

# **Tony G Co-Investment Holdings Ltd.**

## **Unaudited Interim Condensed Financial Statements**

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

(Unaudited - Expressed in Canadian Dollars)

### **NOTICE TO READER**

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

The accompanying unaudited interim condensed 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 unaudited interim condensed financial statements in accordance with standards established by the Canadian Institute of Chartered Accountants for a review of financial statements by an entity's auditor.

# Tony G Co-Investment Holdings Ltd.

Interim Unaudited Condensed Statements of Financial Position

As at July 31, 2024 and January 31, 2024

(in Canadian dollars)

	Note	July 31, 2024	January 31, 2024
<b>Assets</b>			
<b>Current assets:</b>			
Cash and cash equivalents	\$	1,744,688	\$ 242,174
Other current assets		8,797	821
		1,753,485	242,995
Investments	3	1,189,226	746,480
	\$	2,942,711	\$ 989,475
<b>Liabilities and shareholders' equity (deficit)</b>			
<b>Current liabilities:</b>			
Accounts payable and accrued liabilities	4 \$	210,282	\$ 283,664
Convertible debenture	5	-	1,288,000
Derivative liability	5	287,190	311,863
Provision for liquidity incentive	6	196,227	196,227
	\$	693,699	\$ 2,079,754
<b>Shareholders' equity (deficit):</b>			
Share capital	5,7	14,285,838	11,655,056
Share-based payment reserve	9	1,707,516	1,512,516
Warrants reserve	10	1,566,388	522,266
Accumulated deficit		(15,310,730)	(14,780,117)
	\$	2,249,012	\$ (1,090,279)
	\$	2,942,711	\$ 989,475

Signed on behalf of the Board

"Antanas Guoga"  
Chairman

"Gediminas Klepackas"  
Director

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

# Tony G Co-Investment Holdings Ltd.

Interim Unaudited Condensed Statements of Loss and Comprehensive Loss  
For the three and six month periods ended July 31, 2024 and 2023  
(in Canadian dollars)

	Note	Three months ended		Six months ended	
		July 31, 2024	July 31, 2023	July 31, 2024	July 31, 2023
<b>Investment income (loss)</b>					
Fair value adjustment on investments		\$ -	\$ (37,758)	\$ -	\$ (16,290)
<b>Expenses</b>					
Interest expense	5,14	-	175,297	-	337,386
Stock based compensation	9,13	195,000	-	195,000	-
Consulting expenses		38,634	29,092	100,260	58,394
Directors' fees		18,065	-	38,172	40,000
Professional fees		106,014	38,231	134,658	52,747
Office & general		29,274	30,179	48,173	38,229
Travel & entertainment		39,023	-	39,023	-
Fair value adjustment on derivative liability		(17,554)	(2,427)	(24,673)	(15,739)
Total expenses		408,456	270,372	530,613	511,017
Income tax expense		-	-	-	-
<b>Net loss and comprehensive loss</b>		<b>\$ (408,456)</b>	<b>\$ (308,130)</b>	<b>\$ (530,613)</b>	<b>\$ (527,307)</b>
<b>Loss per share</b>					
Loss per share - basic and diluted	8	\$ (0.03)	\$ (0.06)	\$ (0.05)	\$ (0.11)
Weighted average common shares outstanding		12,446,344	5,108,273	10,702,866	4,862,126

Nature of operations (Note 1)

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

# Tony G Co-Investment Holdings Ltd.

Interim Unaudited Condensed Statements of Changes in Equity (Deficiency)

For the six months ended July 31, 2024 and 2023

(in Canadian dollars)

	Note	Share Capital		Share-based payment reserve	Warrant reserve	Deficit	Total
		Number of common shares outstandings	Amount				
<b>Balance, January 31, 2023</b>		<b>7,133,398</b>	<b>\$ 11,655,056</b>	<b>\$ 1,512,516</b>	<b>\$ 522,266</b>	<b>\$ (12,899,495)</b>	<b>\$ 790,343</b>
Net loss and comprehensive loss for the period		-	-	-	-	(219,177)	(219,177)
<b>Balance, July 31, 2023</b>		<b>7,133,398</b>	<b>\$ 11,655,056</b>	<b>\$ 1,512,516</b>	<b>\$ 522,266</b>	<b>\$ (13,118,672)</b>	<b>\$ 571,166</b>
Net loss and comprehensive loss for the period		-	-	-	-	(1,661,445)	(1,661,445)
<b>Balance, January 31, 2024</b>		<b>7,133,398</b>	<b>\$ 11,655,056</b>	<b>\$ 1,512,516</b>	<b>\$ 522,266</b>	<b>\$ (14,780,117)</b>	<b>\$ (1,090,279)</b>
Common shares issued in connection with a private placement	7	4,000,000	2,400,000	-	-	-	2,400,000
Cash share issue costs		-	(13,096)	-	-	-	(13,096)
Issuance of options		-	-	195,000	-	-	195,000
Issuance of warrants	10	-	(1,044,122)	-	1,044,122	-	-
Shares issued to settled debt	5,7	1,312,946	1,288,000	-	-	-	1,288,000
Net loss and comprehensive loss for the period		-	-	-	-	(530,613)	(530,613)
<b>Balance, July 31, 2024</b>		<b>12,446,344</b>	<b>\$ 14,285,838</b>	<b>\$ 1,707,516</b>	<b>\$ 1,566,388</b>	<b>\$ (15,310,730)</b>	<b>\$ 2,249,012</b>

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

# Tony G Co-Investment Holdings Ltd.

Interim Unaudited Condensed Statements of Cash Flows

For the six months ended July 31, 2024 and 2023

(in Canadian dollars)

<i>Six months ended July 31,</i>	<b>2024</b>	<b>2023</b>
<b>Operating Activities</b>		
Net loss for the period	\$ (530,613)	\$ (527,307)
Adjustment for:		
Fair value adjustment of derivative liability	(24,673)	(13,312)
Unrealized gain (loss) on investments	-	(21,468)
Stock based compensation	195,000	-
Net change in non-cash working capital:		
Accounts receivable	(7,976)	2,257
Accounts payable and accrued liabilities	(73,382)	182,769
<b>Net cash used in operating activities</b>	<b>\$ (441,644)</b>	<b>\$ (377,061)</b>
<b>Investing activities</b>		
Investment in Alclin	(442,746)	-
<b>Net cash used in investing activities</b>	<b>\$ (442,746)</b>	<b>\$ -</b>
<b>Financing activities</b>		
Proceeds from issuance of common shares (net)	2,386,904	-
<b>Net cash provided by financing activities</b>	<b>\$ 2,386,904</b>	<b>\$ -</b>
Change in cash and cash equivalents	1,502,514	(377,061)
Cash and cash equivalents, beginning of period	242,174	1,639,441
<b>Cash and cash equivalents, end of period</b>	<b>\$ 1,744,688</b>	<b>\$ 1,262,380</b>

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

# Tony G Co-Investment Holdings Ltd.

Notes to the Interim Unaudited Condensed Financial Statements

For the six months ended July 31, 2024 and 2023

(in Canadian dollars)

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## 1. Nature of operations and going concern

Tony G Co-Investment Holdings Ltd. (the "Company") is an investment holding company focused on investments in companies operating in the longevity, blockchain, cryptocurrency, payment processing, syndicated credit, online commerce, longevity and online gambling industries, including companies or other entities that service such industries. The Company's head office address is 5800 Ambler Drive suite 210 Mississauga, Ontario, L4W 4J4.

On December 28, 2018, the Company, then Braingrid Limited, completed its qualifying transaction (the "Transaction") in accordance with the policies of the Canadian Securities Exchange (the "CSE"), by way of a three-cornered amalgamation of Braingrid Corporation (a precision agriculture technology company), Match Capital Resources Corp. ("Match") and a wholly owned subsidiary of Match ("Match Subco") to form a new company ("Amalco"). The Transaction was an arm's length transaction for both parties.

The Company obtained final approval for the Transaction from the Exchange on December 28, 2018 and started trading on the Canadian Securities Exchange under the symbol "BGRD".

On November 13, 2020, the Company consolidated its issued and outstanding common shares on a 1 for 100 basis which resulted in 1,388,417 shares outstanding post-consolidation. All references to common shares, stock options, warrants and loss per share in these unaudited interim condensed financial statements have been adjusted to reflect this change.

On November 30, 2020, the Company announced that it would be pursuing a change of business (the "COB") under the rules of the CSE to refocus its business operations from a "technology issuer" to an "investment issuer". In accordance with the policies of the CSE, trading in the shares of the Company were halted pending review and approval by the CSE of the COB.

On May 19, 2021, the Company's shareholders approved the COB and the sale of Braingrid Corporation (the "Subsidiary").

On August 31, 2021, the Company announced that it had changed its name from Braingrid Limited to Tony G Co-Investment Holdings Ltd.

On September 28, 2021, the CSE approved the COB and on October 7, 2021 the Company began trading on the CSE under the symbol "TONY".

In conjunction with the completion of the COB and the Company's resumption of trading on the CSE, the Company sold the Subsidiary. The Subsidiary's operating results are reflected in the interim unaudited condensed financial statements until October 7, 2021.

The financial year end of the Company is January 31<sup>st</sup>.

### *Going concern assumption*

These interim unaudited condensed 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, they do not give effect to adjustments that would be necessary should the Company be unable to continue as a going concern, and therefore be required to realize its assets and liquidate its liabilities and commitments in other than the normal course of business and at amounts different from those in the accompanying unaudited interim condensed financial statements. Such adjustments could be material. It is not possible to predict whether the company will be able to raise adequate financing or to ultimately attain profitable levels of operations. These conditions indicate the existence of material uncertainties that may cause significant doubt about the Company's ability to continue as a going concern. Changes in future conditions could require material write downs of the carrying values.

The Company has not yet realized profitable operations and has incurred significant losses to date resulting in a cumulative deficit of \$15,310,730 as at July 31, 2024 (January 31, 2023 - \$14,780,117). The recoverability of the carrying value of the assets and the Company's continued existence is dependent upon the achievement of

# Tony G Co-Investment Holdings Ltd.

Notes to the Interim Unaudited Condensed Financial Statements

For the six months ended July 31, 2024 and 2023

(in Canadian dollars)

profitable operations, or the ability of the Company to raise alternative financing. While management has historically been successful in raising the necessary capital, it cannot provide assurance that it will be able to execute its business strategy or be successful in future financing activities. As at July 31, 2024, the Company had current assets of \$1,753,485 (January 31, 2023 - \$242,995) to cover current liabilities of \$693,699 (January 31, 2023 - \$2,079,754).

## 2. Summary of significant accounting policies

### Statement of compliance

The Company applies International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and the interpretations issued by the IFRS Interpretations Committee. These interim unaudited condensed financial statements have been prepared in accordance with International Accounting Standard 34, Interim Financial Reporting. Accordingly, they do not include all of the information required for full annual financial statements required by IFRS as issued by the IASB.

The policies applied in these interim unaudited condensed financial statements are based on IFRSs issued and outstanding as of September 30, 2024, the date the Board of Directors approved the statements. The same accounting policies and methods of computation are followed in these interim unaudited condensed financial statements as compared with the most recent annual financial statements as at and for the year ended January 31, 2024. Any subsequent changes to IFRS that are given effect in the Company's annual financial statements for the year ending January 31, 2025 could result in restatement of these interim unaudited condensed financial statements.

## 3. Investments

The Company's investments in equity instruments are classified as FVTPL and are carried at fair value. The detail is as follows:

Investment	Quantity	July 31,		January 31,	
		2024	Quantity	2024	Quantity
Alclin Group (a)	428,100	\$ 1,189,226	363,420	\$ 746,480	
Sportclothes UAB (b)	2,060,520	nil	2,060,520	nil	2,060,520
News 3.0 Limited ("News 3.0") (c)	nil	nil	3,600,000	nil	3,600,000
<b>Total</b>		<b>\$ 1,189,226</b>		<b>\$ 746,480</b>	

(a) During the year end January 31, 2024, the Company entered into an arm's length transaction agreement (the "Transaction Agreement") with Alclin Manufacturing Proprietary Limited ("Alclin Manufacturing"), Alclin Proprietary Limited ("Alclin Proprietary") (collective "Alclin Group") and Christo Gustav Coetzee (the "Vendor"), pursuant to which the Company, or a nominee of its choice, shall acquire up to 500,000 ordinary shares in the capital of Alclin Manufacturing and 500,000 ordinary shares in the capital of Alclin Proprietary for aggregate consideration of US\$5,000,000 (the "Transaction").

During the year ended January 31, 2024, the Company acquired 181,710 ordinary shares in each of Alclin Proprietary and Alclin Manufacturing for an aggregate purchase price of \$2,205,878 (US\$1,617,094), the "First Tranche", and 20,000 ordinary shares in each of Alclin Proprietary and Alclin Manufacturing for an aggregate purchase price of \$273,490 (US\$200,000), the "Second Tranche".

During the six months ended July 31, 2024, the Company acquired 32,340 ordinary shares of Alclin Proprietary and 32,340 of Alclin Manufacturing for total consideration of \$442,746 (US\$323,419), the "Fourth Tranche".

Pursuant to the Transaction Agreement, part of each consideration payment shall be made by way of a loan, which shall be secured and guaranteed against all of the assets of Alclin Group. In the First Tranche, Second Tranche and Fourth Tranche, the amount considered a loan to Alclin Group was \$1,426,817 (US\$1,045,997), \$176,904 (US\$129,368), and \$286,384 (US\$209,199). The Company has made irrevocable designation of these loans as FVTPL at the initial recognition. These loans are valued at fair value together with the equity investments as investments in Alclin Group.

As at January 31, 2024, the fair value of Alclin Group was estimated to be \$746,480 based on various scenarios of possible outcomes of its short-term expected revenue times revenue multiples. The Company has recorded a fair value downward

# Tony G Co-Investment Holdings Ltd.

## Notes to the Interim Unaudited Condensed Financial Statements

For the six months ended July 31, 2024 and 2023

(in Canadian dollars)

adjustment of \$1,732,888 during the year ended January 31, 2024. The significant estimates and judgements are used in estimating the fair value of the investment in Alclin Group. The result of the fair value of investment in Alclin Group could change materially when the key assumptions change as follows: (i) the fair value of investment in Alclin Group would increase/decrease approximately \$73,000 if short-term expected revenue changed 20%; (ii) the fair value of investment in Alclin Group would increase/decrease approximately \$151,000 if the revenue multiples change 20%.

As at July 31, 2024, management estimated the fair value of Alclin Group to be \$1,189,226, based on the valuation of Alclin Group at January 31, 2024 and the \$442,746 invested in Alclin Group by the Company during the six months ended July 31, 2024.

- (b) During the year ended January 31, 2022, the Company acquired 20% of Sportclothes UAB ("Sportclothes") for consideration of 2,060,520 shares of Company at a deemed price of \$1 per share. An independent appraiser determined that as at January 31, 2022, the fair market value of Sportclothes was \$347,000 on an en bloc basis, based on the adjusted net asset approach. Due to inventory count scope limitations the Company wrote the Sportclothes investment down to \$nil during the year ended January 31, 2022, recognizing a loss of \$2,060,520 on its Sportclothes investment. The Company determined the fair value of investments in Sportclothes remains \$nil as at July 31, 2024 (January 31, 2024 - \$nil).
- (c) During the year ended January 31, 2022, the Company acquired 51% of News 3.0 for consideration of \$3,600,000 by issuance of 3,600,000 shares of Company at a deemed price of \$1 per share. An independent appraiser determined that as at January 31, 2022, the fair market value of News 3.0 was between EUD4,000,000 and EUD7,000,000 on an en bloc basis, with a mid-point of EUD5,500,000, based on the market comparables approach.

On September 12, 2022, News 3.0 sold 100% of its assets (the "Assets") that were doing business as Cryptonews.com for consideration of US\$4,500,000.

During the year ended January 31, 2023, the Company received an advance from News 3.0 of \$1,724,584 (the "Advance"). The Advance is non-interest bearing and unsecured and will be forgiven upon News 3.0's declaration of the distribution. As at January 31, 2023, the fair value of the investment in News 3.0 (net of the Advance) is \$1,257,000 determined on the net asset approach based on the estimated ultimate distributions would be received.

During the year ended January 31, 2024, the Company received an advance from News 3.0 of \$1,466,719 (the "Second Advance"). The Second Advance is non-interest bearing and unsecured and will be forgiven upon News 3.0's declaration of the distribution. As at January 31, 2024 the fair value of the investment in News 3.0 (net of the Second Advance) is \$nil. The Company recognized a fair value adjustment on this investment of \$209,719 in the statement of (loss) income for the year ended January 31, 2024 (2023 - \$27,390).

During the period ended July 31, 2024 News 3.0 was dissolved, the Advance and the Second Advance were forgiven, and its capital was distributed to shareholders on pro rata basis.

#### 4. Accounts payable and accrued liabilities

	July 31, 2024	January 31, 2024
Accounts payable	\$ 26,929	\$ 69,100
Accrued liabilities	183,353	214,564
Total accounts payable and accrued liabilities	\$ 210,282	\$ 283,664

#### 5. Convertible debt

On June 11, 2019, the Company and the European High Growth Opportunities Securitization Fund (the "Fund") entered into an unsecured convertible debenture agreement (the "Convertible Debenture Agreement") by way of a subscription agreement for aggregate loan proceeds of up to \$5,100,000. On June 14, 2019, the Company closed the first drawdown of the Convertible Debenture Agreement and received a total of \$850,000 (the "First Drawdown"). The First Drawdown was fully settled during the year ended January 31, 2021.

On August 10, 2021, the Company completed a second drawdown pursuant to the Convertible Debenture Agreement for gross proceeds of \$1,288,000 (the "Debenture" also referred as the "Second Drawdown"). The Second Drawdown matures August 10, 2022 and has a 0% rate of interest. The Second Drawdown also included the issuance of 460,000 Facility Warrants with an exercise price of \$0.56 expiring on August 10, 2026. The Facility Warrants are also subject to make whole provision as defined in the Convertible Debenture Agreement. The Company calculated the fair value of the derivative liability components to be \$1,117,675 and therefore, \$170,325 was assigned to the host debt component. The embedded derivative conversion feature liability and warrant liability were separated from its host contract on the basis of its stated terms and initially measured at fair value using the Black-Scholes model. The embedded make whole



# Tony G Co-Investment Holdings Ltd.

Notes to the Interim Unaudited Condensed Financial Statements

For the six months ended July 31, 2024 and 2023

(in Canadian dollars)

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provision derivative liability was separated from its host contract on the basis of its stated terms and initially measured at fair value using the Monte-Carlo model. with the host debt contract being the residual amount after separation of conversion feature liability, warrant liability and the make whole provision derivative liability.

At January 31, 2024 and 2023, the fair value of the embedded derivative conversion option liability and embedded make whole provision derivative liability associated with the convertible debenture was \$nil, as the convertible debenture matured on August 10, 2022. The Company the fair value of the warrant liability including the associated make whole provision as at January 31, 2024 is estimated to be \$311,863 (January 31, 2023 - \$132,838) based on the following models and assumptions: (1) warrants - using the Black-Scholes pricing model with the following assumptions: a share price of \$0.70, an exercise price of \$0.56, a volatility of 201.44%, an expected life of 2.53 years, a dividend yield of 0%, and a risk-free interest rate of 3.77%; and (2) make whole provision - using the Monte Carlo pricing model with the following assumptions: a share price of \$0.70, a volatility of 201.44% and an expected life of 2.53 years, a dividend yield of 0%, and a risk-free interest rate of 3.77%.

As at January 31, 2023 the Company had not repaid the principal amount of the Second Drawdown and the Company had accrued default interest of \$260,268 in the accounts payable and accrued liabilities.

During the year ended January 31, 2024, the Company had determined that, pursuant to the Convertible Debenture Agreement, it had the right to settle the Convertible Debenture through the issuance of common shares (1,312,946 shares of the Company were issued on February 1, 2024, see Note 18) on of the Company. As a result, the Company concluded it does have the present obligation for the default interest as at January 31, 2024 and therefore reversed accrued interest in the amount of \$260,268 (see also Note 14).

During the six months ended July 31, 2024, the Company issued an aggregate of 1,312,946 common shares (the "Conversion Shares") to the Fund in connection with the automatic conversion of the entire \$1,288,000 principal amount of the Debenture of the Company dated August 10, 2021. The Conversion Shares were issued at a deemed conversion price of \$0.98 per share, calculated in accordance with the terms of the Debenture. (also see Note 14).

At July 31, 2024, the fair value of the warrant liability including the associated make whole provision is estimated to be \$287,190 (January 31, 2024 - \$311,863) based on the following models and assumptions: (1) warrants - using the Black-Scholes pricing model with the following assumptions: a share price of \$0.68, an exercise price of \$0.56, a volatility of 198.2%, an expected life of 2.03 years, a dividend yield of 0%, and a risk-free interest rate of 3.59%; and (2) make whole provision - using the Monte Carlo pricing model with the following assumptions: a share price of \$0.68, a volatility of 198.2% and an expected life of 2.03 years, a dividend yield of 0%, and a risk-free interest rate of 3.59%.

## 6. Provision for liquidity incentive

On February 13, 2018 and April 9, 2018, Braingrid Corporation, a former subsidiary of the Company that was disposed of fiscal 2022, closed a 6,668,000 unit offering (the "Offering") at a price of \$0.40 per unit ("Unit") for gross proceeds of \$2,667,200. Each Unit also included a liquidity incentive which requires the issuer to pay the holders of the units a penalty equal to 1% per month (pro-rated for partial months), subject to a maximum liquidity incentive payment equal, in the aggregate, to 12% of the aggregate purchase price paid for the Units paid by the unit holder. The liquidity incentive was payable if Braingrid Corporation did not commence trading by a particular date in accordance with the unit issuance agreement.

On October 11, October 22, October 26, 2018, and December 10, 2018 Braingrid Corporation completed a non-brokered private placement of an aggregate of 1,864,400 units (the "Fall Offering") at a price of \$0.80 per unit (a "Fall Unit") for gross proceeds of \$1,491,520. Each Fall Unit included a liquidity incentive which requires the Company to pay the holders of the units a penalty equal to 1% per month (pro-rated for partial months), subject to a maximum liquidity incentive payment equal, in the aggregate, to 12% of the aggregate purchase price paid for the Units paid by the unit holder. The liquidity incentive was payable if Braingrid Corporation did not commence trading by a particular date in accordance with the unit issuance agreement.

The Company commenced trading on December 28, 2018. For the years ended January 31, 2019, 2020, 2021, 2022, 2023, 2024 and the six months ended July 31, 2024, the Company calculated the fair value of the liquidity incentive liability to be \$196,227.

# Tony G Co-Investment Holdings Ltd.

Notes to the Interim Unaudited Condensed Financial Statements

For the six months ended July 31, 2024 and 2023

(in Canadian dollars)

## 7. Share capital

### Authorized share capital:

Unlimited number of common shares, no par value, one vote per common share.

### Issued share capital

At July 31, 2024, there were 12,446,344 issued and fully paid common shares (January 31, 2024 - 7,133,398), of which, 675,041 common shares were held in escrow, pursuant to the NP46-201 Escrow Agreements dated December 19, 2018 and August 11, 2021 (January 31, 2023 - 1,350,083).

### Issuance of share capital

On April 19, 2024, the Company completed a non-brokered private placement financing for gross proceeds of \$2,400,000 through the issuance of 4,000,000 units in the capital of the Company (the "Units") at a price of \$0.60 per Unit. Each Unit was comprised of one common share in the capital of the Company and one whole common share purchase warrant (each, a "Warrant"). Each Warrant entitles the holder thereof to acquire one common share at a price of \$0.75 per common share until the date that is one (1) year from the date of issuance.

On February 1, 2024, the Company issued an aggregate of 1,312,946 common shares (the "Conversion Shares") to the Fund in connection with the automatic conversion of the entire \$1,288,000 principal amount of the Debenture of the Company dated August 10, 2021. The Conversion Shares were issued at a deemed conversion price of \$0.98 per share, calculated in accordance with the terms of the Debenture. (also see Notes 5 and 14)

## 8. Income (loss) per share

For the six months ended July 31, 2024 and 2023, the Company had securities outstanding which could potentially dilute basic earnings per share in the future but were excluded from the computation of diluted loss (earnings) per share in the periods presented, as their effect would have been antidilutive. Common shares escrowed pursuant to the NP46-201 Escrow Agreement dated December 19, 2018 and August 11, 2021, of which releasing is solely based on timing are included in the number of outstanding common shares.

	For the six months ended July 31, 2024	For the six months ended July 31, 2024
Numerator		
Net loss for the period	\$ (530,613)	\$ (527,307)
Denominator		
Weighted average shares - basic	10,702,866	4,862,126
Stock options	-	-
Denominator for diluted loss per share	10,702,866	4,862,126
Loss per share - basic and diluted	\$ (0.05)	\$ (0.11)

## 9. Share-based payments

### a) Stock options outstanding

During the six month period ended July 31, 2024, the Company issued 300,000 stock options (2023 – nil), no options were terminated (2023 – nil), and no options were exercised (2023 - nil). During the six month period ended July 31, 2024, the Company received proceeds of \$nil due to the exercise of stock options (2023 - \$nil).

# Tony G Co-Investment Holdings Ltd.

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For the six months ended July 31, 2024 and 2023  
(in Canadian dollars)

The continuity of the issuance of stock options is as follows:

<b>Balance July 31, 2023 and January 31, 2024</b>	<b>391,059</b>	<b>\$1.44</b>
Options issued	300,000	\$0.68
<b>Balance, July 31, 2024</b>	<b>691,059</b>	<b>\$1.11</b>

As at July 31, 2024, details of the issued and outstanding stock options are as follows:

<b>Expiry Date</b>	<b>Weighted Average Remaining Contractual Life (years)</b>	<b>Number of Options Outstanding</b>	<b>Number of Options Vested as at July 31, 2023</b>	<b>Number of Options Unvested</b>
March 31, 2025	0.67	3,000	3,000	-
February 15, 2026	1.54	7,233	7,233	-
April 26, 2026	1.74	2,500	2,500	-
January 31, 2027	2.50	300	300	-
August 1, 2026	2.00	2,000	2,000	-
August 1, 2026	2.00	2,700	2,700	-
September 18, 2027	3.13	500	500	-
November 22, 2027	3.31	3,800	3,800	-
January 31, 2028	3.50	7,547	7,547	-
January 31, 2028	3.50	1,600	1,600	-
February 28, 2028	3.58	629	629	-
April 1, 2028	3.67	1,500	1,500	-
December 27, 2028	4.41	250	250	-
November 3, 2026	2.26	357,500	357,500	-
July 17, 2034	9.96	300,000	300,000	-
	<b>5.61</b>	<b>691,059</b>	<b>691,059</b>	<b>-</b>

## b) Restricted share units outstanding

During the six months ended July 31, 2024 and 2023, there were no restricted share unit (each, a "RSU") activities. The 4,500 granted RSUs are fully vested, 3,000 RSUs expire on February 1, 2029 and 1,500 RSUs expire on July 24, 2029.

	<b>RSUs</b>
<b>Balance January 31, 2024, July 31, 2023 and 2024</b>	<b>4,500</b>

## 10. Warrants

A summary of the Company's warrant activity for the six months ended July 31, 2024 and the year ended January 31, 2024 is as follows:

	<b>Number of Warrants</b>	<b>Weighted Avg Exercise Price</b>
<b>Balance, January 31, 2023, July 31, 2023 and January 31, 2024</b>	<b>493,750</b>	<b>\$1.42</b>
Warrants granted	4,000,000	0.75
Warrants expired	(23,750)	(0.04)
<b>Balance, July 31, 2024</b>	<b>4,470,000</b>	<b>\$0.78</b>

# Tony G Co-Investment Holdings Ltd.

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During the six month period ended July 31, 2024, 4,000,000 warrants were issued (2023 – nil), no warrants were exercised (2023 – nil) and 23,750 warrants expired (2023 - nil).

On April 19, 2024, the Company issued 4,000,000 warrants in connection with a private placement; each warrant is exercisable at \$0.75 until April 19, 2025. The warrant value has been estimated at \$1,044,122 using the Black-Scholes option pricing model based on the following weighted average assumptions:

Expected dividend yield	0%
Expected annual volatility	281%
Risk-free interest rate	4.35%
Expected average life	1 year
Share price	\$0.34

As at July 31, 2024, details of the issued and outstanding warrants are as follows:

Issuance Date	Expiry Date	Exercise Price	Weighted Average Remaining Contractual Life (years)	Number of Warrants Outstanding
March 31, 2015	March 31, 2025	\$25.00	0.67	10,000
August 10, 2021	August 10, 2026	\$0.56	2.03	460,000
April 19, 2024	April 19, 2025	\$0.75	0.72	4,000,000
			<b>1.14</b>	<b>4,470,000</b>

## 11. Fair Value

Fair value is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction.

As at July 31, 2024, the carrying value of the accounts payable and accrued liabilities, convertible debenture and provision for liquidity incentive approximates their fair value due to their short term nature.

### (i) Fair value hierarchy

The Company defines its fair value hierarchy as follows:

**Level 1:** The fair value of financial instruments traded in active markets (such as publicly traded equity securities) is based on quoted market prices at the end of the reporting period. The quoted market price used for financial assets held by the group is the current bid price. These instruments are included in level 1.

**Level 2:** The fair value of financial instruments that are not traded in an active market (e.g., other public markets) is determined using valuation techniques that maximize the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

**Level 3:** If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for unlisted equity securities and the derivative liability.

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Financial instruments measured at fair value on recurring basis and the fair value hierarchy is listed below.

<b>July 31, 2024</b>	<b>Level One</b>	<b>Level Two</b>	<b>Level Three</b>
Cash and cash equivalents	\$ 1,744,688	\$ -	\$ -
Investments	-	-	1,189,226
Derivative liability			(287,190)

  

<b>January 31, 2024</b>	<b>Level One</b>	<b>Level Two</b>	<b>Level Three</b>
Cash and cash equivalents	\$ 242,174	\$ -	\$ -
Investments	-	-	1,189,226
Derivative liability			(311,863)

As at July 31, 2024, investments classified as Level Three consist of investments in Sportclothes, with a fair value of \$nil (January 31, 2023 - \$nil), and Alclin Group, with a fair value of \$1,189,226 (2023 – n/a).

The fair value of the investments with level 3 inputs at January 31, 2024 involves a third party valuator.

The fair value of Level 3 assets is inherently subjective. Because of the uncertainty of fair value of assets that do not have readily ascertainable market values, management's conclusion of fair value for a financial asset on a date may differ significantly from (1) the fair value conclusions of other knowledgeable market participants and/or (2) prior or subsequently observed transaction prices, including the price paid to acquire, or received to sell, the asset itself.

(ii) Valuation techniques used to determine fair values:

Specific valuation techniques used to fair value financial instruments, specifically those that are not quoted in an active market. These are development stage companies, as such the Company utilised a market approach:

- The use of quoted market prices in active or other public markets
- The use of most recent transactions of similar instruments
- Changes in expected technical milestones of the investee
- Changes in management, strategy, litigation matters or other internal matters
- Significant changes in the results of the investee compared with the budget, plan, or milestone

The valuation of the derivative liability is presented in note 5.

(iii) Transfers between levels 2 and 3

There were no transfers between levels 2 and 3 during the six months ended July 31, 2024 and the year ended January 31, 2024.

## 12. Financial Risk Factors

### Capital Management

The Company includes equity, which is comprised of share capital, reserves, and deficit, in the definition of capital. The Company's objective when managing its capital is to safeguard the ability to continue as a going concern in order to provide returns for its shareholders, and other stakeholders and to maintain a strong capital base to support the Company's core activities. The Company has no externally imposed capital requirements. To secure the additional capital necessary to pursue these plans, the Company may attempt to raise additional funds through the issuance of equity or by securing strategic partners.

### Risk management

In the normal course of its business, the Company is exposed to a number of financial risks that can affect its operating performance. These risks, and the actions taken to manage them, are as noted below.

# Tony G Co-Investment Holdings Ltd.

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(in Canadian dollars)

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## *Interest rate risk*

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company does not hold any significant interest-bearing assets or liabilities.

## *Credit risk*

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its obligations. The Company's maximum exposure to credit risk was \$nil at July 31, 2024 (January 31, 2023 - \$nil). Due to the sale of the Subsidiary and its transition to an investment holding company, the Company no longer has exposure to trade receivables credit risk.

All of the Company's cash and cash equivalents are held with a major Canadian financial institution and thus the exposure to credit risk is considered insignificant. Management actively monitors the Company's exposure to credit risk under its financial instruments.

## *Market risk*

Market risk is the risk that the value of financial instruments will fluctuate as a result of changes in market prices (other than those arising from interest rate risk or foreign currency risk), whether caused by factors specific to an individual investment, its issuer, or all factors affecting all instruments traded in a market or market segment. All investments present a risk of loss of capital. The maximum risk resulting from financial instruments is equivalent to their fair value. The Company's investments are susceptible to other market risk arising from uncertainties about future prices of the instruments. The Company moderates this risk through the various investment strategies within the parameters of the Company's investment guidelines.

## *Foreign Currency Risk*

A Company is exposed to foreign currency risk on financial assets and liabilities that are denominated in a currency other than the Canadian dollar. As at July 31, 2024 the Company had no financial assets or liabilities denominated in a currency other than the Canadian dollar.

## *Liquidity risk*

Liquidity risk is the risk that the Company may not be able to generate sufficient cash resources to settle its obligations as they fall due. The Company's strategy is to mitigate its liquidity risk using cash on hand and cash flow provided by financing activities. As at July 31, 2024, the Company had current assets of \$1,753,485 (January 31, 2024 - \$242,995) to cover current liabilities of \$693,699 (January 31, 2024 - \$2,079,754). The Company's accounts payable and accrued liabilities are due within one year from the date of the statement of financial position.

## **13. Related party transactions and key management compensation**

The Company's related parties include key management personnel, and any entity related to key management personnel that has transactions with the Company. Key management personnel are those persons having the authority and responsibility for planning, directing, and controlling the activities of the Company, directly or indirectly.

During the six months ended July 31, 2024 and the year ended January 31, 2023, the Company incurred the following related party transactions:

During the six months ended July 31, 2024, Mr. Anthony Guoga received director's fees of \$12,000 (2023 - \$10,000) and a consulting fee of \$nil (2023 - \$10,000).

During the three months ended July 31, 2024, Mr. Rehan (Ron) Akram CEO Chief Executive Officer received consulting fees of \$36,000 (2023 - \$nil) and was granted 300,000 options (2023 - nil).

During the three months ended July 31, 2024, Mr. Gediminas Klepackas received director's fees of \$12,000 (2023 - \$nil) and consulting fees of \$nil (2023 - \$36,000).

During the three months ended July 31, 2024 Mr. Peter Tutlys received director's fees of \$12,000 (2023 - \$nil).

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During the six months ended July 31, 2024, Mr. Andrew Parks received director's fees of \$2,000 (2023 - \$10,000);

During the six months ended July 31, 2024 Mr. Bruno Macchiali received director's fees of \$nil (2023 - \$10,000);

Key management personnel are comprised of the Company's directors and executive officers. In addition to their salaries, key management personnel also receive share-based compensation. Key management personnel compensation is as follows:

	For the six months ended July 31, 2024	For the six months ended July 31, 2023
Salaries and benefits, including bonuses	\$ 74,000	\$ 76,000
Share-based compensation	195,000	-
<b>Total</b>	<b>\$ 269,000</b>	<b>\$ 76,000</b>

## 14. Contingent Liability

On February 8, 2023, the Company was served with a statement of claim by the Fund claiming \$1,288,000 (Note 7), pre and post judgement interest of 40%, plus costs, related to the Plaintiff's convertible debenture investment in the Issuer (the "Claim"). The Company filed a statement of defense pursuant to the Claim during the year ended January 31, 2023. During the year ended January 31, 2024, the Company reassessed and determined that, pursuant to the Convertible Debenture Agreement, it had the right to settle the Debenture through the issuance of common shares of the Company. As a result, all accrued default interest was reversed. On February 1, 2024, the Company issued an aggregate of 1,312,946 common shares to the Fund. In April 2024, the Company filed an amended statement of defense denied all the claims made by the Fund.

## 15. Subsequent Events

On August 23, 2024, the Company acquired 95,000 ordinary shares in each of Alclin Proprietary and Alclin Manufacturing for an aggregate purchase price of \$1,287,490 (US\$950,000).