

BIRCHTREE INVESTMENTS LTD.

CONDENSED INTERIM FINANCIAL STATEMENTS

FOR THE THREE AND SIX MONTHS ENDED FEBRUARY 29, 2024 AND FEBRUARY 28, 2023

(EXPRESSED IN CANADIAN DOLLARS)

(UNAUDITED)

Birchtree Investments Ltd.
Condensed Interim Statements of Financial Position
(Expressed in Canadian Dollars)
(Unaudited)

As at	February 29, 2024		August 31, 2023	
ASSETS				
<i>Current</i>				
Cash	\$	68,853	\$	94,141
Subscription receivable		1,800		1,800
Prepaid insurance		4,314		12,245
<i>Total current assets</i>		74,967		108,186
Convertible debenture (note 3)		-		593,772
Investments (note 3)		14,980,083		1,513,137
Total assets	\$	15,055,051	\$	2,215,095
LIABILITIES				
Accounts payable and accrued liabilities (note 9)	\$	111,231	\$	110,611
Loans payable (notes 9 and 10)		51,407		-
Insurance loan payable		1,351		9,454
<i>Total current liabilities</i>		163,989		120,065
Deferred Revenue (note 3)		355,000		-
Total liabilities	\$	518,989	\$	120,065
SHAREHOLDERS' EQUITY				
Share capital (note 4)	\$	5,496,335	\$	5,468,140
Contributed surplus		31,568		51,415
Retained earnings (deficit)		9,008,159		(3,424,525)
Total shareholders' equity		14,536,061		2,095,030
Total liabilities and shareholders' equity	\$	15,055,051	\$	2,215,095

Nature of operations and going concern (note 1)

Approved on behalf of the Board:

"Vitali Savitski"
Director

"James Greig"
Director

Birchtree Investments Ltd.
Condensed Interim Statements of Income (Loss) and Comprehensive Income (Loss)
(Expressed in Canadian Dollars)
(Unaudited)

	Three Months Ended		Six Months Ended	
	February 29, 2024	February 28, 2023	February 29, 2024	February 28, 2023
Income (loss)				
Realized gain (loss) on sale of investments (note 3)	\$ (11,645)	\$ -	\$ (6,391)	\$ -
Unrealized gain (loss) on investments (note 3)	11,749,345	(239,281)	12,578,167	(275,220)
Consulting fee income (note 3)	5,000	-	5,000	-
Interest income (note 3)	-	14,795	4,941	29,785
Income (loss) from investments and consulting	11,742,699	(224,487)	12,581,716	(245,435)
Expenses				
Investor relations	7,163	11,200	11,222	11,200
Office and general	6,570	447	17,465	852
Professional fees (note 9)	58,986	15,144	111,997	21,613
Share-based compensation (note 5)	-	51,415	8,348	51,415
Total operating expenses	72,719	78,207	149,032	85,081
Net income (loss) for the period	\$ 11,669,980	\$ (302,694)	\$ 12,432,684	\$ (330,516)
Net income (loss) per share - basic/diluted (note 6)	\$ 0.15	\$ (0.00)	\$ 0.16	\$ (0.00)
Weighted average number of common shares outstanding - basic/diluted (note 6)	78,515,500	77,515,500	78,515,500	77,515,500

Birchtree Investments Ltd.
Condensed Interim Statements of Cash Flows
(Expressed in Canadian Dollars)
(Unaudited)

Six Months Ended	February 29, 2024	February 28, 2023
Operating activities		
Net income (loss) for the period	\$ 12,432,684	\$ (330,516)
<i>Items not affecting cash:</i>		
Accrued interest income	(4,941)	(29,753)
Accrued interest expense	1,407	-
Realized loss (gain) on sale of investments	6,391	-
Unrealized loss (gain) on investments	(12,578,167)	275,220
Share-based compensation	8,348	51,415
<i>Changes in non-cash working capital items:</i>		
Prepaid insurance	7,931	-
Accounts payable and accrued liabilities	619	(82,756)
Deferred revenue	355,000	-
Insurance loan payable	(8,103)	-
Net cash used in operating activities	221,170	(116,390)
Investing activities		
Purchase of investments	(893,688)	-
Sale of investments	597,230	-
Net cash used in investing activities	(296,458)	-
Financing activities		
Loans payable	50,000	-
Net cash used in financing activities	50,000	-
Net change in cash	(25,288)	(116,390)
Cash, beginning of period	94,141	289,139
Cash, end of period	\$ 68,853	\$ 172,750

Birchtree Investments Ltd.
Condensed Interim Statements of Changes in Shareholders' Equity
(Expressed in Canadian Dollars)
(Unaudited)

	Number of Shares	Share Capital	Contributed Surplus	Retained Earnings (Deficit)	Total
Balance, August 31, 2022	77,515,500	\$ 5,321,000	\$ 130,340	\$ (2,588,651)	\$ 2,862,689
Expiry of warrants	-	104,280	(104,280)	-	-
Stock-based compensation (note 7)	-	-	51,415	-	51,415
Net income (loss) for the period	-	-	-	(330,516)	(330,516)
Balance, February 28, 2023	77,515,500	\$ 5,425,280	\$ 77,475	\$ (2,919,167)	\$ 2,583,589
Balance, August 31, 2023	78,515,500	\$ 5,468,140	\$ 51,415	\$ (3,424,525)	\$ 2,095,030
Expiry of options (note 5)	-	28,195	(28,195)	-	-
Stock-based compensation (note 5)	-	-	8,348	-	8,348
Net income (loss) for the period	-	-	-	12,432,684	12,432,684
Balance, February 29, 2024	78,515,500	\$ 5,496,335	\$ 31,568	\$ 9,008,159	\$ 14,536,061

1. NATURE OF OPERATIONS AND GOING CONCERN

Birchtree Investments Ltd. (previously Greenridge 4.0 Acquisitions Corp.) ("Birchtree" or the "Company") was incorporated under the Business Corporations Act (British Columbia) on February 2, 2021. The registered head office of the Company is 2900-550 Burrard Street, Vancouver, BC V6C 0A3, Canada. The Company is an investment company with the long-term goal of divesting its investment assets at a profit with a focus on (i) early stages of a target company's development, (ii) technologies that are developed and validated but may be in the early stage of commercialization, or (iii) target companies that require strategic guidance and thus are undervalued.

The Company filed a notice of alteration of its articles in order to change its name to "Birchtree Investments Ltd." on June 23, 2021 in order to coincide with the voluntary dissolution of its subsidiary, Birchtree Investments Limited ("Limited"). Limited was incorporated under the Business Corporations Act (British Columbia) on January 29, 2021 and was voluntarily dissolved on June 9, 2021. On May 18, 2021, pursuant to a share exchange agreement Birchtree issued 54,100,000 common shares as consideration for acquisition of the 54,100,000 outstanding common shares in the capital of Limited. The acquisition was accounted for as a reverse takeover ("RTO") whereby Limited was identified as the acquirer for accounting purposes and the resulting condensed interim financial statements are presented as a continuance of Limited. The Company began trading on the Canadian Securities Exchange ("CSE") under the trading symbol "BRCH" as of market open on March 1, 2023.

These condensed interim financial statements have been prepared on a going concern basis, which contemplates the realization of assets and settlement of liabilities in the normal course of business as they come due. For the six months ended February 29, 2024, the Company reported a net income of \$12,432,684 (six months ended February 28, 2023 - net loss of \$330,516) and had a cash inflow from operating activities of \$221,170 (six months ended February 28, 2023 - cash outflow of \$116,390). The Company has a cash balance of \$68,853 (August 31, 2023 - \$94,141) which includes restricted cash in legal counsel's trust account of \$29,086 (August 31, 2023 - \$29,086). The Company's ability to continue as a going concern is dependent upon its ability to develop and maintain profitable operations or to obtain additional financing. However, there is no assurance that the outcome of these matters will be successful and, as a result, there are material uncertainties that might cause significant doubt regarding the going concern assumption.

These condensed interim financial statements do not give effect to any adjustments which would be necessary should the Company be unable to continue as a going concern and therefore be required to realize its assets and discharge its liabilities in other than the normal course of business and at amounts different from those reflected in the accompanying condensed interim financial statements. Such adjustments could be material.

2. BASIS OF PREPARATION

Statement of compliance

The Company applies International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB"). These condensed interim 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.

The same accounting policies and methods of computation are followed in these condensed interim financial statements as compared with the most recent annual financial statements as at and for the year ended August 31, 2023. Any subsequent changes to IFRS that are given effect in the Company's annual financial statements for the year ending August 31, 2024 could result in restatement of these condensed interim financial statements.

These condensed interim financial statements were approved and authorized for issuance by the Board of Directors on April 29, 2024.

Accounting standards issued and adopted

In January 2020, the International Accounting Standards Board (IASB) issued amendments to IAS 1 which were incorporated into Part I of the CPA Canada Handbook in April 2020. The amendments clarify the requirements for classifying liabilities as either current or non-current by specifying the conditions which exist at the end of the reporting period that determine if a right to defer settlement of a liability exists. The amendments apply on or after January 1, 2023. The Company adopted the amendments on January 1, 2023 and there was no impact on the condensed interim financial statements upon adoption of this policy.

In February 2021, the IASB issued amendments to IAS 1 "Presentation of Financial Statements" and IFRS Practice Statement 2 "Making Materiality Judgments" which were incorporated into Part I of the CPA Canada Handbook in September 2021. The amendments help entities provide accounting policy disclosures that are more useful to primary users of financial statements by replacing the requirement to disclose "significant" accounting policies under IAS 1 with a requirement to disclose "material" accounting policies. Under this, an accounting policy would be material if, when considered together with other information included in an entity's financial statements, it can reasonably be expected to influence decisions that primary users of general-purpose financial statements make on the basis of those financial statements. The amendments apply on or after January 1, 2023. The Company adopted the amendments on January 1, 2023 and there was no impact on the condensed interim financial statements upon adoption of this policy.

In May 2021, the IASB issued amendments to the recognition exemptions under IAS 12 Income Taxes which were incorporated into Part I of the CPA Canada Handbook in September 2021. The amendments require an entity to recognize deferred tax on initial recognition of particular transactions, to the extent that transaction gives rise to equal taxable and deductible temporary differences. These amendments apply to transactions for which an entity recognizes both an asset and liability, for example leases and decommissioning liabilities. The amendments are effective on or after January 1, 2023. The Company adopted the amendments on January 1, 2023 and there was no impact on the condensed interim financial statements upon adoption of this policy.

3. INVESTMENTS

The Company's investments are financial instruments and have been classified at fair value through profit and loss with gains and losses recorded in net income. Investment transactions are recorded on a trade date basis.

Investment	August 31, 2023				February 29, 2024				Change in Unrealized / Realized P&L Impact
	Number	Cost	FMV	Unrealized	Number	Cost	FMV	Unrealized	
ThreeD Capital Inc. Common Shares	106,082	\$ 121,995	\$ 34,477	\$ (87,518)	-	\$ -	\$ -	\$ -	\$ 5,254
Ehave Inc. Common Shares	1,743,861	\$ 350,000	\$ 235	\$ (349,765)	1,743,861	\$ 350,000	\$ 4,743	\$ (345,257)	\$ 4,508
Xebra Brands Ltd. Common Shares	350,000	\$ 281,936	\$ 7,000	\$ (274,936)	-	\$ -	\$ -	\$ -	\$ 10,500
Bluecorp Capital Corp. Common Shares	10,000,000	\$ 500,000	\$ 500,000	\$ -	11,000,000	\$ 550,000	\$ 550,000	\$ -	\$ -
American Aires Common Shares	4,100,000	\$ 391,145	\$ 41,000	\$ (350,145)	6,686,953	\$ 1,271,401	\$ 6,887,562	\$ 5,616,161	\$ 5,944,160
Warrants	18,810,000	\$ -	\$ 65,008	\$ 65,008	7,505,587	\$ -	\$ 6,756,279	\$ 6,756,279	\$ 6,691,271
Firstpayment Inc. Common Shares	600,000	\$ 150,000	\$ 30,000	\$ (120,000)	600,000	\$ 150,000	\$ 30,000	\$ (120,000)	\$ -
Warrants	300,000	\$ -	\$ -	\$ -	-	\$ -	\$ -	\$ -	\$ -
Sommerset Energy Common Shares	1,670,000	\$ 501,000	\$ 751,500	\$ 250,500	1,670,000	\$ 501,000	\$ 751,500	\$ 250,500	\$ -
Warrants	835,000	\$ -	\$ 83,918	\$ 83,918	-	\$ -	\$ -	\$ -	\$ (83,918)
Total		\$ 2,296,076	\$ 1,513,138	\$ (782,938)		\$ 2,822,401	\$ 14,980,083	\$ 12,157,682	\$ 12,571,774

Investment in ThreeD Capital Inc. ("ThreeD")

As at August 31, 2023, the Company had 106,082 common shares of ThreeD. During the six months ended February 29, 2024, the Company sold its entire position in ThreeD for total proceeds of \$39,730 as part of portfolio rebalancing. The investment in common shares is considered Level 1 in the fair value hierarchy. As a result of changes in the fair market value of the shares held in ThreeD a realized gain of \$5,254 (February 28, 2023 - unrealized loss of \$24,399) has been recorded in the condensed interim statements of income (loss) and comprehensive income (loss) during the six months ended February 29, 2024.

Investment in Ehave, Inc. ("Ehave")

As at August 31, 2023 and February 29, 2024, the Company had 1,743,861 common shares of Ehave. There were no transactions involving Ehave during the six months ended February 29, 2024. The investment in common shares is considered a Level 1 in the fair value hierarchy. As a result of changes in the fair market value of the shares held in Ehave an unrealized gain of \$4,508 (February 28, 2023 – unrealized loss of \$6,282) has been recorded in the condensed interim statements of income (loss) and comprehensive income (loss) during the six months ended February 29, 2024.

Investment in Xebra Brands Ltd. ("Xebra")

As at August 31, 2023, the Company had 350,000 common shares of Xebra. During the six months ended February 29, 2024, the Company sold its entire position in Xebra for total proceeds of \$17,500 as part of portfolio rebalancing. As a result of changes in the fair market value in Xebra a realized gain of \$10,500 (February 28, 2023 – unrealized loss of \$71,750) has been recorded in the condensed interim statements of income (loss) and comprehensive income (loss) during the six months ended February 29, 2024.

Investment in Bluecorp Capital Corp. ("Bluecorp")

As at August 31, 2023, the Company had 10,000,000 common shares of Bluecorp. During the six months ended February 29, 2024, the Company purchased additional 1,000,000 common shares of Bluecorp for \$50,000. The investment in these common shares is considered a Level 3 in the fair value hierarchy as Bluecorp is a private company. As a result of changes in the fair market value of Bluecorp an unrealized gain/loss of \$nil (February 28, 2023 - \$nil) has been recorded in the condensed interim statements of income (loss) and comprehensive income (loss) during the six months ended February 29, 2024.

Investment in American Aires Inc. ("American Aires")

As at August 31, 2023, the Company held 4,100,000 common shares and 18,810,000 warrants of American Aires. During the six months ended February 29, 2024, the Company had the following transactions with respect to American Aires:

- On September 12, 2023, American Aires Inc. performed a 10:1 stock consolidation which resulted in the Company's holdings changing from 4,100,000 common shares and 18,810,000 warrants to 410,000 common shares and 1,881,000 warrants.
- On September 26, 2023, the Company converted all its outstanding convertible debenture balance of \$578,000 plus accrued interest of \$20,713 into 6,652,366 common shares of American Aires Inc. at a price of \$0.09 per share. This conversion has resulted in the Company owning 19% of the outstanding common shares of American Aires Inc. Management has performed its assessment over the Company's exposure to American Aires Inc. and concluded that there is no significant influence.
- In October and November 2023, the Company sold 6,000,000 common shares of American Aires for proceeds of \$540,000 according to a previously agreed upon share sale agreement with arm's length buyers.
- On February 16, 2024, the Company participated in a private placement where it purchased 5,624,587

units of American Aires (each unit consisting of one common share and one warrant) for \$843,688. The warrants are exercisable at a price of \$0.25 per share for a period of 2 years. As at February 29, 2024, a fair value of \$5,292,403 was assigned to these warrants issued, estimated using the Black-Scholes valuation model with the following assumptions: dividend yield 0%, share price of \$1.03, expected volatility of 185%, a risk-free rate of return of 4.20% and an expected life of 1.9 years.

- On February 16, 2024, the Company entered into a consulting agreement with American Aires. The consulting agreement is for a period of 3 years and the Company is to act as consultant on various matters such as commercial sales strategy, capital markets support, assisting with due diligence packages for strategic partners, advising on large commercial engagements and other business areas. American Aires paid \$360,000 to the Company as part of the consulting agreement, which has been recorded on the statement of financial position as deferred revenue. The deferred revenue will be gradually reduced and brought into income as services are performed by the Company. During the six months ended February 29, 2024, the Company recorded \$5,000 as consulting fee income and the remaining \$355,000 is recorded as deferred revenue on the statement of financial position as at February 29, 2024.

The investment in common shares is considered Level 1 in the fair value hierarchy. As a result of changes in the fair market value of the shares held in American Aires an unrealized gain of \$5,966,305 (February 28, 2023 – unrealized loss of \$102,910) has been recorded in the condensed interim statements of income (loss) and comprehensive income (loss) during the six months ended February 29, 2024.

The investment in warrants is considered Level 2 in the fair value hierarchy. As a result of changes in the fair market value of the warrants held in American Aires an unrealized gain of \$6,691,271 (February 28, 2023 – unrealized loss of \$6,638) has been recorded in the condensed interim statements of income (loss) and comprehensive income (loss) during the six months ended February 29, 2024.

Investment in Firstpayment Inc. ("Firstpayment")

As at August 31, 2023 and February 29, 2024, the Company had 600,000 common shares of Firstpayment. There were no transactions involving Firstpayment during the six months ended February 29, 2024, except for 300,000 outstanding warrants expiring unexercised on October 29, 2023. The investment in these common shares is considered a Level 3 in the fair value hierarchy as Firstpayment is a private company. As a result of changes in the fair market value of Firstpayment an unrealized gain/loss of \$nil (February 28, 2023 - \$nil) has been recorded in the condensed interim statements of income (loss) and comprehensive income (loss) during the six months ended February 29, 2024.

Somerset Energy Partners ("Somerset")

As at August 31, 2023, the Company had 1,670,000 common shares and 835,000 warrants of Somerset. There were no transactions involving Somerset during the six months ended February 29, 2024, except for 835,000 outstanding warrants expiring unexercised on December 20, 2023. The investment in these common shares and warrants is considered Level 3 in the fair value hierarchy as Somerset is a private company. As a result of changes in the fair market value in Somerset common shares an unrealized gain/loss of \$nil (February 28, 2023 – \$nil) has been recorded in the condensed interim statements of income (loss) and comprehensive income (loss) during the six months ended February 29, 2024. As a result of changes in the fair market value in Somerset warrants an unrealized loss of \$83,918 (February 28, 2023 - unrealized loss of \$49,750) has been recorded in the condensed interim statements of income (loss) and comprehensive income (loss) during the six months ended February 29, 2024.

4. SHARE CAPITAL

(a) Authorized share capital

The Company is authorized to issue an unlimited number of common shares without par value.

(b) Common shares issued

	Shares	Amount
Balance August 31, 2022	77,515,500	\$ 5,321,000
Expiry of warrants	-	104,280
Balance February 28, 2023	77,515,500	\$ 5,425,280
Balance August 31, 2023	78,515,500	\$ 5,468,140
Expiry of options (note 5)	-	28,195
Balance February 29, 2024	78,515,500	\$ 5,496,335

5. STOCK OPTIONS

The Company has adopted an incentive stock option plan. Options may be granted for a maximum term of ten years from the date of the grant. They are not transferable. Unless the Board determines otherwise, options shall be exercisable in whole or in part at any time during this period. Options expire within 90 days of termination of employment or holding office as director or officer of the Company and, in the case of death, expire within a maximum period of one year after such death, subject to the expiry date of the option.

	Number of Stock options	Weighted Average Exercise Price (\$)
Balance, September 1, 2022	-	-
Issued (i)	1,550,000	0.10
Balance, August 31, 2023	1,550,000	0.10
Issued (ii)	1,000,000	0.05
Expired (iii)	(850,000)	(0.10)
Balance, February 29, 2024	1,700,000	0.07

- (i) On February 16, 2023, the Company granted stock options to directors and officers to purchase 1,550,000 common shares of the Company at an exercise price of \$0.10 for a period of 5 years following the date of grant which vest immediately. The options were valued at \$51,415 using a Black-Scholes valuation model with the following assumptions: share price of \$0.05 per common shares, expected dividend yield of 0%, expected volatility of 100%, risk-free rate of 3.45%, and expected life of 5 years.
- (ii) On October 2, 2023, the Company granted stock options to an incoming CFO to purchase 1,000,000 common shares of the Company at an exercise price of \$0.05 for a period of 3 years following the date of grant which vest immediately. The options were valued at \$8,348 using a Black-Scholes valuation model with the following assumptions: share price of \$0.01 per common shares, expected dividend yield of 0%, expected volatility of 200%, risk-free rate of 4.03%, and expected life of 3 years.
- (iii) During the six months ended February 29, 2024, 850,000 options expired on an accelerated basis due to a number of optionees no longer being involved with the Company.

6. GAIN (LOSS) PER SHARE

Basic income (loss) per share is computed using the weighted average number of common shares outstanding during the year. The treasury stock method is used for the calculation of diluted income per share, whereby all "in the money" stock options and share purchase warrants are assumed to have been exercised at the beginning of the period and the proceeds from their exercise are assumed to have been used to purchase common shares at the average market price during the period. When a loss is incurred during the period, basic and diluted loss per share are the same, as the inclusion of stock options and warrants is anti-dilutive.

Birchtree Investments Ltd.
Notes to Condensed Interim Financial Statements
For the Six Months Ended February 29, 2024 and February 28, 2023
(Expressed in Canadian Dollars)
(Unaudited)

	Three Months Ended		Six Months Ended	
	February 29, 2024	February 28, 2023	February 29, 2024	February 28, 2023
Weighted average shares outstanding -basic	78,515,500	77,515,500	78,515,500	77,515,500
Dilutive effect of warrants and options	-	-	-	-
Weighted average shares outstanding -diluted	78,515,500	77,515,500	78,515,500	77,515,500
Income (loss) per share -basic & diluted	\$ 0.15	\$ (0.00)	\$ 0.16	\$ (0.00)

7. FINANCIAL INSTRUMENTS AND OBJECTIVES AND POLICIES

Risk Management

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

Fair Values

The Company has designated its cash as FVTPL which are measured at fair value. Fair value of cash is determined based on transaction value and is categorized as a Level One measurement.

- Level One - includes quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level Two - includes inputs that are observable other than quoted prices included in Level One.
- Level Three - includes inputs that are not based on observable market data.

The following tables present the Company's financial instruments that have been measured at fair value as at February 29, 2024 and August 31, 2023:

As at February 29, 2024	Level 1	Level 2	Level 3	Total
Cash	\$ 68,853	\$ -	\$ -	\$ 68,853
Investments - Common Shares	\$ 6,892,305	\$ -	\$ 1,331,500	\$ 8,223,805
Investments - Warrants	\$ -	\$ 6,756,279	\$ -	\$ 6,756,279
As at August 31, 2023	Level 1	Level 2	Level 3	Total
Cash	\$ 94,141	\$ -	\$ -	\$ 94,141
Investments - Common Shares	\$ 82,712	\$ -	\$ 1,281,500	\$ 1,364,212
Investments - Warrants	\$ -	\$ 65,008	\$ 83,918	\$ 148,926

Credit Risk

Credit risk is the risk of loss associated with a counterparty's inability to fulfill its payment obligations. As at February 29, 2024, management believes that the credit risk with respect to cash and subscription receivable is minimal. Cash is held with reputable Canadian financial institutions, and receivables are from trusted institutions or individuals from which management believes the risk of loss to be minimal.

Liquidity Risk

Liquidity risk is the risk that the Company will not have sufficient cash resources to meet its financial obligations as they come due. The Company's liquidity and operating results may be adversely affected if the Company's access to the capital market is hindered, whether as a result of a downturn in stock market conditions generally or matters specific to the Company. The Company generates cash flow primarily from its financing activities. As at February 29, 2024, the Company had cash of \$68,853 and Level 1 investments of \$6,892,305 to settle current liabilities of \$163,989. All of the Company's financial liabilities have contractual maturities of less than 30 days and are subject to normal trade terms. The Company regularly evaluates its cash position to ensure preservation and

security of capital as well as liquidity.

Market Risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in market risk factors.

Price risk

Price 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 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. This risk is managed through a careful selection of investments and other financial instruments within the parameters of the investment strategies.

Price risk typically arises from exposure to equity and commodity securities. If the prices on the respective exchanges for these securities increased or decreased by 10%, all other variables held constant the investment value could have increased or decreased by approximately \$1,498,008 (August 31, 2023 - \$151,314).

8. CAPITAL MANAGEMENT

The Company's objective when managing its capital is to ensure sufficient financial flexibility to achieve the ongoing business objectives including funding of future growth opportunities, and pursuit of accretive acquisitions and to maximize shareholder return through enhancing the share value. The Company monitors its capital structure and makes adjustments according to market conditions in an effort to meet its objectives given the current outlook of the business and industry in general. The Company may manage its capital structure by issuing new shares, repurchasing outstanding shares, adjusting capital spending, or disposing of assets. The capital structure is reviewed by management and the Board of Directors on an ongoing basis. The Company's ability to continue to carry out its planned activities is uncertain and dependent upon the continued financial support of its shareholders and securing additional financing. The Company considers its capital to be equity, which comprises share capital, warrants, contributed surplus and accumulated deficit, which as at February 29, 2024 totaled \$14,536,061 (August 31, 2023 - \$2,095,029). Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company, is reasonable.

9. RELATED PARTY TRANSACTIONS

Related parties include the Board of Directors, officers, close family members and enterprises that are controlled by these individuals as well as certain persons performing similar functions.

The Chief Financial Officer ("CFO") of the Company is the managing director of Marrelli Support Services Inc. ("MSSI"). During the six months ended February 29, 2024, the Company incurred professional fees of \$13,095 (six months ended February 28, 2023 - \$18,238) to MSSI. These services were incurred in the normal course of operations for general accounting and financial reporting matters and CFO fees. As at February 29, 2024, MSSI was owed \$nil (August 31, 2023 - \$842), with respect to services provided, and this amount was included in accounts payable and accrued liabilities.

On September 28, 2023, the CFO of the Company (Marrelli Support Services Inc.) resigned from the position. This vacant position was filled by an existing director of the Company on September 30, 2023. On October 2, 2023, the new CFO was issued 1,000,000 stock options of the Company as described in Note 5. With the resignation of Marrelli Support Service Inc. on September 28, 2023, all accounting and bookkeeping is performed in-house by one of the existing directors of the Company. During the six months ended February 29, 2024, the Company incurred \$16,170 in accounting, reporting and bookkeeping fees paid to one of the directors of the Company (owed as at February 29, 2024 - \$6,780).

The Chief Executive Officer ("CEO") of the Company entered into a contract with the Company for a monthly compensation of \$10,000 per month (exclusive of tax) in June 2023 and during the six months ended February

29, 2024, the Company incurred professional fees of \$65,200 to the CEO. As at August 31, 2023, CEO was owed \$22,600 (August 31, 2023 - \$10,000), with respect to service provided, and this amount was included in accounts payable and accrued liabilities. The CEO also acts as a chief financial officer of one portfolio investment company - American Aires Inc. The Company therefore had a related party debt (convertible debenture) outstanding with American Aires Inc. which was converted into the common shares as described in detail in note 3. Management has performed its assessment over the Company's exposure to American Aires Inc. and concluded that there is no significant influence as at February 29, 2024.

On December 1, 2023, the Company entered into a loan agreement (see Note 10) with a lender who is also a director and officer of the Company. The amount advanced was \$30,000 and the Company incurred total interest of \$888 in relation to this loan during the six months ended February 29, 2024.

10. LOANS PAYABLE

On December 1, 2023 and December 12, 2023, the Company entered into two (2) loan agreements for aggregate proceeds of \$50,000 (collectively, the "Loans"). The Loans are unsecured, bear an interest fee of 12% per annum and are due three (3) months from the receipt of funds. The lenders have the option to extend the Loans for an additional term of three (3) months. The proceeds from the loan were used for general working capital. One of the loan agreements, for aggregate proceeds of \$20,000, was entered into with an arm's length party and the second loan agreement, for aggregate proceeds of \$30,000 (the "Related Party Loan"), was entered into with a company that is controlled by a director and officer of the Company. The Company accrued \$1,407 in interest expense on the two loans during the six months ended February 29, 2024 which has been recorded as part of "office and general" in the condensed interim statements of income (loss) and comprehensive income (loss).

11. SUBSEQUENT EVENTS

On March 29, 2024, the Company acquired an aggregate of 795,926 common shares in the capital of a private British Columbia company (the "Investee") that is the sole shareholder of Valkyrie Specialty Corporation. Pursuant to a share exchange agreement dated March 23, 2024 (the "SEA"), the Company issued to the Investee an aggregate of 5,000,000 common shares at a deemed price of \$0.115 per share, in exchange for 425,926 common shares of the Investee at a deemed price of \$1.35 per share. In addition, the Company subscribed for an additional 370,000 common shares in the capital of the Investee at a price of \$1.35 per share for gross proceeds of \$499,500. The Investee granted the Company the right to appoint a director of the Investee for as long as the Company owns or controls at least 500,000 of the issued and outstanding shares of the Investee (subject to adjustment pursuant to customary corporate actions, if applicable). The Company holds, on a non-diluted basis, 30.6% of the issued and outstanding shares of the Investee, and the Investee holds, on a non-diluted basis, 6.0% of the issued and outstanding shares of the Company.