



LUXXFOLIO HOLDINGS INC.

Consolidated Financial Statements
For the years ended August 31, 2025 and 2024
(Expressed in Canadian Dollars)



INDEPENDENT AUDITORS' REPORT

To the Shareholders of Luxxfolio Holdings Inc.:

Opinion

We have audited the consolidated financial statements of Luxxfolio Holdings Inc. and its subsidiary (the "Company"), which comprise the consolidated statements of financial position as at August 31, 2025, and the consolidated statements of operations and comprehensive loss, changes in shareholders' equity, and cash flows for the year ended, and notes to the consolidated financial statements, including material accounting policy information.

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

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the 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 is sufficient and appropriate to provide a basis for our opinion.

Material Uncertainty Related to Going Concern

We draw attention to Note 1 in the consolidated financial statements, which indicates that the Company incurred a net loss during the year ended August 31, 2025 and, as of that date, the Company had an accumulated deficit. As stated in Note 1, these events or conditions, along with other matters as set forth in Note 1, 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 these matters.

Other Matters - Comparative Information

The consolidated financial statements of the Company for the year ended August 31, 2024 were audited by another auditor who expressed an unqualified opinion on those statements on February 3, 2025.

Key Audit Matters - Digital Assets - Litecoin ("LTC")

Why the Matter Was Considered to Be a Key Audit Matter

As at August 31, 2025, the Company held a material balance of digital assets in the form of LTC, representing a significant portion of the Company's total assets. The LTC holdings were maintained with a third-party cryptocurrency custodian.

This matter was considered to be a key audit matter due to the inherent risks associated with the existence of, and the Company's rights and obligations to, digital assets held by a third-party custodian. In particular, the auditor's ability to rely on the third-party custodian's internal controls over financial reporting was limited, which increased the risk of misstatement relating to the existence and safeguarding of the digital assets.

In addition, digital assets are subject to heightened risks related to custody arrangements, including potential loss, misappropriation, or restrictions on access. These factors required the audit team to perform additional substantive procedures to obtain sufficient and appropriate audit evidence.

While the valuation of Litecoin is based on observable market prices, its inherent price volatility also required audit attention to ensure that the fair value measurement as at the reporting date was appropriately determined.

How the Matter Was Addressed in the Audit

Our audit procedures to address the risks related to the existence and ownership of the Litecoin holdings included the following, among others:

- Obtained an understanding of the Company's process for safeguarding digital assets and monitoring.
- Obtained an understanding of the Litecoin blockchain protocol to assess its general reliability and confirming its wide adoption and stability.
- Obtained direct external confirmation of the digital asset balance from the third-party custodian as at August 31, 2025.
- Performed a direct substantive test of existence and ownership by verifying a complete "round-trip" transfer of the Litecoin balance performed subsequent to year-end. We inspected the execution of the transfer of the entire balance from the third-party custodian to a Company-controlled self-custody wallet, and the subsequent transfer of the entire balance back to the third-party custodian. We independently verified these transactions on the public blockchain using multiple third-party block explorers to confirm the transaction hashes ("TxIDs") and the successful movement of funds.
- Obtained direct confirmation from the third-party custodian verifying the successful receipt and holding of the returned Litecoin balance 12:30.
- Evaluated the appropriateness of the fair value measurement by reference to observable market prices at the reporting date.
- Assessed the adequacy of the Company's disclosures regarding digital asset holdings in the financial statements.

Other Information

Management is responsible for the other information. The other information comprises the Management 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 identified above 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 on this other information, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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

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

In preparing the 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.

Auditors' 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 period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner on the audit resulting in this independent auditor's report is Charles Sung.

CAN Partners LLP

Markham, Ontario
December 29, 2025

**Chartered Professional Accountants
Licensed Public Accountants**

LUXXFOLIO HOLDINGS INC.

Consolidated Statements of Financial Position
(Expressed in Canadian Dollars)

As at	August 31, 2025	August 31, 2024
Assets		
Current assets		
Cash and cash equivalents	\$ 31,361	\$ 15,592
Accounts and GST receivables	81,205	10,681
Prepaid expenses	3,634	-
	116,200	26,273
Non-current assets		
Intangible – Digital Assets (note 5)	3,147,093	-
Total assets	\$ 3,263,293	\$ 26,273
Liabilities and shareholders' equity		
Current liabilities		
Accounts payable and accrued liabilities	\$ 151,373	\$ 237,006
	151,373	237,006
Shareholders' equity		
Common shares (note 8)	28,092,105	25,008,109
Contributed surplus (note 8)	802,723	236,455
Accumulated other comprehensive income	353,352	-
Accumulated deficit	(26,136,260)	(25,455,297)
	3,111,920	(210,733)
Total liabilities and shareholders' equity	\$ 3,263,293	\$ 26,273

Going Concern – Note 1

Subsequent Events – Note 12

Approved on behalf of the Board:

Signed: "Tomek Antoniak"

Tomek Antoniak, Director

Signed: "Zayn Kalyan"

Zayn Kalyan, Director

The accompanying notes are an integral part of these consolidated financial statements.

LUXXFOLIO HOLDINGS INC.

Consolidated Statements of Operations and Comprehensive Loss

(Expressed in Canadian Dollars)

	For the year ended August 31, 2025		For the year ended August 31, 2024	
Operating expenses				
Advertising	\$	169,782	\$	-
Consulting (note 7)		227,882		-
General and administration		14,416		32,796
Interest expense		831		-
Professional fees		66,608		42,025
Share-based compensation (note 8)		139,149		49,835
Transfer agent and regulatory		77,745		-
Travel		5,866		-
Total operating expenses		(702,279)		(124,656)
Other income and expenses				
Other income		803		-
Total other income and expenses		803		-
Net loss		(701,476)		(124,656)
Other comprehensive income (loss)				
Revaluation gain on digital assets		353,352		-
		353,352		-
Comprehensive loss	\$	(348,124)	\$	(124,656)
Basic and diluted net loss per share	\$	(0.02)	\$	(0.01)
Weighted average number of shares outstanding:				
Basic and diluted		40,137,414		8,671,794

The accompanying notes are an integral part of these consolidated financial statements.

LUXXFOLIO HOLDINGS INC.
Consolidated Statements of Changes in Shareholders' Equity

For the year ended August 31, 2025 and 2024

(Expressed in Canadian Dollars)

	Notes	Number of common shares	Common shares	Contributed surplus	Warrant reserves	AOCI	Deficit	Total
Balance, August 31, 2023		8,671,794	\$ 25,008,109	\$ 186,620	\$ 336,704	\$ -	\$ (25,667,345)	\$ (135,912)
Share-based compensation	8	-	-	45,744	-	-	-	45,744
Expired share purchase warrants	8	-	-	-	(336,704)	-	336,704	-
Share-based compensation	8	-	-	4,091	-	-	-	4,091
Comprehensive loss		-	-	-	-	-	(124,656)	(40,362)
Balance, August 31, 2024		8,671,794	\$ 25,008,109	\$ 236,455	\$ -	\$ -	\$ (25,455,297)	\$ (210,733)
Consolidation adjustment	8	3	-	-	-	-	-	-
Issuance of common shares	8	17,758,367	3,663,755	-	-	-	-	3,663,755
Share issuance costs		-	(727,985)	520,858	-	-	-	(207,127)
Exercise of stock options	8	500,000	75,000	-	-	-	-	75,000
Transfer of fair value of stock options upon exercise to share capital	8	-	73,226	(73,226)	-	-	-	-
Expired stock options	8	-	-	(20,513)	-	-	20,513	-
Share-based compensation	8	-	-	139,149	-	-	-	139,149
Comprehensive loss		-	-	-	-	353,352	(701,476)	(348,124)
Balance, August 31, 2025		26,930,164	\$ 28,092,105	\$ 802,723	\$ -	\$ 353,352	\$ (26,136,260)	\$ 3,111,920

On March 21, 2025, the Company completed a share consolidation on a 10:1 basis. All outstanding common shares, stock options, warrants and finder's warrants were adjusted on the same 10-for-1 basis, including a corresponding adjustment to their exercise prices. All references to common shares, options, and warrants and per common share amounts have been retroactively restated to reflect this share consolidation.

The accompanying notes are an integral part of these consolidated financial statements.

LUXXFOLIO HOLDINGS INC.Consolidated Statements of Cash Flows
(Expressed in Canadian Dollars)

	For the year ended August 31, 2025	For the year ended August 31, 2024
Operating Activities		
Net income (loss)	\$ (701,476)	\$ (124,656)
Changes in non-cash operating items:		
Share-based compensation	139,149	49,835
Changes in non-cash working capital:		
Accounts receivable	(70,524)	(1,188)
Prepaid expense	(3,634)	
Accounts payable and accrued liabilities	(75,133)	21,882
Cash provided by (used in) operating activities	(711,618)	(54,127)
Investing Activities		
Purchase of intangible assets	(2,793,741)	-
Cash provided by (used in) investing activities	(2,793,741)	-
Financing Activities		
Proceeds from issuance of common shares (note 8)	3,663,755	-
Finders' fees (note 8)	(207,127)	
Exercise of stock options (note 8)	64,500	
Cash provided by (used in) financing activities	3,521,128	-
Inflow (Outflow) of Cash	15,769	(54,127)
Cash, Beginning of the period	15,592	69,719
Cash, End of the period	\$ 31,361	\$ 15,592
SUPPLEMENTAL CASH FLOW INFORMATION		
Interest paid	-	-
Income tax paid	-	-
Non-cash financing and investing activities		
Fair value of debt settled in stock option exercise	10,500	-
Fair value of finder's warrants	520,859	-
Transfer of fair value of stock options exercise	73,226	-
Transfer of fair value of stock options expired	20,513	-

The accompanying notes are an integral part of these consolidated financial statements.

LUXXFOLIO HOLDINGS INC.

Notes to the Consolidated Financial Statements

For the years ended August 31, 2025 and 2024

(Expressed in Canadian Dollars)

1. NATURE OF OPERATIONS AND GOING CONCERN

Luxxfolio Holdings Inc. (the “Company”) was incorporated under the *Business Corporations Act* (British Columbia) on October 10, 2017. The Company is listed on the Canadian Securities Exchange under the symbol “LUXX” and the OTCQB under the symbol “LUXFF”. The head office of the Company is located at 417 – 1080 Mainland Street, Vancouver, British Columbia. The Company is focused on developing and operating infrastructure for the Litecoin blockchain ecosystem including cleaning energy crypto mining, on-chain Litecoin treasury, and infrastructure for native stablecoins and smart contracts. Through these initiatives, the Company aims to position itself as an infrastructure leader in the Litecoin economy, leveraging low-fee, high-throughput blockchain technology to support scalable financial applications and decentralized systems.

These consolidated financial statements have been prepared on a going concern basis, which assumes that the Company will continue to operate for the foreseeable future and be able to realize a return on its assets and discharge its liabilities and commitments in the ordinary course of business.

For the year ended August 31, 2025, the Company realized a comprehensive loss of \$353,352 (2024 - \$124,656). As at August 31, 2025, the Company had a working capital deficit of \$35,173 (August 31, 2024 – \$210,733) and an accumulated deficit of \$26,136,260 (August 31, 2024 - \$25,455,297). The continuing operations of the Company are dependent upon its ability to attain profitable operations and generate funds there from. This indicates the existence of material uncertainty that may cast significant doubt about the Company’s ability to continue as a going concern. Management intends to finance operating costs with equity financings, loans from directors and companies controlled by directors and/or private placement of common shares. If the Company is unable to continue as a going concern, the net realizable value of its assets may be materially less than the amounts on its consolidated statement of financial position. Although the Company has been successful in the past in raising funds to continue operations, there is no assurance it will be able to do so in the future.

The Company’s business may be affected by changes in political and market conditions, such as interest rates, availability of credit, inflation rates, changes in laws, and national and international circumstances. Recent geopolitical events and potential economic global challenges such as the risk of higher inflation and energy crises, may create further uncertainty and risk with respect to the prospects of the Company’s business. The financial statements do not include any adjustments relating to the recoverability and classification of recorded asset amounts and classification of liabilities that might be necessary should the Company be unable to continue in existence.

2. BASIS OF PRESENTATION**(a) Statement of compliance**

These consolidated financial statements, have been prepared in accordance with International Financial Reporting Standards (“IFRS”), as issued by the International Accounting Standards Board (“IASB”), and interpretations issued by the International Financial Reporting Standards Interpretation Committee (“IFRIC”).

These consolidated financial statements were reviewed by the Audit Committee and approved and authorized for issuance by the Board of Directors on December 29, 2025.

LUXXFOLIO HOLDINGS INC.

Notes to the Consolidated Financial Statements

For the years ended August 31, 2025 and 2024

(Expressed in Canadian Dollars)

2. BASIS OF PRESENTATION (continued)**(a) Statement of compliance (continued)**

The Company is currently engaged in developing and operating infrastructure for the Litecoin blockchain ecosystem, including clean energy mining, a digital asset treasury strategy, and support for Litecoin-native smart contracts and stablecoins. As aspects of the Company's operations—particularly those involving digital assets, decentralized technologies, and blockchain infrastructure—are not specifically addressed by existing IFRS guidance, management is required to exercise judgment in applying IFRS and in selecting appropriate accounting policies. This includes determining the classification, recognition, derecognition, and measurement of digital assets, as well as the recognition of related revenues and expenses.

The Company has disclosed its approach to the presentation, recognition and derecognition, and measurement of digital assets and related revenue recognition, along with the significant assumptions and judgments applied. However, should the IASB issue specific guidance in the future that applies to the Company's activities, the resulting changes in accounting policies may have a material impact on the Company's financial position and results of operations.

(b) Basis of presentation

These consolidated financial statements have been prepared on a historical cost basis, except for certain financial instruments and digital currencies that have been measured at fair value, on the reporting date. In addition, these consolidated financial statements have been prepared using the accrual basis of accounting, except for cash flow information.

(c) Principals of consolidation

These consolidated financial statements include the accounts of the Company and its wholly owned inactive subsidiaries at the end of the reporting period:

			Ownership August 31, 2025	Ownership August 31, 2024
	Incorporated	Nature		
Luxxfolio Networks Inc.	British Columbia	Blockchain	100%	100%

The results of the wholly owned subsidiaries will continue to be included in the consolidated financial statements of the Company until the date that the Company's control over the subsidiary ceases. Control exists when the Company has the power, directly or indirectly, to govern the financial and operating policies of an entity to obtain benefits from its activities. Intercompany balances and transactions, including unrealized income and expenses arising from intercompany transactions, are eliminated on consolidation.

(e) Functional and presentation currency

Transactions and balances in the consolidated financial statements are measured using the currency of the primary economic environment in which the entity operates. These consolidated financial statements have been presented in Canadian dollars ("CAD"). The functional currency of all entities is CAD as at August 31, 2025.

LUXXFOLIO HOLDINGS INC.

Notes to the Consolidated Financial Statements

For the years ended August 31, 2025 and 2024

(Expressed in Canadian Dollars)

3. MATERIAL ACCOUNTING POLICIES

The material accounting policies of the Company include the following:

(a) Foreign currency translation

Transactions denominated in foreign currencies are translated to the respective functional currencies of the Company and its subsidiaries at the exchange rates prevailing at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies are translated at the exchange rate prevailing at the reporting date. Non-monetary assets and liabilities are translated at historical exchange rates prevailing at each transaction date. Revenues and expenses are translated at exchange rates prevailing on the date of transactions. All exchange gains and losses are included in the determination of earnings.

(b) Financial instruments

The following is the Company's accounting policy for financial instruments under IFRS 9 Financial Instruments ("IFRS 9"):

Financial assets

(i) Recognition and measurement of financial assets

The Company recognizes a financial asset when it becomes a party to the contractual provisions of the instrument.

(ii) Classification of financial assets

The Company classifies financial assets upon initial recognition as financial assets: measured at amortized cost, measured at fair value through other comprehensive income or measured at fair value through profit or loss. The Company recognizes a financial asset when it becomes a party to the contractual provisions of the instrument.

Financial assets measured at amortized cost

A financial asset that meets both of the following conditions is classified as a financial asset measured at amortized cost.

- The Company's business model for such financial assets, is to hold the assets in order to collect contractual cash flows.
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the amount outstanding.

LUXXFOLIO HOLDINGS INC.

Notes to the Consolidated Financial Statements

For the years ended August 31, 2025 and 2024

(Expressed in Canadian Dollars)

3. MATERIAL ACCOUNTING POLICIES**(b) Financial instruments (continued)****(ii) Classification of financial assets (continued)**

A financial asset measured at amortized cost is initially recognized at fair value plus transaction costs directly attributable to the asset. After initial recognition, the carrying amount of the financial asset measured at amortized cost is determined using the effective interest method, net of impairment loss, if necessary.

Financial assets measured at fair value through other comprehensive income ("FVTOCI")

A financial asset measured at fair value through other comprehensive income is recognized initially at fair value plus transaction costs directly attributable to the asset. After initial recognition, the asset is measured at fair value with changes in fair value included as "financial asset at fair value through other comprehensive income" in other comprehensive income.

Financial assets measured at fair value through profit or loss ("FVTPL")

A financial asset measured at fair value through profit or loss is recognized initially at fair value with any associated transaction costs being recognized in profit or loss when incurred. After initial recognition, the financial asset is re-measured at fair value, and a gain or loss is recognized in profit or loss in the reporting period in which it arises.

(iii) Derecognition of financial assets

The Company derecognizes a financial asset if the contractual rights to the cash flows from the asset expire, or the Company transfers substantially all the risks and rewards of ownership of the financial asset. Any interest in transferred financial assets that are created or retained by the Company are recognized as a separate asset or liability. Gains and losses on derecognition are generally recognized in the consolidated statement of operations and comprehensive loss. However, gains and losses on derecognition of financial assets classified as FVTOCI remain within accumulated other comprehensive income (loss).

(iv) Impairment of financial assets

The Company assesses at each reporting date whether there is objective evidence that a financial asset or a group of financial assets is impaired. A financial asset or group of financial assets is deemed to be impaired if, and only if, there is objective evidence of impairment as a result of one or more events that has occurred after the initial recognition of the asset and that event has an impact on the estimated future cash flows of the financial asset or group of financial assets.

LUXXFOLIO HOLDINGS INC.

Notes to the Consolidated Financial Statements

For the years ended August 31, 2025 and 2024

(Expressed in Canadian Dollars)

3. MATERIAL ACCOUNTING POLICIES (continued)

(b) Financial instruments (continued)

Financial liabilities

(i) Recognition and measurement of financial liabilities

The Company recognizes financial liabilities when it becomes a party to the contractual provisions of the instruments.

(ii) Classification of financial liabilities

The Company classifies financial liabilities at initial recognition as financial liabilities: measured at amortized cost or measured at fair value through profit or loss.

Financial liabilities measured at amortized cost

Financial liability at amortized cost is initially measured at fair value less transaction costs directly attributable to the issuance of the financial liability. Subsequently, the financial liability is measured at amortized cost based on the effective interest rate method.

Financial liabilities measured at fair value through profit or loss

A financial liability measured at fair value through profit or loss is initially measured at fair value with any associated transaction costs being recognized in profit or loss when incurred. Subsequently, the financial liability is re-measured at fair value, and a gain or loss is recognized in profit or loss in the reporting period in which it arises.

(iii) Derecognition of financial liabilities

The Company derecognizes a financial liability when the financial liability is discharged, cancelled, or expired. Generally, the difference between the carrying amount of the financial liability derecognized and the consideration paid and payable, including any non-cash assets transferred or liabilities assumed, is recognized in the consolidated statement of operations and comprehensive loss.

Financial assets and liabilities are offset, and the net amount is presented in the consolidated statement of financial position only when the Company has a legally enforceable right to set off the recognized amounts and intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously.

LUXXFOLIO HOLDINGS INC.

Notes to the Consolidated Financial Statements

For the years ended August 31, 2025 and 2024

(Expressed in Canadian Dollars)

3. MATERIAL ACCOUNTING POLICIES (continued)**(b) Financial instruments (continued)**

The following table shows the classification of the Company's financial instruments under IFRS 9:

	Classification
Financial assets	
Cash	FVTPL
Accounts Receivable	Amortized Cost
Financial liabilities	
Accounts payable and accrued liabilities	Amortized Cost

(c) Income taxes

Income tax expense, consisting of current and deferred tax expense, is recognized in the consolidated statement of operations and comprehensive loss. Current tax expense is the expected tax payable on the taxable income for the period, using tax rates enacted or substantively enacted at period-end, adjusted for amendments to tax payable with regard to previous years.

Deferred tax assets and liabilities and the related deferred income tax expense or recovery are recognized for deferred tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax basis. Deferred tax assets and liabilities are measured using the enacted or substantively enacted tax rates expected to apply when the asset is realized, or the liability is settled. The effect on deferred tax assets and liabilities of a change in tax rates is recognized in profit or loss in the period that substantive enactment occurs.

A deferred tax asset is recognized to the extent that it is probable that future taxable profits will be available against which the asset can be utilized. To the extent the Company does not consider it probable that a deferred tax asset will be recovered, the deferred tax asset is reduced. Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities as they relate to income taxes levied by the same taxation authority and the Company intends to settle its current tax assets and liabilities on a net basis.

(d) Share-based compensation

The Company has share-based compensation which is described in note 8. Share-based compensation granted is accounted for using the fair value method. The fair value of the common share purchase option for employees is calculated at the date of grant and is expensed over the vesting period of those options. The fair value of the common share purchase option for non-employees is calculated at the date of performance completion. The fair value for awards with graded vesting is recognized over the vesting period of the tranche. The fair value of the common share purchase option is measured at the fair value of the goods or services received unless that fair value cannot be estimated reliably. In such case, the Company uses the Black-Scholes model to calculate the fair value of stock options issued, which requires certain assumptions be made at the time the options are awarded, including the expected life of the option, the expected number of granted options that will vest, forfeitures and the expected future volatility of the stock. Any consideration received upon exercise of stock options is credited to share capital along with the amount previously recognized in share-based payment reserve.

LUXXFOLIO HOLDINGS INC.

Notes to the Consolidated Financial Statements

For the years ended August 31, 2025 and 2024

(Expressed in Canadian Dollars)

3. MATERIAL ACCOUNTING POLICIES (continued)**(e) Share capital**

Common shares issued by the Company are classified as equity. Costs directly attributable to the issue of common shares, share purchase warrants and share options are recognized as deduction from equity, net any related income tax effects.

Warrants issued in equity financing transactions

The Company engages in equity financing transactions to obtain the funds necessary to continue operations. These equity financing transactions may involve issuance of common shares or units. A unit comprises a certain number of common shares and a certain number of share purchase warrants. Depending on the terms and conditions of each equity financing agreement, the warrants are exercisable into additional common shares prior to expiry at a price stipulated by the agreement. Warrants that are part of units are valued based on the residual value method and included in share capital with the common shares that were concurrently issued. Warrants that are issued as payment for an agency fee or other compensatory transactions costs are accounted for as share-based payments.

(f) Research and development

Research costs are expensed as incurred. Costs related to the development of the platform are expensed as incurred unless such costs meet the criteria for deferral and amortization under IFRS. The criteria include identifiable costs attributable to a clearly defined product, the establishment of technical feasibility, demonstration of the Company's intention and ability to complete the platform and use or sell it, identification of a market for the platform, the Company's intent to market the software, and the existence of adequate resources to complete the project.

(g) Impairment of non-financial assets

At the end of each reporting period, the Company's assets are reviewed to determine whether there is any indication that those assets may be impaired. If such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment, if any. The recoverable amount is the higher of fair value less costs to sell and the value in use. In assessing value in use, estimated future cash flows are adjusted for the risks specific to the asset. If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount and the impairment loss is recognized in profit or loss for the period. For an asset that does not generate largely independent cash flows, the recoverable amount is determined by the cash-generating unit to which the asset belongs.

(h) Earnings (loss) per share

Basic earnings (loss) per share is calculated by dividing net loss attributable to common shares of the Company by the weighted average number of common shares outstanding during the year. The Company uses the treasury stock method for calculating diluted earnings (loss) per share. Under this method, the dilutive effect on earnings per share is calculated on the use of the proceeds that could be obtained upon exercise of options, warrants and similar instruments. It assumes that the proceeds of such exercise would be used to purchase common shares at the average market price during the period. However, the calculation of diluted loss per share excludes the effects of various conversions and the exercise of options and warrants that would be anti-dilutive.

LUXXFOLIO HOLDINGS INC.

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For the years ended August 31, 2025 and 2024

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3. MATERIAL ACCOUNTING POLICIES (continued)**(i) Intangible assets – cryptocurrencies**Cryptocurrency holdings

Cryptocurrency holdings, defined as digital representations of value recorded on a distributed ledger that use cryptography for security, which are neither issued by a jurisdictional authority nor give rise to a contract between the holder and another party, are accounted for as intangible assets in accordance with International Accounting Standard, 38 *Intangible Assets* ("IAS 38").

Cryptocurrencies are recognised when the entity obtains control of the asset and it is probable that future economic benefits will flow to the entity and the cost of the asset can be reliably measured, consistent with the recognition criteria in IAS 38.

Measurement

Cryptocurrency is recognized at purchase cost and then revalued at the end of each reporting period using an open market quoted price. Any decrease in value as a result of revaluation is recorded in profit and loss while increase in value is recorded as other comprehensive income. However, the increase is recognized in profit and loss to the extent that it reverses revaluation decrease of the same asset previously recognized in profit and loss.

Cryptocurrencies are considered indefinite-lived intangible assets unless evidence supports that a finite useful life exists, in which case amortisation would be recognised on a systematic basis over that determined useful life. Impairment is assessed at each reporting date and any impairment loss is recognised in profit or loss if the recoverable amount is less than the carrying amount.

(j) New IFRS issued but not yet effective

The following new standards and amendments have not been applied in preparing these financial statements.

IFRS 18 Presentation and Disclosure in Financial Statements

IFRS 18 introduces three sets of new requirements to give investors more transparent and comparable information about companies' financial performance for better investment decisions.

1. Three defined categories for income and expenses - operating, investing or financing - to improve the structure of the income statements, and require all companies to provide new defined subtotals, including operating profit;
2. Requirement for companies to disclose explanations of management-defined performance measures ("MPMs") that are related to the income statement; and
3. Enhanced guidance on how to organize information and whether to provide it in the primary financial statements or in the notes.

This new standard is effective for reporting periods beginning on or after January 1, 2027. The Company is currently evaluating the impact of the above amendments on its consolidated financial statements.

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Notes to the Consolidated Financial Statements

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4. CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS

Use of estimates and judgments

The preparation of these consolidated financial statements in accordance with IFRS requires management to make judgments, estimates, and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results may differ from these estimates. Accounting estimates and assumptions made by management that may result in a material adjustment to the carrying amounts of assets and liabilities include, but are not limited to the following:

(i) Valuation of digital assets

The Company has adopted Litecoin as an integral component of its treasury strategy. Litecoin is considered an identifiable non-monetary asset without physical substance and is treated as intangible assets not subject to amortization under IAS 38 Intangible Assets.

Litecoin is measured at fair value using the quoted prices provided by Yahoo Finance and are valued at the closing price on the last trading day of the reporting period.

(ii) Fair value of options and warrants

The fair value of equity instruments is subject to the limitations of the Black-Scholes option pricing model, as well as other pricing models that incorporate market data and involve uncertainty in estimates used by management in the assumptions. Because option pricing models require inputs of highly subjective assumptions, including the volatility of share prices, changes in subjective input assumptions can materially affect the fair value estimate.

(iii) Business combinations

In business combinations transacted by the Company, identifiable assets acquired, and liabilities assumed are recorded at their fair values. In determining the allocation of the purchase price in a business combination requires management to make certain judgements and estimates about future events, including but not limited to future revenues, future digital asset prices and future operating costs.

Management determines whether assets acquired, and liabilities assumed constitute a business. A business consists of inputs and processes applied to those inputs to create outputs of measurable value.

(iv) Going concern assumption

The assessment of whether the going concern assumption is appropriate requires management to consider all available information about the future, which is at least, but not limited to, twelve months from the end of the reporting period.

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4. CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS (continued)**(v) Income taxes**

The measurement of income taxes payable and deferred income tax assets and liabilities requires management to make judgements in the interpretation and application of the relevant tax laws. The actual amount of income taxes only becomes final upon filing and acceptance of the tax return by the relevant tax authorities, which occurs subsequent to the issuance of the consolidated financial statements.

(vi) Research and development expenditures

Costs to develop the Company's platform are capitalized to the extent that the criteria for recognition as intangible assets in IAS 38 *Intangible Assets* are met. Those criteria require that the platform is technically and economically feasible, which management assesses based on the attributes of the development project, perceived user needs, industry trends and expected future economic conditions. Management considers those factors in aggregate and applies significant judgement to determine whether the platform is feasible. The Company has not capitalized any research and development costs as at August 31, 2025.

(vii) Impairment of non-financial 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. Recoverable amounts are also sensitive to assumptions about the future usefulness of in-process development and contractual rights to use inputs for these assets.

5. INTANGIBLE – DIGITAL ASSETS

At August 31, 2025, the Company held Litecoin and USDC as its digital assets. The digital assets are recorded at their fair value on the date they are acquired and are remeasured to current market value at each reporting date. Fair value is determined by taking the closing price listed on Yahoo Finance at the reporting date.

The continuity of digital assets is as follows:

<i>(At fair value)</i>	Litecoin		USDC	
	Units	Amount	Units	Amount
Ending balance, August 31, 2024	-	-	-	-
Purchases	20,232	\$2,675,410	24,846	\$134,649
Expenses	(8)	(979)	(10,000)	(13,731)
Revaluation	-	351,681	-	63
Ending balance at, August 31, 2025	20,226	\$3,026,112	14,846	\$120,981

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6. SHORT-TERM LOAN

On January 13, 2025, the Company entered into a bridge loan facility with Cypress Hills Partners Inc. ("Cypress Hills") in the amount of \$35,000, bearing an annual interest rate of 14% for a term of 90 days. The proceeds of the loan are to be used for expenses related to the completion and filing of the Company's Audited Annual Consolidated Financial Statements and the accompanying Management Discussion and Analysis in the amount of \$25,000, as well as other administrative and filing expenses of \$10,000, subject to the approval of Cypress Hills. The loan is secured by a general security agreement on all present and after-acquired property of the Company. Repayment shall be due on the earliest of the following: 90 days from the date of the loan facility agreement, the date on which the Company completes a private placement with proceeds of at least \$75,000, or the date on which Cypress Hills demands repayment following the occurrence of an event of default.

On March 26, 2025, the Company fully repaid the short-term loan of \$35,000 provided by Cypress Hills, including interest of \$831 and loan commitment fees of \$1,000. The related general security agreement was discharged.

7. RELATED PARTY TRANSACTIONS

Related party transactions are in the normal course of operations and measured at the exchange amount, which is the amount of consideration established and agreed by the related parties.

Key Management Compensation

Key management includes directors (executive and non-executive) and officers of the Company. The amounts due to related parties are for amounts due to directors and officers. The balances are unsecured, non-interest bearing and have no specific terms for repayment.

During the year ended August 31, 2025 and 2024, the Company entered into following transactions with related parties:

	For the year ended August 31, 2025	For the year ended August 31, 2024
Consulting fees	\$ 114,500	\$ -
Professional fees	4,500	-
Share-based compensation	55,659	-
	\$ 174,659	\$ -

As at August 31, 2025, the Company had outstanding amounts payable to officers and directors of the Company in the amount of \$8,066 (December 31, 2024 - \$Nil) for outstanding consulting fees. The balances are unsecured, non-interest bearing, and have no specific terms of repayment.

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8. SHARE CAPITAL**(a) Authorized**

Unlimited number of common shares without par value and an unlimited number of preferred shares without par value.

On March 21, 2025, the Company completed a share consolidation on a 10:1 basis. All outstanding common shares, stock options, warrants and finder's warrants were adjusted on the same 10-for-1 basis, including a corresponding adjustment to their exercise prices. All references to common shares, options, and warrants and per common share amounts have been retroactively restated to reflect this share consolidation.

(b) Issued and outstanding**For the year ended August 31, 2025:**

On July 14, 2025, the Company completed a non-brokered private placement for the issuance of 10,000,000 units for gross proceeds of \$2,500,000. Each unit is comprised of 1 common share and one-half of a warrant, with each whole warrant exercisable at a price of \$0.50 and an expiry date of July 14, 2027.

In connection with the transaction, cash finder's fees of \$142,569 were paid and share purchase warrants (the "Finder's Warrants") totaling 570,276 were issued to certain arms-length parties. The Finder's Warrants have an exercise price of \$0.50 and an expiry date of July 14, 2027. The finder's warrants have a fair value of \$439,113 calculated using the Black-Scholes Option Pricing Model.

On March 25, 2025, the Company completed a non-brokered private placement for the issuance of 7,758,367 common shares for gross proceeds of \$1,163,755.

In connection with the transaction, cash finder's fees of \$64,558 were paid and 406,119 finder's warrants were issued to certain arms-length parties. The finder's warrants have an exercise price of \$0.15 and an expiry date of March 24 and March 25, 2027. The finder's warrants have a fair value of \$81,746 calculated using the Black-Scholes Option Pricing Model.

The share consolidation was completed in accordance with the Company's Articles and did not require shareholder approval. Approval from the Canadian Securities Exchange ("CSE") was obtained. All references to common shares, stock options, warrants, and compensation options in these financial statements have been retrospectively adjusted to reflect the share consolidation.

During the year ended August 31, 2025, the Company issued 500,000 common shares upon the exercise of 500,000 common shares with an exercise price of \$0.15 per share for gross proceeds of \$75,000. Related to the exercise, the Company recognized a transfer of \$73,226 from contributed surplus to share capital.

For the year ended August 31, 2024:

During the year ended August 31, 2024, the Company did not issue any common shares.

LUXXFOLIO HOLDINGS INC.

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8. SHARE CAPITAL (continued)**(c) Warrants**

During the year ended August 31, 2025, the Company issued 5,000,000 (2024 – nil) warrants in connection with a non-brokered private placement that closed on July 14, 2025. Each warrant entitles the holder to acquire one common share of the Company at an exercise price of \$0.50 for a period of 24 months from the date of issuance.

Warrant transactions and the number of share purchase warrants outstanding are as follows:

	Number of Finder's Warrants	Weighted Average Exercise Price
Outstanding, August 31, 2024	-	-
Issued	5,000,000	\$0.50
Outstanding, August 31, 2025	5,000,000	\$0.50

The weighted average contractual life of share purchase warrants outstanding as at August 31, 2025 is 1.74 (2024 – 0.00) years.

(d) Finder's warrants

During the year ended August 31, 2025, the Company issued 976,395 (2024 – nil) finder's warrants in connection with a non-brokered private placement that closed on March 25, 2025 and July 14, 2025. Each warrant entitles the holder to acquire one common share of the Company at an exercise price of \$0.15 and 0.50 for a period of 24 months from the date of issuance, respectively.

The finder's warrants issued were accounted for at their fair value determined by the Black-Scholes option pricing model with the following weighted average assumptions:

Exercise price per share	\$0.35
Risk-free interest rate	2.71%
Expected life of warrants	2 years
Annualized volatility	264.19%
Weighted average fair value per warrant	\$0.53

The annualized volatility was based on historical weekly data of the Company. Share-based compensation expense amounted to \$81,746 (2024 - \$nil) for these warrants. Finder's warrant transactions and the number of finder's warrants outstanding are as follows:

	Number of Finder's Warrants	Weighted Average Exercise Price
Outstanding, August 31, 2024	-	-
Issued	976,395	\$0.35
Outstanding, August 31, 2025	976,395	\$0.35

The weighted average contractual life of share purchase warrants outstanding as at August 31, 2025 is 1.74 (2024 – 0.00) years.

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8. SHARE CAPITAL (continued)**(d) Stock options**

The Company announced on June 24, 2025, that 1,500,000 incentive stock options were granted to officers and consultants of the Company, 800,000 exercisable at \$0.25 per common share and expiring on June 24, 2035 (the "Options"), and 600,000 exercisable at a price of \$0.25, expiring June 24, 2030 (the "Additional Options"). The exercise of the Additional Options will be subject to approval by the shareholders of the Company of an updated incentive equity compensation plan allowing for the grant of such number of awards as may be adequate to allow for the grant of the Additional Options. Both the Options and Additional Options will vest 25% on each three-, six-, nine- and twelve-month anniversaries of the grant date.

During the same period, the Company issued 500,000 common shares upon the exercise of stock options granted on June 5, 2023 and August 4, 2023. The options were exercised at a price of \$0.15 per share, for total proceeds of \$75,000.

During the year ended August 31, 2024, the Company did not grant any stock options.

The following table summarizes information on the movement of the stock options:

	Number of Stock Options	Weighted Average Exercise Price
Outstanding, August 31, 2024	867,000	\$0.28
Granted	1,500,000	\$0.25
Exercised	(500,000)	\$0.15
Cancelled	(140,000)	\$0.15
Outstanding, August 31, 2025	1,727,000	\$0.30
Options exercisable, August 31, 2025	227,000	\$0.30

The weighted average contractual life of stock options outstanding as at August 31, 2025 is 2.98 (2024 – 4.02) years.

The stock options issued were accounted for at their fair value determined by the Black-Scholes option pricing model with the following weighted average assumptions:

Exercise price per share	\$0.25
Risk-free interest rate	3.26%
Expected life of warrants	5 - 10 years
Annualized volatility	258.39%
Weighted average fair value per stock option	\$0.24

The annualized volatility was based on historical weekly data of the Company.

LUXXFOLIO HOLDINGS INC.

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9. FINANCIAL INSTRUMENTS AND DIGITAL ASSETS**(a) Fair value**

The Company provides information about its financial instruments measured at fair value at one of three levels according to the relative reliability of the inputs used to estimate the fair value:

Level 1 – quoted prices (unadjusted) 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 (i.e., as prices) or indirectly (i.e., derived from prices); and

Level 3 – inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The Company determined that the carrying value of cash and accounts receivable approximate fair value due to relatively short period to maturity.

Digital assets are revalued using quoted prices provided by Yahoo Finance and are valued at the closing price on the last trading day of the reporting period. The Company considers this to be Level 1 fair value.

(b) Credit risk

Credit risk refers to the potential that a counterparty to a financial instrument will fail to discharge its contractual obligations. The Company manages credit risk, in respect of its cash and funds held in trust by placing its cash balances at a recognized major Canadian and US financial institutions.

Digital assets are held in a custody account at Netcoins Inc, a Canadian based, regulated cryptocurrency trading platform. The Company does not self-custody its Litecoin assets

(c) Liquidity risk and Working Capital deficiency

Liquidity risk is the risk that the Company will encounter difficulty in satisfying financial obligations as they become due. The working capital deficiency on August 31, 2025 and August 31, 2024 is a measure of the liquidity risk that exists. The Company manages its liquidity risk on an ongoing basis in accordance with policies and procedures in place. Budgeting and Cash flow projections are completed and reviewed on a regular basis to ensure the Company has sufficient cash resources available to meet its financial obligations. The Company is exposed to liquidity risk in respect of its accounts payable and accrued liabilities., and long-term debt. As at August 31, 2025, the Company has the following contractual maturities:

	Carrying amount	Contractual cash flows	FY2025	FY2026	FY2027
Accounts Payable and accrued Liabilities	\$151,373	\$151,373	\$151,373	\$nil	\$nil
	\$151,373	\$151,373	\$151,373	\$nil	\$nil

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9. FINANCIAL INSTRUMENTS AND DIGITAL ASSETS (continued)**(d) Interest rate risk**

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate due to changes in the market interest rates. The Company's exposure to interest rate risk is limited and relates only to its ability to earn interest income on cash balances held from time to time at variable rates. Changes in short term rates will not have a significant effect on the fair value of the Company's cash positions.

(e) Foreign currency risk

Currency risk relates to the risk that the fair values and future cash flows of the Company's financial instruments will fluctuate as a result of changes in foreign exchange rates. Exchange rate fluctuations will affect those parts of the Company's operations managed in USD dollars and consequently may impact the Company's financial results, and assets and liabilities denominated in USD.

(f) Digital asset pricing risk

Litecoin pricing is affected by numerous factors including international supply and demand, interest rates, inflation or deflation, and global political and economic conditions. The liquidity and profitability of the Company are directly related to the current and future pricing of Litecoin. A decline in the market price of Litecoin could have a negative impact on the Company's future operations and financial results. In addition, a lack of market liquidity could limit the Company's ability to sell Litecoin on a timely basis and at acceptable pricing levels.

10. CAPITAL MANAGEMENT

The Company's objective when managing capital is to safeguard the Company's ability to continue as a going concern. As at August 31, 2025, the Company considers capital to consist of short-term debt and all components of shareholders' equity. The Company manages its capital structure and adjusts it considering changes in economic conditions and the risk characteristics of the underlying assets. To maintain or adjust the capital structure, the Company may issue common shares, promissory notes, dispose of assets or adjust the amount of cash on hand.

At this stage of the Company's development, and to maximize available capital, ongoing operational development efforts, the Company does not pay dividends. There were no changes to the Company's capital management approach for the year ended August 31, 2025.

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11. DEFERRED INCOME TAXES

A reconciliation of the expected income tax recovery to the actual income tax recovery is as follows:

	August 31, 2025	August 31, 2024
	\$	\$
Loss before income taxes	(701,476)	(124,656)
Canadian statutory income tax rate	27%	27%
Income tax recovery at statutory rate	(189,000)	(34,000)
Tax effect of:		
Non-deductible items	38,000	14,000
Change in unrecognized deferred income tax assets	151,000	20,000
Total income tax recovery	-	-

Deferred income tax assets are only recognized to the extent that the realization of tax benefits is determined to be probable. As of August 31, 2024 and 2023, the Company has unrecognized deferred tax benefits for the following deductible temporary differences:

	August 31, 2025	August 31, 2024
	\$	\$
Long-term debt and financing fees	45,000	14,000
Non-capital losses	4,127,000	3,964,000
Capital losses on deconsolidation	557,000	557,000
	4,729,000	4,535,000
Total unrecognized deferred tax asset	(4,729,000)	(4,535,000)
	-	-

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

	Expiry	August 31, 2025	Expiry	August 31, 2024
Non-capital losses	2037-2045	15,284,000	2037-2044	14,682,000
Capital losses	indefinite	4,124,000	indefinite	4,124,000
Share issue cost	2026-2029	166,000	2025-2028	-

LUXXFOLIO HOLDINGS INC.

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11. DEFERRED INCOME TAXES (continued)

The Company's non-capital losses of \$15,284,000 available for carry-forward to reduce future years' Canadian taxable income expire as follows:

	Amount \$
2037	1,280,000
2038	376,000
2039	331,000
2040	279,000
2041	739,000
2042	11,341,000
2043	193,000
2044	145,000
2045	600,000
	15,284,000

12. SUBSEQUENT EVENTS

On October 1, 2025, the Company granted 500,000 stock options to a director of the Company with an exercise price of \$0.40 and expiry date of October 1, 2030, which vests 25% on April 1, 2026 and 25% every six months thereafter.

On October 14, 2025, the Company granted 1,000,000 stock options to consultants of the Company with an exercise price of \$0.40 and expiry date of October 14, 2030, which vests 100% on February 14, 2026.

On December 9, 2025, the Company completed a non-brokered private placement for the issuance of 4,624,000 units at a price of \$0.17 per unit for gross proceeds of \$786,080. Each unit is comprised of 1 common share and 1 warrant, with each warrant exercisable at a price of \$0.35 and an expiry date of December 9, 2027.

In connection with the transaction, cash finder's fees of \$53,345 were paid and finder's warrants totaling 313,796 were issued to finder's who assisted with the financing. The finder's warrants have an exercise price of \$0.35 and an expiry date of December 9, 2027.

Subsequent to the year ended August 31, 2025, the market price of LTC has fluctuated significantly resulting in a decline in the market price from \$150 to \$105 as at the date of these consolidated financial statements. Accordingly, this would result in a reduction of fair value of the Company's digital assets by \$902,000 as at the reporting date.