

# **Stable Infrastructure Inc.**

**(Formerly NFT Technologies Inc.)**

## **Financial Statements**

**For the years ended December 31, 2023, and 2022**

*(Expressed in Canadian Dollars, unless otherwise noted)*

# Stable Infrastructure Inc.

(Formerly NFT Technologies Inc.)

## FINANCIAL STATEMENTS

For the years ended December 31, 2023, and 2022

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## MANAGEMENT'S RESPONSIBILITY STATEMENT

To the Shareholders of Stable Infrastructure Inc. (formerly NFT Technologies Inc):

The management of Stable Infrastructure Inc. (formerly NFT Technologies Inc.) (the "Company") is responsible for preparation and presentation of the accompanying financial statements, the notes to the financial statements and other financial information contained in these financial statements (the "financial statements") in accordance with International Financial Reporting Standards ("IFRS").

In discharging its responsibilities for the integrity and fairness of the financial statements, management designs and maintains the necessary accounting systems and related internal controls to provide reasonable assurance that transactions are authorized, assets are safeguarded and financial records are properly maintained to provide reliable information for the preparation of the financial statements.

The Audit Committee is composed of Directors who are neither management nor employees of the Company. The Audit Committee is responsible for overseeing management in the performance of its financial reporting responsibilities. The Audit Committee has the responsibility of meeting with management and external auditors to discuss the internal controls over the financial reporting process, auditing matters and financial reporting issues. The Audit Committee is also responsible for recommending the appointment of the Company's external auditors.

Wayne Lloyd

Chief Executive Officer

September 8, 2025



## INDEPENDENT AUDITORS' REPORT

To the Shareholders of Stable Infrastructure Inc.:

### *Opinion*

We have audited the financial statements of Stable Infrastructure Inc. (formerly NFT Technologies Inc.) (the “Company”), which comprise the statements of financial position as at December 31, 2023, and the statements of loss and comprehensive loss, changes in shareholders’ equity, and cash flows for the year ended, and notes to the financial statements, including material accounting policy information.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at December 31, 2023, and its financial performance and its cash flows for the year then ended in accordance with IFRS® Accounting Standards as issued by the International Accounting Standards Board.

### *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 is sufficient and appropriate to provide a basis for our opinion.

### *Emphasis of Matter - Material Uncertainty Related to Going Concern*

The accompanying financial statements have been prepared assuming that the Company will continue as a going concern. As discussed in Note 1 to the financial statements, the continuation of the Company as a going concern hinges on raising adequate working capital, reducing operating expenses, and bolstering revenues and profits. As stated in Note 1, these events or conditions, along with other matters indicate that a material uncertainty exists that 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.

### *Other Matters - Comparative Information*

The financial statements of the Company for the year ended December 31, 2022 were audited by another auditor who expressed an unqualified opinion on those statements on May 11, 2023.

### *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 year. These matters were addressed in the context of our audit of the financial statements as a whole, prepared under the conditions mentioned above, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Except for the matter described in the Material Uncertainty Related to Going Concern section and the Other Matters section, we have determined that there are no other key audit matters to communicate in our auditor's report.

### ***Other Information***

Management is responsible for the other information. The other information comprises the Management 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 identified above 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 on this other information, 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 as issued by the International Accounting Standard Board, 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.

### ***Auditors' 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.

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 Charles Sung.

*CAN Partners LLP*

Markham, Ontario  
September 8, 2025

**Chartered Professional Accountants  
Licensed Public Accountants**

Stable Infrastructure Inc. (Formerly NFT Technologies Inc.)  
Statements of Financial Position  
As of December 31, 2023, and 2022  
Expressed in Canadian Dollars

	Notes	December 31, 2023	December 31, 2022
		\$	\$
<b>ASSETS</b>			
<b>Current assets</b>			
Cash and cash equivalents	4	2,957	148,271
Restricted cash	4	5,000	5,000
Digital collectibles	8	—	43,212
Prepaid expenses and deposits	24	71,826	103,277
Advances for SAFTs	6	—	562,800
Notes receivable	25	—	—
Loan receivable	7	—	—
<b>Total current assets</b>		<b>79,783</b>	<b>862,560</b>
<b>Non-current assets</b>			
Digital assets	9	21,930	55,838
Property and equipment	10	9,364	18,984
Investments	11	—	1,319,730
Intangible assets	26	—	—
<b>Total non-current assets</b>		<b>31,294</b>	<b>1,394,552</b>
<b>Total assets</b>		<b>111,077</b>	<b>2,257,112</b>
<b>LIABILITIES</b>			
<b>Current liabilities</b>			
Trade payables and accrued liabilities	19	1,031,009	270,748
<b>Total liabilities</b>		<b>1,031,009</b>	<b>270,748</b>
<b>EQUITY</b>			
Share capital	12	14,943,470	13,947,463
Share-based payment reserve	13	2,771,019	2,422,842
Share subscriptions receivable	13	(159,631)	(25,000)
Shares to be issued	12	15,000	—
Accumulated deficit		(18,489,790)	(14,358,941)
<b>Total shareholders' equity</b>		<b>(919,932)</b>	<b>1,986,364</b>
<b>Total liabilities and shareholders' equity</b>		<b>111,077</b>	<b>2,257,112</b>

Going concern (Note 1)  
Contingencies (Note 29)  
Commitments (Note 30)  
Subsequent events (Note 31)

Approved on behalf of the Board of Directors on September 8, 2025.

"Wayne Lloyd"

Director

"Kelly Allin"

Director

**Stable Infrastructure Inc. (Formerly NFT Technologies Inc.)**  
**Statements of Loss and Comprehensive Loss**  
**For the Years Ended December 31, 2023, and 2022**  
**Expressed in Canadian Dollars except number of shares**

	Notes	December 31, 2023	December 31, 2022
		\$	\$
Revenue	4 & 27	—	94,879
Cost of revenue	8	—	173,357
Cost of revenue - write down of inventory	8	43,212	—
<b>Gross loss</b>		<b>(43,212)</b>	<b>(78,478)</b>
<b>Expenses</b>			
General and administration	17	1,888,989	4,510,823
Sales and marketing	18	149,060	1,191,700
Research and development		240,557	372,361
<b>Total expenses</b>		<b>(2,278,606)</b>	<b>(6,074,884)</b>
<b>Operating loss</b>		<b>(2,321,818)</b>	<b>(6,153,362)</b>
<b>Other income (expenses)</b>			
Finance income		—	4,728
Listing costs	28	—	(580,992)
Realized loss from revaluation of advances of SAFTs	6	—	(569,157)
Expected credit loss on note receivable	25	—	(1,021,728)
Gain from revaluation of digital assets	9	95,075	690,728
Impairment of intangible assets	26	—	(1,232,122)
Impairment of investments	11	(1,319,730)	—
Impairment of advances for SAFTs	6	(562,800)	—
Unrealized gain from investments	11	—	573,154
Impairment of loan receivable	7	(20,000)	—
Foreign exchange loss		(1,576)	(57,527)
Other income		—	3,437
<b>Loss before tax</b>		<b>(4,130,849)</b>	<b>(8,342,841)</b>
Income tax expense		—	—
<b>Net loss</b>		<b>(4,130,849)</b>	<b>(8,342,841)</b>
<b>Other comprehensive income (expense)</b>			
<b>Net and comprehensive loss</b>		<b>(4,130,849)</b>	<b>(8,342,841)</b>
<b>Loss per share – basic and diluted</b>	21	<b>(0.04)</b>	<b>(0.11)</b>
<b>Weighted average number of common shares outstanding – basic and diluted</b>	21	<b>98,328,065</b>	<b>76,325,669</b>

**Stable Infrastructure Inc. (Formerly NFT Technologies Inc.)**  
**Statements of Changes in Shareholders' Equity**  
**For the Years Ended December 31, 2023, and 2022**  
**Expressed in Canadian Dollars**

	Notes	Share capital	Share-based payment reserve	Share subscriptions receivable	Share to be issued	Accumulated deficit	Accumulated other comprehensive income	Total shareholders' equity
		\$	\$	\$	\$	\$	\$	\$
<b>Balance – December 31, 2021</b>		<b>9,214,902</b>	<b>1,313,749</b>	<b>(25,000)</b>	<b>–</b>	<b>(6,016,100)</b>	<b>–</b>	<b>4,487,551</b>
Shares issued in private placements		2,239,234	275,768	–	–	–	–	2,515,002
Share issue costs, cash		(7,665)	–	–	–	–	–	(7,665)
Shares issued for investment		500,000	–	–	–	–	–	500,000
Shares issued for asset acquisition		1,212,122	–	–	–	–	–	1,212,122
Shares issued for services		125,000	–	–	–	–	–	125,000
Issuance of RSUs		–	33	–	–	–	–	33
Conversion of RSUs		33	(33)	–	–	–	–	–
Conversion of PSUs		660,000	(660,000)	–	–	–	–	–
Exercise of stock options		3,837	(506)	–	–	–	–	3,331
Share-based payments		–	1,493,831	–	–	–	–	1,493,831
Net loss and comprehensive loss		–	–	–	–	(8,342,841)	–	(8,342,841)
<b>Balance – December 31, 2022</b>		<b>13,947,463</b>	<b>2,422,842</b>	<b>(25,000)</b>	<b>–</b>	<b>(14,358,941)</b>	<b>–</b>	<b>1,986,364</b>
<b>Balance – December 31, 2022</b>		<b>13,947,463</b>	<b>2,422,842</b>	<b>(25,000)</b>	<b>–</b>	<b>(14,358,941)</b>	<b>–</b>	<b>1,986,364</b>
Shares issued in private placements		894,211	56,975	(134,631)	15,000	–	–	831,555
Share issue costs, cash		(12,204)	–	–	–	–	–	(12,204)
Shares issued for services		102,000	–	–	–	–	–	102,000
Conversion of PSUs		12,000	(12,000)	–	–	–	–	–
Share-based payments		–	303,202	–	–	–	–	303,202
Net loss and comprehensive loss		–	–	–	–	(4,130,849)	–	(4,130,849)
<b>Balance – December 31, 2023</b>		<b>14,943,470</b>	<b>2,771,019</b>	<b>(159,631)</b>	<b>15,000</b>	<b>(18,489,790)</b>	<b>–</b>	<b>(919,932)</b>

**Stable Infrastructure Inc. (Formerly NFT Technologies Inc.)**  
**Statements of Cash Flows**  
**For the Years Ended December 31, 2023, and 2022**  
**Expressed in Canadian Dollars**

	Notes	December 31, 2023	December 31, 2022
		\$	\$
<b>OPERATING ACTIVITIES</b>			
Net loss		(4,130,849)	(8,342,841)
<i>Non-cash items:</i>			
Depreciation		9,620	8,908
Shares Issued for services		102,000	125,000
Share-based payments		303,202	1,493,865
Finance income		—	(4,728)
Realized loss from revaluation of advances of SAFTs		—	569,157
Expected credit loss on note receivable		—	1,021,728
Gain from revaluation of digital collectibles		(95,075)	(690,728)
Impairment of intangible assets		—	1,232,122
Impairment of investments		1,319,730	—
Impairment of advances for SAFTs		562,800	—
Written-down of digital collectibles to net realisable value		43,212	—
Impairment of loan receivable		20,000	—
Unrealized gain from investments		—	(573,154)
<i>Changes in non-cash working capital items:</i>			
Loans receivable		—	—
Prepaid expenses and deposits		31,451	3,463
Trade payables and accrued liabilities		760,261	55,615
Advances payable		—	(30,575)
<b>Net cash used in operating activities</b>		<b>(1,073,648)</b>	<b>(5,132,168)</b>
<b>INVESTING ACTIVITIES</b>			
Subscription of notes receivable		—	(1,017,000)
Subscription of loan receivable		(20,000)	—
Sale of digital assets		169,899	274,440
Addition of digital assets		(40,916)	(381,407)
Addition of property and equipment		—	(4,382)
Addition of intangible assets		—	(20,000)
<b>Net cash provided by (used in) investing activities</b>		<b>108,983</b>	<b>(1,148,349)</b>
<b>FINANCING ACTIVITIES</b>			
Proceeds from private placements		831,555	2,515,002
Share issue costs		(12,204)	(7,665)
Proceeds from exercise of stock options		—	3,331
<b>Net cash provided by financing activities</b>		<b>819,351</b>	<b>2,510,668</b>
Decrease in cash		(145,314)	(3,769,849)
Cash and cash equivalent, beginning of year		148,271	3,918,120
<b>Cash and cash equivalent, end of year</b>		<b>2,957</b>	<b>148,271</b>

Refer to Note 23 for supplemental cash flow information.

## **NOTE 1 – NATURE OF OPERATIONS AND GOING CONCERN**

Stable Infrastructure Inc. (formerly NFT Technologies Inc.) (the “Company”) was incorporated in the province of British Columbia on March 1, 2016. The Company changed its name from 1066666 B.C. Ltd. to NFT Technologies Inc. on March 18, 2021. The Company’s head office is located at Suite 202, 1965 West 4<sup>th</sup> Avenue, Vancouver, BC, V6J 1M8. The company is traded on the NEO Exchange under the ticker symbol NFT.NE. "Effective August 20, 2025, the company officially changed its legal jurisdiction and relocated its head office to Ontario. Pursuant to the Articles of Amendment, on September 4, 2025, the Company changed its name from NFT Technologies Inc. to Stable Infrastructure Inc. The change of the name does not affect the legal continuity of the Company.

The Company is working in the non-fungible token (“NFT”) space of unique digital assets and environments to develop new technologies, invest in digital assets to provide exposure to investment in NFTs and the metaverse, and advise creators and platforms in the space. The Company also works to develop infrastructure, assets, real estate, and IP in the metaverse, build and generate revenue from web3 games and assets, and bring insights and benefits to the public markets. By bridging the gap between traditional capital markets and the Web3 space, NFT Tech is mainstreaming decentralized ownership, NFTs, and the metaverse.

### **Going Concern**

During the year ended December 31, 2023, the Company incurred a net loss of \$4,130,849 and negative cash flows from operating activities of \$1,073,648. As at December 31, 2023, the Company has an accumulated deficit of \$18,489,790. The Company generates revenue and is incurring costs to develop its business. Management carefully monitors cash outflows and seeks additional sources of financing to ensure continued operations.

During the year ended December 31, 2023, the Company reduced significant amount of development costs and expects to remain diligent on its cost-cutting initiatives to effectively reduce operating losses for upcoming year 2024. The Company’s continuing operations as intended are dependent upon its ability to attain profitable operations and generate funds therefrom and raise equity capital or obtain the necessary financing sufficient to meet current and future obligations.

These financial statements do not include any adjustments to the classification and amounts of assets and liabilities that may be required should the Company be unable to continue as a going concern. Different bases of measurement may be appropriate if the Company is not expected to continue operations for the foreseeable future. These conditions indicate the existence of material uncertainties that may cast significant doubt about the Company’s ability to continue as a going concern. Although the Company has been successful at raising funds in the past through the issuance of securities and obtaining loans, it is uncertain whether it will be successful in doing so in the future or at terms that are acceptable to the Company.

## **NOTE 2 – BASIS OF PRESENTATION AND STATEMENT OF COMPLIANCE**

### **a) Statement of compliance**

These financial statements, including comparatives, have been prepared in accordance with IFRS as issued by the International Accounting Standards Board (“IASB”) applicable to the preparation of financial statements, including interpretations of the IFRS Interpretations Committee (“IFRIC”).

These financial statements were approved by the Board of Directors for issue on September 8, 2025.

### **b) Basis of presentation**

These financial statements have been prepared on a historical cost basis except for certain financial instruments that have been measured at fair value. The material accounting policies, as disclosed, have been applied consistently to all periods presented in these financial statements. All balances presented are expressed in Canadian dollars.

These financial statements are presented in Canadian dollars, which is the functional currency of the Company.

### **NOTE 3 – USE OF JUDGEMENTS AND ESTIMATES**

In the application of the Company's accounting policies, management is required to make judgments, estimates, and assumptions that affect the carrying amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses for the periods presented. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant, the results of which form the basis of the valuation of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the year in which the estimate is revised if the revision affects only that year or in the year of the revision and future years if the revision affects both current and future years.

#### **Judgments**

Judgment is used in situations when there is a choice and/or assessment required by management. The following are critical judgments apart from those involving estimations that management has made in the process of applying the Company's accounting policies and that have a significant effect on the amounts recognized in the financial statements. Specific areas include digital collectibles, advances for SAFT, note receivable, digital assets, property and equipment, investments and intangible assets which require impairments due to specific facts or circumstances.

#### **Going concern**

Determining if the Company has the ability to continue as a going concern is dependent on its ability to secure debt and equity financing, and to achieve profitable operations. Certain judgements were made when determining if and when the Company will secure debt and equity financing and achieve profitable operations.

#### **Indicators of impairment**

The Company assesses the impairment of its assets in accordance with International Accounting Standards ("IAS") 36. Management of the Company applies judgment throughout the fiscal year in assessing whether any events, facts, or circumstances are potential indicators of impairment.

#### **Classifications of digital assets and digital collectibles**

The accounting treatment of the digital assets and digital collectibles requires judgement to be classified as either inventory, intangible assets or investments.

#### **Estimates**

Critical accounting estimates are those that require management to make assumptions about matters that are highly uncertain at the time the estimate or assumption is made. Critical accounting estimates are also those that could potentially have a material impact on the Company's financial results where a different estimate or assumption is used. The significant areas of estimation uncertainty are:

#### **Valuation of digital currencies (digital assets and collectibles)**

Digital assets are considered to be identifiable non-monetary assets without physical substance and are treated as intangible assets not subject to amortization under the scope of IAS 38 Intangible Assets. Digital assets are measured at fair value using the quoted price on <https://www.coingecko.com/>. The Company also confirms quoted price on <https://coinmarketcap.com/> to ensure accuracy. Any price difference is considered immaterial. Management considers this fair value to be Level 1 input under IFRS 13 Fair Value Measurement fair value hierarchy as these are quoted prices on active markets that the Company can access on the measurement date.

### **NOTE 3 – USE OF JUDGEMENTS AND ESTIMATES (CONTINUED)**

The Company currently holds NFTs and gaming guild NFTs as digital collectibles. Digital collectibles meet the definition of inventory in IAS 2 Inventory as these NFTs are held for sale in the ordinary course of business. They are recorded at lower cost or net realizable value. Digital collectibles are measured at net realizable value using the quoted price through a combination of <https://opensea.io/>, <https://nftgo.io/>, and <https://dappradar.com/>. Management considers this fair value to be Level 2 input under IFRS 13 Fair Value Measurement fair value hierarchy as these are quoted prices on active markets that the Company can access on the measurement date.

#### **Carrying value of note receivable**

The Company's estimate of allowance on note receivable is based on an Expected Credit Loss ("ECL") approach that employs an analysis of historical data, economic indicators and experience of delinquency and default to estimate the amount that may default as a result of past or future events, with certain adjustments for other relevant circumstances influencing the recoverability of these notes receivable. Default rates, loss rates and the expected timing of future recoveries are periodically benchmarked against actual outcomes to ensure that they remain appropriate. Future customer behaviour may be affected by several factors, including changes in interest and unemployment rates and program design changes. Impairment of loans is assessed based on whether there has been a significant increase in credit risk since origination and incorporation of forward-looking information in the measurement of expected credit losses.

#### **Impairment of intangible assets**

The Company evaluates each asset or cash generating asset every reporting period to determine whether there are any indications of impairment. If any such indication exists, which is often judgmental, a formal estimate of recoverable amount is performed, and an impairment loss is recognized to the extent that the carrying amount exceeds the recoverable amount. The recoverable amount of an asset or cash generating group of assets is measured at the higher of fair value less costs to sell and value in use. The evaluation of asset carrying values for indications of impairment includes consideration of both external and internal sources of information, including such factors as revenue growth rate, market share, and required return on venture investments. When required, the determination of fair value and value in use requires management to make estimates and assumptions about expected revenue from service contracts, growth rate of revenue generating asset, and costs of disposal. The estimates and assumptions are subject to risk and uncertainty; hence, there is the possibility that changes in circumstances will alter these projections, which may impact the recoverable amount of the assets. In such circumstances some or all of the carrying value of the assets may be further impaired or the impairment charge reduced with the impact recorded in the statement of comprehensive income.

#### **Investments**

The fair value of investments that are not traded in an active market is determined using valuation techniques. The Company uses its judgment to select a variety of methods and make assumptions that are mainly based on market conditions existing at the end of each reporting period. For details of the key assumptions used and the impact of changes to these assumptions refer Note 11.

The directors have determined that they do not control any of the Company's investments, primarily as in all cases the Company's interest in the equity of these companies are less than 5% and the Company is not exposed, and has no right, to variable returns from these companies.

#### **Useful life of property and equipment**

Property and equipment consist of computers, furniture and fixtures which have an estimated useful life of 3 and 5 years respectively are depreciated on a straight - line basis. The estimated useful lives and depreciation methods are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

#### **Shares issued for services and investments**

The Company estimated the fair value of shares issued for services and investments by reference to the share value observed in private placement equity financings that were completed around the time of provision of services and acquisition of investments. Refer to Notes 12 and 13 for further details.

### **NOTE 3 – USE OF JUDGEMENTS AND ESTIMATES (CONTINUED)**

#### **Share-based payments**

The Company uses the Black-Scholes option pricing model to determine the fair value of performance share units (PSU), broker warrants, and stock options. In estimating the fair value, management is required to make certain assumptions and estimates such as the fair value of the underlying share, the expected life of the units, shares, warrants or stock options, volatility of the Company's future share price, risk-free rate, future dividend yields, and estimated forfeitures. Changes in assumptions used to estimate fair value could result in different outcomes.

#### **Revenue recognition**

The Company recognizes revenue from minting and resale of non-fungible tokens (NFTs), play-to-earn gaming and commission earned on an auction site. As consideration for these services, the Company receives digital collectible or assets from the mining pools in which it participates. Revenue is recognized when the Company receives payouts from the mining pools in which it participates. Determination of separate elements under the terms of the contract and completion of performance obligation may be subject to significant judgment exercised by management.

### **NOTE 4 – MATERIAL ACCOUNTING POLICIES**

These accounting policies were consistently applied to all periods presented in these financial statements.

#### **Cash and cash equivalents**

Cash and cash equivalents consist of cash held at financial institutions, outstanding deposits, cash held in unrestricted trust account and short-term deposits which are highly liquid with original maturities of less than three months at time of issuance, are readily convertible into known amounts of cash, and which are subject to insignificant risk of changes in value.

The restricted cash balance as at December 31, 2023 \$5,000 (2022: \$5,000) represents the company holding \$5,000 GIC trust account for any future unrecoverable loss and is not available for immediate use in the regular operations.

#### **Foreign currencies**

Transactions in currencies other than the Company's functional currency are recognized at the rates of exchange prevailing at the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are translated at the rates prevailing at that date. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. Exchange differences are recognized in the statement of loss in the period in which they arise.

#### **Advances of Simple Agreement for Future Tokens (SAFTs)**

The Company has classified digital assets as long-term where the digital assets acquired via SAFT which have terms where the digital assets are released over time. SAFT is a contractual investment agreement that involves the agreement of the authorized investors to finance the crypto developers' projects in exchange for crypto tokens at a future date. The SAFT contract is deemed a financial asset which is measured at fair value using an options pricing model with fair value changes recorded within statement of loss.

#### **Digital assets**

Digital assets consist of tokens. Digital assets meet the definition of intangible assets in IAS 38 Intangible Assets as they are identifiable non-monetary assets without physical substance. These intangible assets are considered to have an indefinite life. The useful lives of the intangible assets are reviewed at least annually. They are initially recorded at cost and the revaluation method is used to measure the digital assets subsequently. Under the revaluation method, increases in fair value are recorded in other comprehensive income, while decreases are recorded in the statement of loss. The Company revalues its digital assets at the end of each quarter.

#### NOTE 4 – MATERIAL ACCOUNTING POLICIES (CONTINUED)

There is no recycling of gains from other comprehensive income to the statement of loss. However, to the extent that an increase in fair value reverses a previous decrease in fair value that has been recorded in the statement of loss, that increase is recorded in the statement of loss. Decreases in fair value that reverse gains previously recorded in other comprehensive income are recorded in other comprehensive income.

Digital assets are measured at fair value using the quoted price on <https://www.coingecko.com/>. The Company also confirms quoted price on <https://coinmarketcap.com/> to ensure accuracy. Any price difference is considered immaterial. Management considers this fair value to be Level 1 input under IFRS 13 Fair Value Measurement fair value hierarchy as these are quoted prices on active markets that the Company can access on the measurement date.

##### Digital collectibles

Digital collectibles consist of NFTs and gaming guild NFTs. Digital collectibles meet the definition of IAS 2 Inventory as these NFTs are held for sale in the ordinary course of business. They are recorded at lower cost or net realizable value. Net realizable value is the estimated selling price of digital collectibles during the normal course of business less estimated selling expenses.

The cost is determined on the purchase date using the amount of digital assets which are valued using the above-mentioned third-party websites. The net realizable value is determined using the quoted price through a combination of <https://opensea.io/>, <https://nftgo.io/>, and <https://dappradar.com/>.

##### Property and equipment

Property and equipment are stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. Cost includes expenditures incurred to bring assets to the location and condition necessary for them to be operated in the manner intended by management.

Depreciation is calculated on a straight-line basis with the following useful lives:

	Years
Computer equipment	3
Furniture and fixtures	5

When property and equipment have significant components with different useful lives, each significant component is depreciated separately. The estimated useful lives and depreciation methods are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

An item of property and equipment is derecognized upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognized in the statement of loss.

Borrowing costs and construction costs that are directly attributable to the acquisition, construction or production of qualifying assets are capitalized. Repairs and maintenance costs that do not improve or extend productive life are recognized in the statement of loss in the period in which the costs are incurred.

Assets are not depreciated until they become available for use, which is when they are in the location and condition necessary to be capable of operating in the manner intended by management. Construction in progress is stated at cost, net of accumulated impairment losses, and is not amortized until placed in use.

##### Investments

The investments are made by way of membership units or common stock of the entity.

Securities, including shares, options, and warrants which are traded on a recognized securities exchange and for which no sales restrictions apply are recorded at fair values based on quoted closing prices at the statement of financial position date or the closing price on the last day the security traded if there were no trades at the statement of financial position date.

Securities in privately held companies (other than options and warrants) are initially recorded at cost, being the fair value at the time of acquisition. At the end of each financial reporting period, the Company's management estimates the fair value of investments using a valuation technique.

#### **NOTE 4 – MATERIAL ACCOUNTING POLICIES (CONTINUED)**

With respect to valuation, the financial information of private companies in which the Company has investments may not always be available, or such information may be limited and/or unreliable. Use of the valuation approach may involve uncertainties and determinations based on the Company's judgment and any value estimated from these may not be realized or realizable. In addition, the Company will take into account general market conditions when valuing the privately held investments in its portfolio. In the absence of occurrence of any of these events or any significant change in general market conditions indicates generally that the fair value of the investment has not materially changed

The investments are considered financial assets which are measured at fair value through profit or loss. Financial assets at fair value through profit or loss are carried in the statement of financial position at fair value with net changes in fair value recognized in the statement of loss.

##### **Intangible assets**

Intangible assets with finite useful lives are recorded at cost less accumulated amortization and accumulated impairment losses. They are amortized on a straight-line basis over their estimated useful lives.

Intangible assets with indefinite useful lives are measured at cost, less any accumulated impairment and are not amortized. The estimated useful life and amortization method are reviewed at the end of each reporting year, with the effect of any changes in estimate being accounted for on a prospective basis.

##### **Note receivable**

Long-term receivable is recognized when the right to receive the amount is established and the amount can be measured reliably in accordance with the terms of the contract. These receivables are derecognized on repayment, or when written off, or substantially all of the risks and rewards of ownership are transferred. Per IFRS 9.5.5.3 at each reporting date, the Company measures the loss allowance for a financial instrument at an amount equal to the lifetime expected credit losses if the credit risk on that financial instrument has increased significantly since initial recognition.

##### **Impairment of non-financial assets**

The Company assesses the recoverable amount of non-financial assets, at each reporting period, for indicators of impairment. If any indication exists the Company estimates the recoverable amount for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. When the carrying amount of an asset or cash-generating unit (CGU) exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount which is the higher of fair value less costs of disposal and its value in use. In assessing value in use, the estimate future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU. In determining fair value less costs of disposal, recent market transactions are considered, or an appropriate valuation model is used. An impairment loss is recognized in the statement of loss if the carrying amount of an asset or CGU exceeds its recoverable amount.

A previously recognized impairment loss is reversed when there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognized. The reversal is limited to its recoverable amount and cannot exceed the carrying amount that would have been determined, net of depreciation and amortization, had no impairment loss been recognized for the asset in prior years. Such reversal is recognized in the statement of loss.

##### **Related party transactions**

Parties are considered to be related if one party has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operating decisions. Parties are also considered to be related if they are subject to common control or common significant influence. Related parties may be individuals or corporate entities. A transaction is considered to be a related party transaction when there is a transfer of resources or obligations between related parties. Related party transactions are measured at the amounts agreed upon by the parties.

#### **NOTE 4 – MATERIAL ACCOUNTING POLICIES (CONTINUED)**

##### **Provisions**

Provisions are recognized when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that the Company will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (where the effect of the time value of money is material).

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognized as an asset if it is virtually certain that reimbursement will be received, and the amount of the receivable can be measured reliably.

##### **Taxation**

Income tax expense of the Company comprises current and deferred taxes.

Current tax expense is the expected tax payable on taxable income for the year, using tax rates enacted or substantively enacted at the year end, adjusted for amendments to tax payable with regards to previous years.

Deferred tax is recorded using the asset-liability method, providing for temporary differences, between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Temporary differences are not provided for the initial recognition of assets and liabilities that affect neither accounting nor taxable loss to the extent that they will probably not reverse in the foreseeable future. The amount of deferred tax is based on the expected manner of realization or settlement of carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the end of the reporting period.

Deferred tax assets are recognized to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilized. The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilized. Unrecognized deferred tax assets are re-assessed at each reporting date and are recognized to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

The Company offsets deferred tax assets and deferred tax liabilities if and only if it has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realize the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

##### **Share capital**

The Company measured and recognized their share capital at fair value at the time of issuance. The Company has adopted an incentive stock option plan, which provides that the Board of Directors of the Company may from time to time, in its discretion, and in accordance with the BCSC Venture Exchange requirements, grant stock options to key management personnel, including officers and directors.

##### **Share issuance costs**

Costs incurred in connection with the issuance of share capital are netted against the proceeds received net of tax. Costs related to the issuance of share capital and incurred prior to issuance are recorded as deferred share issuance costs and subsequently netted against proceeds when they are received.

##### **Loss per share**

Basic loss per share is calculated by dividing the net loss attributable to equity holders of the Company by the weighted average number of common shares outstanding during the year.

#### **NOTE 4 – MATERIAL ACCOUNTING POLICIES (CONTINUED)**

Diluted loss per share is calculated by dividing the net loss attributable to equity holders of the Company by the weighted average number of common shares outstanding, adjusted for the effects of all dilutive potential common shares. The weighted average number of common shares outstanding is increased by the total number of additional common shares that would have been issued by the Company assuming exercise of all share options and warrants with exercise prices below the average market price for the period.

##### **Warrants**

In situations where the Company issues warrants, the fair value of warrants, as calculated as of the date of issue using the Black-Scholes pricing model is included in the Company's warrants reserve, as reported on the Statements of Changes in Shareholders' Equity.

##### **Stock based compensation**

Where equity settled share payments are awarded to management, employees and consultants, the fair value of the equity instruments at the date of grant is charged to the statements of loss and comprehensive loss. Performance vesting conditions are taken into account by adjusting the number of equity instruments expected to vest at each reporting date so that, ultimately, the cumulative amount recognized over the vesting period is based on the number of shares that eventually vest. Non vesting conditions are factored into the fair value of the common shares ("Shares") and/or options granted. The cumulative expense is not adjusted where a non vesting condition is not satisfied. Where the terms and conditions are modified before they vest, any increase in the fair value of the Shares, measured immediately before and after the modification, is also charged to the statements of loss and comprehensive loss.

The Company records stock-based compensation related to employee stock options and deferred share units granted using the estimated fair value of these equity instruments at the date of grant. The estimated fair value is expensed as employee benefits over the period in which employees unconditionally become entitled to the awards. The amount recognized as an expense is adjusted to reflect the number of awards for which the related service conditions are expected to be met, such that the amount ultimately recognized as an expense is based on the number of awards that meet the related services and non-market performance conditions at the vesting date. Corresponding charges are to contributed surplus. Any consideration paid on the exercise of stock options and restricted or deferred share units is credited to common shares.

The Company estimates the fair value of stock options granted using the Black-Scholes valuation model. This model requires the Company to make estimates and assumptions including, among other things, estimates regarding the length of time an employee will retain vested stock options before exercising them, the estimated volatility of the Company's common share price and the number of options or restricted share units that will be forfeited prior to vesting. Changes in these estimates and assumptions can materially affect the determination of the fair value of stock-based compensation and consequently, the related amount recognized in the statements of loss and comprehensive loss.

Where equity instruments are granted to nonemployees, they are recorded at the fair value of the goods or services received unless that fair value cannot be estimated reliably in which case, they are measured at the fair value of the equity instruments granted. Amounts related to the issuance of Shares are recorded as a reduction of share capital. If the fair value of the goods or services received cannot be estimated reliably, the goods or services received, and the corresponding increase in equity are measured, indirectly, by reference to the fair value of the equity instruments granted, measured at the date the entity obtains the goods or the counterparty renders service.

Where an award is cancelled by the Company or the counterparty, any remaining element of the fair value of the award is expensed immediately or reversed through statements of loss and comprehensive loss, depending on the type of cancellation. The dilutive effect of outstanding options is reflected as additional dilution in the computation of loss per share.

##### **Research and development**

Expenditures on research activities are expensed as incurred.

Development costs that are directly attributable to the design and testing of identifiable new product designs controlled by the Company are recognized as intangible assets on meeting the capitalization criteria as required under the applicable accounting standards.

#### NOTE 4 – MATERIAL ACCOUNTING POLICIES (CONTINUED)

##### Fair Value Measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability; or
- In the absence of a principal market, in the most advantageous market for the asset or liability. The principal or the most advantageous market must be accessible by the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use. The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 – Quoted (unadjusted) market prices in active markets for identical assets or liabilities;
- Level 2 – Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable; and
- Level 3 – Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognized in the financial statements at fair value on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

##### Recognition and Initial Measurement

Financial assets and financial liabilities are recognized in the statement of financial position when the Company becomes a party to the contractual provisions of a financial instrument. All financial instruments are measured at fair value on initial recognition. Transaction costs that are directly attributable to the acquisition or issuance of financial assets and financial liabilities, other than financial assets and financial liabilities classified as fair value through profit or loss ("FVTPL"), are added to or deducted from the fair value on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities classified as FVTPL are recognized immediately in net loss.

##### Classification and Subsequent Measurement

The Company classifies financial assets, at the time of initial recognition, according to the Company's business model for managing the financial assets and the contractual terms of the cash flows. Financial assets are classified in the following measurement categories:

- a) amortized cost;
- b) fair value through profit or loss (FVTPL); and
- c) fair value through other comprehensive income ("FVTOCI").

**NOTE 4 – MATERIAL ACCOUNTING POLICIES (CONTINUED)**

Financial assets are subsequently measured at amortized cost if both the following conditions are met and they are not designated as FVTPL:

- a) the financial asset is held within a business model whose objective is to hold financial assets to collect contractual cash flows; and
- a) the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

These assets are subsequently measured at amortized cost using the effective interest method, less any impairment, with gains and losses recognized in net income in the period that the asset is derecognized or impaired. All financial assets not classified as amortized cost as described above are measured at FVTPL or FVTOCI depending on the business model and cash flow characteristics. The Company has no financial assets measured at FVTOCI.

Financial liabilities are subsequently measured at amortized cost using the effective interest method with gains and losses recognized in net income in the period that the liability is derecognized, except for financial liabilities classified as FVTPL.

<b>Asset / Liability</b>	<b>Classification / Measurement</b>
Cash and cash equivalents	Amortized cost
Restricted cash	Amortized cost
Advances for SAFTs	FVTPL
Note receivable	Amortized cost
Investments	FVTPL
Trade payables and accrued liabilities	Amortized cost

Derecognition

The Company derecognizes financial assets only when the contractual rights to cash flows from the financial assets expire, or when it transfers the financial assets and substantially all of the associated risks and rewards of ownership to another entity. Gains and losses on derecognition are recognized in the statements of loss and comprehensive loss. The Company derecognizes financial liabilities only when its obligations under the financial liabilities are discharged, cancelled or expired. Generally, the difference between the carrying amount of the financial liability derecognized and the consideration paid and payable, including any non-cash assets transferred or liabilities assumed, is recognized in the statements of loss and comprehensive loss.

**Impairment of Financial Assets**

Under IFRS 9, the Company is required to apply an expected credit loss (“ECL”) model to all debt financial assets not held at FVTPL, where credit losses that are expected to transpire in future years are provided for, irrespective of whether a loss event has occurred or not as at the date of the Statement of Financial Position. For note receivable, the Company has applied the simplified approach under IFRS 9 and has calculated ECLs based on lifetime expected credit losses taking into consideration historical credit loss experience and financial factors specific to the debtors and general economic conditions.

Evidence of impairment could include:

- Significant financial difficulty of the issuer or counterparty; or
- Default or delinquency in interest or principal payments; or
- It is becoming probable that the borrower will enter bankruptcy or reorganization.

The carrying amount of financial assets is reduced by any impairment loss directly for all financial assets. When an account receivable is considered uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against the allowance account. Changes in the carrying amount of the allowance account are recognized in the Statements of Loss and Comprehensive Loss.

#### NOTE 4 – MATERIAL ACCOUNTING POLICIES (CONTINUED)

If, in a subsequent period, the amount of the impairment loss decreases, and the decrease can be related objectively to an event occurring after the impairment was recognized, the previously recognized impairment loss is reversed through the Statements of Loss and Comprehensive Loss for the period to the extent that the carrying amount of the asset at the date the impairment is reversed does not exceed what the amortized cost would have been had the impairment not been recognized.

#### Revenue

The Company's revenue is derived from the following business segments:

- Minting and resale of non-fungible tokens (NFTs)
- Play-to-earn gaming
- Commission earned on an auction site

The Company recognizes revenue in accordance with IFRS 15, *Revenue from contracts with customers*, which follows the following five-step contract-based analysis of transactions to determine if, when and how much revenue can be recognized:

1. Identify the contract with a customer;
2. Identify the performance obligation(s) in the contract;
3. Determine the transaction price;
4. Allocate the transaction price to the performance obligation(s) in the contract; and
5. Recognize revenue when or as the Company satisfies the performance obligation(s).

Revenue is recognized when a performance obligation is satisfied and the customer obtains control of promised goods and services. The amount of revenue recognized reflects the consideration to which the Company expects to be entitled to receive in exchange for these goods and services.

#### Digital assets and NFT resale

The legally binding contracts are regulated by platforms and smart contract mechanisms that set rights and obligations of counterparties to a sell/buy transaction, performance obligation is a transfer of digital assets from the party which wishes to sell to the party who wishes to buy such digital assets. Transaction price is the agreed upon price at the time of transaction, which is allocated to a single performance obligation in its entirety and recognized at a point in time as performance obligation is fulfilled.

#### Play-to-earn gaming

The Company engages "game scholars," individuals who play games on behalf of the Company, with the goal to earn game-based digital assets. The players use the Company's game assets, digital assets, to play games and receive a fee in return for their service. The rights and obligations are set out by a legally binding agreement, performance obligation is completion of game-based tasks for a reward which is automatically deposited to the Company-owned wallet. The transaction price is determined based on a market price of digital asset(s) received and recognized at a point in time when delivery occurs.

#### Auction fee sharing

The Company earns a portion of auction fee for each NFT sale completed, the rights and obligations are governed by a smart contract mechanism on the auction's blockchain. The performance obligation is a sale of NFT. The transaction price is the fee amount on each completed transaction and is allocated to one performance obligation in its entirety, which is recognized at a point in time when NFT sale is completed.

#### Leases

The Company recognizes a right-of-use asset and a lease obligation at the lease commencement date. The right of-use asset is initially measured at cost, which comprises the initial amount of the lease obligation adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

#### NOTE 4 – MATERIAL ACCOUNTING POLICIES (CONTINUED)

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The estimated useful life of the right-of-use assets are determined on the same basis as those of property and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease obligation.

The lease obligation is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Company's incremental borrowing rate. Lease payments included in the measurement of the lease obligation comprise the following:

- Fixed payments, including in-substance fixed payments;
- Variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- Amounts expected to be payable under a residual value guarantee; and
- The exercise prices under a purchase price option that the Company is reasonably certain to exercise, and
- Payments in an optional renewal period if the Company is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless the Company is reasonably certain not to terminate early.

The lease obligation is measured at amortized cost using the effective interest rate method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Company's estimate of the amount expected to be payable under a residual value guarantee, or if the Company changes its assessment of whether it will exercise a purchase, extension or termination option.

When the lease obligation is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

The Company has elected not to recognize right-of-use assets and lease obligations for short-term leases of machinery that have a lease term of 12 months or less and leases of low-value assets. The Company recognizes the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

#### Segmented reporting

A business segment is a component of the Company that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with the Company's other components. All operating segments' operating results are reviewed regularly by the Company's Chief Executive Officer ("CEO"), being the chief operating decision maker ("CODM"), to make decisions about the allocation of resources and to assess their performance, and for which discrete financial information is available.

#### New and Amended Accounting Pronouncements

The Company applied for the first-time certain standards and amendments, which are effective for annual periods beginning on or after January 1, 2023. The Company has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective.

##### *IAS 8 Amendments – Clarifying Distinction Between Accounting Policies and Accounting Estimates*

In February 2021, the IASB issued narrow-scope amendments to IAS 8 – Accounting Policies, Changes in Accounting Estimates and Errors ("IAS 8"). The amendments to IAS 8 clarify how companies distinguish changes in accounting policies from changes in accounting estimates. That distinction is important because changes in accounting estimates are applied prospectively only to future transactions and other future events, but changes in accounting policies are generally also applied retrospectively to past transactions and other past events. The Company assessed the impact of the amendment and determined there to be no material impact on the financial statements.

#### **NOTE 4 – MATERIAL ACCOUNTING POLICIES (CONTINUED)**

##### *IAS 1 and IFRS Practice Statement 2 Amendments – Disclosure of Accounting Policies*

The amendments to IAS 1 and IFRS Practice Statement 2 Making Materiality Judgements provide guidance and examples to help entities apply materiality judgements to accounting policy disclosures. The amendments aim to help entities provide accounting policy disclosures that are more useful by replacing the requirement for entities to disclose their 'significant' accounting policies with a requirement to disclose their 'material' accounting policies and adding guidance on how entities apply the concept of materiality in making decisions about accounting policy disclosures. The amendments had no significant impact on the Company's financial statements.

##### *IAS 12 Amendments – Deferred Tax Related to Assets and Liabilities Arising from a Single Transaction*

In May 2021, the IASB issued targeted amendments to IAS 12 – Income Taxes to specify how companies should account for deferred tax on transactions such as leases and decommissioning obligations. In specified circumstances, companies are exempt from recognizing deferred tax when they recognize assets or liabilities for the first time. Previously, there had been some uncertainty about whether the exemption applied to transactions such as leases and decommissioning obligations transactions for which companies recognize both an asset and a liability. The amendments clarify that the exemption does not apply and that companies are required to recognize deferred tax on such transactions. The aim of the amendments is to reduce diversity in the reporting of deferred tax on leases and decommissioning obligations.

The amendments are effective for annual reporting periods beginning on or after January 1, 2023, with early application permitted. The amendments had no significant impact on the Company's financial statements.

#### **Standards, Amendments and Interpretations Issued but not yet Adopted**

The following new standards, amendments and interpretations have been issued but are not effective for the fiscal year ended December 31, 2023, and, accordingly, have not been applied in preparing these financial statements.

##### *IFRS 16 Amendments – Lease Liability in a Sale and Leaseback*

In September 2022, the IASB issued amendments to IFRS 16 – Leases ("IFRS 16") relating to sale leaseback transactions for seller-lessees. The amendment adds a requirement that measuring lease payments or revised lease payments shall not result in the recognition of a gain or loss that relates to the right-of-use asset retained by the seller-lessee. The amendments are effective for annual reporting periods beginning on or after January 1, 2024, with early adoption permitted. The Company is assessing the potential impact of these amendments.

##### *IAS 1 Amendments – Non-current Liabilities with Covenants*

In October 2022, the IASB issued amendments to IAS 1 – Presentation of Financial Statements, which specifies that covenants whose compliance is assessed after the reporting date do not affect the classification of debt as current or non-current at the reporting date. Instead, the amendments require disclosure of information about these covenants in the notes to the financial statements. The amendments are effective for annual reporting periods beginning on or after January 1, 2024, with early adoption permitted. The Company is assessing the potential impact of these amendments.

##### *IAS 7 Amendments – Supplier Finance Arrangements*

In May 2023, the IASB issued amendments to IAS 7 – Statement of Cash Flows and IFRS 7 – Financial Instruments: Disclosures. The amendments add requirements to disclose information that allows users to assess how supplier finance arrangements affect an entity's liabilities, cash flows, and exposure to liquidity risk. The amendments are effective for annual reporting periods beginning on or after January 1, 2024, with early adoption permitted. The Company is assessing the potential impact of these amendments.

#### **NOTE 4 – MATERIAL ACCOUNTING POLICIES (CONTINUED)**

##### *IAS 21 Amendments – Lack of Exchangeability*

In August 2023, the IASB issued amendments to IAS 21 – The Effects of Changes in Foreign Exchange Rates in relation to Lack of Exchangeability. The amendments require entities to apply a consistent approach in assessing whether a currency can be exchanged into another currency, and in determining the exchange rate to use and the disclosures to provide when it cannot. These amendments are effective for annual reporting periods beginning on or after January 1, 2025, with early adoption permitted. The Company is assessing the potential impact of these amendments.

##### *IAS 1 Amendments – Classification of Liabilities as Current or Non-Current*

In January 2020, the IASB issued amendments to paragraphs 69 to 76 of IAS 1 to specify the requirements for classifying liabilities as current or non-current. The amendments clarify:

What is meant by a right to defer settlement

- That a right to defer must exist at the end of the reporting period
- That classification is unaffected by the likelihood that an entity will exercise its deferral right
- That only if an embedded derivative in a convertible liability is itself an equity instrument would the terms of a liability not impact its classification

The amendments are effective for annual reporting periods beginning on or after January 1, 2024, and must be applied retrospectively. The Company is currently assessing the impact of the amendments.

##### *IFRS S1 and IFRS S2 – Applicability from January 1, 2024*

IFRS S1 requires companies to disclose material information on all sustainability related risks and opportunities that could reasonably be expected to affect their prospects. IFRS S2 sets out the requirements for climate-related disclosures. For risks and opportunities beyond climate, IFRS S1 directs companies to sources of guidance and requires companies to refer to and consider the industry based SASB Standards.

The amendments are effective for annual reporting periods beginning on or after January 1, 2024, and must be applied retrospectively. The Company is currently assessing the impact of the amendments.

#### **NOTE 5 – ACQUISITION and DIVESTMENT**

On February 24, 2023, the Company announced that it had completed an acquisition transaction with Run It Wild Pty Ltd. ("RIW"), a company incorporated under the laws of Australia and recognized for its expertise in multidisciplinary Web3 development. As part of the transaction, the Company issued 10,000,000 common shares and made a cash payment of \$50,000 to the shareholders of RIW.

However, subsequent to the closing announcement, due to diverging strategic visions between management and RIW, the parties mutually agreed to cancel the acquisition. No assets or liabilities of RIW were ever transferred to the Company, and the Company did not obtain control over RIW as defined under IFRS 3 – *Business Combinations*. As no control was obtained nor integration occurred, the transaction did not meet the definition of a business combination under IFRS 3. As a result, the Company has not recorded this transaction as a Business Acquisition in its financial statements. The 10,000,000 common shares initially issued were subsequently returned to the Company and cancelled pursuant to the finalization of the settlement agreement dated August 11, 2023.

The \$50,000 cash consideration paid has been recognized as an expense in the year, representing a transaction that did not result in the acquisition of a business or an asset. Transaction-related costs of \$12,727 were also expensed during the year.

NOTE 6– ADVANCES FOR SAFTs

	\$
<b>Balance – December 31, 2021</b>	–
Purchases	1,131,957
Fair value adjustment	(569,157)
<b>Balance – December 31, 2022</b>	562,800
Impairment loss	(562,800)
<b>Balance – December 31, 2023</b>	–

During the year ended December 31, 2023, the Company reassessed its investment in a Simple Agreement for Future Tokens (SAFT). As the arrangement lacks clear enforceability and no legally binding obligation for token delivery exists, management concluded that the recoverability of the advance is highly uncertain. Consequently, the full carrying amount of \$562,800 has been impaired, and has been recognized under "impairment of advances for SAFTs" in the statement of profit or loss.

During the year ended December 31, 2022, the Company determined the fair value of the advances for SAFTs using the Monte Carlo simulation valuation techniques. The Company used the following assumptions:

Expected annual volatility	33% to 152%
Expected life (in years)	0.42 to 1.23
Expected dividend yield	0%
Risk-free interest rate	3.00%
Expected forfeiture rate	0%

NOTE 7 – LOAN RECEIVABLE

On March 18, 2022, the Company entered into a non-binding letter of intent (the "Sherwa LOI") with Sherwa Online Services Inc. ("Sherwa") and certain of the founding shareholder of Sherwa (the "Sherwa Shareholders"), setting forth the terms and conditions of the proposed acquisition by the Company of all of the issued and outstanding shares of Sherwa (the "Sherwa Shares") in consideration for 2,000,000 common shares of the Company.

During the year ended December 31, 2023, the Company advanced \$20,000 to Sherwa as a loan. This loan is unsecured, interest free and is due on demand.

The Company assessed the loan receivable under IFRS 9 and applied the Expected Credit Loss (ECL) model. Based on a forward-looking analysis of the counterparty's credit risk, management recognized an impairment loss of \$ 20,000 during the year ended December 31, 2023 due to its non recoverability. The loss allowance reflects management's best estimate of credit losses, considering historical default rates, forward-looking macroeconomic factors, and counterparty-specific conditions.

As at December 31, 2023, the gross carrying amount of the loan receivable is \$20,000, with a loss allowance of \$20,000, resulting in a net carrying amount of \$nil.

NOTE 8 – DIGITAL COLLECTIBLES

	NFTs	Gaming Guild NFTs	Total
	\$	\$	\$
<b>Balance – December 31, 2021</b>	–	–	–
Purchases	151,412	65,157	216,569
Cost of revenue	(109,594)	(63,763)	(173,357)
<b>Balance – December 31, 2022</b>	<b>41,818</b>	<b>1,394</b>	<b>43,212</b>
Cost of revenue	(41,818)	(1,394)	(43,212)
<b>Balance – December 31, 2023</b>	–	–	–

Digital collectibles consist of NFTs and gaming guild NFTs. These digital collectibles are acquired for the purpose of promoting and having access to features of sponsored projects. The Gaming Guild NFTs comprise the digital collectibles used for providing the members of the guild (the scholars) with the assets needed to play in the earn-to-play platforms. This is in the normal course of business and for revenue generating purposes. There are 3 dedicated hardware wallets used for holding these assets in cold storage. Most notably, the assets held consist of: 14 ArtBlocks, 3 Beanz, 1 Metacard, 1 Sandbox, 180 Axie Infinity (Axies), and 26 Pegaxy (Pegaxies).

As at December 31, 2023, the NFTs experienced a decline in market value due to illiquidity and market volatility. A write-down of \$43,212 was recognized in the year ended December 31, 2023, reducing the carrying value to net realisable value. This amount is included in cost of revenue.

NOTE 9 - DIGITAL ASSETS

	\$
<b>Balance – December 31, 2021</b>	433,326
Purchases	381,407
Sale	(274,440)
Payment for purchases of digital collective and payment of office expenses	(1,175,183)
Gain on revaluation	690,728
<b>Balance – December 31, 2022</b>	<b>55,838</b>
Purchases	40,916
Sale	(169,899)
Gain on revaluation	95,075
<b>Balance – December 31, 2023</b>	<b>21,930</b>

Digital assets consist of liquid tokens, gaming, SAFT tokens, and Gaming Guild tokens. While the Gaming Guild digital collectibles are non-fungible assets, Gaming Guild tokens are fungible tokens, used as the currency of the ecosystem (for buying and selling assets, but also as the method of payment for the play-to-earn games). They are initially recorded at cost and the revaluation method is used to measure the digital assets subsequently. Under the revaluation method, increases in fair value are recorded in other comprehensive income, while decreases are recorded in the statement of loss. The most notable digital assets held by the end of 2023 are:

- Liquid tokens: ETH, WETH, USDC, USDT, BNB and MATIC
- Gaming Guild tokens: AXS, SLP, and RON
- Other tokens: A.O.T, H3R03S, GENI and ENV

NOTE 10 – PROPERTY AND EQUIPMENT

Cost:	Computer	Furniture and fixtures	Total
	\$	\$	\$
<b>December 31, 2021</b>	<b>23,658</b>	<b>1,773</b>	<b>25,431</b>
Additions	3,753	644	4,397
<b>December 31, 2022</b>	<b>27,411</b>	<b>2,417</b>	<b>29,828</b>
Additions	—	—	—
<b>December 31, 2023</b>	<b>27,411</b>	<b>2,417</b>	<b>29,828</b>
Accumulated Depreciation:	Computer	Furniture and fixtures	Total
	\$	\$	\$
<b>December 31, 2021</b>	<b>1,794</b>	<b>142</b>	<b>1,936</b>
Charge for the year	8,424	483	8,908
<b>December 31, 2022</b>	<b>10,218</b>	<b>625</b>	<b>10,844</b>
Charge for the year	9,137	483	9,620
<b>December 31, 2023</b>	<b>19,355</b>	<b>1,108</b>	<b>20,464</b>
Net Book Value	Computer	Furniture and fixtures	Total
	\$	\$	\$
December 31, 2022	17,193	1,792	18,984
<b>December 31, 2023</b>	<b>8,056</b>	<b>1,309</b>	<b>9,364</b>

NOTE 11 – INVESTMENTS

Evan Singh Luthra Funds and SHIMA 1INCH SPV LLC

On August 11, 2021, the Company acquired \$31,262 in units of UN Fund I, a series of Evan Singh Luthra Funds, LP (the “Fund”), which has been formed under the laws of the State of Delaware for the primary purpose of purchasing, on a private placement’s basis, the series of Unocoin Technologies, PTE. Ltd., a Singapore Private Limited Company. Fund GP, LLC, is a limited liability company also organized under the laws of the State of Delaware. Investment advisor is AngelList Advisor, LLC. The fair value was based on Unocoin’s present value of future cash flows with a 34% discount rate to account for the riskiness of the investment. In addition, discounts were taken from the fair value to account for the lack of marketability and minority interest in the investment. As of December 31, 2022, the management decided to revalue the carrying value of investment in Fund to zero due to uncertainty on the recoverability of the investment arising mainly due to the global economic challenges relating to crypto markets and lack of marketability.

On November 22, 2021, the Company acquired \$208,711 in membership units of SHIMA 1INCH SPV LLC, a Delaware limited liability company (“SHIMA”) which was fair valued at \$215,314 as at December 31, 2021. As of December 31, 2022, the management decided to revalue the carrying value of investment in SHIMA to zero due to uncertainty on the recoverability of the investment arising mainly due to the global economic challenges relating to crypto markets and lack of marketability. The SHIMA 1INCH SPV LLC resulted in the issuance of the 1Inch tokens which were sold during the year.

**Stable Infrastructure Inc. (Formerly NFT Technologies Inc.)**  
**Notes to the Financial Statements**  
**For the Years Ended December 31, 2023, and 2022**  
**Expressed in Canadian Dollars except otherwise noted**

**NOTE 11 – INVESTMENTS (continued)**

*Realfevr*

On October 15, 2021, the Company entered into a binding letter of intent with the former CEO of the Company for the purchase of his holdings in Fantasy Revolution, S.A. a Portuguese company (“Realfevr”). The Company had to issue 833,333 common shares in exchange for 173,710 common shares of Realfevr. The parties entered into the share exchange agreement in relation to this transaction on January 11, 2022, at which time the 833,333 common shares were issued and the Company received the undertaking from the former CEO for the delivery for the Realfevr common shares upon completion of Realfevr’s corporate reorganization. As at December 31, 2022, the Company used the recent capital raise of Realfevr to determine the its fair market value. As a result, a write up of \$819,730 was performed on the original purchase price of \$500,000. As of May 5, 2023, the shares have not been delivered to Stable Infrastructure Inc. (Formerly NFT Technologies Inc). As at December 31, 2023, due to the prolonged delay in share issuance and prevailing uncertainties surrounding the recoverability of the investment, primarily driven by global economic conditions affecting the crypto asset market and the illiquidity of such instruments, management reassessed the carrying amount of the investment.

Based on the assessment, the Company determined that the recoverable amount of the investment was \$nil. Accordingly, the carrying value was written down to zero, resulting in the recognition of an impairment loss of \$1,319,730. This impairment loss has been recognized in the statement of profit or loss.

**NOTE 12 – SHARE CAPITAL**

Authorized: Unlimited number of voting common shares.

	Note	Number of Shares	Amount
Issued and outstanding:		#	\$
<b>Balance – December 31, 2021</b>		<b>73,791,241</b>	<b>9,214,902</b>
Private placement	(i)	8,294,999	2,239,234
Shares issued for investment	(ii)	833,333	500,000
Shares issued for asset acquisition	(iii)	1,212,122	1,212,122
Shares issued upon exercise of RSUs	(iv)	333,333	33
Shares issued upon vesting of PSUs	(v)	1,100,000	660,000
Shares issued upon exercise of stock options	(vi)	16,666	3,837
Shares issued for services	(vii)	1,666,666	125,000
Share issuance cost		–	(7,665)
<b>Balance – December 31, 2022</b>		<b>87,248,360</b>	<b>13,947,463</b>
Private placement	(viii)	16,583,099	894,211
Shares issued for services	(ix)	1,200,000	102,000
Shares issued upon vesting of PSUs	(x)	400,000	12,000
Share issuance cost		–	(12,204)
<b>Balance – December 31, 2023</b>		<b>105,431,459</b>	<b>14,943,470</b>

**NOTE 12 – SHARE CAPITAL (CONTINUED)**

**2022:**

(i) The Company completed four private placements during the year 2022 as follows:

- On March 3 and 8, 2022, the Company issued 1,495,000 common shares in two tranches at \$1.00 per common share for gross proceeds of \$1,495,000 pursuant to a non-brokered private placement.
- On September 26, 2022, the Company issued 1,500,000 common shares for gross proceeds of \$225,000. \$67,105 was related to the fair value of 1,500,000 warrants issued and reclassified to warrant reserve.
- On September 26, 2022, the Company issued 100,000 common shares for gross proceeds of \$15,000.
- On October 11, 2022, the Company issued 5,199,999 common shares for gross proceeds of \$780,000. \$208,662 was related to the fair value of 5,199,999 warrants issued and reclassified to warrant reserve.

(ii) The Company completed share issue for investments during the year 2022 as follows:

- On January 13, 2022, the Company issued 833,333 common shares at \$0.60 per common share pursuant to the share exchange agreement with Fantasy Revolution, S.A. a Portuguese company (“Realfevr”).

(iii) The Company completed share issue for asset acquisition during the year 2022 as follows:

- On March 28, 2022, the Company issued 1,212,122 common shares at \$1.00 per common share pursuant to the Fuku Purchase Agreement dated March 17, 2022. In accordance with the Fuku Purchase Agreement, the Company acquired from the vendor thereunder, certain protocol and source code associated with the development of the Fuku Marketplace, together with all intellectual property rights associated therewith (collectively, the “Fuku Assets”).

(iv) The Company completed Shares issued upon exercise of RSUs during the year 2022 as follows:

- On April 22, 2022, the Company issued 333,333 common shares with a fair value of \$33 upon vesting of RSUs.

(v) The Company completed Shares issued upon vesting of PSUs during the year 2022 as follows:

- On May 25, 2022, the Company issued 1,100,000 common shares at \$0.60 per common shares upon vesting of 1,100,000 PSUs as the milestone was achieved.

(vi) On May 26, 2022, the Company issued 16,666 common shares for proceeds of \$3,331. Upon exercise, \$506 related to the fair value of the stock options was reclassified from reserve to share capital.

(vii) The Company completed share issued for Service during the year 2022 as follows:

- On December 21, 2022, issued 1,666,666 common shares for gross proceeds of \$125,000 Consideration under consulting agreement at a price of \$0.08 per Unit.

NOTE 12 – SHARE CAPITAL (CONTINUED)

**2023**

(viii) The Company completed the below private placements during year ended December 31, 2023:

- During February 2023, the Company issued 1,170,299 units through private placement. Each unit was issued at a price of \$0.15 per unit for gross proceeds of \$175,545. Each unit comprises one common share and one common share purchase warrant. The warrant is exercisable at a fixed price of \$0.30 per share for a period of two years from the date of issuance. The proceeds from issuance of units were allocated between shares and warrants based on proportionate fair values. The proportionate fair value of shares was determined to be \$144,104 based on the share price as of the issuance date. The proportionate fair value of warrants was estimated to be \$31,441 using Black Scholes valuation model. Refer Note 13A for the valuation assumptions.
  - During March 2023, the Company issued 7,000,000 units through private placement. Each unit was issued at a price of \$0.05 per unit for gross proceeds of \$350,000. Each unit comprises one common share and one-half of one common share purchase warrant. The warrant is exercisable at a fixed price of \$0.10 per share for a period of six months from the date of issuance. The proceeds from issuance of units were allocated between shares and warrants based on proportionate fair values. The proportionate fair value of shares was determined to be \$348,797 based on the share price as of the issuance date. The proportionate fair value of warrants was estimated to be \$1,203 using Black Scholes valuation model. Refer Note 13A for the valuation assumptions.
  - Subscriptions amounting to \$181,629 are receivable against the gross proceeds from the two tranches. 100,000 shares from the February placement valued at \$15,000, will be issued at a future date and have been recorded as shares to be issued.
  - The issuance cost on the February and March issuances amounted to \$12,000, which was paid in cash and adjusted against share capital in the statements of changes in shareholders' equity.
  - During July 2023, the Company issued 8,512,800 units through private placement (second tranche of the non-brokered private placement announced on February 24, 2023). Each unit was issued at a price of \$0.05 per unit for gross proceeds of \$425,640. Each unit comprises one common share and one-half of one common share purchase warrant. The warrant is exercisable at a fixed price of \$0.10 per share for a period of six months from the date of issuance. The proceeds from issuance of units were allocated between shares and warrants based on proportionate fair values. The proportionate fair value of shares was determined to be \$401,310 based on the share price as of the issuance date. The proportionate fair value of warrants was estimated to be \$24,330 using Black Scholes valuation model. Refer Note 13A for the valuation assumptions.
  - The issuance cost on the July issuances amounted to \$204 which was paid in cash and adjusted against share capital in the statements of changes in shareholders' equity.
- (ix) On June 14, 2023, issued 1,200,000 common shares for gross proceeds of \$102,000 consideration under consulting agreement at a price of \$0.085 per Unit.
- (x) On July 20, 2023, the Company issued 400,000 common shares at \$0.030 per common shares upon vesting of 400,000 PSUs as the milestone was achieved.

**NOTE 13 – WARRANTS AND SHARE-BASED PAYMENT RESERVE**

Below is summary of changes in warrants and share-based payment reserve:

	Warrants	Stock options	PSU	RSU	Total
	\$	\$	\$	\$	\$
<b>Balance – December 31, 2021</b>	<b>463,280</b>	<b>511,785</b>	<b>338,684</b>	<b>–</b>	<b>1,313,749</b>
Issued	275,768	1,172,515	321,316	33	1,769,632
Exercised	–	(506)	(660,000)	(33)	(660,539)
<b>Balance – December 31, 2022</b>	<b>739,048</b>	<b>1,683,794</b>	<b>–</b>	<b>–</b>	<b>2,422,842</b>
Issued	56,975	291,202	12,000	–	360,177
Exercised	–	–	(12,000)	–	(12,000)
<b>Balance – December 31, 2023</b>	<b>796,023</b>	<b>1,974,996</b>	<b>–</b>	<b>–</b>	<b>2,771,019</b>

**A. Share purchase warrants**

Movements in the number of warrants outstanding and their related weighted average exercise prices are as follows:

	Notes	Number of Warrants	Weighted Average Exercise Price
		#	\$
<b>Balance – December 31, 2021</b>		<b>2,461,754</b>	<b>0.27</b>
Issued		6,699,999	0.29
<b>Balance – December 31, 2022</b>		<b>9,161,753</b>	<b>0.29</b>
Issued		8,926,699	0.20
Expired		(3,563,004)	0.11
<b>Balance – December 31, 2023</b>		<b>14,525,448</b>	<b>0.23</b>

Warrants outstanding as at December 31, 2023 were as follows:

	Expiry Date	Outstanding Warrants	Exercise Price
		#	\$
	January 13, 2024	3,600,000	0.10
	January 14, 2024	656,400	0.10
	August 20, 2024	2,000,000	0.20
	September 30, 2024	1,500,000	0.30
	October 5, 2024	93,750	1.50
	October 8, 2024	105,000	0.60
	October 14, 2024	200,000	0.01
	October 11, 2024	5,199,999	0.30
	February 23, 2025	1,170,299	0.30
		<b>14,525,448</b>	<b>0.23</b>

**NOTE 13 – WARRANTS AND SHARE-BASED PAYMENT RESERVE (CONTINUED)**

Warrants outstanding as at December 31, 2022 were as follows:

**As of December 31, 2022**

Expiry Date	Outstanding Warrants	Exercise Price
	#	\$
October 5, 2023	39,800	0.60
October 5, 2023	116,954	1.50
August 20, 2024	2,000,000	0.20
September 26, 2024	1,500,000	0.30
October 8, 2024	105,000	0.60
October 14, 2024	200,000	0.01
October 11, 2024	5,199,999	0.60
	<b>9,161,753</b>	<b>0.29</b>

Weighted average remaining contractual life of outstanding warrants is 1.73 years as at December 31, 2023 (1.66 years as at December 31, 2022).

The Company fair valued the options using the Black-Scholes option pricing model with the following weighted average assumptions:

Stock price	\$0.045 to \$0.055
Expected life (in years)	0.5 to 2
Expected annual volatility	110%
Expected dividend yield	0%
Risk-free interest rate	3.76% to 4.64%
Expected forfeiture rate	0%

**B. Stock Options**

2022

- On January 14, 2022, the Company established a long-term performance incentive plan (the "Plan") which awards selected directors, officers, employees, and consultants the right to purchase a number of common shares. The Plan is intended to help the Company secure and retain the services and provide incentives for increased efforts for the success of the Company. The Board of Directors grants share awards from time to time based on its assessment of the appropriateness of doing so in light of the long-term strategic objectives of the Company, its current stage of development, the need to retain or attract particular key personnel, the number of share awards already outstanding and overall market conditions. Prior to the establishment of the Plan, issuance of stock options was performed on an ad-hoc basis and each grant was approved by the Board of Directors.
- On February 18, 2022, the Company granted 280,000 stock options at an exercise price of \$0.60 per common shares to the former CFO of the Company. The options expire on February 18, 2027 and they vest over three years.
- On February 21, 2022, the Company granted 250,000 stock options at an exercise price of \$0.60 per common share to a consultant. The options expire on February 21, 2027 and they vested immediately.

**NOTE 13 – WARRANTS AND SHARE-BASED PAYMENT RESERVE (CONTINUED)**

- On March 4, 2022, the Company granted 150,000 stock options at an exercise price of \$1.00 per common share to multiple consultants. The options expire on March 4, 2027 and they vested immediately.
- On June 29, 2022, the Company granted 60,000 stock options at an exercise price of \$0.60 per common share to multiple employees of the Company. The options expire on June 29, 2027 and they vest over three years.
- On June 29, 2022, the Company granted 1,430,000 stock options at an exercise price of \$0.40 per common share to multiple directors and employees of the Company. The options expire on June 29, 2027 and they vest over two years.
- On July 27, 2022, the Company granted 10,000 stock options at an exercise price of \$0.60 per common share to an employee of the Company. The options expire on July 27, 2027 and they vest over three years.
- On August 5, 2022, the Company granted 800,000 stock options at an exercise price of \$0.31 per common share to a consultant. The options expire on August 5, 2027 and they vest immediately.
- On August 27, 2022, the Company granted 250,000 stock options at an exercise price of \$0.30 per common share to a consultant. The options expire on August 27, 2027 and they vest over one and half year.
- On August 30, 2022, the Company granted 250,000 stock options at an exercise price of \$0.30 per common share to a consultant. The options expire on August 30, 2027 and they vest over one and half year.
- On September 15, 2022, the Company granted 280,000 stock options at an exercise price of \$0.35 per common share to an employee of the Company. The options expire on September 15, 2027 and they vest over three years.

2023

- On January 4, 2023, the Company granted 250,000 stock options at an exercise price of \$0.15 per common shares to a consultant. The options expire on January 4, 2028 and vest over one and half years.
- On March 13, 2023, the Company granted 100,000 stock options at an exercise price of \$0.15 per common shares to a consultant. The options expire on March 13, 2026 and vest over three years.
- On June 08, 2023, the Company granted an aggregate 1,000,000 stock options at an exercise price of \$0.05 per common shares to the board of directors. The options expire on June 08, 2026 and vest over three years
- On June 09, 2023, the Company granted 1,000,000 stock options at an exercise price of \$0.05 per common shares to a consultant. The options expire on June 09, 2026 and vest over three years.
- On July 10, 2023, the Company granted 180,000 stock options at an exercise price of \$0.10 per common shares to a consultant. The options expire on July 09, 2027 and vest over two years.
- During the year ended December 31, 2023, 280,000 options were forfeited.

NOTE 13 – WARRANTS AND SHARE-BASED PAYMENT RESERVE (CONTINUED)

Movements in the number of stock options outstanding and their related weighted average exercise prices are as follows:

	Number of Options	Weighted Average Exercise Price
	#	\$
<b>Balance – December 31, 2021</b>	<b>3,147,000</b>	<b>0.32</b>
Granted	3,760,000	0.42
Forfeited	(668,334)	0.50
Cancelled	(840,000)	0.32
Exercised	(16,666)	0.20
<b>Balance – December 31, 2022</b>	<b>5,382,000</b>	<b>0.37</b>
Granted	2,530,000	0.07
Forfeited	(280,000)	0.35
<b>Balance – December 31, 2023</b>	<b>7,632,000</b>	<b>0.27</b>

At the initial recognition date, the Company fair valued the options using the Black-Scholes option pricing model with the following weighted average assumptions:

Stock price	\$0.04 to \$0.11
Expected life (in years)	1 to 5
Expected annual volatility	110%
Expected dividend yield	0%
Risk-free interest rate	2.90% to 4.49%
Expected forfeiture rate	0%

During the year ended December 31, 2023, the Company recorded share-based compensation expense of \$303,202 (2022: \$440,805) in the statement of loss and comprehensive loss. The Company made a judgment on the expected annual volatility used in the Black-Scholes calculation due to the early stage of development of the industry and wide swings in values of digital assets and NFTs that the Company works with. Stock options outstanding and exercisable as at December 31, 2023 are as follows:

As of December 31, 2023

Range of Exercise Prices	Number of Options		Weighted Average Contractual Life	Weighted Average Exercise Price	Number of Options		Weighted Average Exercise Price
	Outstanding				Exercisable		
\$	#	Years	\$	#	\$		
0.05	2,000,000	2.44	0.05	1,333,332	0.05		
0.10	180,000	3.53	0.10	60,000	0.10		
0.15	350,000	4.07	0.15	116,666	0.15		
0.20	2,028,000	2.55	0.20	2,003,015	0.20		
0.30	500,000	3.66	0.30	333,332	0.30		
0.40	1,430,000	3.50	0.40	953,330	0.40		
0.60	994,000	2.90	0.60	987,333	0.60		
1.00	150,000	3.18	1.00	150,000	1.00		
	<b>7,632,000</b>	<b>2.92</b>	<b>0.27</b>	<b>5,937,008</b>	<b>0.29</b>		

**NOTE 13 – WARRANTS AND SHARE-BASED PAYMENT RESERVE (CONTINUED)**

Stock options outstanding and exercisable as at December 31, 2022 are as follows:

**As of December 31, 2022**

Range of Exercise Prices	Number of Options Outstanding	Weighted Average Contractual Life	Weighted Average Exercise Price	Number of Options Exercisable	Weighted Average Exercise Price
\$	#	Years	\$	#	\$
0.20	2,028,000	3.55	0.20	1,377,000	0.20
0.30	500,000	4.67	0.30	—	0.30
0.35	280,000	4.71	0.35	—	0.35
0.40	1,430,000	4.50	0.40	476,665	0.40
0.60	994,000	5.92	0.60	704,000	0.60
1.00	150,000	4.18	1.00	—	1.00
	<b>5,382,000</b>	<b>4.42</b>	<b>0.37</b>	<b>2,557,665</b>	<b>0.35</b>

**C. Restricted share units (RSUs)**

	Number of RSUs	Weighted Average Price
	#	\$
<b>Balance – December 31, 2021</b>	<b>1,000,000</b>	<b>0.0001</b>
Vested and converted	(333,333)	0.0001
Forfeited	(666,667)	0.0001
<b>Balance – December 31, 2022 and 2023</b>	<b>—</b>	<b>—</b>

On April 22, 2021, the Company entered into an agreement with the former Chief Executive Officer of the Company whereby the Company issued 2,000,000 restricted share units (“RSU”) with a fair value of \$100. The Company will issue one common share for each RSU upon vesting. The RSU’s vest as follows: 1,000,000 vested upon execution of the agreement; 333,333 vested on April 22, 2022; 333,333 vested on October 22, 2022; and 333,334 vests on April 22, 2023. On July 20, 2022, the Company cancelled unvested 666,667 RSUs that were forfeited by the former CEO of the Company.

**D. Performance share units (PSUs)**

During the year ended December 31, 2023, the Company recognized share-based payments expense of \$12,000 related to PSUs issued (the year ended December 31, 2022 - \$321,316).

	Number of PSUs	Weighted Average Price
	#	\$
<b>Balance – December 31, 2021</b>	<b>1,100,000</b>	<b>0.60</b>
Vested and exercised	(1,100,000)	0.60
<b>Balance – December 31, 2022</b>	<b>—</b>	<b>—</b>
Issued	400,000	0.03
Vested and exercised	(400,000)	0.03
<b>Balance – December 31, 2023</b>	<b>—</b>	<b>—</b>

On May 25, 2022, the Company issued 1,100,000 common shares of the Company upon vesting of 1,100,000 PSUs due to completion of a go public transaction. On July 20, 2023, the Company issued 400,000 common shares of the Company upon vesting of 400,000 PSUs due to completion of a project.

**NOTE 14 – RELATED PARTY TRANSACTIONS AND BALANCES**

**Key management personnel compensation**

Key management personnel include those persons having authority and responsibility for planning, directing, and controlling the activities of the Company as a whole. The Company defines key management personnel as being the directors and key officers. The compensation awarded to key management personnel is as follows:

	December 31, 2023	December 31, 2022
	\$	\$
Management fees	283,042	417,844
Share-based payments	102,422	390,164
Director fees	—	19,700
<b>Total compensation</b>	<b>385,464</b>	<b>827,708</b>

The management and director fees owed to key management personnel:

As at:	December 31, 2023	December 31, 2022
	\$	\$
Executive Chairman	328,947	163,044
Former CEO	—	—
Director	—	—
<b>Total management fees payable included in trade payables and accrued liabilities balance</b>	<b>328,947</b>	<b>163,044</b>

**NOTE 15 - INCOME TAXES**

The total income tax recovery (expense) recorded in the financial statements differs from the amount computed by applying the combined federal and provincial tax rates of 27% (2022 – 27%) to loss before tax as follows:

	December 31, 2023	December 31, 2022
	\$	\$
Loss before taxes	(4,130,849)	(8,342,841)
Statutory income tax rate	27.00%	27.00%
<b>Expected recovery at statutory rate</b>	<b>(1,115,329)</b>	<b>(2,252,567)</b>
Increase (decrease) in taxes resulting from:		
Permanent differences and other	418,847	630,238
Change in rate	—	(779,698)
Change in unrecognized deferred income tax assets	696,482	2,402,027
<b>Income tax expense (recovery)</b>	<b>—</b>	<b>—</b>

**NOTE 15 - INCOME TAXES (continued)**

Deferred income tax assets are recorded to the extent that the realization of the related tax benefit is probable based on estimated future earnings. Deferred income tax assets have not been recognized with respect to the following deductible temporary differences:

	December 31, 2023	December 31, 2022
<b>Deferred income tax asset/(liability):</b>	<b>\$</b>	<b>\$</b>
Non-capital loss carried forward	2,989,743	2,472,559
Intangibles	166,336	166,336
Investments	179,740	1,576
Notes Receivables	140,633	137,933
Property, plant and equipment	1,362	2,928
Share issuance cost	156,737	156,738
Total gross deferred income tax assets	3,634,551	2,938,070
Unrecognized deferred income tax assets	(3,634,551)	(2,938,070)
<b>Net deferred tax assets/(liabilities)</b>	<b>–</b>	<b>–</b>

The Company has a non-capital loss of \$11,073,000 (2022 – \$9,158,000) which is available to reduce future year's taxable income. The non-capital loss expires in 2041 if not utilized. Management estimates future income using forecasts based on available current information.

**NOTE 16 – FINANCIAL INSTRUMENTS**

**Fair values**

When measuring the fair value of a financial asset, a financial liability and a digital asset, the Company uses observable market data as far as possible. Fair values are categorized into different levels in a fair value hierarchy based on the inputs in the valuation techniques as follows:

- Level 1 – Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 – Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 – Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

The following table illustrates the classification of the Company's financial instruments and digital assets within the fair value hierarchy as at December 31, 2023, and 2022 respectively.

As of December 31, 2023	Level 1	Level 2	Level 3	Total
	\$	\$	\$	\$
Digital assets	–	21,930	–	21,930
Investments	–	–	–	–
Advances for SAFTs	–	–	–	–
	–	<b>21,930</b>	–	<b>21,930</b>
As of December 31, 2022	Level 1	Level 2	Level 3	Total
	\$	\$	\$	\$
Digital assets	–	55,838	–	55,838
Investments	–	–	1,319,730	1,319,730
Advances for SAFTs	–	–	562,800	562,800
	–	<b>55,838</b>	<b>1,882,530</b>	<b>1,938,368</b>

## **NOTE 16 – FINANCIAL INSTRUMENTS (CONTINUED)**

### **Digital assets and risk management**

Digital assets are measured at fair value using the quoted price on <https://www.coingecko.com/>. The Company also confirms quoted price on <https://coinmarketcap.com/> to ensure accuracy. Any price difference is considered immaterial. Management considers this fair value to be Level 1 input under IFRS 13 Fair Value Measurement fair value hierarchy as these are quoted prices on active markets that the Company can access on the measurement date.

Digital assets prices are affected by various forces including global supply and demand, interest rates, exchange rates, inflation and deflation, and the global political and economic conditions. The profitability of the Company is directly related to the current and future market price of digital assets; in addition, the Company is not able to liquidate its holdings of digital assets at its desired price if required. A decline in the market prices for digital assets could negatively impact the Company's future operations. The Company has not hedged the conversion of any of its sales of digital assets. Digital assets have a limited history and the fair value historically has been very volatile. Historical performance is not indicative of their future performance.

As at December 31, 2023, had the market price of the Company's holdings of digital assets increased or decreased by 10% with all other variables held constant, the corresponding asset value increase or decrease respectively would amount to approximately \$2,193 (as at December 31, 2022- \$5,584).

### **Investments and risk management**

Investments are made up of investments in: SHIMA 11NCH SPV, Realfevr, and Unocoin. The Company considers it Level 3, as the fair value techniques used the lowest level of input which was unobservable. These estimates are subjective in nature and involve uncertainties and matters of significant judgment and, therefore, cannot be determined with precision. Change in assumptions could significantly affect the estimates. Refer to note 11 for additional details.

Investment valuations are affected by various factors including financial position, results from operations and foreseeable future cash flows from operations of investees. Investees have limited history of operations and there is no certainty that their strategic objectives and goals will be achieved, and there is no guarantee that shareholders' value will increase or be sustained even if these strategic objectives and goals are achieved. Management recognizes and monitors performance of investees and makes appropriate adjustments to the assumptions and valuation model, if necessary. The investments valuations are susceptible to high volatilities and actual fair values may significantly differ from management's estimates. Refer to note 4, under financial instruments for the summary of the classification of the Company's financial instruments under IFRS 9.

### **Capital and Risk Management**

The Company's objective and policies for managing capital are to safeguard its ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital. The Company manages its capital structure and makes changes based on economic conditions, risks that impact the operations and future significant capital investment opportunities. In order to maintain or adjust its capital structure, the Company may issue new equity instruments or raise additional debt financing. The Company is exposed to a variety of financial risks by virtue of its activities: market risk, interest rate risk, liquidity risk, and foreign currency risk. The Board of Directors has overall responsibility for the determination of the Company's capital and risk management objectives and policies while retaining ultimate responsibility for them. The Company's overall capital and risk management program has not changed throughout the period. It focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on financial performance. The finance department identifies and evaluates financial risks in close cooperation with management. The identified risks are managed by implementing processes and controls that reduce the likelihood of occurrence through preventive measures.

### **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 is not exposed to market interest rate risk.

**NOTE 16 – FINANCIAL INSTRUMENTS (CONTINUED)**

The promissory note payable is measured at fair value using a discounted cash flow model. Given the lack of observable market inputs, the valuation is classified as Level 3 in the fair value hierarchy. Key assumptions include a discount rate of 12% based on management’s estimate of the entity’s credit risk and market conditions.

**Liquidity risk**

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company generally relies on external financing or key management to provide sufficient liquidity to meet budgeted operating requirements. The following tables set forth details of the payment profile of financial liabilities based on their undiscounted cash flows as December 31, 2023, and 2022:

December 31, 2023	Total carrying amount	Contractual cash flows	Less than 1 year	1 to 5 years	More than 5 years
	\$	\$	\$	\$	\$
Trade payables and accrued liabilities	1,031,009	1,031,009	1,031,009	—	—
<b>Total</b>	<b>1,031,009</b>	<b>1,031,009</b>	<b>1,031,009</b>	<b>—</b>	<b>—</b>

December 31, 2022	Total carrying amount	Contractual cash flows	Less than 1 year	1 to 5 years	More than 5 years
	\$	\$	\$	\$	\$
Trade payables and accrued liabilities	270,748	270,748	270,748	—	—
<b>Total</b>	<b>270,748</b>	<b>270,748</b>	<b>270,748</b>	<b>—</b>	<b>—</b>

Taking into consideration the Company’s current cash position, volatile equity markets, global uncertainty in the capital markets and increasing cost pressures, the Company is actively seeking new financing opportunities in accordance with its capital risk management strategy.

**Foreign currency risk**

Foreign currency risk is defined as the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Company maintains financial instruments and enters into transactions denominated in foreign currencies, principally in USD and Euro, which exposes the Company to fluctuating balances and cash flows due to various in foreign exchange rates. The table below indicates the foreign currencies to which the Company has significant exposure as at December 31, 2023, and 2022 in Canadian dollar terms:

	December 31, 2023	December 31, 2022
	\$	\$
Cash	128	18,040
Trade payables and accrued liabilities	(284,133)	(36,509)
<b>Net monetary assets</b>	<b>(284,005)</b>	<b>(18,469)</b>

Assuming all other variables remain constant, a fluctuation of +/- 5.0% in the exchange rate between CAD and USD would impact the net loss by approximately \$14,000 in the year ended December 31, 2023. In addition, the Company is exposed to Euro and CAD currency fluctuations through its investment Euro in Realfevr. As of December 31, 2023, the Company is exposed by \$nil (2022: \$1,319,730).

**Stable Infrastructure Inc. (Formerly NFT Technologies Inc.)**  
**Notes to the Financial Statements**  
**For the Years Ended December 31, 2023, and 2022**  
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**NOTE 17– GENERAL AND ADMINISTRATION EXPENSES**

	Note	December 31, 2023	December 31, 2022
		\$	\$
Salaries, wages and benefits		604,258	1,040,508
Professional and consulting fees		572,597	1,574,613
Office costs		399,312	388,124
Share-based payments	13 (b)	303,202	1,493,865
Depreciation		9,620	8,908
Business development		—	4,805
<b>Total expenses</b>		<b>1,888,989</b>	<b>4,510,823</b>

**NOTE 18 – SALES AND MARKETING**

	December 31, 2023	December 31, 2022
	\$	\$
Advertising	84,344	381,503
Investor and marketing communication	61,678	303,951
Website hosting	2,979	39,829
Travel	59	77,330
Product design and other marketing expense	—	389,087
<b>Total</b>	<b>149,060</b>	<b>1,191,700</b>

**NOTE 19 – TRADE PAYABLE AND ACCRUED LIABILITIES**

	December 31, 2023	December 31, 2022
	\$	\$
Trade payables	1,012,393	264,161
Accrued liabilities	18,616	6,587
	<b>1,031,009</b>	<b>270,748</b>

**NOTE 20 – CAPITAL MANAGEMENT**

The Company manages its capital to maintain its ability to continue as a going concern and to provide returns to shareholders and benefits to other stakeholders. The capital structure of the Company consists of equity comprised of issued share capital, shareholder contribution, warrant and option reserve, deficit and accumulated other comprehensive income. The Company manages its capital structure and makes adjustments to it in light of economic conditions. The Company, upon approval from its Board of Directors, will balance its overall capital structure through new share issuances or by undertaking other activities as deemed appropriate under the specific circumstances. The Company is not subject to externally imposed capital requirements and the Company's overall strategy with respect to capital risk management is consistent with the year ended December 31, 2023.

**NOTE 21 – LOSS PER SHARE**

Basic loss per share is computed by dividing the net loss for the year by the weighted average number of shares outstanding. Diluted loss per share is calculated in a similar manner, except that the weighted average number of shares outstanding is increased to include potentially issuable shares from the assumed exercise of share purchase options and warrants, if dilutive. The diluted loss per share calculation excludes any potential conversion of options, warrants, and convertible debt that would increase earnings per share or decrease loss per share.

**Stable Infrastructure Inc. (Formerly NFT Technologies Inc.)**  
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**NOTE 21 – LOSS PER SHARE (CONTINUED)**

	December 31, 2023	December 31, 2022
	#	#
Weighted average share	98,328,065	76,325,669
	\$	\$
Net loss	(4,130,849)	(8,342,841)
Basic and diluted loss per share	(0.04)	(0.11)

**NOTE 22 – SEGMENT REPORTING**

The Company operates in one operating segment. For the purpose of segment reporting, the Company's Executive Chairman is the Chief Operating Decision Maker. The determination of the Company's operating segment is based on its organization structure and how the information is reported to the Executive Chairman on a regular basis.

The Company's non-current assets by country are as follows:

	December 31, 2023	December 31, 2022
	\$	\$
Portugal	—	1,319,730
USA	21,930	55,838
Canada	9,364	18,984
<b>Total non-current assets</b>	<b>31,294</b>	<b>1,394,552</b>

**NOTE 23 – SUPPLEMENTAL CASH FLOW INFORMATION**

	Note	December 31, 2023	December 31, 2022
		\$	\$
Cash paid for taxes		—	—
Cash paid for interest		—	—
Cash received for interest		—	—
Share issued for investment	11	—	500,000
Share issued for intangible assets	26	—	1,212,122
Shares issued on vesting of RSUs	13	—	33
Shares issued on vesting of PSUs	13	12,000	660,000

**NOTE 24 – PREPAID EXPENSES AND DEPOSITS**

	December 31, 2023	December 31, 2022
	\$	\$
Insurance	54,863	86,894
General and administration	16,963	16,383
	<b>71,826</b>	<b>103,277</b>

#### NOTE 25 – NOTE RECEIVABLE

During the year ended December 31, 2022, the Company advanced \$1,017,000 to Sherwa, evidenced by a promissory note issued by Sherwa to the Company in the amount of \$1,017,000, bearing interest at 1.0% per annum, and secured by a founding shareholder's guarantee and pledge of 5,000,000 Sherwa Shares, representing approximately 39.03% of the total Sherwa shares. The accrued interest of \$4,728 was recognized in the statement of loss and comprehensive loss in the year ended December 31, 2022. An impairment test was conducted on the note receivable based on the expected credit loss approach under IFRS 9. Due to the uncertainty surrounding its recoverability due to Sherwa's liquidity crunch and inadequate assets, the Company decided to record a full impairment of \$1,021,728 which resulted in carrying value of \$nil as at December 31, 2022.

#### NOTE 26 – INTANGIBLE ASSETS

The Company entered the Fuku Purchase Agreement on March 17, 2022, pursuant to which the Company acquired from the vendor thereunder, all of such vendor's right, title and interest to the protocol and source code associated with the development of the Fuku Marketplace, together with all intellectual property rights associated therewith (collectively, the "Fuku Assets"). The total purchase price for the Fuku Assets was agreed between the Company and vendor as 1,212,122 common shares of the Company at \$1.00 per common share, which was based the recent private placement at that time. In addition, the Company incurred \$20,000 in transactions costs which were added to the asset value. The management concluded that this acquisition does not constitute a business combination, therefore an asset acquisition accounting was applied accordingly.

The Company incurred \$350,620 of research and development costs which were expensed and were included in research and development in the statement of loss. Given the recent high volatility of crypto markets, the Company has deferred the launch of Fuku tokens.

Intangible assets are subject to an annual impairment test on Fuku Assets in accordance with IAS 36. The company used the Value in Use to measure the fair value of Fuku Assets. The result of this analysis was the recoverable amount was less than the carrying value, therefore impairment was necessary. The impairment was \$1,232,122 (based on the income approach) for the year, which resulted in a carrying value of \$nil as of December 31, 2022. Discount rate of return utilized in value in use was model was 34%.

On March 30, 2023 the parties to the agreement provide their mutual consent for the termination of the agreement provided by no later than April 13, 2023, the Company shall pay the investor an amount of 60,000 USDT (i.e 30% of the initial purchase consideration paid under the agreement).

#### NOTE 27 – REVENUE

The Company's operations and main revenue streams are described in Note 4. The Company's revenues cannot be disaggregated by geography as the counterparty's jurisdiction is not readily identifiable. All revenue was earned at a point in time. Revenues by different businesses are disclosed below:

	December 31, 2023	December 31, 2022
	\$	\$
NFT sales	—	41,581
Auction fee sharing	—	32,632
Play-to-earn gaming (Gaming Guild)	—	20,666
<b>Total revenue</b>	<b>—</b>	<b>94,879</b>

**NOTE 28 – LISTING COST**

	December 31, 2023	December 31, 2022
	\$	\$
Professional fees	—	285,851
Initial public offering cost	—	266,349
Private placement fees	—	25,594
Amortization of listing fees	—	3,198
<b>Total</b>	<b>—</b>	<b>580,992</b>

**NOTE 29 – CONTINGENCIES**

The Company is involved in the legal proceedings initiated by a conglomerate entity (“the entity”) in the U.S., arising due to one software development agreement entered by a former CEO, without proper internal authorization. The contract led to unexpected obligations, and subsequently the Company entered into a settlement agreement which required the former CEO to indemnify the Company for related claims.

In July 2023, the entity filed a claim for US \$127,000 in the U.S. District Court and due to a clerical error, the resulting court notice was not delivered to the Company, and a default judgment was issued in the U.S. in January 2025. The claim amount is fully provided for in Trade payables and accrued liabilities. The entity is now seeking to enforce the judgment in the Supreme Court of British Columbia.

The Company has filed a third-party claim against the former CEO and is pursuing a motion to set aside the U.S. default judgment. The matter remains under review, and the Company continues to pursue resolution through legal channels.

It is not currently possible to predict the outcome of this litigation. The Company remains vigilant in assessing its position concerning the lawsuit and related financial implications and will continue to evaluate the adequacy of accruals or provisions associated with this matter and make any necessary adjustments as new information becomes available or circumstances evolve.

**Note 30 COMMITMENTS**

On November 5, 2021, the Company entered into an advisory services agreement (the “ECMB Agreement”) with ECMB Capital Partners Inc. (“ECMB”), pursuant to which the Company agreed to pay to ECMB, in exchange for investor relation services provided by ECMB during the term: (i) a corporate finance fee in amounts equal to one percent (1%) of the gross proceeds of the placement of equity or debt received by the Company as a result of introductions made by or transactions managed by ECMB; (ii) a strategic transaction fee in amounts equal to six percent (6%) of the gross proceeds received by the Company in connection to any strategic transaction initiated by ECMB, including, but not limited to, mergers, acquisitions, and strategic agreements; and (iii) an option (the “ECMB Option”) to purchase up to 51,000 common shares in the Company following any public offering by the Company (“Potential Offering”).

The exercise price of the ECMB Option shall be the lesser of either the published common share offering price under a Potential Offering or \$0.60. The ECMB Option is payable to ECMB within thirty (30) days of any public offering, exercisable for a period of a two-year, and shall be issued in thirds (17,000 units per issuance) with six (6) month periods between issuances. The term of the ECMB Agreement is for twelve months, with an automatic renewal for an additional twelve months.

**NOTE 31 - SUBSEQUENT EVENTS**

The Company’s management has evaluated subsequent events up to September 8, 2025, the date the financial statements were issued and identified the following event to report:

As explained in Note 1, the Company changed its name to Stable Infrastructure Inc. on September 4, 2025.

In June 2024, the Company entered into a promissory note agreement with a related party, a member of the Board of Directors, for USD 75,000 (approximately CAD 123,934). The note matures in December 2025.