



Realbotix Corp.
(formerly Tokens.com Corp.)

Consolidated Financial Statements

For the year ended September 30, 2024 and 2023

(Expressed in United States Dollars)

INDEPENDENT AUDITOR'S REPORT

To the Shareholders of
Realbotix Corp. (formerly Tokens.com Corp.)

Opinion

We have audited the accompanying consolidated financial statements of Realbotix Corp. (formerly Tokens.com Corp.) (the "Company"), which comprise the consolidated statements of financial position as at September 30, 2024 and 2023, and the consolidated statements of loss and comprehensive loss, changes in equity, and cash flows for the years then ended, and notes to the consolidated financial statements, including material accounting policy information.

In our opinion, these consolidated financial statements present fairly, in all material respects, the financial position of the Company as at September 30, 2024 and 2023, 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 Consolidated 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 consolidated financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained in our audit is sufficient and appropriate to provide a basis for our opinion.

Material Uncertainty Related to Going Concern

We draw attention to Note 2 of the consolidated financial statements, which indicates that the Company has incurred significant operating losses and negative cash flows from operations in recent years. Whether the Company can attain profitability and positive cash flows is uncertain. As stated in Note 2, these events and conditions 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.

Emphasis of Matter - Restatement

We draw attention to Note 3(n) of the consolidated financial statements, which indicates that the statement of cash flows has been restated for the year ended September 30, 2023. Our opinion is not modified in respect of this matter.

Key Audit Matters

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

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

Digital Assets

As described in Note 5 to the consolidated financial statements, the Company has digital assets with a carrying amount of \$8,321,899 at September 30, 2024.



We have determined that the completeness and occurrence of transactions involving digital assets during the year ended September 30, 2024; and the existence, and ownership of digital assets balances at September 30, 2024 are a key audit matter. The principal consideration for this determination is the degree to which reporting these transactions and balances depends on specialized controls and processes specific to the digital asset industry. This in turn led to a high degree of auditor effort in performing procedures to evaluate audit evidence relating to these areas.

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

- Obtaining an understanding of the design and implementation of internal controls regarding custody, ownership, and access to digital assets.
- Utilizing specialists to assist in the assessment of internal controls specific to ownership and access to the digital assets, verification of transactions to the blockchain, and completeness of reported balances.
- Verifying the occurrence and completeness of transactions and balances to the blockchain.
- Assessing the occurrence, accuracy and completeness of rewards earned from digital assets which have been staked under a Proof of Stake model.
- Corroborating the proceeds received on any dispositions of digital assets.
- Assessing the accounting treatment and presentation of cash flows related to digital assets.

Acquisition of Simulacra Corporation and Goodwill and Intangible Asset Impairments

As described in Notes 6 and 8 to the consolidated financial statements, the Company completed the acquisition of Simulacra Corporation (“Simulacra”) during the year ended September 30, 2024, and subsequently recorded impairment in the amount of \$6,777,202 on the acquired goodwill and intangible assets as at September 30, 2024.

Accounting for the business combination required significant estimation and judgement on the part of management, particularly as it relates to identifying intangible assets, assessing fair value of the acquired assets and liabilities at acquisition date, and in performing subsequent impairment tests on the acquired goodwill and intangible assets. These requirements were the principal consideration in determining the acquisition and impairment was a key audit matter, and required a high degree of auditor judgement, subjectivity, and effort when performing procedures to evaluate audit evidence relating to the estimates and judgments made by management in these areas.

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

- Obtaining an understanding of the design and implementation of internal controls surrounding accounting for the business combination and performing year end impairment tests.
- Assessing the qualifications of valuation specialists engaged by the Company to assist in accounting for these transactions, the methods they used, and the sources of information they relied upon.
- Examining supporting documentation to assess the existence, completeness, and valuation of the acquired assets and liabilities.
- Reviewing the allocation of assets and liabilities, including goodwill, amongst cash generating units (“CGU”).
- Utilizing specialists to assist in assessing the significant estimates and assumptions used in the determination of the fair value of the acquired assets and liabilities, and in the recoverable amount of the Simulacra CGU for the year end goodwill impairment test.

Other Information

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

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

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

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

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

In preparing the consolidated 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 Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated 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 consolidated 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:

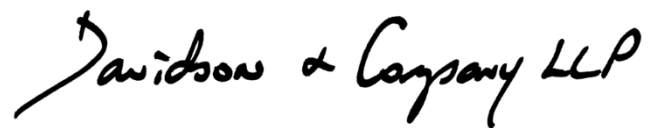
- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of 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 consolidated 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 consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Company to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current year ended 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 Daniel Nathan.

A handwritten signature in black ink that reads "Davidson & Company LLP". The signature is written in a cursive, flowing style.

Vancouver, Canada

Chartered Professional Accountants

January 28, 2025

REALBOTIX CORP. (formerly Tokens.com Corp.)
Consolidated Statements of Financial Position
(Expressed in United States Dollars)

<i>As at</i>	Note	September 30, 2024	September 30, 2023
Assets			
Current assets			
Cash		\$ 1,440,933	\$ 3,490,634
Inventories	4	393,650	-
Accounts receivable and other		40,641	88,971
Prepaid expenses		60,668	103,815
		1,935,892	3,683,420
Non-current assets			
Digital assets - cryptocurrency	5	8,321,899	5,783,233
Digital assets - cryptocurrency held as collateral	5	-	125,000
Digital assets - non-fungible tokens	5	-	220,047
Intangible assets and goodwill	7,8	1,439,733	-
Plant and equipment	9	502,125	-
Joint venture and associates		-	56,394
Total assets		\$ 12,199,649	\$ 9,868,094
Liabilities and shareholders' equity			
Current liabilities			
Accounts payable and accrued liabilities	10	\$ 980,701	\$ 728,267
Deferred revenue	11	968,287	40,000
Lease liabilities	12	226,754	-
Loans payable	13	513,729	125,000
		2,689,471	893,267
Non-current liabilities			
Lease liabilities	12	223,938	-
Loans payable	13	1,275,607	-
Warrant liability	14	-	52,246
Total liabilities		4,189,016	945,513
Equity			
Attributable to owners of the parent			
Share capital	15	29,292,971	24,855,515
Accumulated other comprehensive income	5	119,441	-
Contributed surplus		3,967,899	3,203,749
Warrants	15	2,341,859	-
Equity awards issuable		421,216	369,390
Accumulated deficit		(28,076,007)	(19,518,759)
		8,067,379	8,909,895
Attributable to non-owners of the parent			
Non-controlling interest		(56,746)	12,686
Total Equity		8,010,633	8,922,581
Total liabilities and equity		\$ 12,199,649	\$ 9,868,094

See accompanying notes to the consolidated financial statements.

Approved on behalf of the Board of Directors:

“Andrew Kiguel”
Director

“Jimmy Vaiopoulos”
Director

REALBOTIX CORP. (formerly Tokens.com Corp.)
Consolidated Statements of Loss and Comprehensive Loss
(Expressed in United States Dollars, except share amounts)

<i>For the year ended</i>	Note	September 30, 2024	September 30, 2023
Revenue			
Product sales	20	\$ 912,537	\$ -
Other revenue	20	369,932	268,032
Total revenue		1,282,469	268,032
Expenses			
Operating expenses	21	(4,534,179)	(1,921,530)
Loss on disposition of digital assets	5	(231,091)	(181,591)
Gain on revaluation of digital assets - crypto	5	3,040,655	536,401
Loss on impairment of digital assets - non-fungible tokens	5	-	-
Operating loss		(442,146)	(1,298,688)
Foreign exchange gain (loss)		(10,954)	24,912
Gain on revaluation of warrant liability	14	52,246	373,374
Interest expense		(115,289)	-
Interest income		11,211	28,997
Gain on revaluation of contingency consideration		-	6,860
Digital asset collateral recovery (impairment)	5,13	1,307,582	(828,416)
Intangible asset impairment	7	(483,252)	(1,528,005)
Investment impairment	6	(2,561,906)	-
Goodwill impairment	8	(6,293,950)	(1,105,331)
Loss from continuing operations, before income taxes		(8,536,458)	(4,326,297)
Deferred income tax recovery	23	399,000	-
Net loss from continuing operations		\$ (8,137,458)	\$ (4,326,297)
Net loss from discontinued operations	25	(537,913)	(5,810,203)
Net loss		\$ (8,675,371)	\$ (10,136,500)
Attributable to:			
Owners of the parent (continuing operations)		(8,032,021)	(4,326,297)
Owners of the parent (discontinued operations)		(525,227)	(5,404,157)
Non-controlling interests (continuing operations)		(105,437)	-
Non-controlling interests (discontinued operations)		(12,686)	(406,046)
		(8,675,371)	(10,136,500)
Net loss per share			
Basic and diluted, from continuing operations		\$ (0.05)	\$ (0.04)
Basic and diluted, from discontinued operations		\$ (0.00)	\$ (0.05)
Weighted average number of shares outstanding			
Basic and diluted		154,271,199	104,708,207

See accompanying notes to the consolidated financial statements.

REALBOTIX CORP. (formerly Tokens.com Corp.)
Consolidated Statements of Loss and Comprehensive Loss
(Expressed in United States Dollars, except share amounts)

<i>For the year ended</i>	Note	September 30, 2024	September 30, 2023
Net loss		\$ (8,675,371)	\$ (10,136,500)
Other comprehensive loss			
Items that will not be reclassified in profit or loss			
Gain on revaluation of digital assets - crypto	5	119,441	-
Total comprehensive loss		\$ (8,555,930)	\$ (10,136,500)
Attributable to:			
Owners of the parent (continuing operations)		(7,912,580)	(4,326,297)
Owners of the parent (discontinued operations)		(525,227)	(5,404,157)
Non-controlling interests (continuing operations)		(105,437)	-
Non-controlling interests (discontinued operations)		(12,686)	(406,046)
		(8,555,930)	(10,136,500)

See accompanying notes to the consolidated financial statements.

REALBOTIX CORP. (formerly Tokens.com Corp.)
Consolidated Statements of Changes in Equity
(Expressed in United States Dollars, except for share amounts)

	Number of shares	Share capital	Contributed surplus	Warrants	Equity awards issuable	Accumulated other comprehensive income	Accumulated deficit	Total attributable to owners of parents	Non-controlling interests	Total
Balance, September 30, 2022	97,926,757	\$ 22,179,575	\$ 3,150,241	\$ -	\$ -	\$ 909,574	\$ (11,357,087)	\$ 14,882,303	\$ 3,211,014	\$ 18,093,317
Net loss	-	-	-	-	-	-	(9,730,454)	(9,730,454)	(406,046)	(10,136,500)
Other comprehensive loss	-	-	-	-	-	(909,574)	909,574	-	-	-
Total comprehensive loss	-	-	-	-	-	(909,574)	(8,820,880)	(9,730,454)	(406,046)	(10,136,500)
Other equity movements										
Shares issued on settlement of accounts payable	944,594	132,406	-	-	-	-	-	132,406	-	132,406
Shares issued on exercise of options	313,300	92,369	(67,305)	-	-	-	-	25,064	-	25,064
Shares issued for business combination	20,576,941	2,451,165	-	-	341,117	-	659,208	3,451,490	-	3,451,490
Share based payments	-	-	120,813	-	28,273	-	-	149,086	-	149,086
Non-controlling interest transactions	-	-	-	-	-	-	-	-	(2,792,282)	(2,792,282)
Balance, September 30, 2023	119,761,592	\$ 24,855,515	\$ 3,203,749	\$ -	\$ 369,390	\$ -	\$ (19,518,759)	\$ 8,909,895	\$ 12,686	\$ 8,922,581

	Number of shares	Share capital	Contributed surplus	Warrants	Equity awards issuable	Accumulated other comprehensive income	Accumulated deficit	Total attributable to owners of parents	Non-controlling interests	Total
Balance, September 30, 2023	119,761,592	24,855,515	3,203,749	-	369,390	-	(19,518,759)	8,909,895	12,686	8,922,581
Net loss	-	-	-	-	-	-	(8,557,248)	(8,557,248)	(118,123)	(8,675,371)
Other comprehensive loss	-	-	-	-	-	119,441	-	119,441	-	119,441
Total comprehensive loss	-	-	-	-	-	119,441	(8,557,248)	(8,437,807)	(118,123)	(8,555,930)
Other equity movements										
Shares issued on exercise of RSUs	1,194,000	128,744	(121,781)	-	(6,963)	-	-	-	-	-
Shares issued for business combination	75,000,000	4,308,712	611,090	-	-	-	-	4,919,802	48,691	4,968,493
Warrants issued for investment	-	-	-	2,341,859	-	-	-	2,341,859	-	2,341,859
Share based payments	-	-	274,841	-	58,789	-	-	333,630	-	333,630
Balance, September 30, 2024	195,955,592	\$ 29,292,971	\$ 3,967,899	\$ 2,341,859	\$ 421,216	\$ 119,441	\$ (28,076,007)	\$ 8,067,379	\$ (56,746)	\$ 8,010,633

See accompanying notes to the consolidated financial statements.

REALBOTIX CORP. (formerly Tokens.com Corp.)
Consolidated Statements of Cash Flows
(Expressed in United States Dollars)

	Note	September 30, 2024	September 30, 2023 (Restated - Note 3n)
Cash provided by (used in):			
Operating activities:			
Loss from continuing operations		\$ (8,137,458)	\$ (4,326,297)
Change in non-cash operating items:			
Staking revenue	20	(369,932)	(268,032)
Loss on sale of digital assets	5	231,091	181,590
Gain on revaluation of digital assets	5	(3,040,655)	(536,401)
Share based payments		333,630	149,086
Revaluation of contingency consideration		-	(6,833)
Gain on settlement of accounts payable		-	37,387
Goodwill impairment	8	6,293,950	1,105,331
Impairment on investments	6	2,561,906	-
Intangible asset impairment	7	483,252	1,528,005
Digital asset collateral impairment (recovery)	5,13	(1,307,582)	828,416
Amortization and depreciation		342,267	-
Amortization included in cost of sales		58,249	-
Interest on leases		16,781	-
Interest on loans payable		61,508	-
Deferred income tax recovery		(399,000)	-
Gain on revaluation of warrant liability		(52,246)	(373,374)
Foreign exchange loss (gain)		-	(32,484)
		(2,924,239)	(1,713,606)
Net change in working capital	22	(553,886)	558
Net cash used in operating activities from continuing operations		(3,478,125)	(1,713,048)
Net cash used in operating activities from discontinued operations	25	(588,359)	(1,511,648)
Investing activities			
Purchase of digital assets		-	(200,532)
Sales of digital assets	5	1,324,353	1,360,030
Recovery of digital assets collateral	5	743,500	-
Investment in Simulacra		235,625	-
Net cash provided by investing activities from continuing operations		2,303,478	1,159,498
Net cash provided by investing activities from discontinued operations	25	-	43,195
Financing activities			
Payment of lease obligations		(104,858)	-
Exercise of stock options		-	25,064
Payment of loan payable		(181,837)	(350,000)
Net cash used in financing activities		(286,695)	(324,936)
Decrease in cash from continuing operations		(1,461,342)	(878,486)
Decrease in cash from discontinued operations		(588,359)	(1,468,453)
Cash, beginning of year		3,490,634	5,837,573
Cash, end of year		\$ 1,440,933	\$ 3,490,634

Cash interest received of \$30,756 (year ended September 30, 2023 – \$50,817).

Cash interest paid of \$59,749 (year ended September 30, 2023 - \$nil).

Cash taxes paid of \$nil (year ended September 30, 2023 - \$nil).

Significant non-cash transactions included:

- Shares issued for investment of \$nil (September 30, 2023 - \$2,792,282).
- Reclassification of digital assets – cryptocurrency to collateral of \$nil (September 30, 2023 - \$955,975).
- Shares issued in settlement of accounts payable of \$nil (September 30, 2023 - \$132,406).
- Reclassification of contributed surplus on exercise of options of \$nil (September 30, 2023 - \$67,305).
- Reclassification of realized gain to other comprehensive income of \$119,441 (September 30, 2023 - \$nil).
- Acquisition of StoryFire investment of \$220,047 (September 30, 2023 - \$nil).
- Acquisition of Starwalk investment of \$2,341,859 (September 30, 2023 - \$nil).
- Shares issued upon exercise of RSUs of \$128,744 (September 30, 2023 - \$nil).
- Write off of Genesis loan of \$125,000 (September 30, 2023 - \$nil).

See accompanying notes to the consolidated financial statements.

REALBOTIX CORP. (formerly Tokens.com Corp.)

Notes to Consolidated Financial Statements

For the year ended September 30, 2024 and 2023

(Expressed in United States Dollars)

1. NATURE OF OPERATIONS

Realbotix Corp. (the “Company” or “Realbotix”) was incorporated on April 7, 1998, under the laws of British Columbia. The registered office is located at 40 Temperance St, Suite 3200, Toronto, Ontario, M5H 0B4. The Company’s common shares are traded on the TSX Venture Exchange under the symbol “XBOT”, the OTCQB Exchange under the symbol “XBOTF” and the Frankfurt Exchange under the symbol “76MF”.

The Company creates customizable, full-bodied, human-like robots with Artificial Intelligence (“AI”) integration that improve the human experience through learning, connection, and play. The Company also operates the technology that secures next generation blockchain networks through Proof-of-Stake technology that supports the growth of decentralized finance applications, which are built on top of blockchains.

On July 9, 2024, the Company completed its corporate rebranding and officially changed its name from previously Tokens.com to Realbotix.

2. STATEMENT OF COMPLIANCE AND BASIS OF PRESENTATION**a) Statement of Compliance**

These consolidated financial statements have been prepared in accordance with IFRS Accounting Standards (“IFRS”) as issued by the International Accounting Standards Board (“IASB”).

These consolidated financial statements were approved and authorized for issue by the Board of Directors on January 28, 2025.

b) Basis of Presentation

These consolidated financial statements have been prepared on a historical cost basis, except for items that IFRS requires to be carried at fair value. All amounts are presented in United States Dollars (“USD”), unless otherwise stated.

These consolidated financial statements were prepared on a going concern basis. The going concern basis assumes that the Company will continue to operate for the foreseeable future and will be able to realize its assets and discharge its liabilities and commitments in the normal course of business.

The Company operates in a nascent industry for which the long-term viability remains to be demonstrated. The ability of the Company to achieve profitable operations in this industry over the long-term is uncertain and depends on the wide-range adoption and acceptance of AI-powered humanoid robots in niche markets such as entertainment, hospitality, care, and households.

The Company has incurred significant operating losses and negative cash flow from operations in recent years. Whether and when the Company can attain profitability and positive cash flows is uncertain. These events and conditions indicate that material uncertainties exist that may cast significant doubt upon the Company’s ability to continue as a going concern.

These consolidated financial statements do not reflect adjustments that would be necessary if the going concern basis was not appropriate. Consequently, adjustments would then be necessary to the carrying value of assets and liabilities, the reported revenues and expenses and their classifications. Such adjustments, if required, could be material.

REALBOTIX CORP. (formerly Tokens.com Corp.)

Notes to Consolidated Financial Statements

For the year ended September 30, 2024 and 2023

(Expressed in United States Dollars)

c) Application of IFRS and use of estimates

IFRS does not currently provide specific guidance to address many aspects of the digital currencies business. The Company is required to make judgments as to the application of IFRS and the selection of its accounting policies. The Company has disclosed its presentation, recognition and derecognition, and measurement of digital currencies, and the recognition of revenue as well as significant assumptions and judgments. However, if specific guidance is enacted by the IASB in the future, the impact may result in changes to the Company's earnings and financial position as presented.

d) Business combinations

The Company accounts for business combinations using the acquisition method of accounting upon gaining control of an acquired business. Goodwill is calculated as the fair value of consideration paid at the date of acquisition less the fair value of identifiable assets acquired, and liabilities assumed as of the acquisition date, net of non-controlling interests.

e) Consolidation

These consolidated financial statements include the financial statements of the Company, its wholly-owned subsidiaries, Tokens.com Capital Corp., and its wholly-owned subsidiary Simulacra Corp. Additional subsidiaries that are included in the financial statements, and owned by Simulacra Corp., are Abyss Creations LLC, Realbotix Corp., and Anthropomorphic Figure Dynamics. All intercompany transactions and balances are eliminated upon consolidation.

The summary of subsidiaries and joint venture is provided below:

Name	Country of incorporation and principal place of business	Principal activity	Proportion of ownership interests held at year end	
			2024	2023
Tokens.com Capital Corp.	Canada	Crypto staking	100%	100%
Simulacra Corp.	United States	Technology & AI	100%	0%
Abyss Creations LLC	United States	Adult entertainment	82%	0%
Realbotix Corp.	United States	Technology & AI	100%	0%
Anthropomorphic Figure Dynamics	United States	Technology & AI	100%	0%
Metaverse Group Ltd.	Canada	Metaverse operation	0%	100%
Hulk Labs Corp.	Canada	Play-to-earn gaming	0%	93.6%
CocoNFT Technology Inc	Canada	Metaverse operation	0%	100%
Meta13 FLV Inc.	United States	Metaverse operation	0%	100%
13MG DCL Investment Partners LLC	United States	Metaverse operation	0%	50%

REALBOTIX CORP. (formerly Tokens.com Corp.)

Notes to Consolidated Financial Statements

For the year ended September 30, 2024 and 2023

(Expressed in United States Dollars)

f) Functional and presentation currency

Items included in the consolidated financial statements of the Company and its subsidiaries are measured using the currency of the primary economic environment in which the entity operates. These consolidated financial statements have been prepared in USD, which is the functional and presentation currency for the Company and all of its subsidiaries.

g) Uses of estimates and judgements

The preparation of these consolidated financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts of assets and liabilities and the reported amounts of revenue and expenses. 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. Although these estimates are based on management's best knowledge of the current events and actions that the Company may undertake in the future, actual results may differ from these estimates.

Significant judgements

Critical judgments in applying accounting policies that have the most significant effect on the amounts recognized in the consolidated financial statements include the following:

- i. Functional currency - The functional currency of the Company has been assessed by management as USD based on consideration of the currency and economic factors that primarily influence the Company's digital assets, revenues and operating costs, financing, and related transactions. Specifically, the Company considers the currencies in which digital assets are most commonly denominated and expenses are settled by each entity as well as the currency in which each entity 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.
- ii. Digital assets - Digital assets are considered to be identifiable non-monetary assets without physical substance. Management has determined that the digital assets should be accounted for as intangible assets in accordance with IAS 38 Intangible Assets.
- iii. Income taxes - Management exercises judgment to determine the extent to which deferred tax assets are recoverable in the future and have, therefore, not recognized any deferred tax assets in the statements of financial position.
- iv. Business combinations – Management exercises judgement to assess whether a transaction is a business combination by applying the definition in IFRS 3, which requires that the assets and liabilities assumed constitute a business. If the assets acquired are not a business, the Company accounts for the transaction as an asset acquisition under the relevant standards. Management also exercises judgement in identifying the assets and liabilities acquired in a business combination or asset acquisition, particularly in identifying intangible assets.

Use of estimates

- i. Digital assets - Cryptocurrency denominated assets are carried at their fair market value determined by the spot rate based on the hourly volume weighted average from www.coinmarketcap.com. The digital currency market is still a new and highly volatile; historical prices are not necessarily indicative of future value; a significant change in the market prices for digital assets would have a significant impact on the Company's earnings and financial position. Digital currency prices are affected by various forces including global supply and demand, interest rates, exchange rates, inflation or deflation and the global political and economic conditions. A decline in the market prices for digital assets could negatively impact the Company's future

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- operations. The Company has not hedged the conversion of any of its cryptocurrency denominated digital assets.
- ii. Digital assets - Non-fungible tokens denominated assets are carried at their cost less any accumulated amortization and impairment losses. Management uses estimates of similar digital properties to evaluate whether there is any impairment to these assets that require recording.
 - iii. Share-based compensation - The Company utilizes the Black-Scholes Option Pricing Model (“Black Scholes”) method to estimate the fair value of stock options granted to directors, employees, and consultants. The use of Black Scholes requires management to make various estimates and assumptions that impact the value assigned to the stock options including the forecast future volatility of the stock price, the risk-free interest rate, dividend yield and the expected life of the stock options. Any changes in these assumptions could have a material impact on the share-based compensation calculation value. The most significant estimate is the volatility. Expected future volatility can be difficult to estimate as the Company has a limited history and is in a unique industry, and historical volatility is not necessarily indicative of future volatility.
 - iv. Warrant liability - The Company uses Black Scholes method to determine the fair value of the warrant liability. The Black Scholes method requires significant judgement in determining the fair value such as volatility and risk-free rate. A change in these inputs could lead to significant change in the fair value of the warrant liability.
 - v. Impairment of non-financial assets, intangible assets and goodwill - Impairment exists when the carrying value of an asset exceeds its recoverable amount, which is the higher of its fair value less costs to sell and its value in use. These calculations are based on available data, other observable inputs and projections of cash flows, all of which are subject to estimates and assumptions. Assumptions include future revenue, profit margin, and an appropriate discount rate. Recoverable amounts are also sensitive to assumptions about the future usefulness of in-process development.
 - vi. Business combinations and asset acquisitions – Management applies significant estimates in determining the total fair value of consideration in a business combination or asset acquisition, and in allocating that fair value amongst the acquired assets and liabilities at the closing date.

3. MATERIAL ACCOUNTING POLICIES**a) Cash**

Cash comprises of cash on hand, held at major financial institutions, in addition to cash held in trust, if any.

b) Inventory

Inventory is primarily comprised of raw materials, work-in-progress, and finished goods, and is carried at the lower of cost and net realizable value. The cost of raw materials is determined on an weighted-average-costing basis. The cost of work-in-progress and finished goods includes raw materials, direct labour, and an allocation of directly attributable manufacturing overhead based on normal operating capacity.

c) Revenue

The Company earns staking revenue by delegating digital assets (referred to as a “Delegator”) to be utilized by third parties (“Validators”), who employ Proof-of-Stake (“PoS”) technology to provide blockchain verification services to selected blockchain networks in order to earn staking rewards. The gross staking yields are based on a predetermined formula, specific to each blockchain network, and the timing of the services. As a Delegator, the Company is considered to be an agent in the transaction (with the Validator being the principal) and recognizes staking rewards it

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receives net of fees charged by the Validator. Revenue is recognized when services have been performed and collection is probable, which is typically when staking rewards are received into the Company's custody. Staking rewards are measured based on the fair value of the digital currency received, determined using the daily closing price obtained from www.coinmarketcap.com on the date it is earned.

The Company's subsidiary, Simulacra Corp. ("Simulacra"), earns revenue from the sale of its products. As all sales from Simulacra require upfront deposits, the Company records, at the time of the sale, a deferred revenue liability. At the time of product shipment, the Company recognized the earned revenue, and a journal entry is created to transfer the corresponding amount from deferred revenue to sales.

d) Digital assets

Digital assets meet the definition of intangible assets in IAS 38 Intangible Assets as they are identifiable non-monetary assets without physical substance. Cryptocurrencies are initially recorded at the fair value on both the acquisition date and the date earned as revenue, 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 profit or loss. The Company revalues its digital assets at the end of each reporting period. There is no recycling of gains on disposition of digital assets from other comprehensive income to profit or loss. However, to the extent that an increase in fair value reverses a previous decrease in fair value that has been recorded in profit or loss, that increase is recorded in profit or loss. Decreases in fair value that reverse fair value gains previously recorded in other comprehensive income are recorded in profit or loss.

Digital assets consisting of cryptocurrency denominated assets are measured at fair value using the quoted price on www.coinmarketcap.com. Management considers this fair value to be a Level 2 input under IFRS 13 Fair Value Measurement fair value hierarchy as the price on this source represents an average of quoted prices on multiple digital currency exchanges. These assets are valued based on the closing price obtained from www.coinmarketcap.com at the reporting period corresponding to the different assets held by the Company.

Digital assets consisting of non-fungible token denominated assets are measured at cost less impairment losses. These non-fungible tokens are considered to have indefinite lives, and therefore are not amortized but are tested for impairment at the Company's annual financial reporting period end date.

All digital assets, consisting of both cryptocurrency and non-fungible token denominated, are classified as non-current.

There is currently no specific definitive guidance in IFRS for the accounting for the purchase, sale or exchange of digital assets and management has exercised significant judgement in determining appropriate accounting treatment for the recognition and measurement of digital assets. In the event authoritative guidance is enacted by the IASB, the Company may be required to change its policies which could result in a change in the Company's financial position and earnings. The digital assets are initially recorded at the transaction price, being the fair value at the time of acquisition. Thereafter, at each reporting period, the fair value of an investment may (depending upon the circumstances) be adjusted using one or more valuation indicators.

e) Intangible assets

Intangible assets with finite lives are amortized over their useful lives and reviewed for indicators of impairment at reporting dates. Intangible assets with indefinite lives are not amortized and are tested for impairment at its annual financial reporting period end date.

Goodwill represents the future economic benefits arising from a business combination that are not individually identified and separately recognized. Goodwill is carried at cost less accumulated impairment losses.

Impairment testing

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For impairment assessment purposes, assets are grouped at the lowest levels for which there are largely independent cash inflows (cash-generating units). As a result, some assets are tested individually for impairment, and some are tested at cash-generating unit level. Goodwill is allocated to those cash-generating units that are expected to benefit from synergies of a related business combination and represent the lowest level within the Company at which management monitors goodwill.

Cash-generating units to which goodwill and intangible asset that has an indefinite useful life or is not yet available for use has been allocated (determined by the Company's management as equivalent to its operating segments) are tested for impairment at least annually. All other individual assets or cash-generating units are tested for impairment whenever events or changes in circumstances indicate the carrying amount may not be recoverable. An impairment loss is recognized for the amount by which the asset's (or cash-generating unit's) carrying amount exceeds its recoverable amount, which is the higher of fair value less costs of disposal and value-in-use. In measuring value in use, the expected future cash flows are discounted using a pre-tax discount rate that reflects the risks specific to the asset. The recoverable amount of an asset that does not generate independent cash flows is determined for the CGU to which the asset belongs. Impairment losses are recognized in profit or loss. An impairment loss of an asset, other than goodwill, is reversed only if there have been changes in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognized. Reversal of an impairment loss, as above, shall not be increased above the lower of the carrying amount that would have been determined (net of depreciation or amortization) had no impairment loss been recognized for the asset in prior years and its recoverable amount. The reversal of impairment loss of an asset presented at cost is recognized in profit or loss.

f) Leases

At inception of a contract, the Company assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

At commencement or on reassessment of a contract that contains a lease component, the Company allocates the consideration in the contract to each lease and non-lease component on the basis of their relative standalone prices.

The Company recognizes a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date less any lease incentives received. The right-of-use asset is subsequently measured at cost less any accumulated depreciation and impairment losses and adjusted for certain remeasurement of the lease liability as described below. The right-of-use asset is depreciated using the straight-line method or the UOP method, as appropriate to the asset class, over the lesser of the lease term and the useful life of the asset.

The lease liability is initially measured at the present value of future lease payments, discounted using the rate implicit in the lease. If this rate cannot be readily determined, the Company uses its incremental borrowing rate as the discount rate. The Company determines its incremental borrowing rate by obtaining interest rates from various external financing sources and makes certain adjustments to reflect the terms of the lease and type of leased asset.

Lease payments included in the measurement of the lease liability comprise the following:

- fixed payments, including in-substance payments, less any lease incentives receivable;
- variable lease payments that depend on an index or rate, initially measured using the index or rate at the commencement date;
- amounts expected to be payable under a residual value guarantee; and
- the exercise price under a purchase option that the Company is reasonably certain to exercise, lease 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.

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g) Income taxes

Income tax expense comprises current and deferred income tax. Income tax expense is recognized in profit or loss except to the extent that it relates to items recognized in other comprehensive income or directly in shareholders' equity. Current income tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to income tax payable in respect of previous years.

Deferred tax is recognized as temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit or loss. Deferred tax liabilities are generally recognized for all taxable temporary differences. Deferred tax assets are generally recognized for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilized.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realized, based on tax rates that have been enacted or substantively enacted by the end of the reporting period. They are offset only when they arise in the same legal entity and jurisdiction.

h) Financial instruments

Classification and Measurement

Financial assets and financial liabilities are initially measured at fair value, adjusted for transaction costs where applicable, and are subsequently accounted for based on their classification as described below. The classification depends on both the entity's business model for managing the financial asset and the contractual cash flow characteristics of the financial asset. Except in very limited circumstances, the classification is not changed subsequent to initial recognition.

Financial Assets

All financial assets are initially recorded at fair value and classified upon inception into one of the following categories: amortized cost, fair value through profit or loss, or fair value through other comprehensive income.

In the periods presented, the Company does not have any financial assets categorized in fair value through profit or loss, or fair value through other comprehensive income.

Amortized cost

Financial assets are measured at amortized cost if both the following criteria are met and the financial assets are not designated as at FVTPL: 1) the object of the Company's business model for these financial assets is to collect their contractual cash flows; and 2) the asset's contractual cash flows represent "solely payments of principal and interest". The Company's financial assets measured at amortized cost comprise cash and accounts receivable. Due to their short-term nature, the carrying values of cash and accounts receivable approximate their fair value.

IFRS 9's impairment requirements use forward-looking information to recognize expected credit-losses – the expected credit loss (ECL) model'. The Company considers a broader range of information when assessing credit risk and measuring expected credit losses, including past events, current conditions, reasonable and supportable forecasts that affect the expected collectability of the future cash flows of the instrument. Measurement of the expected credit losses is determined by a probability-weighted estimate of credit losses over the expected life of the financial instrument.

Financial Liabilities

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Financial liabilities are accounted for at amortized cost using the effective interest rate method or at fair value through profit and loss. Accounts payable, accrued liabilities and loan payable are classified as financial liabilities at amortized cost. Transaction costs are included in the underlying balance.

DSU liability, warrant liability and contingent consideration are classified as financial liabilities at fair value through profit or loss.

All interest-related charges that are reported in profit or loss are included within finance expenses or finance income.

Derecognition

The Company derecognizes a financial asset when the contractual rights to the cash flows from the financial asset expire or when it transfers the financial asset in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred. The Company derecognizes a financial liability when its contractual obligations are discharged or cancelled or expire.

i) Warrant Liability

The Company uses Black-Scholes option pricing model to determine the fair value of the warrant liability. The Company subsequently measures the warrants at fair value at each reporting date and records the gain or loss through the consolidated statements of loss.

j) Share Capital

Common shares are classified as equity. Incremental costs directly attributable to the issue of common shares and share options are recognized as a deduction from equity, net of any tax effects.

k) Share-based payments

Share-based payments include option and stock grants granted to directors, employees and consultants. The Company accounts for share-based compensation using a fair value-based method with respect to all share-based payments.

The fair values of stock options are calculated using Black-Scholes model at the date of grant and are charged to operations over the vesting period, with the offsetting credit charged to contributed surplus. If, and when, the stock options are exercised, the applicable amounts are transferred from contributed surplus to share capital.

The fair value of stock grants in the form of Deferred share units (“DSU’s”) and Restricted share units (“RSU’s”) are measured at the market price of the Company’s common shares on the date of issue and are charged to operations, with the offsetting credit being accounted for as a liability or equity, depending on if the terms of the grant result in a settlement in cash or equity instruments. If the fair value of an award classified as a liability changes after it has been granted, and before the exercise date, the resulting change is recognized in the liability within the year the change occurs. For DSU’s, the payment amount is established as of the exercise date. For RSU’s, the payment amount is established as of the grant date.

l) Loss per Share

Basic earnings (loss) per share is computed by dividing the net income or loss attributable to the Company shareholders, after adjusting for non-controlling interests, by the weighted average number of common shares outstanding for the relevant year. Diluted earnings per share is computed by dividing the net income attributable to common shares by the sum of the weighted average number of common shares issued and outstanding and all additional common shares that would have been outstanding, if potentially dilutive instruments were converted. There is no diluted earnings per share reported for any period in which the Company incurred a net loss, as any such impact would be anti-dilutive.

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m) Foreign currency translation

The functional currency of the Company is the United States dollar (USD). When translating to functional currency, foreign currency monetary assets and liabilities are translated into the functional currency at the rate of exchange prevailing at the end of the period. Non-monetary assets and liabilities are translated at the rate of exchange prevailing when the assets were acquired, or the liabilities incurred. Income, and expense items are translated using the average rate of exchange during the financial statement periods, except for one-time specific transactions that can be measured at their transaction date.

n) Restatement

Historically, the Company had categorized purchases and sales of digital assets as cash flows from operating activities. During the year ended September 30, 2024, management reviewed the Company's accounting policies based on those being applied by other companies in the digital asset industry, and determined that this should have been classified as cash flow from investing activities instead to conform to industry presentation. In order to conform the comparative information to the current presentation, the same reclassification was made as at September 30, 2023 in the amount of \$1,159,498 increase in investing activities and reduction in operating activities. This restatement has no impact on working capital, net assets, or net income.

o) Discontinued operations

A discontinued operation is a component of the Company's business that represents a separate major line of business or geographical area of operations that has been disposed of or is held for sale or distribution, or is a subsidiary acquired exclusively with a view to resale. Classification as a discontinued operation occurs upon disposal or when the operation meets the criteria to be classified as held for sale, if earlier. When an operation is classified as a discontinued operation, the comparative statement of profit or loss is re-presented as if the operation had been discontinued from the start of the comparative period. The results of operations associated with disposal groups sold, or classified as held for sale, are reported separately as income or loss from discontinued operations.

p) Standards that are not yet effective and have not been adopted early by the Company

There were no new accounting standards or amendments to standards that were applicable to the Company for the year ended September 30, 2024 that had a material impact on its financial statements. In connection with its acquisition of Simulacra (Note 6), the Company adopted material accounting policies for revenues derived from sale of products, inventories, and leases, which have been outlined earlier within our material accounting policies.

The following new standards, amendments to standards and interpretations have been issued but are not effective during the year ended September 30, 2024:

On April 9, 2024, the IASB issued a new standard – IFRS 18, “Presentation and Disclosure in Financial Statements” with a focus on updates to the statement of profit or loss. The key new concepts introduced in IFRS 18 relate to:

- the structure of the statement of profit or loss;
- required disclosures in the financial statements for certain profit or loss performance measures that are reported outside an entity's financial statements (that is, management-defined performance measures); and
- enhanced principles on aggregation and disaggregation which apply to the primary financial statements and notes in general.

IFRS 18 will replace IAS 1; many of the other existing principles in IAS 1 are retained, with limited changes. IFRS 18 will apply for reporting periods beginning on or after January 1, 2027 and also applies to comparative information. Adoption of IFRS 18 will not impact the recognition or measurement of items in the financial statements, but it might change what an entity reports as its ‘operating profit or loss’. The Company is still evaluating the anticipated impact of adoption on its consolidated financial statements.

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4. INVENTORIES

	September 30, 2024	September 30, 2023
Raw materials	\$ 141,163	\$ -
Work-in-progress	98,095	-
Finished goods	154,392	-
	\$ 393,650	\$ -

For the year ended September 30, 2024, \$432,705 of purchased and produced inventory was recorded as an expense (year ended September 30, 2023 - \$nil). No write-down or reversal of previous write-downs were recorded in 2024 or 2023.

5. DIGITAL ASSETS – CRYPTOCURRENCY AND NFTs

Details of the Company's holdings of digital assets consisted of:

Cryptocurrency	September 30, 2024		September 30, 2023	
	Holdings	Fair Value	Holdings	Fair Value
Ethereum ⁽ⁱ⁾	3,047	\$ 7,933,177	2,917	\$ 4,874,774
Polkadot	87,430	380,649	217,470	893,804
Solana ⁽ⁱ⁾	55	8,073	55	1,487
Others	n/a	-	n/a	13,168
		\$ 8,321,899		\$ 5,783,233

- (i) As at September 30, 2024, the Company staked 1,824 Ethereum (year ended September 30, 2023 – 2,624 Ethereum and 216,354 Polkadot).

During the year ended September 30, 2023, 340 Ethereum and 18,001 Solana tokens were reclassified to assets being held as collateral for the loan with Genesis, at a fair value of \$125,000 after an impairment of \$828,416 was recorded due to the uncertainty of the Company receiving back the assets. (See table below)

Cryptocurrency - held as collateral	September 30, 2024		September 30, 2023	
	Holdings	Fair Value	Holdings	Fair Value
Ethereum	98	\$ -	340	\$ 568,195
Solana	10,691	-	18,001	385,221
				953,416
Impairment of cryptocurrency - held as collateral		-		(828,416)
Fair value of cryptocurrency - held as collateral		\$ -		\$ 125,000

During the year ended September 30, 2024, 53 Ethereum and 2,819 Solana were used to set off the loan. Subsequent to the set-off, as collateral recovery, the Company had received 189 Ethereum back in-kind (\$564,057), and 4,491 Solana in cash (\$743,500) as at September 30, 2024. Due to the uncertainty of future recovery distribution, the fair value of the remaining collateral remains \$nil.

See Note 13 for more details with regards to the Genesis loan.

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NFT's	September 30, 2024		September 30, 2023	
	Cost less impairment losses		Cost less impairment losses	
Decentraland ⁽ⁱ⁾	\$	-	\$	152,331
Sandbox ⁽ⁱ⁾		-		28,667
Somnium ⁽ⁱ⁾		-		13,779
Others ⁽ⁱ⁾		-		25,270
	\$	-	\$	220,047

(i) Disposed as part of the sale of Metaverse Group and Hulk Labs to StoryFire Inc (See Note 6).

Digital asset activities have consisted of:

	Cryptocurrency		NFT's		Total
Balance, September 30, 2022	\$	5,403,287	\$	2,838,280	
Digital assets acquired in asset acquisition		-		45,532	45,532
Digital assets acquired		212,302		-	212,302
Digital assets sold		(1,360,030)		(85,203)	(1,445,233)
Digital assets earned from staking and gaming		272,432		-	272,432
Loss on disposal		(172,252)		-	(172,252)
Digital assets reclassified to "held as collateral"		944,205		-	944,205
Revaluation of digital assets		483,289		-	483,289
Impairment of digital assets		-		(2,578,562)	(2,578,562)
Balance, September 30, 2023		5,783,233		220,047	6,003,280
Digital assets earned from staking and services ⁽ⁱ⁾		369,932		-	369,932
Digital assets sold ⁽ⁱⁱ⁾		(1,324,353)		(220,047)	(1,544,400)
Digital assets received from Genesis ⁽ⁱⁱⁱ⁾		564,082		-	564,082
Loss on disposal ⁽ⁱⁱ⁾		(231,091)		-	(231,091)
Revaluation of digital assets ^(iv)		3,160,096		-	3,160,096
Balance, September 30, 2024	\$	8,321,899	-	\$	8,321,899

(i) During the year ended September 30, 2024, the Company earned \$369,932 in staking revenue (year ended September 30, 2023 - \$268,032).

(ii) During the year ended September 30, 2024, the Company sold digital assets for considerations totaling \$1,324,353 (year ended September 30, 2023 - \$1,445,233) and recorded a realized loss of \$231,091 (year ended September 30, 2023 – loss of \$172,252).

During the year ended September 30, 2024, the Company also transferred all of its NFTs to StoryFire Inc. as part of the StoryFire transaction. (See Note 6)

(iii) During the year ended September 30, 2024, the Company received 189 Ethereum from Genesis's restructuring plan. As the Company had previously written off all collaterals held by Genesis, the Company recorded a gain of \$564,082 for the year ended September 30, 2024, presented in profit and loss as digital asset collateral recovery.

(iv) Cryptocurrencies held are revalued at each reporting period based on the fair market value on the reporting date. As at September 30, 2024, based on the price of cryptocurrencies, the total revaluation is a gain of \$3,160,096 (year ended September 30, 2023 – gain of \$483,289). Of this, \$3,040,655 was recorded in profit and loss, and \$119,441 was recorded in other comprehensive income.

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6. SIGNIFICANT ACQUISITIONS, DIVESTMENTS, AND NON-CONTROLLING INTERESTS**STORYFIRE INC. (“STORYFIRE”)**

On March 4, 2024, the Company completed the sale of its subsidiaries, Metaverse Group and Hulk Labs, to StoryFire, in an effort to streamline its operations. Except for cash, the Company transferred all assets of Metaverse Group and Hulk Labs to StoryFire, including all NFTs, domain names, and active contracts. The carrying amounts of the transferred assets at the date of sale were \$220,047.

In consideration for the assets transferred, the Company received 2,295,000 common shares in StoryFire, and 1,111,111,111 Blaze tokens, the in-app currency native to StoryFire. The Blaze tokens are subject to a lock-up period of six months following the closing date. Then, the Company will receive the tokens in equal monthly installments, over the succeeding 12-month period. The Company had not received any Blaze tokens as of September 30, 2024. Due to StoryFire being a private company and the absence of an active market for the sold assets, the fair value of the consideration transferred could not be reliably determined. As a result, the transaction has been measured at the carrying amount of the net assets transferred, of \$220,047.

The transaction resulted in no material financial impact other than the de-recognition of the Metaverse Group and Hulk Labs assets from the consolidated financial statements. See Note 24 for details of the discontinued operations.

At September 30, 2024, due to lack of available financial information from StoryFire and overall web3 and metaverse industry not improving, the Company decided to write off the StoryFire’s equity interest, resulting in an investment impairment of \$220,047.

SIMULACRA CORPORATION (“SIMULACRA”)

On April 18, 2024, the Company completed its acquisition of Simulacra Corp. (“Simulacra”), a US-based company focusing on creating humanoid robots and consumer products geared towards the hospitality and entertainment industry. By acquiring all assets of Simulacra, the Company is considered to have obtained control of its operation. The transaction has been accounted for by the Company as a business combination under IFRS 3 *Business Combinations* and the Company has consolidated Simulacra in these consolidated financial statements.

The detail of the business combination, based on fair value estimates, is as follows. Given the recent date of acquisition, the process is still ongoing, and the Company has until April 18, 2025 to finalize the valuation.

Fair Value of consideration transferred and transaction costs:	
Common Shares	\$ 4,308,712
Replacement Options	611,090
	\$ 4,919,802
Recognized amounts of identifiable net assets	
<u>Net Tangible assets</u>	
Cash and cash equivalents	235,626
Net working capital excluding deferred revenue	(107,653)
Deferred revenue	(1,406,622)
Fixed assets, including Right-of-Use assets	592,023
Lease liabilities	(538,769)
Loan Payable	(1,934,665)
	\$ (3,160,060)
<u>Intangible assets</u>	
Robotics and AI Software IP	1,028,529
Silicone and Mold IP	1,205,074
	\$ 2,233,603
Deferred tax liability	\$ (399,000)
Non-controlling Interest	\$ (48,691)
Goodwill recognized	\$ 6,293,950

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As consideration for the acquisition, the Company issued 75,000,000 common shares and 7,500,000 stock options to former shareholders and stock option holders of Simulacra. The common shares issued were subject to a holding period ranging between 12 and 24 months and were therefore subject to discount for lack of marketability (“DLOM”). The fair value of the DLOM was calculated using a put option model with the following weighted average inputs: share price and exercise price of \$0.09 and volatility of 111%. As part of an additional contingency consideration, the Company will issue up to 10,000,000 additional common shares, if Simulacra achieve revenue targets of \$8,000,000 within any 12-month period during the first 24 months following the completion of the transaction, and an additional 10,000,000 common shares if Simulacra achieve revenue target of \$10,000,000 within any 12-month period between months 24 and 48 following the closing date. As at September 30, 2024, management determine that the aforementioned revenue targets have a low likelihood of being achievable, and therefore determined the fair value of the contingency consideration is \$nil at acquisition and remains \$nil at year-end.

Upon the acquisition of Simulacra, the Company identified goodwill of \$6,293,950. The goodwill was calculated as the difference between the fair value of the consideration for the acquisition of Simulacra and the fair value of the net assets acquired. The goodwill recognized on the acquisition is primarily attributable to the assembled workforce and years of experience in the humanoid robotic industry.

Goodwill is not expected to be deductible for tax purposes.

From the acquisition date to September 30, 2024, the acquired business contributed revenues of \$912,357 and net loss of \$1,204,342. If the acquisition had occurred on October 1, 2023, management estimates that consolidated pro forma revenues of the Company would have been approximately \$1.1 million higher, and the consolidated pro forma net loss would have been approximately \$1.0 million higher for the year ended September 30, 2024.

STAR WALK PARTNERS LLC (“STARWALK”)

On July 9, 2024, the Company acquired a 1% membership interest in StarWalk, a New York limited liability company, to establish a working relationship in which StarWalk would make introductions to potential investors and stakeholders for the Company. In exchange for the membership interest, the Company issued 25,000,000 warrants to StarWalk, with exercise price of US\$0.15 for the first 7,500,000 warrants, and US\$0.20 for the remaining warrants. The warrants have a fair value of \$2,341,859. See Note 15(f) for detailed vesting schedule of the warrants and key assumptions in the fair valuation of the warrants.

As the fair value of the membership interest can not be reliably measured, the fair value of the warrants at the acquisition date was also the initial carrying amount of the membership interest.

At September 30, 2024, due to a lack of identifiable cash flows generated by StarWalk in the foreseeable future, the Company decided to write off the investment, resulting in an investment impairment of \$2,341,859.

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7. INTANGIBLE ASSETS

	Domain names	Property ⁽¹⁾	Goodwill ⁽²⁾	Total
Gross carrying amount				
Balance, September 30, 2022	\$ 1,603,005	\$ -	\$ 1,695,723	\$ 3,298,728
Addition	-	548,410	-	548,410
Impairment	(1,603,005)	(548,410)	(1,695,723)	(3,847,138)
Balance, September 30, 2023	-	-	-	-
Addition	-	2,233,603	6,293,950	8,527,553
Amortization	-	(310,618)	-	(310,618)
Impairment	-	(483,252)	(6,293,950)	(6,777,202)
Balance, September 30, 2024	\$ -	\$ 1,439,733	\$ -	\$ 1,439,733

(1) Intellectual properties acquired from Simulacra, including its robotics, AI software, and proprietary silicone formula. The below table includes information of these intangibles:

Category	September 30, 2024			
	Cost	Accumulated amortization	Impairment	Net book value
Silicone Formula ⁽ⁱ⁾	\$ 1,205,074	\$ 77,823	\$ -	\$ 1,127,251
Robotic & AI ⁽ⁱⁱ⁾	1,028,529	232,795	483,252	312,482
	\$ 2,233,603	\$ 310,618	\$ 483,252	\$ 1,439,733

- i. The silicone formula intangible has a useful life of 7 years and is amortized on a straight-line basis over its useful life.
- ii. The robotics & AI intangible has a useful life of 2 years and is amortized on a straight-line basis over its useful life. During the year ended September 30, 2024, due to the rapid technological advances in the AI industry, the Company has determined that there is an impairment with regards to its AI component and recorded a \$483,252 impairment charge.

(2) See Note 8 for goodwill impairment assessments.

8. GOODWILL**2024**

As at September 30, 2024, the Company performed its annual impairment test on the goodwill using the fair value less costs of disposal (“FVLCO”) method, using an expected cash flow approach, a level 3 valuation technique. As part of the impairment test, the Company’s goodwill related to the Simulacra Corp. cash generating unit (“CGU”). The Company’s CGU’s are comprised of individual business operations.

The following are the significant assumptions used in the determination of the recoverable amount:

- Discount rate of 30%
- Average annual growth rate of 44% until 2030
- Terminal revenue growth rate of 3%

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As a result, the carrying value of the total net assets of the Company's CGUs exceeded the recoverable amount of the Company's CGUs as at September 30, 2024. For the year ended September 30, 2024, the Company recorded an impairment loss against the Simulacra Corp. CGUs of \$6,293,950 to reduce goodwill to \$nil.

Management determined the impairment of goodwill was primarily related to the uncertainty over future revenue derived from robotics and AI sales given the rapidly changing nature of the technology and timelines to widespread adoption.

2023

As at September 30, 2023, the Company performed its annual impairment test on the goodwill using the value in use method, using an expected cash flow approach, a level 3 valuation technique. As part of the impairment test, the Company's operations comprise of the following cash generating units ("CGUs"): Tokens.com Capital Corp. ("TCC"), Metaverse Group Ltd. ("MGL"), and Hulk Labs Corp. ("Hulk Labs"). The Company's CGU's are comprised of individual business operations.

The following are the significant assumptions used in the determination of the recoverable amount:

- Pre-tax future cash flow projections expected to be generated based on actual historical operating performance and the Company's strategic plan.

As a result of expected negative operating cashflows, the carrying value of the total net assets of the Company's CGUs exceeded the value-in-use of the Company's CGUs as at September 30, 2023. For the year ended September 30, 2023, the Company recorded an impairment loss against the MGL and Hulk Labs CGUs of \$1,695,723 to reduce goodwill to \$nil.

Management determined the impairment of goodwill was primarily related to the uncertainty over future revenue derived from metaverse and blockchain gaming services due to changes in demand for these services in the macroeconomic environment.

9. PLANT AND EQUIPMENT

	Hardware	Right-of-use assets ⁽¹⁾	Total
Cost			
As at October 1, 2022 and October 1, 2023	\$ -	\$ -	-
Additions	53,254	538,769	592,023
As at September 30, 2024	\$ 53,254	\$ 538,769	\$ 592,023
Accumulated Depreciation			
As at October 1, 2022 and October 1, 2023	\$ -	\$ -	-
Depreciation	9,417	80,481	89,898
As at September 30, 2024	\$ 9,417	\$ 80,481	\$ 89,898
Net Book Value, September 30, 2023	\$ -	\$ -	-
Net Book Value, September 30, 2024	\$ 43,837	\$ 458,288	\$ 502,125

- (1) The right-of-use assets (ROUs) comprise of the following leases. For each of the leases, a ROU asset and related lease liability had been recognized. See Note 12 for the related lease liabilities.

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- a. A 5-year and 2-month lease with California Property Investors, LLC commencing on June 1, 2021, and has the following rent schedule:
 - i. Month 1 – 12: \$11,657 per month
 - ii. Month 13 – 24: \$12,007 per month
 - iii. Month 25 – 36: \$12,367 per month
 - iv. Month 37 – 48: \$12,738 per month
 - v. Month 49 – 60: \$13,120 per month
 - vi. Month 61 – 62: \$13,514 per month
- b. A 5-year lease with Matthew McMullen, a related party, commencing on October 1, 2021, with payment of \$6,000 per month, subject to a 3% annual increase effective October 1, 2023.
- c. A 60-month equipment lease with Providence Capital Funding Inc., commencing on October 14, 2021, with monthly payment of \$2,307.79.

10. ACCOUNTS PAYABLE, ACCRUED LIABILITIES

	September 30, 2024	September 30, 2023
Accounts payable and accrued liabilities	\$ 719,170	\$ 517,186
DSU liability	261,531	211,081
	\$ 980,701	\$ 728,267

11. DEFERRED REVENUE

<i>For the year ended</i>	September 30, 2024	September 30, 2023
Opening balance	\$ 40,000	\$ 155,700
Acquired through acquisition of Simulacra (Note 6)	1,406,622	-
Additions	384,007	43,600
Revenue recognized	(797,413)	(159,300)
Refunds	(64,929)	-
Ending balance	\$ 968,287	\$ 40,000

The Company expects to realize deferred revenue over the next 12 months. The company has elected to use the practical expedient in IFRS 15.121 and has not disclosed the transaction price allocated to unsatisfied or partially satisfied performance obligations when the original expected contract duration is one year or less.

12. LEASE LIABILITIES

Lease liabilities activities comprise of the following. See Note 9 for more details on the leases.

<i>As at</i>	September 30, 2024	September 30, 2023
Opening balance	\$ -	\$ -
Acquired through business acquisition	538,769	-
Payment of lease obligations	(104,858)	-
Interest expense	16,781	-
Ending balance	\$ 450,692	\$ -
Current lease liabilities	226,754	-
Non-current lease liabilities	223,938	-
Total lease liabilities	\$ 450,692	\$ -

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13. LOANS PAYABLE

As of September 30, 2024, the Company has the following loans payable:

	September 30, 2024	September 30, 2023
Current portion	\$ 513,729	\$ 125,000
Non-current portion	1,275,607	-
	\$ 1,789,336	\$ 125,000

- A promissory note between Simulacra and Shrike Holdings, Inc. (“Shrike”), an arms-length party, in the amount of \$150,000 incurring interest of 5.5% per annum. The note was due in full on September 21, 2024, and extended to March 21, 2025. From April 18, 2024 to September 30, 2024, the Company incurred \$4,308 in interest expense, which remains payable. As of September 30, 2024, the loan has a carrying amount of \$159,187, including the principal and unpaid interest.
- A factoring loan agreement with Fora Financial Advance, LLC (“Fora”), entered into on December 14, 2023, where as \$284,000 of future sales are committed for a cash loan of \$200,000, net of fees of \$6,000. As of April 18, 2024, the loan had a fair value of \$221,498. From April 18, 2024 to September 30, 2024, the Company made total payments of \$62,146 against the principal and any accrued interest. As of September 30, 2024, the loan had a fair value of \$165,475.
- A vehicle purchase loan with Team Ford LLC, entered into on October 5, 2021, for \$64,489 incurring interest of 5.69% per annum. On April 18, 2024, the loan had a fair value of \$40,177. From April 18, 2024 to September 30, 2024, the Company made total payments of \$5,309 against the principal and any accrued interest. As at September 30, 2024, the loan had a fair value of \$36,797.
- As at September 30, 2023, the Company had an open loan facility (the “Genesis loan”) with Genesis Global Capital, LLC (“Genesis”) incurring interest of 11% per annum, with a loan balance of \$125,000 in USDC. 340 Ethereum and 18,001 Solana tokens were held by Genesis as collateral for the loan, and given the uncertainty of the Company’s ability to collect the collateral due to Genesis’ bankruptcy process, the fair value of the collateral was written down to the carrying amount of the associated loan at \$125,000. On May 17, 2024, Genesis confirmed that the Southern District of New York (the “Court”) approved Genesis’ Plan of Reorganization. Following this approval, the Genesis loan was set off against 53 Ethereum and 2,819 Solana of the total said tokens still currently held by Genesis. During the year ended September 30, 2024, the Company received 189 Ethereum in-kind and 4,491 Solana in cash at a fixed value of \$165.55 (the “Initial Distribution”) from Genesis. Since the Company had previously written down the collateral value to only the carrying value of the loan, the fair value of the Initial Distribution, of \$1,307,582, was recorded as a gain in the statement of profit and loss.
- A settlement agreement between Simulacra and Prime Victor International Limited (“PVI”), an arms-length party, which has a fair value of \$1,518,628 on April 18, 2024. The loan carries an interest of 8% and a payment of \$25,000 is required monthly to apply against the principal and any accrued interest. From April 18, 2024 and September 30, 2024, the Company incurred \$59,249 in interest expense and made interest and principal payments totaling \$125,000, with \$25,000 recorded in accounts payable at year-end. As of September 30, 2024, the loan has a fair value of \$1,427,877, which is comprised of a current portion of \$210,215, and a non-current portion of \$1,217,657.

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14. WARRANT LIABILITY

Due to the exercise price of warrants being in Canadian dollars and the functional and reporting currency of the Company being United States dollars, certain warrants, upon exercise, may result in a variable number of shares being issued for a fixed price. Therefore, the Company records these warrants as a financial liability. These warrants are subsequently re-measured at fair value at each reporting date and any gain or loss is recorded to net income.

	Exercise price (CA\$)	Warrants	Warrant Liability
Balance September 30, 2022	\$1.15	8,763,950	\$ 425,620
Gain on revaluation		-	(373,374)
Balance September 30, 2023	\$1.15	8,763,950	\$ 52,246
Gain on revaluation		-	(52,246)
Balance September 30, 2024	\$1.15	-	\$ -

As at September 30, 2024, the fair value of warrants was established using the Black Scholes fair value option pricing model using the following assumptions: 0.13 years remaining expected life (September 30, 2023 – 1.13 years), volatility of 111% (September 30, 2023 – 103%), risk free interest rate of 2.94% (September 30, 2023 – 4.83%), share price of CA\$0.10 (\$0.07) [(September 30, 2023 – CA\$0.15 (\$0.11)] and an expected dividend yield of 0% (September 30, 2023 – 0%).

Subsequent to year end, these warrants expired on November 16, 2024 unexercised.

15. EQUITY**a) Authorized Share Capital**

Authorized share capital consists of an unlimited number of voting common shares without par value and an unlimited number of preferred shares, issuable in series. All issued shares are fully paid. No dividends have been paid or declared by the Company since inception.

b) Common shares

	Number of shares		Amount
Balance, September 30, 2022	97,926,757	\$	22,179,575
Shares issued on settlement of accounts payable ⁽ⁱ⁾	944,594		132,406
Shares issued on exercise of options ⁽ⁱⁱ⁾	313,300		92,369
Shares issued for investment ⁽ⁱⁱⁱ⁾	20,576,941		2,451,165
Balance, September 30, 2023	119,761,592	\$	24,855,515
Shares issued on vesting of RSUs ^(iv)	1,194,000		128,744
Shares issued for investment ^(v)	75,000,000		4,308,712
Balance, September 30, 2024	195,955,592	\$	29,292,971

(i) Shares issued as payments of invoices.

(ii) A total of 313,000 options were exercised for proceeds of \$25,064. The stock option had a fair value of \$67,305 which upon exercised was debited from contributed surplus and credited to share capital.

(iii) On June 5, 2023, the Company issued 20,576,941 shares to acquire all the MGL shares not owned by the Company at a price of CA\$0.16 (US\$0.12).

(iv) A total of 1,194,000 RSUs were vested and converted to common shares.

(v) On April 18, 2024, the Company issued 75,000,000 shares to acquire all Simulacra Corp. shares at a price of 0.06, net of DLOM.

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c) Share-based compensation

The Company maintains an Omnibus Equity Incentive Plan (the “Incentive Plan”) which is comprised of stock options, restricted share units (“RSUs”), deferred share units (“DSUs”), performance share units (“PSUs”), and Stock Appreciation Rights (“SARs”). The maximum number of common shares reserved for issuance, in the aggregate, under the Incentive Plan is 10% of the aggregate number of common shares issued and outstanding to be granted to directors, officers, employees, and consultants under certain restrictions.

With respect to options, the specific provisions of the plan, eligibility, vesting period, terms and the number of options granted are to be determined by the Board of Directors at the time of the grant. The Board shall fix the exercise price of any stock option when such stock option is granted, which shall not be less than the closing price of the common shares on the Exchange on the day prior to the date of grant or the volume average weighted trading price for the five trading days immediately preceding the date of grant, whichever is greater (the “Market Value”). A stock option shall be exercisable during a period established by the Board, which shall commence on the date of the grant and shall terminate no later than ten (10) years after the date of grant of the award or such shorter period as the Board may determine.

With respect to RSUs and DSUs, the specific provisions of the plan, eligibility, vesting period, terms and the number of RSUs and DSUs granted are to be determined by the Board of Directors at the time of the grant. RSUs generally vest over a four-year period at a rate of 25% annually after the date of grant, and may be subject to performance period and performance vesting criteria. Upon termination of the participants, any unvested RSUs are cancelled. DSUs are generally granted to Directors of the Company at the start of the fiscal year and vested at the end of the fiscal year, and maybe subject to performance period and performance vesting criteria. However, DSUs become redeemable only on the participant’s termination.

With respect to PSUs and SARs, the specific provisions of the plan, eligibility, vesting period, terms and the number of PSUs and SARs granted are to be determined by the Board of Directors at the time of the grant. PSUs are awarded to entitled participants to acquire shares, typically for no or nominal cost. PSUs’ vesting periods are be subject to performance period and performance vesting criteria, which is determined when the Compensation Committee evaluates and decides that the performance criteria have been met. SARs give participants the right to receive a cash payment or shares equal to the increase in value of the Company’s stock over a base price set on the grant date, which can not be less than the market value of the shares on the date of grants. Upon termination of the participants, any unvested PSUs and SARs are cancelled.

d) Stock Options

Details of stock option transactions are as follows:

Realbotix Corp.	Number of options	Weighted average exercise price of options
Outstanding, September 30, 2022	1,884,050	\$ 0.19
Cancelled	(638,300)	(0.21)
Exercised	(313,300)	(0.08)
Outstanding, September 30, 2023	932,450	\$ 0.20
Granted	9,749,999	0.14
Cancelled	(112,500)	(0.33)
Outstanding, September 30, 2024	10,569,949	\$ 0.15

The following table summarizes the information regarding Realbotix stock options outstanding as at September, 2024:

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Exercise price per share	Number outstanding	Number exercisable	Weighted average life
\$0.15	7,499,999	7,499,999	9.55
\$0.13	1,250,000	416,666	4.38
\$0.09	1,000,000	333,334	4.25
\$0.33	350,000	225,500	2.80
\$0.08	469,950	469,950	6.18
	10,569,949	8,945,449	8.07

On August 4, 2023, 313,300 options were exercised for proceeds totaling \$25,064.

On February 1, 2024, the Company granted 1,000,000 stock options to consultants. The options have an exercise price of CA\$0.12 (US\$0.09) and expire on January 1, 2029. The fair value of each option was estimated on the date of the grant at CA\$0.09 (US\$0.06) per option using a Black-Scholes fair value option pricing.

On February 13, 2024, the Company granted 1,250,000 stock options to consultants. The options have an exercise price of CA\$0.18 (US\$0.13) and expire 5 years from the date of grant. The fair value of each option was estimated on the date of the grant at CA\$0.09 (US\$0.06) per option using a Black-Scholes fair value option pricing.

On April 18, 2024, the Company granted 7,499,999 stock options to replace Simulacra options. The options have an exercise price of US\$0.15 and expire 10 years from the date of grant. The fair value of each option was estimated on the date of the grant at US\$0.08 per option using a Black-Scholes fair value option pricing.

The following assumptions were used for options issued:

	February 1, 2024	February 13, 2024	April 18, 2024
Risk-free interest rate	3.57%	3.69%	4.64%
Volatility	74.04%	74.60%	110.00%
Weighted average share price	CAD \$0.11	CAD \$0.12	0.09
Weighted average exercise price	CAD \$0.12	CAD \$0.18	0.15
Dividend yield	0.00%	0.00%	0.00%
Forfeiture rate	0.00%	0.00%	0.00%
Expected life of options	4.9 years	5.0 years	10.0 years

During the year ended September 30, 2024, 112,500 options were cancelled due to departed officers and consultants (year ended September 30, 2023 – 638,300 options).

As at September 30, 2024, the Company has an obligation to issue 2,575,573 options pursuant to the Metaverse Group acquisition (September 30, 2023 – 3,104,750). The Company has recorded an additional share-based compensation expense of \$58,789 pertaining to options issuable (September 30, 2023 - \$21,309). During the year ended September 30, 2024, 529,177 options issuable were cancelled due to departed officers and consultants (year ended September 30, 2023 – nil options issuable).

e) Deferred Share Units (“DSU’s”)

For the year ended September 30, 2024, the Company recorded share-based compensation expense of \$46,605 related to DSU’s (year ended September 30, 2023 – expense reversal of \$90,442).

As at September 30, 2024, the Company had a total of 3,482,576 DSU’s (September 30, 2023 – 1,902,540 RSU’s) outstanding and had recorded a liability at fair value of \$261,531 (September 30, 2023 - \$211,081) related to DSU’s included within accounts payable and accrued liabilities.

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Details of DSU's transactions are as follows:

	Number of DSU's
Balance, October 1, 2022	696,000
Granted	1,206,540
Balance, September 30, 2023	1,902,540
Granted	1,580,036
Balance, September 30, 2024	3,482,576

f) Warrants

On July 10, 2024, the Company issued 25,000,000 warrants in exchange for the Star Walk Partners LLC minority interest investment. The following table summarizes the information regarding the warrants' exercise price, vesting period and expiry:

Tranche	Warrant	Exercise price	Vested	Expiry
1	5,000,000	0.15	July 9, 2024	July 9, 2026
2	2,500,000	0.15	January 9, 2025	January 9, 2027
3	2,500,000	0.20	July 9, 2025	July 9, 2027
4	3,750,000	0.20	January 9, 2026	January 9, 2028
5	3,750,000	0.20	July 9, 2026	July 9, 2028
6	3,750,000	0.20	January 9, 2027	January 9, 2029
7	3,750,000	0.20	July 9, 2027	July 9, 2029

The following weighted average assumptions were used for warrants issued:

Risk-free interest rate	3%
Volatility	113%
Weighted average share price	\$0.14
Weighted average exercise price	\$0.17
Dividend yield	0%
Forfeiture rate	0%
Expected life of options	3 years

As at September 30, 2024, 26,013,339 warrants (September 30, 2023 – 1,013,339) with a weighted average exercise price of \$0.21 (September 30, 2023 - \$0.90) and a remaining contractual life in years of 3.15 (September 30, 2023 – 1.13) were issued and outstanding. Subsequent to year-end, 1,013,339 warrants expired unexercised. Refer to Note 13 for additional warrant disclosures.

g) RSUs

As at September 30, 2024, the Company has an obligation to issue nil RSUs pursuant to the Metaverse Group acquisition (September 30, 2023 - 694,000). The Company has recorded an additional share-based compensation expense of \$101,649 (September 30, 2023 -\$6,963) related to these RSUs. These RSUs vested and were converted into 694,000 shares.

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During the year ended September 30, 2024, the Company issued 500,000 RSUs and recorded share-based compensation of \$52,500. These RSUs vested and were converted into 500,000 shares.

As at September 30, 2024, the Company had nil RSUs issued and outstanding (September 30, 2023 – nil).

16. RISK MANAGEMENT

The Company's financial instruments are exposed to the following financial risks:

Credit risk

Credit risk is the risk that one party to a financial instrument will cause a loss for the other party by failing to discharge an obligation. Financial instruments which are potentially subject to credit risk for the Company consist of cash.

The Company has credit exposure relating to accounts receivable and other of \$40,641 (September 30, 2023 - \$88,971). The expected credit loss is not significant.

The carrying amount of financial assets represents the maximum credit exposure. The Company has credit exposure at September 30, 2024 relating to cash of \$1,440,933 (September 30, 2023 – \$3,490,634). All cash is held at Canadian and US chartered banks.

Currency risk

The Company generates all revenue in United States dollars but expenses are incurred in both U.S. and Canadian dollars, exposing the Company to fluctuations in earnings from volatility in foreign currency rates. The fluctuation in foreign currencies in relation to the United States dollar will consequently impact the profitability of the Company and may also affect the value of the Company's assets and liabilities and the amount of equity. Management however concludes the exposure to currency risk is not material and the Company does not utilize any financial instruments or cash management policies to mitigate such currency risks. As at September 30, 2024, the Company held \$167,318 (September 30, 2023 - \$1,918,548) denominated in Canadian dollars. A 10% change in the foreign exchange rate would result in an impact of \$16,732 (September 30, 2023 - \$190,000) on the Company's operations.

Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities. The Company is exposed to this risk mainly with respect to ensuring the sufficiency of funds for working capital and commitments. The Company monitors the maturity dates of existing accounts payable and accrued liabilities, loans payable, and commitments to mitigate this risk. The Company manages company-wide cash projections centrally and regularly updates projections for changes in business and fluctuations cause in digital currency prices and exchange rates. The Company's financial liabilities are comprised of loan payable, accounts payable and accrued liabilities.

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As at September 30, 2024, the contractual loan commitments are as follows:

<i>As at</i>	September 30, 2024	September 30, 2023
Maturity analysis - contractual undiscounted cash flows		
One year or less	\$ 612,434	\$ 125,000
Two to five years	1,258,758	-
Six and thereafter	300,000	-
Total loans payable	2,171,192	125,000
Effect of discounting	(381,856)	-
Loans payable included in the statement of financial position	\$ 1,789,336	\$ 125,000

As at September 30, 2024 contractual lease commitments are as follows:

<i>As at</i>	September 30, 2024	September 30, 2023
Maturity analysis - contractual undiscounted cash flows		
One year or less	\$ 254,077	\$ -
Two to five years	231,681	-
Six and thereafter	-	-
Total lease liabilities	485,758	-
Effect of discounting	(35,066)	-
Lease liabilities included in the statement of financial position	\$ 450,692	\$ -

As at September 30, 2024, the contractual maturities of financial and other liabilities, including estimated interest payments are as follows:

	Contractual			
	cash flows	Within 1 year	1 to 5 years	5+ years
Accounts payable and accrued liabilities excluding deferred revenue	\$ 980,701	\$ 980,701	\$ -	\$ -
Loans payable and interest	2,171,192	612,434	1,258,758	300,000
Lease commitments	485,758	254,077	231,681	-
	\$ 3,637,651	\$ 1,847,212	\$ 1,490,439	\$ 300,000

Fair Value Risk

Due to their short-term nature, the carrying value of cash, accounts receivable and other, and accounts payable and accrued liabilities, approximate their fair value.

The fair value of the loans payable are initially recorded at fair value and are evaluated by the Company based on level 2 inputs such as discounted future interest and principal payments using current market interest rates of instruments using similar terms. These instruments are subsequently measured through amortized cost, with accretion and interest income recognized through the statement of loss and comprehensive loss.

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17. RELATED PARTY TRANSACTIONS

Key management personnel are those persons that have authority and responsibility for planning, directing and controlling the activities of the Company, directly and indirectly. As of September 30, 2024, the Company's key management personnel consists of its directors and senior management. The aggregate value of transactions relating to key management personnel and entities over which they have control or significant influence were:

<i>For the year ended September 30</i>	2024		2023	
Management fees and salaries	\$	1,040,813	\$	575,431
Share-based compensation		225,213		100,480
	\$	1,266,026	\$	675,911

Additional management fees and salaries paid to related parties for the year ended September 30, 2024 are \$17,359 (September 30, 2023 - \$37,715).

18. FAIR VALUE MEASUREMENT

Non-financial assets and financial assets measured at fair value in the consolidated statement of financial position are grouped into three levels of a fair value hierarchy. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (level 1) and the lowest priority to unobservable inputs (level 3). The three levels of the fair value hierarchy are as follows:

Level 1: Unadjusted quoted prices in active markets for identical assets or liabilities;

Level 2: Inputs other than quoted prices included in level 1 that are observable for the asset or liability either directly or indirectly;

Level 3: Inputs that are not based on observable market data.

September 30, 2024	Level 1	Level 2	Level 3	Total
Digital assets - cryptocurrency		8,321,899		8,321,899
DSU liability	261,531			261,531

September 30, 2023	Level 1	Level 2	Level 3	Total
Digital assets - cryptocurrency		5,783,233		5,783,233
Digital assets – cryptocurrency held as collateral		125,000		125,000
Warrant liability		52,246		52,246
DSU liability	211,081			211,081

19. CAPITAL MANAGEMENT

The Company's objectives when managing capital is to safeguard its ability to continue as a going concern, so that it can provide returns for shareholders and benefits for other stakeholders. The Company considers the items included in shareholders' equity as capital. The Company manages the capital structure and makes adjustments to it in response to changes in economic conditions and the risk characteristics of the underlying assets. The Company's primary objective with respect to its capital management is to ensure that it has sufficient cash resources to acquire more digital assets and fund the operation of the Company. To secure the additional capital necessary to pursue these plans, the Company intends to raise additional funds through the equity or debt financing. The Company is not subject to any

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external capital requirements imposed by a regulator and there were no changes to the Company's approach to capital management during the year ended September 30, 2024.

20. REVENUE

<i>For the year ended September 30</i>	2024		2023	
Product sales	\$	912,537	\$	-
Staking revenue		369,932		268,032
Total revenue	\$	1,282,469	\$	268,032

21. OPERATING EXPENSES

<i>For the year ended September 30</i>	2024		2023	
Cost of revenue - product sales	\$	731,668	\$	-
Management fees and salaries		1,040,813		575,431
Amortization and depreciation		342,267		-
General and administrative		953,752		422,600
Research and development		357,588		-
Professional fees		343,881		377,378
Investor relations		284,128		336,274
Regulatory		146,452		60,761
Share-based payments		333,630		149,086
Total operating expenses	\$	4,534,179	\$	1,921,530

22. SUPPLEMENTARY CASH FLOW INFORMATION

<i>For the year ended</i>	September 30, 2024		September 30, 2023	
Accounts receivable	\$	5,852	\$	(48,190)
Inventory		114,772		-
Prepaid expenses		57,455		(13,132)
Accounts payable and accrued liabilities		(333,630)		61,880
Deferred revenue		(398,335)		-
	\$	(553,886)	\$	558

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23. INCOME TAXES

A reconciliation of income taxes at statutory rates with the reported taxes is as follows:

	September 30, 2024	September 30, 2023
Loss from continuing operations	\$ (8,536,458)	\$ (4,326,297)
Loss from discontinued operations	(537,913)	(5,810,203)
Loss before income taxes	\$ (9,074,371)	\$ (10,136,500)
Expected income tax (recovery)	(2,299,000)	(2,686,000)
Increase (decrease) in income taxes resulting from:		
Permanent differences	2,263,000	840,000
Impact on disposition of subsidiary	2,069,000	-
Adjustment to prior years provision versus statutory tax returns	(28,000)	-
Impact of business combination	-	(227,000)
Change in unrecognized deductible temporary differences	(2,523,000)	2,073,000
Other	119,000	-
Total income tax expense (recovery)	\$ (399,000)	\$ -
Current income tax expense	\$ -	\$ -
Deferred income tax recovery	\$ (399,000)	\$ -

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

	September 30, 2024	Expiry
Digital assets - cryptocurrency	\$ 12,224,000	No expiry date
Digital assets - non-fungible tokens	-	No expiry date
Non-capital losses	8,283,000	2041 to 2044
	\$ 20,507,000	

	September 30, 2023	Expiry
Digital assets - cryptocurrency	\$ 15,368,000	No expiry date
Digital assets - non-fungible tokens	3,682,000	No expiry date
Non-capital losses	10,782,000	2041 to 2043
	\$ 29,832,000	

As of September 30, 2023, the Company had the following non-capital tax losses on which no deferred tax asset was recorded, expiring as follows:

Expiry date	September 30, 2023
September 30, 2041	\$ 1,649,000
September 30, 2042	4,443,000
September 30, 2043	1,623,000
September 30, 2044	568,000
	\$ 8,283,000

The ability to realize the tax benefits of these non-capital losses is dependent upon a number of factors, including the future profitability of operations. Deferred tax assets are recognized only to the extent that it is probable that sufficient taxable profits will be available to allow the asset to be recovered. Accordingly, some deferred tax assets have not

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been recognized. These deferred tax assets not recognized equal an amount of \$5,447,000 (September 30, 2023 - \$7,970,000).

24. SEGMENT INFORMATION**Reportable segments**

The Company has assessed the structure of its internal management financial reporting and is reporting its financial results for the following five operating segments, which are also its reportable segments: (i) staking, (ii) metaverse services, (iii) play-to-earn gaming, (iv) consumer products, including robotics. These segments reflect how the Company's and its subsidiaries' operations are managed, and how each of the chief operating decision maker ("CODM") of each reportable segment allocates resources and evaluates performance.

The staking operations occur within Tokens.com Capital Corp., which is a wholly owned subsidiary of the Company. Crypto staking is the process of validating blocks for a blockchain, during which the Company is rewarded for maintaining ownership of the related tokens. The metaverse services operation occurs within the Metaverse Group subsidiary. Metaverse Group drives revenue by offering the following services: metaverse strategy services, environment development services, digital land rental, and partnerships. The play-to-earn gaming operation occurs within the Hulk Labs subsidiary. Hulk Labs generates revenue by acquiring both fungible and non-fungible tokens and uses these tokens to generate a return by either staking or delegating the use of its game assets to interested players. Simulacra Corp. generates revenue by creating consumer products, including robotics, that gear toward entertainment and hospitality. The Company's CODM evaluates the performance of these three segments focusing on (i) segmented revenue and (ii) segmented operating income (loss), excluding share-based payments and gain or loss on warrant revaluation.

The accounting policies of each segment are the same as those disclosed in the summary of material accounting policies in Note 2.

<i>For the year ended September 30</i>	2024		2023	
Segmented revenue				
Staking	\$	369,932	\$	268,032
Metaverse services ⁽¹⁾		13,646		467,964
Play-to-earn gaming ⁽¹⁾		40,000		4,400
Product sales		912,537		-
	\$	1,336,115	\$	740,396
Segmented operating loss				
Staking	\$	2,378,628	\$	(4,550,583)
Metaverse services		(425,520)		(4,965,313)
Play-to-earn gaming		(112,393)		(826,554)
Product sales		(8,291,843)		-
	\$	(6,451,128)	\$	(10,342,450)
Loss on investment		(2,341,859)		-
Gain on revaluation of warrant liability		52,246		373,374
Share-based payment		(333,630)		(167,424)
Net loss before income taxes	\$	(9,074,371)	\$	(10,136,500)

(1) Metaverse services and play-to-earn gaming are no longer operating segments of the Company.

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Asset information by segment is not provided to, or reviewed by, the Company's CODM as it is not used to make strategic decisions, allocate resources, or access performance.

25. DISCONTINUED OPERATIONS

On March 4, 2024, the Company completed the sale of its subsidiaries, Metaverse Group and Hulk Labs, to StoryFire, in an effort to streamline its operations. Except for cash, the Company transferred all assets of Metaverse Group and Hulk Labs to StoryFire, including all NFTs, domain names, and active contracts. After the sale, the Company no longer has operations within the metaverse and play-to-earn gaming industry.

In consideration for the assets transferred, the Company received 2,295,000 common shares in StoryFire, and 1,111,111,111 Blaze tokens, the in-app currency native to StoryFire. The Blaze tokens are subject to a lock-up period of six months following the closing date. Then, the Company will receive the tokens in equal monthly installments, over the succeeding 12-month period. The Company had not received any Blaze tokens as of September 30, 2024. Due to StoryFire being a private company and the absence of an active market for the sold assets, the fair value of the consideration transferred could not be reliably determined. As a result, the transaction has been measured at the carrying amount of the net assets transferred, of \$220,047.

The Company discontinued its operations in Metaverse Group and Hulk Labs during the year ended September 30, 2024, and the following summarizes the net income and cash flows from discontinued operations for the respective periods.

<i>For the year ended</i>	September 30, 2024	September 30, 2023
Revenue	\$ 53,646	\$ 472,364
Expenses		
Cost of sales	22,180	205,395
General and administrative	540,779	1,901,016
Revaluation loss - cryptocurrency	-	53,111
Revaluation loss - NFTs	-	2,578,562
Impairment losses and loss on investment in joint venture	-	1,783,457
Gain on revaluation of contingent consideration	-	(181,525)
Other loss	28,600	(57,449)
Total expenses	591,559	6,282,567
Net loss from discontinued operations	\$ (537,913)	\$ (5,810,203)

<i>For the year ended</i>	September 30, 2024	September 30, 2023
Operating activities		
Net loss from discontinued operations	\$ (537,913)	\$ (5,810,203)
Change in non-cash operating items		
Gaming revenue	-	(4,400)
Revaluation loss - cryptocurrency	-	53,111
Revaluation loss - NFTs	-	2,578,562
Impairment losses and loss on investment in joint venture	-	1,783,457
Gain on revaluation of contingent consideration	-	(181,525)
Other loss	56,394	(19,251)
	(481,519)	(1,600,249)
Net change in working capital	(106,840)	88,601
Net cash used in operating activities	(588,359)	(1,511,648)
Investing activities		
Sale of digital assets	-	85,203
Investment in Metaverse Architects	-	(450,000)
Investment in CocoNFT	-	298,988
Investment in joint venture	-	109,004
Net cash provided by investing activities	-	43,195
Decrease in cash from discontinued operations	\$ (588,359)	\$ (1,468,453)

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26. SUBSEQUENT EVENTS

On October 1, 2024, 776,335 RSUs were granted to an officer of the Company which vested immediately. 776,335 common shares were issued on October 17, 2024 pursuant to the exercise of these RSUs.

On January 17, 2025, 559,245 common shares were issued pursuant to the cashless exercise of 820,500 options.