

Liquid Meta Capital Holdings Ltd.

Financial Statements

For the Years Ended May 31, 2025 and 2024

(Expressed in U.S. dollars)

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Independent Auditor's Report

To the Shareholders of Liquid Meta Capital Holdings Ltd.

Opinion

We have audited the financial statements of Liquid Meta Capital Holdings Ltd. (the "Company"), which comprise the statements of financial position as at May 31, 2025 and May 31, 2024 and the statements of income and comprehensive income, changes in shareholders' equity and cash flows for the years then ended, and notes to the financial statements, including a summary of material accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at May 31, 2025 and May 31, 2024, and its financial performance and its cash flows for the years then ended in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board.

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.

Other Information

Management is responsible for the other information. The other information comprises:

- Management's Discussion and Analysis

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

In connection with our audit of the financial statements, our responsibility is to read the other information 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 the other information 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 in this auditor's report. 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 Standards 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.

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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.

Crowe Mackay LLP

Chartered Professional Accountants
Vancouver, Canada
September 15, 2025

Liquid Meta Capital Holdings Ltd.
Statements of Financial Position
As at May 31, 2025 and 2024
(Expressed in U.S. dollars)

	Notes	As at May 31, 2025	As at May 31, 2024
		$	$
Assets			
Current			
Cash and cash equivalents	6	6,220,446	3,756,086
USD coin		-	617
Digital assets - inventories	7	-	237,000
Amounts receivable	5, 6	37,119	99,368
Notes receivable	5	-	2,000,000
Prepaid expenses		31,128	31,937
Total assets		**6,288,693**	**6,125,008**
Liabilities			
Current			
Accounts payable and accrued liabilities	13	94,744	74,122
Total liabilities		**94,744**	**74,122**
Shareholders' equity			
Share Capital	8	13,738,435	13,738,435
Options Reserve	8	3,795,917	3,795,917
Warrants Reserve	8	1,230,322	1,230,322
Accumulated Deficit		(12,570,725)	(12,713,788)
Total shareholders' equity		**6,193,949**	**6,050,886**
Total liabilities and shareholders' equity		**6,288,693**	**6,125,008**

Subsequent events (note 16)

These financial statements were approved for issuance on September 15, 2025, by the Board of Directors and signed on its behalf by:

/s/ Jonathan Wiesblatt (signed)
CEO

/s/ Sendy Shorser (signed)
CFO

	Notes	Year ended May 31, 2025	Year ended May 31, 2024
		$	$
Revenue			
Net realized gain on digital assets	9	9,736	104,809
Net realized gain and revenues earned from providing liquidity in liquidity pools	10	-	139,441
Interest income		422,651	303,968
		432,387	**548,218**
Expenses			
Impairment recovery on financial assets – net	11	-	1,428,099
Share-based compensation	8, 13	-	(35,767)
Professional fees	13	(243,853)	(283,483)
General and administrative expenses		(39,638)	(59,728)
Regulatory fees		-	(21,052)
Information technology		-	(1,655)
Penalties and settlements		(2,662)	(1,110)
Advertising, marketing and investor relations		-	(8,241)
Direct transaction costs		-	(43)
Depreciation		-	(3,228)
Exchange loss		(3,171)	(4,110)
		289,324	**(1,009,682)**
Net Income and comprehensive Income		**143,063**	**1,557,900**
Basic income per common share		**0.00**	**0.03**
Diluted income per common share		**0.00**	**0.03**
Weighted average number of common shares outstanding – basic		**53,837,246**	**53,837,246**
Weighted average number of common shares outstanding – diluted		**53,837,246**	**53,837,246**

Liquid Meta Capital Holdings Ltd.
Statements of changes in Shareholders' Equity
For the years ended May 31, 2025 and 2024
(Expressed in U.S. dollars)

		Share Capital		Reserves			
	Notes	Number of shares	Amount	Options	Warrants	Deficit	Total
		#	$	$	$	$	$
Balance as at May 31, 2023		53,837,246	13,738,435	3,760,150	1,230,322	(14,271,688)	4,457,219
Share-based compensation	8	-	-	35,767	-	-	35,767
Net income and comprehensive income		-	-	-	-	1,557,900	1,557,900
Balance as at May 31, 2024		53,837,246	13,738,435	3,795,917	1,230,322	(12,713,788)	6,050,886

		Share Capital		Reserves			
	Notes	Number of shares	Amount	Options	Warrants	Deficit	Total
		#	$	$	$	$	$
Balance as at May 31, 2024		53,837,246	13,738,435	3,795,917	1,230,322	(12,713,788)	6,050,886
Net income and comprehensive income		-	-	-	-	143,063	143,063
Balance as at May 31, 2025		53,837,246	13,738,435	3,795,917	1,230,322	(12,570,725)	6,193,949

The accompanying notes are integral to the financial statements

Liquid Meta Capital Holdings Ltd.
Statements of Cash Flows
For the years ended May 31, 2025 and 2024
(Expressed in U.S. dollars)

	Notes	Year ended May 31, 2025	Year ended May 31, 2024
		$	$
OPERATING ACTIVITIES			
Net income for the year		143,063	1,557,900
Adjustments for non-cash items:			
Share-based compensation	8	-	35,767
Depreciation		-	3,228
Equipment write-down		-	2,025
Net realized gain on providing liquidity in liquidity pools	10	-	(139,441)
Unrealized gain on digital assets - inventories		-	(90,440)
Changes in operating assets and liabilities:			
USD coin		617	703
Digital assets - inventories		237,000	(274)
Amounts receivable		62,249	(87,302)
Prepaid expenses		809	24,429
Accounts payable and accrued liabilities		20,622	(139,072)
Digital asset loans payable – USD coin		-	(7,103)
Cash flows from operating activities		**464,360**	**1,160,420**
Investing Activities			
Notes receivable		2,000,000	(2,000,000)
Cash flows from (used in) investing activities		**2,000,000**	**(2,000,000)**
Net increase (decrease) in cash and cash equivalents		2,464,360	(839,580)
Cash and cash equivalents, beginning of year		3,756,086	4,595,666
Cash and cash equivalents, end of year		**6,220,446**	**3,756,086**
Supplemental cash flow information			
Cash received for interest income		$484,900	$215,155

1. NATURE OF OPERATIONS

Liquid Meta Capital Holdings Ltd. ("Liquid Meta" or the "Company") was incorporated under the laws of British Columbia on January 6, 2020. On December 21, 2022, the Company announced that it initiated a process to evaluate potential strategic alternatives and that it was pausing the development of its proprietary software and tools to access, automate, and scale operations within the decentralized finance ("DeFi") segment of the cryptocurrency industry. On March 9, 2023, the Company further announced that its Board of Directors had concluded the initial phase of its previously announced strategic review process, as disclosed in the Company's press release dated December 21, 2022. In May 2023, as part of its strategic review, the Board determined that it is desirable and in the best interest of the Company to discontinue the operations of the Company's crypto liquidity business and discontinue the development of the Company's MetaBridge technology, following which the Company will have no active business operations.

The Company's registered address is 700-401 West Georgia Street, Vancouver, British Columbia, V6B 5A1.

These financial statements were approved and authorized for issuance by the Board of Directors on September 15, 2025.

On December 22, 2021, the Company's common shares were listed on the CBOE Exchange Inc. (the "CBOE") under the symbol "LIQD". On December 23, 2024, the Company's common shares were delisted from the CBOE.

On January 17, 2024, the company entered into a binding LOI with Cellview Imaging Inc. ("Cellview") regarding the acquisition of all of the issued and outstanding shares of Cellview by the Company that would result in a reverse take-over of the Company by Cellview. On, August 9, 2024, the Company terminated the LOI with Cellview. Refer to Note 5 for further details.

2. BASIS OF PRESENTATION

(a) Statement of Compliance

The financial statements including comparatives, have been prepared in accordance with IFRS Accounting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB"). The policies applied to the financial statements are based on IFRS, which have been applied consistently to all periods presented.

(b) Basis of measurement

The financial statements have been prepared on a going concern basis, under the historical cost convention, except for certain financial instruments measured at fair value upon initial recognition.

(c) Functional and presentation currency

The financial statements are presented in United States dollars, which is the Company's functional and presentational currency.

(d) Standards issued but not yet effective

The following accounting standards have been issued and are applicable to the Company for its annual period beginning on June 1, 2027, with an earlier application permitted:

- IFRS 18 presentation and disclosure in financial statements.

The Company is currently evaluating the impacts of adopting these amendments on its financial statements.

3. MATERIAL ACCOUNTING POLICIES

(a) Foreign Currency

The Company determines its functional currency as the currency of the primary economic environment in which the entity operates.

Transactions in foreign currencies are translated to the respective functional currencies at exchange rates at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies at the reporting date are translated to the functional currency at the exchange rate at that date. The foreign currency gain or loss resulting from the settlement of such transactions and from the translation at the reporting date of monetary assets and liabilities denominated in foreign currencies are recognized in profit or loss.

(b) Cash and cash equivalents

Cash and cash equivalents include all cash on demand and all highly liquid investments with a maturity of three months or less, at the time of purchase.

(c) Digital assets

Digital assets are obtained from the Company's purchased cryptocurrencies through third party exchanges and from its rewards from different blockchains. The Company has assessed that it acts in a capacity as commodity broker trader as defined in IAS 2, *Inventories* ("IAS 2"), in characterizing these digital assets as they are principally acquired for the purpose of selling in the near future and generating a profit from fluctuations in price or broker-traders' margin. These assets are measured at fair value less cost to sell with changes in fair value recognized in profit or loss. Costs are determined on a weighted average cost basis and realized gains or losses when digital assets are sold.

The Company values its digital currency inventories based on the average quoted rates from various cryptocurrency exchanges. Closing prices were manually taken between 10PM to 11PM Eastern Standard Time. The Company believes any price difference between the principal market and the average of quoted rates to be immaterial. Management considers this fair value to be a level 2 input under IFRS 13 *Fair Value Measurement* ("IFRS 13") fair value hierarchy as the price on this source represents the average quoted prices on multiple cryptocurrency exchanges.

The Company's determination to classify its holding of cryptocurrencies as current assets is based on management's assessment that Company actively trades these cryptocurrencies to generate a profit from price fluctuations.

USD coin is classified as a financial instrument in accordance with IFRS 9 on the basis that one USD coin can be redeemed for one U.S. dollar on demand from the issuer. It has been presented as a separate line on the statements of financial position.

(d) Financial instruments

Financial assets

Initial recognition and measurement

Financial instruments classified as fair value through profit or loss ("FVTPL") are initially and subsequently measured at fair value.

Financial instruments classified as at amortized costs are initially measured at fair value and subsequently measured using the effective interest method.

(e) Revenue recognition

Revenue is recognized at an amount that reflects the consideration to which the Company is expected to be entitled in exchange for transferring goods or services to a customer. IFRS 15 is applied by analogy, since there is no formal contract present when interacting with decentralized applications. For each contract with a customer, the Company: identifies the contract with a customer; identifies the performance obligations in the contract; determines the transaction price which takes into account estimates of variable consideration and the time value of money; allocates the transaction price to the separate performance obligations on the basis of the relative stand-alone selling price of each distinct good or service to be delivered; and recognizes revenue when or as each performance obligation is satisfied in a manner that depicts the transfer to the customer of the goods or services promised.

Revenue from rewards earned from providing liquidity in liquidity pools

The Company engages in liquidity mining activities where it acts as a liquidity provider and deposits certain tokens into certain DeFi platforms' liquidity pools. Transactions within liquidity pools are governed by a self-executing code referred to as a smart contract.

In liquidity mining, the Company earns rewards from providing liquidity in liquidity pools and share in trading fees earned by liquidity pools. The share in trading fees is a component of rewards earned from providing liquidity in liquidity pools. A certain percentage of trading fees on DeFi platforms are automatically fed back into the liquidity pools to make the pools more valuable over time. The liquidity pool providers will therefore earn their pro rata share of trading fees every time a trade is executed by the liquidity pools.

Depositing and holding liquidity pool tokens in a liquidity pool for a certain contract term represents one performance obligation. In determining the contract term, the Company considered the length of time during which the Company can monitor and can decide whether to exit from a reward pool and whether the Company has reasonable ability to do so. Every contract period, the Company will make a decision on whether to exit from the reward pool. This is done perpetually throughout the smart contract term, and it renews each and every contract period ("evergreen contract term") without any additional costs or penalties. Since the smart contract will renew without additional cost under the same terms, there is not a material right associated with the evergreen renewal clause. Therefore, the Company assessed that there are no material rights for future services granted under the contract.

The Company assessed that each contract renewal is considered as a contract modification. The Company further assessed that the contract modification is a separate contract because the modification results in a promise to deliver additional goods that are distinct (i.e. quantity of depositing and holding liquidity pool tokens in a liquidity pool); and an increase in the price of the contract by an amount of consideration that reflects the Company's stand-alone selling price for those goods (i.e. the amount of trading fees would be based on the portion of the total trading fees generated by the liquidity pools in which the Company's liquidity pool tokens are deposited in comparison to the all liquidity pools on the platform).

As the liquidity pool simultaneously receives and consumes the benefits provided by the Company's liquidity pool tokens, the Company has determined that its performance obligation is satisfied over time. Depositing and holding liquidity pool tokens in a liquidity pool represents a single performance obligation that represents a promise to transfer to the customer a series of distinct goods that are substantially the same and that have the same pattern of transfer to the customer.

The transaction price is the amount of consideration to which an entity expects to be entitled in exchange for transferring promised goods or services to a customer. The consideration promised in a contract with a customer may include fixed amounts, variable amounts, or both. When determining the transaction price relating to revenue from liquidity mining, the Company considered the effects of all of the following:

- Variable consideration,
- Constraining estimates of variable consideration,
- The existence of a significant financing component in the contract, and
- Non-cash consideration.

The consideration is all variable because rewards earned will be proportional to the total number of liquidity pool tokens staked. Because it is not probable that a significant reversal of cumulative revenue will not occur, the consideration is constrained until the Company is able to resolve the variable consideration, which occurs at the end of each contract period. Revenue from rewards earned from providing liquidity in liquidity pools is recognized over time (measured at the beginning of each contract period). The transaction consideration the Company receives is a non-cash consideration, which the Company measures at fair value by reference to the quoted market price of the rewards from providing liquidity and pair of tokens representing proportionate share in rewards multiple times a day at times (i.e. inception of the contract).

Interest income from digital currencies related to lending activities

From time to time, the Company loans out digital currencies to earn interest on these digital currencies. The loans are in both open and closed terms at varying interest rates. Interest rates are based on a percentage of the digital currencies loaned and are denominated in the related digital currencies.

Sale of digital assets

Sales of digital assets are recognized at the point in time when the Company has delivered the cryptocurrencies to the buyer's wallet accounts or to the decentralized platforms. The Company has control of the cryptocurrencies either in its custody or with the exchanges prior to the sale. Accordingly, the Company records the gain from the sale as revenue and is presented as net in the statements of loss and comprehensive loss.

(f) Share capital

Common shares are classified as shareholders' equity. Incremental costs directly attributable to the issue of common shares, options and warrants are recognized as a deduction from equity, net of tax, from the proceeds.

(g) Warrants

The Company follows the relative fair value method with respect to the measurement of common shares and warrants issued as units. The proceeds from the issuance of units are allocated between share capital and warrants. The warrant component is recorded in warrant reserve. Unit proceeds are allocated to common shares and warrants using the Black-Scholes option pricing model and the share price at the time of financing. If and when the warrants are exercised, consideration paid by the warrant holder, together with the amount previously recognized in warrant reserve, is recorded as an increase to share capital. For any warrants that do not vest upon issuance, a forfeiture rate is estimated on the grant date and is adjusted to reflect the actual number of warrants that vest. When warrants expire unexercised any fair value allocated to the warrants remain in warrants reserve.

(h) Stock options

Each tranche of an award with graded vesting periods is considered a separate grant at each grant date for the calculation of fair value, and the resulting fair value is amortized over the vesting period of the respective tranches. The fair value of the options granted is measured using the Black-Scholes option pricing model taking into account the terms and conditions upon which the options were granted, the estimated volatility, estimated risk-free rate and estimated forfeitures. The value of the options granted is recognized over the vesting period in share-based compensation expense in the statements of income (loss) and comprehensive income (loss), and in options reserve. Upon exercise, shares are issued from treasury and the amount reflected in options reserve is credited to share capital, along with any consideration paid. When options expire unexercised any fair value allocated to the options remain in options reserve.

(i) Earnings (loss) per share

Basic earnings (loss) per share is calculated by dividing the earnings (loss) available to common shareholders by the weighted average number of common shares outstanding during the period. Dilutive earnings per share reflect the potential dilution of securities that could share in the earnings of an entity. In periods where a net loss is incurred, potentially dilutive common shares are excluded from the loss per share calculation as the effect would be anti-dilutive and basic and diluted loss per common share is the same. Under the treasury stock method, the weighted average number of common shares outstanding used for the calculation of diluted earnings per share assumes that the proceeds to be received on the exercise of diluted stock options and warrants are used to repurchase common shares at the average price during the period.

4. CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS

Preparation of the financial statements requires management to make certain estimates, judgments and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and reported amounts of revenue and expenses during the reporting period. Actual outcomes could differ from these estimates. The financial statements include estimates which, by their nature, are uncertain. The impact of such estimates is pervasive throughout the financial statements and may require accounting adjustments based on future occurrences. Revisions to accounting estimates are recognized in the period in which the estimate is revised, and the revision affects both the current and future periods.

The areas which require management to make significant judgments, estimates and assumptions in determining carrying values include, but are not limited to:

(a) Functional currency

The functional currency of the Company has been assessed by management based on consideration of the currency and economic factors that mainly influence the Company's digital currencies, production and operating costs, financing, and related transactions. Specifically, the Company considers the currencies in which digital currencies are most denominated and the currencies in which expenses are settled, as well as the currency in which the Company receives or raises financing. Changes to these factors may have an impact on the judgment applied in the determination of the Company's functional currency.

(b) Going concern

Management assessed the going concern basis of accounting based on the current cash reserves. The Company's current cash reserves are sufficient for the Company to maintain current expenditure rates for at least the next 12 months.

5. Notes receivable

On January 17, 2024, the company entered into a binding LOI with Cellview regarding the acquisition of all of the issued and outstanding shares of Cellview by the Company that would result in a reverse take-over of the Company by Cellview ("the Transaction"). Pursuant to the Transaction, the holders of the issued and outstanding Cellview Shares shall receive such number of common shares in the capital of the Company for each Cellview Share held such that upon completion of the Transaction, shareholders of Cellview would hold approximately 75% of the issued and outstanding shares of the Resulting Issuer while the shareholders of Liquid Meta would hold approximately 25% of the issued and outstanding shares of the Resulting Issuer, subject to adjustment in certain circumstances.

In connection with the binding LOI, on January 17, 2024, the Company advanced a bridge loan of $1,000,000 to Cellview pursuant to the terms of a secured convertible promissory note entered into between Cellview and the Company. The note yields interest at a rate of 15% per annum and the principal and accrued and unpaid interest of this note will be due and payable 12 months following the date of issuance unless earlier converted into shares in the capital of Cellview upon the completion of certain liquidity events.

On March 7, 2024, pursuant to the terms of the binding LOI with Cellview and the certain escrow agreement entered into by the Company in connection therewith, the $1,000,000 disbursement advanced to the escrow agent was released to Cellview in exchange for the issuance of a subsequent secured convertible promissory note by Cellview.

Unless earlier converted into shares in the capital of Cellview upon the completion of certain liquidity events, the principal and accrued and unpaid interest of the above note will be due and payable on January 17, 2025 and yields interest at a rate of 15% per annum.

These notes were secured against the assets and property of Cellview.

Included in amounts receivable was interest of $91,233 accrued on the outstanding notes as of May 31, 2024.

On August 9, 2024, the Company terminated the LOI with Cellview.

On February 10, 2025, the Company received the full outstanding amount, including any related interest owing.

6. CASH AND CASH EQUIVALENTS

	2025	2024
	$	$
Cash at banks	14,366	76,086
Short-term deposits	6,206,080	3,680,000
	6,220,446	3,756,086

None of the deposits are redeemable. Included in amounts receivable is interest of $37,119 accrued on deposits that are outstanding but not redeemed as of May 31, 2025 (2024 - $8,135). Terms and details of the deposits open as of May 31, 2025 are as follows:

Investment date	Amount invested	Term	Interest rate	Maturity date
	$	Days	% per annum	
Mar 10, 2025	2,540,459	91	4.48	Jun 09, 2025
Apr 02, 2025	1,152,621	91	4.52	Jul 02, 2025
May 14, 2025	1,290,000	90	4.53	Aug 12, 2025
May 28, 2025	1,223,000	30	4.05	Jun 27, 2025

Terms and details of the deposits open as of May 31, 2024 are as follows:

Investment date	Amount invested	Term	Interest rate	Maturity date
	$	Days	% per annum	
May 09, 2024	2,480,000	32	5.10	June 10, 2024
May 28, 2024	1,200,000	62	5.19	July 29, 2024

7. DIGITAL ASSETS - INVENTORIES

The movement in digital assets held for the years ended May 31, 2025 and 2024 is as follows:

	$
Balance, May 31, 2023	6,845
Net realized gain and revenues earned from providing liquidity in liquidity pools	139,441
Net proceeds	(14,095)
Net realized gain on digital assets sold	14,369
Unrealized gain – net	90,440
Balance, May 31, 2024	237,000
Net proceeds	(246,736)
Net realized gain on digital assets sold	9,736
Balance, May 31, 2025	**-**

As of May 31, 2024, the Company's digital assets inventories consisted entirely of Solana tokens.

As of May 31, 2025, the Company held no digital assets.

8. SHAREHOLDERS' EQUITY

(a) Authorized

The authorized capital of the Company consists of an unlimited number of common shares.

(b) Issued

No shares were issued for the year ending May 31, 2025 or 2024.

(c) Stock options

The Company has established a share option plan (the "Option Plan") for directors, officers, employees, and consultants of the Company. The Company's Board of Directors determines, among other things, the eligibility of individuals to participate in the Option Plan, the term and vesting periods, and the exercise price of options granted to individuals under the Option Plan. The total number of shares available for grant shall not exceed 15% of the total issued and outstanding common shares (on a non-diluted basis), with the max term of any option granted being ten years.

The movement in stock options for the year ended May 31, 2025 and the year ended May 31, 2024 is summarized as follows:

	Outstanding	**Weighted average exercise price**
	#	$
Balance, May 31, 2023	775,755	0.29
Options granted	970,000	0.06*
Options cancelled	(775,755)	0.29
Balance, May 31, 2024 and 2025	**970,000**	**0.06**

The fair value of the stock options were determined using the Black-Scholes valuation model through a "waterfall" using a series of simultaneous options models.

At the time of issuance in 2024, management made the following assumptions: Nil dividends, 156% volatility; risk-free rate of 4.10%.

The following table is a summary of the Company's options outstanding as at May 31, 2025:

As at May 31, 2025		
Outstanding	Exercise price	Expiry date
#	$	
970,000	0.06*	August 8, 2028

*These options were granted with an exercise price of $0.075 CAD.

For the year ended May 31, 2025, the Company recorded net share-based compensation of $nil on stock options and $3,795,917 was cumulatively recognized in options reserve as at that date. For the year ended May 31, 2024, $35,767 was recognized in options reserve and share-based compensation.

(d) Warrants

The movement in warrants for the years ended May 31, 2025 and May 31, 2024 is summarized as follows:

	Outstanding	**Weighted average exercise price**
	#	$
Balance, May 31, 2023	1,519,036	0.79
Expired	(1,081,992)	(1.00)
Balance, May 31, 2024	**437,044**	**0.28**
Balance, May 31, 2025	**437,044**	**0.28**

The following table is a summary of the Company's warrants outstanding as at May 31, 2025:

As at May 31, 2025		
Outstanding	Exercise price	Expiry date
#	$	
437,044	0.28	May 1, 2026

(e) Escrowed Securities

As per the Escrow Agreement signed on December 17, 2021, between the Company and Odyssey Trust Company in connection with the RTO, the Company's 21,218,097 shares and 775,755 options beneficially owned by certain directors and officers of the Company were placed in escrow with an escrow agent. ¼ of these shares and options were released on December 20, 2021. The remaining escrowed securities were released from escrow as follows:

- 1/3 of the remaining escrowed securities were released on June 20, 2022;
- 1/2 of the remaining escrow securities were released on December 20, 2022; and
- Any remaining escrow securities were released on June 20, 2023.

As of May 31, 2025 and 2024, no common shares were held in escrow.

9. NET REALIZED GAIN (LOSS) ON DIGITAL ASSETS

Components of net realized gain (loss) on digital assets are as follows:

	2025 $	2024 $
Net realized gain (loss) on sale of digital assets	9,736	14,369
Unrealized gain (loss) – net	-	90,440
	9,736	104,809

10. NET REALIZED GAIN (LOSS) AND REVENUES EARNED FROM PROVIDING LIQUIDITY IN LIQUIDITY POOLS

Components of Net realized gain (loss) and revenues earned from providing liquidity in liquidity pools are as follows:

	2025 $	2024 $
Rewards earned from providing liquidity in liquidity pools	-	139,241
Net realized loss on sale of LP tokens	-	(2,392)
Unrealized gain on LP/Crema tokens	-	2,592
	-	139,441

11. RECOVERY OF FINANCIAL ASSETS - NET

	2025 $	2024 $
FTX Losses Recovery	-	(1,428,099)

The Company recognized $3,824,509 in losses due to the write-off of net USD held in FTX as of November 11, 2022, following FTX’s bankruptcy filing.

In November 2023, Liquid Meta successfully transferred its claim against FTX Trading Ltd to a third party. In exchange for Liquid Meta’s net claim for the full value of the loss, Liquid Meta received $1,428,099 in cash.

12. INCOME TAX

The following table reconciles income tax recovery calculated at the basic Canadian corporate tax rate with the income taxes recorded in these financial statements, if any:

	2025 $	2024 $
Income before income taxes	143,063	1,557,900
Combined federal and provincial income tax rate	27%	27%
Income tax expense at statutory rate	38,627	420,633
Non-deductible expenses	-	10,000
True up and other	67,000	12,000
Change in unrecognized deferred tax assets	(105,627)	(442,633)
Income taxes	-	-

The company has unrecognized deductible temporary differences and tax loss as follows:

	2025 $	2024 $	Expiry
Non-capital loss carryforward	7,656,000	7,527,000	2042-2045
Share issuance costs	726,000	1,238,000	2026-2027
Eligible capital expenditures	37,000	41,000	None
	8,419,000	8,806,000	

13. RELATED PARTY TRANSACTIONS

Key management includes personnel having the authority and responsibility for planning, directing and controlling the Company as a whole. The Company has determined its key management personnel to be executive officers and directors of the Company.

a) Included in accounts payable and accrued liabilities as at May 31, 2025 is $nil payable and accrued to officers of the Company (May 31, 2024 - $10,986).

b) Included in professional fees, are expenses for the year ended May 31, 2025 of $173,314 incurred with officers of the Company (2024 - $162,866).

c) Included in the share-based compensation for the year ended May 31, 2025 is $nil incurred with directors and officers of the Company (2024 – $35,767).

14. CAPITAL MANAGEMENT

The Company's capital management objectives are to preserve capital, especially during difficult macro-economic environments. The Company can at times increase its cash and cash equivalents on its statement of financial position to preserve its financial integrity. The Company defines capital as the aggregate of its share capital and borrowings.

The Company manages its capital structure in accordance with changes in economic conditions. To maintain or adjust its capital structure, the Company may elect to issue or repay financial liabilities, issue shares, repurchase shares, pay dividends or undertake any other activities as deemed appropriate under specific circumstances. The Company is not subject to any externally imposed capital requirements. There is no change in capital management during the current year.

The management of the Company reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company, is reasonable.

15. FINANCIAL INSTRUMENTS

	As at May 31, 2025	As at May 31,2024
	$	$
Financial assets		
FVTPL, measured at fair value		
Notes receivable	-	2,000,000
Financial assets, measured at amortized cost:		
Cash and cash equivalents	6,220,446	3,756,086
Amounts receivable	37,119	99,368
USD coin	-	617
Financial liabilities, measured at amortized cost:		
Accounts payable and accrued liabilities	94,744	74,122

The Company has determined the estimated fair value of its financial instruments, if any, based on appropriate valuation methodologies; however, considerable judgment is required to develop these estimates. The fair values of the Company's financial instruments, if any, are not materially different from their carrying values.

Financial instruments that are measured subsequent to initial recognition at fair value are grouped in levels 1 to 3 of the fair value hierarchy based on the degree to which inputs used in measuring fair value is observable:

Level 1 – quoted prices (unadjusted) in active markets for identical assets or liabilities. There are no financial instruments measured at fair value which are classified as Level 1.

Level 2 – inputs other than quoted prices included in level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices). There are no financial instruments measured at fair value which are classified as level 2.

Level 3 – inputs for the asset or liability that are not based on observable market data (unobservable inputs). The Company's level 3 financial instruments are restricted to notes receivable. The convertible promissory notes of a privately held company are not quoted on an exchange. Management believes that the fair value of the notes receivable have not changed since the initial purchase cost (refer to note 5).

Risk exposure and management

The Company's financial instruments are exposed to certain financial risks, which include the following:

(a) ***Credit risk***

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Company. The maximum exposure to credit risk at the reporting date to recognized financial assets is the carrying amount of cash and cash equivalents and amounts receivable as disclosed in the statements of financial position.

The Company manages credit risk, in respect of cash and cash equivalents, by maintaining bank accounts at highly rated financial institutions.

(b) ***Liquidity risk***

Liquidity risk is the risk that the Company will encounter difficulties in meeting obligations when they become due. The Company manages liquidity risk by maintaining adequate cash reserves, by continuously monitoring actual and forecast cash flows and matching the maturity profiles of financial assets and liabilities.

As at May 31, 2025 and 2024, the Company had working capital of $6,193,949 and $6,050,886, respectively.

(c) ***Market risk***

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: foreign currency risk, interest rate risk and price risk. These are discussed further below.

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's interest-bearing financial instruments are limited to its cash and cash equivalents and notes receivable which are based on fixed interest rates. The Company does not have interest bearing debt and therefore is not exposed to significant interest rate risk.

Foreign currency risk

Currency risk relates to the risk that the fair values or future cash flows of the Company's financial instruments will fluctuate because of changes in foreign exchange rates. The Company's functional currency is the US dollar and major purchases are transacted in US dollars. The Company is not subject to material foreign currency risk.

Price risk

Price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in market prices, other than those arising from interest rate risk or foreign currency risk. The company is not subject to material price risk.

16. SUBSEQUENT EVENTS

On June 30, 2025, the Company advanced $1,000,000 to TimePlay Inc. pursuant to a strategic Letter of Intent ("LOI") approved by the Board of Directors on June 18, 2025. Under the LOI, the Company intends to acquire a 25% equity interest in TimePlay Inc. through the purchase of preferred shares totaling up to $2,000,000, to be made in two tranches.

The first tranche of $1,000,000 was funded upon execution of the LOI. The preferred shares carry an annual interest rate of 15% and are fully retractable. In the event of non-repayment, the Company has the option to convert the preferred shares into common equity at a pre-money valuation of CAD $15 million.