officer)	-	30,000
	$ 283,600	**$ 213,820**

8. Related Party Transactions (continued)

Share-based payments (Note 7)	**Year ended**	
	February 28, 2026	**February 28, 2025**
Lachlan McLeod (CFO and Corporate Secretary)	$ 18,758	$ 78,510
Ken Osborne (Director)	18,758	78,510
Alyssa Barry (Director)	18,758	78,510
Josh Taylor (Director)	18,758	-
	$ 75,032	**$ 235,530**

Rent expense	**Year ended February 28,**	
	2026	**2025**
Cybin Therapeutics Inc.	$ -	$ 8,400

As at February 28, 2026, the Company had $23,940 (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 year ended February 28, 2026, the Company paid $nil (2025 - $42,500) to Zeus Capital Ltd., the employer of the former CFO and Corporate Secretary.

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 year ended February 28, 2026.

10. Financial Instruments

Financial instruments

The Company classifies its cash and accounts 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.

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 liquid financial assets, including cash, and the platforms on which its investments and digital assets are held. The Company limits exposure to credit risk on cash by maintaining balances with reputable Canadian financial institutions. The carrying amount of financial assets represents the maximum credit exposure.

The Company's exposure to credit risk on GST receivable is considered limited, as the balance is recoverable from the Receiver General of Canada. Based on the nature of the counterparty, management has assessed the GST receivable as low risk and, accordingly, no impairment has been recognized as at February 28, 2026.

The Company's investments with a fair value of $2,441,050 are held through Ventum Financial Corp., a Canadian investment dealer registered with the Canadian Investment Regulatory Organization. Client assets held with Ventum are protected by the Canadian Investor Protection Fund ("CIPF") within applicable coverage limits. The Company considers custodial credit risk related to its investment holdings to be low. A 10% decline in the fair value of the Company's investment portfolio would result in an approximate decrease of $244,105. The Company's largest single investment position is in Gold Finder Resources Ltd., representing approximately $1,247,173 (shares and warrants combined), creating concentration risk within the portfolio. Additionally, the Company holds warrants in SKRR Exploration Inc. which has been subject to a trading halt since August 1, 2025 pending a proposed reverse takeover transaction. The limited liquidity creates valuation uncertainty for this holding.

10. Financial Instruments (continued)

The Company's digital assets with a fair value of $994,987 are held on Coinsquare, a Canadian cryptocurrency trading platform registered with applicable provincial securities regulators as a restricted dealer. Digital assets held on Coinsquare are not protected by CIPF or the Canada Deposit Insurance Corporation. The Company is exposed to custodial credit risk arising from potential platform insolvency, cybersecurity breaches, or operational failure. The Company mitigates this risk by limiting holdings to a regulated Canadian platform and monitoring the platform's operational and financial status on an ongoing basis. A 10% decline in the price of Bitcoin would result in an approximate decrease in fair value of $99,499.

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 February 28, 2026, the Company had working capital of $3,572,767 (2025 –$1,603,746). All of the Company's current liabilities are due within 90 days of February 28, 2026, or on demand.

As at February 28, 2026, all of the Company's financial liabilities, comprising accounts payable and accrued liabilities of $89,966, are due within one year.

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.

Interest rate risk: The Company is not currently exposed to significant interest rate risk as it has no interest-bearing debt obligations.

Foreign currency risk: The Company has limited exposure to foreign currency risk. Certain digital asset and investment transactions are denominated in US dollars; however, the Company does not consider this exposure to be material as at February 28, 2026.

Regulatory risk: The regulatory environment for digital assets continues to evolve. Changes in legislation or regulatory interpretation in Canada or internationally could adversely affect the Company's ability to hold, trade, or value its digital asset holdings, or could affect the operations of the platform on which the assets are held.

11. Supplemental Cash Flow Disclosure

Cash at February 28, 2026, consists of $17,030 (2025 - $1,014,242) in cash held at financial institutions.

	Year ended February 28,	
	2026	**2025**
Common shares issued for services	$ -	$ 38,500
Units issued for BTC (Note 7)	49,460	-

12. Change of Business to Investment Issuer

Upon deconsolidation of The BC Bud Corporation on March 18, 2025, the Company's retained interest was classified as a financial asset at fair value through profit or loss ("FVTPL") in accordance with IFRS 9 – Financial Instruments. The investment was initially measured at fair value on the date of deconsolidation using a market capitalization approach, which was determined to represent the most appropriate valuation basis at that date given that the subsidiary comprised substantially all of the Company's operations.

Subsequent to initial recognition, the investment is remeasured at fair value at each reporting date, with changes in fair value recognized in profit or loss. Given The BC Bud Corporation's history of consistent operating losses and zero revenues in the current fiscal year, the discounted cash flow method was determined to be inappropriate. Accordingly, the net asset value ("NAV") method was applied as the valuation technique for subsequent measurement, representing the best estimate of fair value under IFRS 13 – Fair Value Measurement. The NAV is classified as a Level 3 measurement within the fair value hierarchy, as its inputs are based on unobservable market data derived from The BC Bud Corporation's financial statements. Changes in the fair value of the investment are recognized in the statements of loss and comprehensive loss as "Net gain (loss) on investments at FVPL."

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 account 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.

12. Change of Business to Investment Issuer (continued)

Fair value of outstanding shares[(1)]	**5,304,912**
Less: current assets of parent	(1,524,202)
Plus: current liabilities of parent	56,760
Fair value of The BC Bud Corporation	3,837,470
Less: deconsolidated balances of the BC Bud Corporation	(97,465)
Gain on deconsolidation	**3,740,005**

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

Subsequently, the Company performed a NAV assessment on the investment as at February 28, 2026, using The BC Bud Corporation's adjusted net assets as the basis for valuation. As the adjusted net asset value of The BC Bud Corporation was negative as at February 28, 2026, the investment was written down to nil. Therefore, a total loss on investments at FVPL of $3,837,470 was recognized on the statement of comprehensive loss during the year ended February 28, 2026.

13. Income Taxes

The provision for income taxes differs from the amount calculated using the Canadian federal and provincial statutory income tax rate of 27% as follows:

	February 28, 2026	**February 28, 2025**
Loss for the year	$ 669,393	$ 1,887,202
Statutory income tax rate	27%	27%
Expected income tax (recovery)	(180,736)	(509,545)
Items not deductible for tax purposes	(549,494)	198,271
Origination and reversal of temporary differences	410,106	3,704
Unused tax losses and tax offsets not recognized	320,124	307,570
	$ -	**$ -**

13. Income Taxes (continued)

The significant components of the Company's unrecognized temporary differences and unused tax losses that have not been included on the statements of financial position are as follows:

	February 28, 2026	February 28, 2025
Non-capital loss carry forward	$ 9,036,401	$ 7,850,757
Capital loss carry forward	2,660,993	2,660,993
Share issuance costs	6,900	6,900
Equipment	55,262	54,598
Intangible assets	8,500	8,500
Loan payable	(1,999)	(1,999)
Investments	2,270,496	-
Digital assets	766,000	-
	14,802,553	10,579,749
Valuation allowance	(14,802,553)	(10,579,749)
	$ -	**$ -**

As of February 28, 2026, the Company has approximately $9,004,182 (2025 - $7,850,757) of non-capital losses in Canada that may be used to offset future taxable income, expiring between 2039 and 2046.