CAPTOR CAPITAL CORP.

CONSOLIDATED FINANCIAL STATEMENTS

YEARS ENDED MARCH 31, 2025 AND 2024

(EXPRESSED IN CANADIAN DOLLARS)

INDEPENDENT AUDITOR'S REPORT

To the Shareholders of
Captor Capital Corp.

Report on the Audit of the Consolidated Financial Statements

Opinion
We have audited the consolidated financial statements of Captor Capital Corp. (the Company), which comprise the consolidated statements of financial position as at March 31, 2025 and 2024, and the consolidated statements of income (loss) and comprehensive income (loss), consolidated statements of changes in equity and consolidated statements of cash flows for the years then ended, and notes to the consolidated financial statements, including a summary of material accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of the Company as at March 31, 2025 and 2024, and its financial performance and its cash flows for the years then ended, in accordance with International Financial Reporting Standards.

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 those requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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 year ended March 31, 2025. 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.

Private Company Investments – Valuation

Description of the matter
As more fully described in Notes 3 and 7 in the consolidated financial statements, the Company held investments in private companies measured at level 3 fair value of $463,168.

Why the matter is a key audit matter
The Company applies valuation techniques which require management to make assumptions and judgments in measuring these investments due to the lack of observable inputs and absence of quoted market values. As a result, significant auditor judgment, knowledge and effort were required. Further, the involvement of those with specialized skills and knowledge were required in evaluating the results of our audit procedures. Given the subjectivity involved, we considered this area to be a key audit matter.

How the matter was addressed in the audit
The following were the primary procedures we performed to address this key audit matter:

- For the investment in Captor Acquisition Group (see note 3), we involved our internal valuation professionals with specialized skills and knowledge who assisted in evaluating the reasonableness of

management's expert valuation techniques used (discounted Cash Flow) and the appropriateness of the assumptions used in the valuation process including: discount rate, revenue growth, gross margin, EBITDA margin and working capital requirements; in evaluating the level 3 fair value, we ensured long term debt was deducted from the computed enterprise value;

- For the other level 3 private company fair value investment, we obtained third party confirmation to verify and assess the reasonableness of the assumptions made by management, including third party financing raised during the year ended March 31, 2025; and supplemented with independent evidence, where available, including benchmarking estimated enterprise value / revenue ratio to industry data for comparable companies; and;
- We assessed the appropriateness and completeness of the related disclosures in the consolidated financial statements.

Investment Entity Transition - IFRS 10

Description of the matter
As more fully described in note 3 to the consolidated financial statements, on April 1, 2024, the Company transitioned as an "Investment Entity" as defined in IFRS 10 – *Consolidated Financial Statements*. As a result, the Company deconsolidated the Captor Acquisition Group, resulting in a gain on transition to an investment entity of $6,209,471.

In accordance with IFRS 10 definition, an investment entity displays the following:

(a) obtains funds from one or more investors for the purpose of providing those investors with investment management services; and;
(b) commits to its investors that its business purpose is to invest funds solely for returns from capital appreciation, investment income, or both; and;
(c) measures and evaluates the performance of substantially all of its investments on a fair value basis.

Why the matter is a key audit matter
The matter involves a high degree of complexity and represented an area of significant risk of material misstatement. Determining proper application of IFRS 10 accounting standard involved significant auditor judgement, knowledge and effort in executing and evaluating the results of our audit procedures. Notably our assessment required evaluating whether the Company's business purpose had fundamentally changed from operating retail cannabis stores to holding investments for capital appreciation and investment income.

How the matter was addressed in the audit
The following were the primary procedures we performed to address this key audit matter:

- We evaluated management's assessment of Captor Capital Corp meeting the "investment entity" criteria, including reviewing evidence to support evolving business model and board mandate such as: investment strategies, investment exit plans and level of oversight with Captor Acquisition Group;
- Verified the completeness and accuracy of balances deconsolidated as part of the transition accounting, including overall verification of the gain recognized; and;
- We assessed the appropriateness and completeness of the related disclosures in the financial statements.

Information Other than the Consolidated Financial Statements and Auditor's Report Thereon
Management is responsible for the other information. The other information comprises the annual management's discussion and analysis, but does not include the consolidated financial statements and our auditor's report thereon.

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.

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 International Financial Reporting 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 relating 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 scepticism 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.

- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the group as a basis for forming an opinion on the group financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes 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 of 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 Pat Kenney.

Clearhouse LLP

Chartered Professional Accountants
Licensed Public Accountants

Mississauga, Ontario
July 28, 2025

CAPTOR CAPITAL CORP.
Consolidated Statements of Financial Position
(Expressed in Canadian Dollars)

	As at March 31, 2025	As at March 31, 2024
ASSETS		
Current		
Cash and cash equivalents	**$ 4,927,583**	$ 12,125,570
Amounts receivable, prepaid expenses and deposits (Note 6)	**1,618,214**	4,663,419
Inventory	**-**	1,486,096
Investments at fair value (Note 7)	**8,684,017**	2,377,360
	15,229,814	20,652,445
Non-current		
Amounts receivable and prepaid expenses (Note 6)	**-**	1,003,488
Right-of-use assets (Note 8)	**-**	5,370,658
Property and equipment (Note 9)	**-**	1,411,155
Intangibles (Note 10)	**-**	5,416,730
	$ 15,229,814	$ 33,854,476
LIABILITIES AND SHAREHOLDERS' EQUITY		
Liabilities		
Current		
Accounts payable and accrued liabilities (Note 19)	**$ 449,119**	$ 9,679,509
Lease liabilities (Note 11)	**-**	1,237,213
Income tax payable	**-**	8,540,518
	449,119	19,457,240
Non-current		
Lease liabilities (Note 11)	**-**	5,477,799
Deferred tax liability	**-**	411,542
Uncertain tax liability	**-**	3,417,962
	449,119	28,764,543
Shareholders' Equity		
Share capital (Note 13)	**116,143,585**	116,143,585
Contributed surplus	**32,773,917**	32,773,917
Accumulated other comprehensive loss	**-**	(1,510,103)
Deficit	**(134,136,807)**	(141,836,500)
	14,780,695	5,570,899
Non-controlling interest (Note 12)	**-**	(480,966)
	14,780,695	5,089,933
	$ 15,229,814	$ 33,854,476

NATURE OF OPERATIONS (Note 1)
SUBSEQUENT EVENT (Note 22)

APPROVED ON BEHALF OF THE BOARD:

Signed *"John Zorbas "*, Director Signed *"Kyle Appleby"*, Director

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

CAPTOR CAPITAL CORP.
Consolidated Statements of Income (Loss) and Comprehensive Income (Loss)
(Expressed in Canadian Dollars)

	Years Ended March 31, 2025	Years Ended March 31, 2024
Net Investment Income		
Gain on transition to an investment entity (Note 3)	**$ 6,209,471**	$ -
Unrealized loss on investments at fair value	**(1,744,488)**	(3,369,456)
	4,464,983	(3,369,456)
Net Revenue		
Revenue	**-**	36,765,994
Cost of sales	**-**	19,828,409
	-	16,937,585
Other Income		
Interest income	**345,545**	420,928
Dividend income	**3,150**	-
	348,695	420,928
Expenses		
General and administrative expenses (Note 17)	**1,367,340**	17,168,729
Foreign exchange gain	**(479,655)**	(23,039)
Amortization of intangible assets (Note 10)	**-**	829,381
	(887,685)	(17,975,071)
Net income (loss) for the year before other items:	**3,925,993**	(3,986,014)
Gain on derecognition of tax provision (Note 21)	**3,773,700**	-
Gain on lease termination	**-**	293,853
Gain on abandoned projects	**-**	45,484
Loss on impairment of assets (Notes 9 and 10)	**-**	(8,070,520)
Loss on write-off of property and equipment (Note 9)	**-**	(536,698)
Net income (loss) before income taxes	**7,699,693**	(12,253,895)
Current income tax expense (Note 20)	**-**	(4,850,217)
Deferred income tax recovery (Note 20)	**-**	968,865
Net income (loss) for the year	**7,699,693**	(16,135,247)
Other comprehensive income (loss)		
Items that may be reclassified subsequently:		
Foreign currency translation adjustment	**-**	(32,465)
Comprehensive income (loss) for the year	**$ 7,699,693**	$(16,167,712)
Net income (loss) attributable to:		
Shareholders of the Company	**$ 7,699,693**	$(11,380,975)
Non-controlling interest	**-**	(4,754,272)
	$ 7,699,693	$(16,135,247)
Income (loss) per share - basic and diluted (Note 16)[i]	**$ 2.21**	$ (3.28)

[i] Adjusted for 15:1 share consolidation effective July 11, 2024.

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

CAPTOR CAPITAL CORP.

Consolidated Statements of Cash Flows
(Expressed in Canadian Dollars)

	Years Ended March 31, 2025	2024
Cash (used in) provided by:		
Operating Activities		
Net income (loss) for the year	**$ 7,699,693**	$(16,135,247)
Adjustment for non-cash items		
Unrealized loss on investments at fair value	**1,744,488**	3,369,456
Foreign exchange gain	**-**	(52,226)
Gain on transition to an investment entity	**(6,209,471)**	-
Gain on derecognition of pre-closing tax accrual	**(3,773,700)**	-
Accrued interest on loans	**(154,756)**	-
Impairment of assets	**-**	8,070,520
Loss on write-off of property and equipment	**-**	536,698
Gain on lease modification	**-**	(293,853)
Deferred tax (recovery) expense	**-**	(968,865)
Uncertain tax provision	**-**	1,216,466
Depreciation and amortization	**-**	2,595,343
Accretion	**-**	859,054
Stock based compensation expense	**-**	261,749
	(693,746)	(540,905)
Changes in non-cash working capital items:		
Amounts receivable, prepaid expenses and deposits	**(765,853)**	(1,056,316)
Income tax payable	**-**	3,650,557
Accounts payable and accrued liabilities	**(392,003)**	(239,280)
Inventory	**-**	(45,625)
	(1,157,856)	2,309,336
Net additions in investments		
Purchase of investments at fair value	**(497,146)**	(2,272,277)
Cash eliminated on transition to an investment entity	**(2,330,829)**	-
Loan to investees	**(2,491,035)**	-
	(5,319,010)	(2,272,277)
Cash Flows Used in Operating Activities	**(7,170,612)**	(503,846)
Financing Activities		
Lease payments	**-**	(2,064,760)
Cash Flows Used in Financing Activities	**-**	(2,064,760)
Investing Activities		
Purchase of property and equipment	**-**	(171,865)
Repayments of loans and notes payable	**-**	(233,694)
Cash Flows Used in Investing Activities	**-**	(405,559)
Foreign exchange effect	**(27,375)**	12,555
Change in cash and cash equivalents	**(7,170,612)**	(2,974,165)
Cash and cash equivalents, beginning of year	**12,125,570**	15,087,180
Cash and cash equivalents, end of year	**$ 4,927,583**	$ 12,125,570
SUPPLEMENTAL INFORMATION:		
Interest received	**$ 345,545**	$ 420,928

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

CAPTOR CAPITAL CORP.

Consolidated Statements of Changes in Shareholders' Equity
(Expressed in Canadian Dollars)

	Share Capital	Contributed Surplus	Accumulated Other Comprehensive Loss	Deficit	Non-controlling Interest	Total
Balance, March 31, 2023	**$ 116,143,585**	**$ 32,512,168**	**$ (1,477,638)**	**$ (130,455,525)**	**$ 4,273,306**	**$ 20,995,896**
Share based compensation (note 15)	-	261,749	-	-	-	261,749
Comprehensive loss for the year	-	-	(32,465)	(11,380,975)	(4,754,272)	(16,167,712)
Balance, March 31, 2024	**116,143,585**	**32,773,917**	**(1,510,103)**	**(141,836,500)**	**(480,966)**	**5,089,933**
Eliminated on transition to an investment entity	-	-	1,510,103	-	480,966	1,991,069
Comprehensive income for the year	-	-	-	7,699,693	-	7,699,693
Balance, March 31, 2025	**$ 116,143,585**	**$ 32,773,917**	**$ -**	**$ (134,136,807)**	**$ -**	**$ 14,780,695**

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

1. NATURE OF OPERATIONS

Captor Capital Corp. (the "Company" or "Captor") was incorporated under the laws of the Province of Ontario, Canada by Articles of Incorporation dated September 26, 2003. On October 30, 2017, the common shares of Captor commenced trading on the Canadian Securities Exchange ("CSE") under the symbol "CPTR". The primary office is located at 4 King Street West, Suite 401, Toronto, Ontario, M5H 1B6, Canada.

Effective July 11, 2024, the Company consolidated its common shares on a 15:1 basis. All references in the consolidated financial statements have been adjusted to reflect this share consolidation on a retroactive basis.

The Company is a Canadian investment and merchant banking firm focusing its resources on diversified investments in other companies. Effective April 1, 2024, the Company changed the construction of its financial statements, in the context of an "Investment Entity" as defined in IFRS 10, Consolidated Financial Statements. The investment objective of the Company is to provide its shareholders with long-term capital growth by investing in a diversified portfolio of public and private companies.

The consolidated financial statements were approved by the Board of Directors on July 28, 2025.

2. MATERIAL ACCOUNTING POLICIES

(a) Statement of compliance

The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") issued by the International Accounting Standards Board ("IASB") and interpretations of the IFRS Interpretations Committee ("IFRIC"), effective for the Company's reporting for the year ended March 31, 2025.

(b) Basis of presentation

These consolidated financial statements have been prepared on a historical cost basis, with the exception of revaluation of investments at fair value. In addition, these consolidated financial statements have been prepared using the accrual basis of accounting except for cash flow information.

In the preparation of these consolidated financial statements, management is required to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenues and expenses during the period. Actual results could differ from these estimates. Of particular significance are the estimates and assumptions used in the recognition and measurement of items included in note 2(v).

(c) Basis of Consolidation

Subsidiaries consist of entities over which the Company is exposed to, or has rights to, variable returns as well as the ability to affect those returns through the power to direct the relevant activities of the entity. Subsidiaries are fully consolidated from the date control is transferred to the Company and are deconsolidated from the date control ceases. The financial statements include all the assets, liabilities, revenues, expenses and cash flows of the Company and its subsidiary after eliminating inter-entity balances and transactions.

The following are criteria within IFRS 10 – Consolidated Financial Statements, which the Company used to evaluate and determine that it continues to meet the definition of an Investment Entity:

- Obtain funds from one or more investors for the purpose of providing those investor(s) with investment management services;
- Commits to its investor(s) that its business purpose is to invest funds solely for returns from capital appreciation, investment income, or both; and
- Measures and evaluates the performance of substantially all its investments on a fair value basis.

2. MATERIAL ACCOUNTING POLICIES (Continued)

(c) Basis of Consolidation (continued)

The Company has evaluated the above criteria and determine that Captor meets the definition of an Investment Entity (see Note 3).

The Company has two wholly-owned subsidiaries, I-5 Holdings Ltd. and Fesanta Investment Ltd., which are not considered investee companies for purposes of IFRS 10 application, and accordingly are consolidated.

(d) Functional Currency

These consolidated financial statements have been prepared in Canadian dollars, which is also the functional currency of the Company. The functional currency is the currency of the primary economic environment in which the Company operates.

(e) Financial Instruments

The Company classifies and measures financial instruments in accordance with IFRS 9. A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. The Company recognizes financial assets and financial liabilities on the statements of financial position when it becomes a party to the financial instruments or derivative contract.

Classification

The Company classifies its financial assets in the following measurement categories: (a) those to be measured subsequently at FVTPL; (b) those to be measured subsequently at fair value through other comprehensive income (“FVTOCI”); and (c) those to be measured at amortized cost. The classification of financial assets depends on the business model for managing the financial assets and the contractual terms of the cash flow. Financial liabilities are classified as those to be measured at amortized cost unless they are designated as those to be measured subsequently at FVTPL (irrevocable election at the time of recognition). For assets and liabilities measured at fair value, gains and losses are recorded in profit or loss.

The Company reclassifies financial assets when and only when its business model for managing those assets changes. Financial liabilities are not reclassified. The Company’s financial assets include cash and cash equivalents, investments, amounts receivable and loans to investee. The Company’s financial liabilities include its lease liabilities and accounts payable and accrued liabilities.

Classification	IFRS 9
Cash and cash equivalents	FVTPL
Amounts receivable	Amortized cost
Investment loans	FVTPL
Investments at fair value	FVTPL
Accounts payable and accrued liabilities	Amortized cost
Lease liabilities	Amortized cost

2. MATERIAL ACCOUNTING POLICIES (Continued)

(e) Financial Instruments (continued)

Financial assets

Financial assets are classified as either financial assets at FVTPL, amortized cost, or FVTOCI. The Company determines the classification of its financial assets at initial recognition.

- Financial assets recorded at FVTPL

Financial assets are classified as FVTPL if they do not meet the criteria of amortized cost or FVTOCI. Gains or losses on these items are recognized in profit or loss.

The Company's cash and cash equivalents, investment loans, loans to investees and investments at fair value are classified at FVTPL.

- Amortized cost

Financial assets are classified as measured at amortized cost less expected credit losses if both of the following criteria are met and the financial assets are not designated as at fair value through profit and loss: 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 loans receivable are classified as financial assets and measured at amortized cost.

Financial liabilities

Financial liabilities are classified as either financial liabilities at fair value through profit or loss or at amortized cost. The Company determines the classification of its financial liabilities at initial recognition.

- Amortized cost

Financial liabilities are classified as measured at amortized cost unless they fall into one of the following categories: financial liabilities at FVTPL, financial liabilities that arise when a transfer of a financial asset does not qualify for derecognition, financial guarantee contracts, commitments to provide a loan at a below-market interest rate, or contingent consideration recognized by an acquirer in a business combination.

The Company’s accounts payable and accrued liabilities and lease liabilities do not fall into any of the exemptions and are therefore classified as measured at amortized cost.

Transaction costs

Transaction costs associated with financial instruments, carried at FVTPL, are expensed as incurred, while transaction costs associated with all other financial instruments are included in the initial carrying amount of the asset or the liability.

2. MATERIAL ACCOUNTING POLICIES (Continued)

(e) Financial Instruments (continued)

Subsequent measurement

Instruments classified at FVTPL are measured at fair value with unrealized gains and losses recognized in profit or loss. Instruments classified at amortized cost are measured at amortized cost using the effective interest rate method. Instruments classified as FVTOCI are measured at fair value with unrealized gains and losses recognized in other comprehensive income. When an instrument at FVTOCI is sold, the accumulated gains or losses are reclassified from accumulated other comprehensive income (loss) directly to deficit.

Derecognition

The Company derecognizes financial assets only when the contractual rights to cash flows from the financial assets expire, or when it transfers the financial assets and substantially all of the associated risks and rewards of ownership to another entity.

The Company derecognizes financial liabilities when its contractual obligations are discharged, cancelled, or expired. The Company also derecognizes a financial liability when the terms of the liability are modified such that the terms and/or cash flows of the modified instrument are substantially different, in which case a new financial liability based on the modified terms is recognized at fair value.

Gains and losses on derecognition are generally recognized in profit or loss.

Expected Credit Loss Impairment Model

IFRS 9 includes a single expected credit loss impairment model, which is based on changes in credit quality since initial application.

The Company assumes that the credit risk on a financial asset has increased significantly if it is more than 30 days past due. The Company considers a financial asset to be in default when the borrower is unlikely to pay its credit obligations to the Company in full or when the financial asset is more than 90 days past due.

The carrying amount of a financial asset is written off (either partially or in full) to the extent that there is no realistic prospect of recovery. This is generally the case when the Company determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off.

Determination of fair value

The determination of fair value requires judgment and is based on market information, where available and appropriate. The Company classifies fair value measurements using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

- 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).

2. MATERIAL ACCOUNTING POLICIES (Continued)

(e) Financial Instruments (continued)

At the end of each reporting period, management estimates the fair value of investments based on the criteria below and reflects such valuations in the consolidated financial statements:

a. Securities including shares and warrants which are traded in an active market, such as on a recognized securities exchange and for which no sales restrictions apply, are presented at fair value based on quoted closing trade prices at the end of the reporting period or the closing trade price on the last day the security traded if there were no trades at the end of the reporting period. These are included in Level 1 of the fair value hierarchy.
b. For warrants which are not traded on a recognized securities exchange, no market value is readily available. When there are sufficient and reliable observable market inputs, a valuation technique is used. Valuation models such as Black-Scholes are used when there are sufficient and reliable observable market inputs. These market inputs include risk-free interest rate, exercise price, market price at the date of valuation, expected dividend yield, expected life of the instrument, and expected volatility of the underlying security based on historical volatility. These are included in Level 2 of the fair value hierarchy (see Note 7).

c. Convertible debentures and loans issued by investee companies are generally valued at the price at which the instrument was issued. The Company regularly considers whether any indications of deterioration in the value of the underlying business exist, which suggests that the debt instrument will not be fully recovered. The fair value of convertible debentures is measured using valuation techniques such as Black-Scholes.

The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgment and assumptions provided by management is required in establishing fair values. Judgments include consideration of inputs such as credit risk, discount rates, volatility, probability of certain triggering events, and share price of private company borrowers. Changes in assumptions relating to these factors could affect the reported fair value of the financial instruments. These are included in Level 3 of the fair value hierarchy (see Note 7).

<u>Private company investments</u>

All privately held investments are initially recorded at the transaction price, being the fair value at the time of acquisition. At the end of each reporting period, the fair value of an investment may (depending upon the circumstances) be adjusted using one or more of the valuation indicators described below. These are included in Level 3 of the fair value hierarchy (see Note 7).

The determination of fair value of the Company’s privately held investments at other than initial cost, is subject to certain limitations. Financial information for private companies in which the Company has investments may not be available and, even if available, that information may be limited and/or unreliable.

The use of the valuation approaches described below may involve uncertainties and determinations based on management’s judgment and any value estimated from these techniques may not be realized or realizable. Company-specific information is considered when determining whether the fair value of a privately held investment should be adjusted upward or downward at the end of each reporting period. In addition to company-specific information, the Company will also consider trends in general market conditions and the share performance of comparable publicly traded companies when valuing privately held investments.

2. MATERIAL ACCOUNTING POLICIES (Continued)

(e) Financial Instruments (continued)

The fair value of a privately held investment may be adjusted if:

i. There has been significant subsequent equity financing provided by outside investors at a valuation different than the current value of the investee company, in which case the fair value of the investment is set to the value at which that financing took place.
ii. There have been significant corporate, political, or operating events affecting the investee company that, in management's opinion, have a material impact on the investee company's prospects and therefore its fair value. In these circumstances, the adjustment to the fair value of the investment will be based on management's judgment and any value estimated may not be realized or realizable.
iii. The investee company is placed into receivership or bankruptcy.
iv. Based on financial information received from the investee company, it is apparent to the Company that the investee company is unlikely to be able to continue as a going concern.
v. Release by the investee company of positive/negative operational results; and
vi. Important positive/negative management changes by the investee company that the Company's management believes will have a very positive/negative impact on the investee company's ability to achieve its objectives and build value for shareholders.

Adjustments to the fair value of a privately held investment will be based upon management's judgment and any value estimated may not be realized or realizable. The resulting values for non-publicly traded investments may differ from values that would be realized if a ready market existed.

In addition, the amounts at which the Company's privately held investments could be currently disposed of may differ from the carrying value assigned.

(f) Revenue - investee companies

Realized gains (losses) on disposals of investments and unrealized gains (losses) on securities classified as FVTPL are reflected in the statements of loss and comprehensive loss on the transaction date and are calculated on an average cost basis. For all financial instruments measured at amortized cost and interest-bearing financial assets, interest income or expenses are recorded using the effective interest rate, which is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument, or a shorter period where appropriate, to the net carrying amount of the financial asset or financial liability.

Upon disposal of an investment, previously recognized unrealized gains or losses are reversed to recognize the full realized gains or losses in the period of disposition.

Other investment income, include but are not limited to, interest from loans recognized on the accrual basis. Investment income is considered operating income for cash flow purposes.

(g) Share-based payments

The Company operates a stock option plan under which it receives services from employees, and others providing similar services, as consideration for equity instruments of the Company.

Stock options granted are settled with shares of the Company when exercised. The expense is determined based on the fair value of the award granted and recognized over the period which services are received, which is usually the vesting period. For awards with graded vesting, the fair value of each tranche is recognized over its respective vesting period. At the end of each reporting period, the Company re-assesses its estimates of the number of awards that are expected to vest and recognizes the impact of the revisions in the statements of loss and comprehensive loss.

2. MATERIAL ACCOUNTING POLICIES (Continued)

(h) Earnings per share

The Company presents basic and diluted earnings per share data for its common shares, calculated by dividing the earnings attributable to common shareholders of the Company by the weighted average number of common shares outstanding during the period. Diluted earnings per share is determined by adjusting the earnings attributable to common shareholders and the weighted average number of common shares outstanding for the effects of dilutive instruments, which includes stock options and common share purchase warrants. The calculation of the diluted number of common shares assumes that proceeds received from the exercise of “in-the-money” stock options and common share purchase warrants are used to purchase common shares of the Company at their average market price for the period. In periods that the Company reports a net loss, per share amounts are not presented on a diluted basis as the result would be anti-dilutive.

(i) Income taxes

Income tax comprises current and deferred tax. Income tax recognized in profit or loss except to the extent that it relates to items recognized directly in equity or in other comprehensive income, in which case the income tax is also recognized directly in equity or other comprehensive income.

Current tax is the expected tax payable or receivable on the taxable income for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years. Current tax assets and current tax liabilities are only offset if a legally enforceable right exists to offset the amounts and the Company intends to settle on a net basis, or to realize the asset and settle the liability simultaneously.

Deferred tax is recognized in respect of all qualifying temporary differences arising between the tax basis of assets and liabilities and their carrying value in the consolidated financial statements. Deferred income tax is determined on a non-discounted basis using tax rates and laws that have been enacted or substantively enacted at the end of the reporting period and are expected to apply when the deferred tax asset or liability is settled. Deferred tax assets are recognized to the extent it is probable that the assets can be recovered. Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset tax assets and liabilities and when the deferred tax balances relate to the same taxation authority.

Deferred tax assets are recognized only to the extent that future recovery is probable. At each reporting period end, deferred tax assets are reduced to the extent that it is no longer probably that sufficient taxable earnings will be available to allow all or part of the asset to be recovered.

(j) Provisions

A provision is recognized when the Company has a present legal or constructive obligation as a result of a past event, it is probable that an outflow of economic benefits will be required to settle the obligation, and the amount of the obligation can be reliably estimated. If the effect is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability.

A provision for onerous contracts is recognized when the expected benefits to be derived by the Company from a contract are lower than the unavoidable cost of meeting its obligations under the contract.

2. MATERIAL ACCOUNTING POLICIES (Continued)

(k) Inventory

Inventory consists primarily of cannabis and related merchandise for resale and is valued at the lower of cost, determined using the weighted average method, and net realizable value. Net realizable value is the estimated selling price net of estimated discounts. All inventories are reviewed for impairment due to slow moving and obsolete inventory. The provision for obsolete, slow moving and defective inventories are recognized in profit or loss. Previous write downs to net realizable value are reversed to the extend there is a subsequent increase in the net realizable value of the inventory.

(l) Property and equipment

Property and equipment are stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. Depreciation is calculated using the straight-line method under the following terms from the date it is available for use:

Computers	Straight-line 3 years
Furniture and fixtures	Straight-line 5 years
Cannabis equipment	Straight-line 5 years
Leasehold improvements	Straight-line over lease term
Vehicles	Straight-line 5 years

An item of equipment is derecognized upon disposal or when no future economic benefits are expected from its use. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying value of the asset) is included in the consolidated statement of loss and comprehensive loss in the period the asset is derecognized.

Significant judgment is involved in the determination of estimated residual values and useful lives and no assurance can be given that actual residual values and useful lives will not differ significantly from current estimates.

The assets' residual values, useful lives and methods of depreciation are reviewed at each financial year end, and adjusted if appropriate. Property and equipment not yet available for use are not subject to depreciation.

(m) Goodwill

Goodwill represents the excess of the purchase price paid for the acquisition of an entity over the fair value of the net tangible and intangible assets acquired. Goodwill is allocated to the cash generating unit ("CGU") or group of CGUs which are expected to benefit from the synergies of the combination. Goodwill is not subject to amortization.

(n) Intangible assets

Intangible assets are recorded at cost less accumulated amortization and any impairment losses. Intangible assets acquired in a business combination are measured at fair value at the acquisition date. Amortization of definite life intangibles is calculated on a straight-line basis over their estimated useful lives, which do not exceed the contractual period, if any, over the following terms:

Customer relationships	Straight-line 5 years
Tradenames	Straight-line 5 years

Licenses are considered to have an indefinite life and are not amortized.

The estimated useful lives, residual values and amortization methods are reviewed annually and any changes in estimates are accounted for prospectively. Intangible assets with an indefinite life or not yet available for use are not subject to amortization.

2. MATERIAL ACCOUNTING POLICIES (Continued)

(o) Impairment of intangible assets and goodwill

Goodwill and intangible assets with an indefinite life or not yet available for use are tested for impairment annually, and whenever events or circumstances that make it more likely than not that an impairment may have occurred, such as a significant adverse change in the business climate or a decision to sell or dispose of all or a portion of a reporting unit. Finite life intangible assets are tested whenever there is an indication of impairment.

Goodwill and indefinite life intangible assets are tested annually for impairment by comparing the carrying value of each CGU containing the assets to its recoverable amount. Goodwill is allocated to CGUs or groups of CGU's for impairment testing based on the level at which it is monitored by management, and not at a level higher than an operating segment. Goodwill is allocated to those CGUs or groups of CGUs expected to benefit from the business combination from which the goodwill arose, which requires the use of judgment.

An impairment loss is recognized for the amount by which the CGU's carrying amount exceeds it recoverable amount. The recoverable amounts of the CGUs' assets have been determined based on a fair value less costs of disposal. There is a material degree of uncertainty with respect to the estimates of the recoverable amounts of the CGU, given the necessity of making key economic assumptions about the future. Impairment losses recognized in respect of a CGU are first allocated to the carrying value of goodwill and any excess is allocated to the carrying value of assets in the CGU. Any impairment is recorded in profit and loss in the period in which the impairment is identified. A reversal of an asset impairment loss is allocated to the assets of the CGU on a pro rata basis. In allocating a reversal of an impairment loss, the carrying amount of an asset shall not be increased above the lower of its recoverable amount and the carrying amount that would have been determined had no impairment loss been recognized for the asset in the prior period. Impairment losses on goodwill are not subsequently reversed.

(p) Leases

All leases are accounted for by recognizing a right-of-use asset and a lease liability except for:

- Leases of low value assets (less than $5,000); and
- Leases with a duration of twelve months or less.

Lease liabilities are measured at the present value of the contractual payments due to the lessor over the lease term, with the discount rate determined by the incremental borrowing rate on commencement of the lease is used. Variable lease payments are only included in the measurement of the lease liability if they depend on an index or rate. In such cases, the initial measurement of the lease liability assumes the variable element will remain unchanged throughout the lease term. Other variable lease payments are expensed in the period to which they relate.

On initial recognition, the carrying value of the lease liability also includes:

- Amounts expected to be payable under any residual value guarantee;
- The exercise price of any purchase option granted if it is reasonably certain to exercise that option;
- Any penalties payable for terminating the lease, if the term of the lease has been estimated on the basis of termination option being exercised.

Right-of-use assets are initially measured at the amount of the lease liability, reduced for any lease incentives received, and increased for:

- Lease payments made at or before commencement of the lease;
- Initial direct costs incurred; and
- The amount of any provision recognized where the Company is contractually required to dismantle, remove or restore the leased asset.

2. MATERIAL ACCOUNTING POLICIES (Continued)

(p) Leases (continued)

Lease liabilities, on initial measurement, increase as a result of interest charged at a constant rate on the balance outstanding and are reduced for lease payments made.

Right-of-use assets are amortized on a straight-line basis over the remaining term of the lease or over the remaining economic life of the asset if this is judged to be shorter than the lease term.

When the Company revises its estimate of the term of any lease, it adjusts the carrying amount of the lease liability to reflect the payments to make over the revised term, which are discounted at the same discount rate that applied on lease commencement. The carrying value of lease liabilities is similarly revised when the variable element of future lease payments dependent on a rate or index is revised. In both cases an equivalent adjustment is made to the carrying value of the right-of-use asset, with the revised carrying amount being amortized over the remaining (revised) lease term.

(q) Revenue recognition

Revenue is generated from sales to customers through retail stores for cannabis. Revenue from retail sales is recognized at the point of sale.

The revenue recognition standard contains a single model that applies to contracts with customers and two approaches to recognizing revenue, at a point in time or over time, the assessment of which requires judgment. The model features the following five-step contract-based analysis of transactions to determine whether, how much and when revenue is recognized:

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

In accordance with IFRS 15, revenue from the sale of cannabis is generally recognized when control over the goods has been transferred to the customer. Payment is typically due prior to shipment and is recognized into revenue upon the satisfaction of the performance obligation. The Company satisfies its performance obligation and transfers control to the customer upon delivery and acceptance by the customer.

(r) Warrant reserve

The fair value of warrants is determined upon their issuance either as part of unit private placements or in settlement of share issuance costs and finder's fees, using the residual method. All such warrants are classified in a warrant reserve within equity. If the warrants are converted, the value attributable to the warrants is transferred to common share capital. Upon expiry, the amounts recorded for expired warrants is transferred to equity from the warrant reserve. Shares are issued from treasury upon the exercise of share purchase warrants.

(s) Non-controlling interests

Non-controlling interest is measured at its proportionate share of the acquirer’s identifiable net assets or liabilities. Net income or loss and comprehensive income or loss, for the period, are allocated between non-controlling interest and owners of the parent. Non-controlling interest in subsidiaries must be presented in the statement of financial position within equity, separately from the equity of the owners of the parent.

2. MATERIAL ACCOUNTING POLICIES (Continued)

(t) Foreign currency translation

The Company invests from time to time on securities which are denominated in currencies other than Canadian dollars. On initial recognition, these investments are recorded by applying the foreign currency amount based on the spot exchange rate on the transaction date. At the end of each reporting period, the investments are translated to the functional currency using the closing spot exchange rate. The resulting gain or loss is recorded as part of the net unrealized gains (losses) for the period in the statements of loss and comprehensive loss.

(u) Recent accounting pronouncements

At the date of authorization of these consolidated financial statements, certain pronouncements were issued by the IASB and the IFRIC that are effective for annual periods beginning on or after January 1, 2025. Many are not applicable or do not have a significant impact to the Company and have been excluded. The Company has assessed that the adoption of the following amendments will not have any material impact on its consolidated financial statements:

IFRS 18 – Presentation and Disclosure of Financial Statement (“IFRS 18”)

In April 2024, the IASB issued the new standard of IFRS 18. The standard aims to bring more transparency and comparability to the financial performance of companies, enabling investors to make better investment decisions. IFRS 18 introduces three sets of new requirements: improved comparability of the profit or loss statement (statement of income), improved transparency of management-defined performance measures, and more useful grouping of information in financial statements. IFRS 18 will replace IAS 1 – Presentation of Financial Statements. This standard becomes effective for years beginning on or after January 1, 2027, and companies may apply it earlier subject to authorization by relevant regulators. The Company is assessing the impacts to ensure that all information complies with the standard.

IFRS 9 and IFRS 7

In May 2024, the IASB issued narrow scope amendments to IFRS 9 and IFRS 7. The amendments were incorporated into Part I of the CPA Canada Handbook – Accounting in October 2024. The amendments provide clarification that a financial liability is derecognized on the ‘settlement date’, i.e., the date on which the liability is extinguished as the obligation specified in the contract is discharged or cancelled or expired and provide an accounting policy option to derecognize a financial liability that is settled in cash using an electronic payment system before the settlement date if specified criteria are met. An entity that elects to apply this derecognition option shall apply it to all settlements made through the same electronic payment system. The amendments also clarify how to assess the contractual cash flow characteristics of financial assets with contingent features, including environmental, social and corporate governance (ESG) linked features and clarify that, for a financial asset to have ‘non-recourse’ features, the entity’s ultimate right to receive cash flows must be contractually limited to the cash flows generated by specified assets. The amendments also include factors that an entity should consider when assessing the cash flows underlying a financial asset with non-recourse features (the ‘look through’ test), clarify the characteristics of the contractually linked instruments that distinguish them from other transactions; and add new disclosure requirements for investments in equity instruments designated at fair value through other comprehensive income and financial instruments that have certain contingent features. The amendments are effective for annual reporting periods beginning on or after January 1, 2026. Earlier application is permitted. The amendments are to be applied retrospectively. In applying the amendments, an entity is not required to restate comparative periods.

2. MATERIAL ACCOUNTING POLICIES (Continued)

(v) Critical accounting estimates and judgments

The preparation of the consolidated financial statements using accounting policies consistent with IFRS requires management to make judgments, estimates and assumptions that affect the reported amounts of assets and liabilities. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgments about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on a regular basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised and in any future periods affected.

(i) Going concern

At each reporting period, management exercises judgment in assessing the Company's ability to continue as a going concern by reviewing its performance, resources, and future obligations. The conclusion that the Company will be able to continue as a going concern is subject to critical judgments of management with respect to assumptions surrounding the short and long-term operating budgets, expected profitability, investment and financing activities and management's strategic planning. The assumptions used in management's going concern assessment are derived from actual operating results along with industry and market trends. Management believes there is sufficient cash resources to meet the Company's business obligations for at least the next 12 months, after taking into account expected cash flows and the Company's cash position at year-end.

(ii) Fair value of investment in securities not quoted in an active market or private company investments

Where the fair values of financial assets and financial liabilities recorded on the statements of financial position cannot be derived from active markets, they are determined using a variety of valuation techniques. The inputs to these models are derived from observable market data where possible, but where observable market data are not available, judgment is required to establish fair values. As valuations of investments for which market quotations are not readily available are inherently uncertain, determination of fair value may differ materially from the values that would have resulted if a ready market existed.

(iii) Valuation of share-based compensation

The fair value of share-based compensation expenses is estimated using the Black-Scholes option pricing model and rely on a number of estimates, such as the expected life of the option, the volatility of the underlying share price, the risk free rate of return, and the estimated rate of forfeiture of options granted.

(iv) Income taxes

Provisions for taxes are made using the best estimate of the amount expected to be paid based on a qualitative assessment of all relevant factors. The Company reviews the adequacy of these provisions at the end of the reporting period. However, it is possible that at some future date an additional liability could result from audits by taxing authorities. Where the final outcome of these tax-related matters is different from the amounts that were initially recorded, such differences will affect the tax provisions in the period in which such determination is made.

(v) IRC Section 280E

*A*s the Company derives revenue from the cannabis industry and taking into account the potential impact of ongoing US tax cases that interpret the application of IRC Section 280E, the Company is subject to the limits of IRC Section 280E under which the Company is only allowed to deduct expenses directly related to the cost of the products. This results in permanent differences between ordinary and necessary business expenses deemed not allowable under IRC Section 280E.

2. MATERIAL ACCOUNTING POLICIES (Continued)

(v) Critical accounting estimates and judgments (continued)

(vi) Expected credit losses on financial assets

Determining an allowance for expected credit losses ("ECLs") for all debt financial assets not held at fair value through profit or loss ("FVTPL") requires management to make assumptions about the historical patterns for the probability of default, the timing of collection and the amount of incurred credit losses, which are adjusted based on management's judgment about whether economic conditions and credit terms are such that actual losses may be higher or lower than what the historical patterns suggest. For receivables, the Company applies the simplified approach as permitted by IFRS 9 – Financial Instruments ("IFRS 9"), whereby lifetime ECL are recognized based on aging characteristics and credit worthiness of customers and investee companies. Specific provisions may be used where there is information that a specific customer or investee company's ECL has increased.

(vii) Estimated useful lives, impairment considerations and amortization of property and equipment - amortization of property and equipment is dependent upon estimates of useful lives based on management's judgment.

(viii) Estimated useful lives, impairment considerations and amortization of goodwill and intangibles - amortization of intangible assets is dependent upon estimates of useful lives based on management's judgment. There is a material degree of judgment with respect to the estimates of the recoverable amounts of the CGU, given the necessity of making key economic assumptions about the future.

(ix) Legal provisions and contingent liabilities - judgment is required in making a determination for recognition and disclosure requirements as it relates to lawsuits faced by the Company.

(x) Valuation of inventory – the provision for obsolescence and the estimated net realizable value.

3. TRANSITION TO IFRS 10 INVESTMENT ENTITY

On April 1, 2024, as a result of the Company's evolving business model and board mandate, the Company prospectively applied the IASB issued Investment Entities as defined in IFRS 10 - Consolidated Financial Statement. IFRS requires an investment entity to measure investments at fair value through profit or loss. As an investment company, the Company will focus its resources on investments in other companies. The investment objective of the Company is to provide its shareholders with long-term capital growth by investing in a diversified portfolio of public companies private companies and lending arrangements.

Previously, the Company consolidated Captor Acquisition Corp., Captor Retail Group and certain subsidiaries (collectively "Captor Acquisition Group"), but as it has changed its mandate to be an investment entity, the Company's investee companies and loans are measured at fair value with changes recognized in the statements of loss and comprehensive loss.

As at April 1, 2024, the Company deconsolidated Captor Acquisition Group resulting in a gain on transition to an investment entity of $6,209,471 and recorded an investment at fair value of $nil.

On transition to an investment entity, the Company recognized an investee loan to the Captor Acquisition Group in an amount of $4,772,181 (principal value: US$18,709,976). Previously the loan was eliminated on consolidation. This amount is unsecured, does not bear interest and is payable on demand.

4. CAPITAL MANAGEMENT

The Company manages its capital with the following objectives:

- to ensure sufficient financial flexibility to achieve the ongoing business objectives including funding of future growth opportunities, and pursuit of accretive acquisitions; and
- to maximize shareholder return through enhancing the share value.

The Company monitors its capital structure and makes adjustments according to market conditions in an effort to meet its objectives given the current outlook of the business and industry in general. The Company may manage its capital structure by issuing new shares, repurchasing outstanding shares, adjusting capital spending, or disposing of assets. The capital structure is reviewed by Management and the Board of Directors on an ongoing basis.

The Company considers its capital to be equity, comprising share capital, reserve and deficit which at March 31, 2025 totaled $14,780,695 (2024 - $5,570,899). The Company manages capital through its financial and operational forecasting processes. The Company reviews its working capital and forecasts its future cash flows based on operating expenditures, and other investing and financing activities. The forecast is regularly updated based on activities related to its investments. Selected information is frequently provided to the Board of Directors of the Company. The Company's capital management objectives, policies and processes have remained unchanged during the year ended March 31, 2025.

5. FINANCIAL RISK FACTORS

The Company’s activities expose it to a variety of financial risks: credit risk, liquidity risk and market risk (including interest rate, foreign currency and commodity and equity price risk).

Risk management is carried out by the Company's management team with guidance from the Audit Committee under policies approved by the Board of Directors. The Board of Directors also provides regular guidance for overall risk management.

<u>Credit Risk</u>

Credit risk is the risk of loss associated with a counterparty’s inability to fulfil its payment obligations. The Company's credit risk is primarily attributable to cash and cash equivalents, amounts receivable and loans to investees. Cash and cash equivalents are held with reputable financial institutions. Management believes that the credit risk concentration with respect to financial instruments included in cash and cash equivalents is minimal.

The Company’s second exposure to credit risk is on amounts receivable and loans to investees. At each reporting period, management assesses the credit risk of its receivables and loans. Where collection risk may exist, the Company may record an allowance for ECL. During the year ended March 31, 2025, an ECL of $266,019 was recorded on loans to investees (2024 – no allowance for ECL).

<u>Liquidity Risk</u>

Liquidity risk refers to the risk that the Company will not be able to meet its financial obligations when they become due, or can only do so at excessive cost. The Company manages liquidity risk by maintaining adequate cash reserves and by continuously monitoring forecasts and actual cash flows for a rolling period of 12 months to identify financial requirements. Where insufficient liquidity may exist, the Company may dispose of certain of its investments for cash or pursue various debt and equity instruments for short or long-term financing of its operations.

As at March 31, 2025, the Company had cash and cash equivalents of $4,927,583 (2024 - $12,125,570) to settle current liabilities of $449,119 (2024 - $19,457,240). The Company generates cash flow primarily from its financing activities and management is of the opinion that additional funding is available to allow the Company to meet its financial obligations when they become due. While it has been successful in the past, there can be no assurance that it will be able to raise sufficient funds in the future.

5. FINANCIAL RISK FACTORS (Continued)

Liquidity Risk (continued)

The Company has the following contractual obligations as of March 31, 2025:

	< 1 year	1 to 3 years	3 to 5 years	> 5 years	Total
Accounts payable and accrued liabilities	$ 449,119	$ -	$ -	$ -	$ 449,119
	$ 449,119	$ -	$ -	$ -	$ 449,119

The Company has the following contractual obligations as of March 31, 2024:

	< 1 year	1 to 3 years	3 to 5 years	> 5 years	Total
Accounts payable and accrued liabilities	$ 9,679,509	$ -	$ -	$ -	$ 9,679,509
Lease liabilities	1,031,914	2,372,235	2,699,876	610,987	6,715,012
	$ 10,711,423	$ 2,372,235	$ 2,699,876	$ 610,987	$ 16,394,521

Market Risk

(i) 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 market interest rates. The Company has cash and cash equivalents and interest bearing debt at fixed interest rates. The Company considers interest rate risk to be minimal.

(ii) Price Risk

Price risk is the risk that the fair value of, or future cash flows from, the Company’s financial instruments will significantly fluctuate due to changes in market prices. The value of financial instruments can be affected by changes in interest rates, foreign exchange rates, and equity and commodity prices. The Company is exposed to market risk in trading its investments and unfavourable market conditions could result in disposal of investments at less than favourable prices. The Company's investments are sensitive to an estimated plus or minus 10% change in equity prices which would affect net loss and comprehensive loss by approximately $171,000.

(iii) Foreign Currency Risk

Foreign currency risk arises from commercial transactions and recognized assets and liabilities denominated in a currency that is not the entity’s functional currency. The risk is measured using cash flow forecasting. The Company maintains United States dollar bank accounts and pays certain expenses in United States dollars. The Company's reporting currency is the Canadian dollar and it is exposed to foreign currency risk on fluctuations related to assets and liabilities that are denominated in US Dollars.

The Company is exposed to foreign currency risk on fluctuations of financial instruments related to cash and cash equivalents, accounts receivable, loans to investees and accounts payable and accrued liabilities that are denominated in United States dollars. As at March 31, 2025, had the United States dollar varied by 5% against the Canadian dollar with all other variables held constant, the Company’s reported net loss and comprehensive loss for the year ended March 31, 2025 would have varied by approximately $185,000.

6. AMOUNTS RECEIVABLE, PREPAID EXPENSES AND DEPOSITS

	As at March 31, 2025	As at March 31, 2024
Sales tax receivable - Canada	**$ 3,732**	$ 7,960
Amounts receivable and deposits (i)	**1,488,052**	5,147,780
Prepaid expenses	**-**	511,167
Interest receivable accrual - investee loans	**126,430**	-
	1,618,214	5,666,907
Long-term other receivable	**-**	(1,003,488)
	$ 1,618,214	$ 4,663,419

(i) Included in the amounts receivable and deposits is a deposit to Evtec Automotive of $1,437,600 (US$1,000,000) for planned investment in Evtec Automotive.

7. INVESTMENTS AT FAIR VALUE

The Company's investments portfolio consisted of the following as at March 31, 2025:

	Fair Value			
Investments	**Level 1**	**Level 2**	**Level 3**	**Total**
Equities	$ 1,248,489	$ -	$ 463,168	$ 1,711,657
Loans	-	2,515,799	4,456,561 [i]	6,972,360
Total investments	**$ 1,248,489**	**$ 2,515,799**	**$ 4,919,729**	**$ 8,684,017**

[i] On March 31, 2025, the Company recorded unrealized loss on Captor Acquisition Group loan of of $315,620, resulting in a net loan balance of $4,456,561.

The principal balance of the loan on March 31, 2025 was US$18,709,976. The fair value assigned to the loan is $4,456,561 by capping the loan value at the Enterprise Value of CRG equity investment. The Enterprise Value of the CRG equity investment was determined using the Discounted Cash Flow (DCF). The key assumptions used in the DCF: Revenue Growth 0.80% for fiscal year 2026 followed by a 2% annual increase; gross margin of 29.23%; EBITDA of 15.9% - 17.8% and tax rate of 21%.

The Company held certain debt investments of investee companies of which management had assessed that there was a low probability of collection. During the year ended March 31, 2025, the Company recorded an allowance for ECL of $266,019.

The Company's investments portfolio consisted of the following as at March 31, 2024:

	Fair Value			
Investments	**Level 1**	**Level 2**	**Level 3**	**Total**
Equities	$ 1,372,519	$ -	$ 1,004,841	$ 2,377,360
Loans	-	-	-	-
At March 31, 2025	**$ 1,372,519**	**$ -**	**$ 1,004,841**	**$ 2,377,360**

7. INVESTMENTS AT FAIR VALUE (Continued)

Level 3 fair value hierarchy

The following table presents the changes in fair value measurements classified at Level 3 of the fair value hierarchy. The financial instruments are measured at fair value utilizing non-observable market inputs. The net realized loss on disposals of investments and the net change in unrealized loss on investments are recognized in the statements of loss and comprehensive loss.

Level 3 investments	Opening balance	Purchases/ acquisitions	Proceeds	Realized gain (loss)	Unrealized gain (loss)	Ending balance
March 31, 2025	$ 1,004,841	$ -	$ -	$ -	$ (541,673)	$ 463,168

Within Level 3, the companies includes non-public company investments. The key assumptions used in the valuation of these instruments include the value at which a recent financing was done by the investee; company-specific information and other valuation techniques. Specifically a market based approach using comparable transactions in the same geographic proximity.

The following table presents the valuation techniques, and the nature of significant inputs used to determine the fair values of the Level 3 investments as at March 31, 2025:

	Total fair value	Method	Unobservable inputs	Range of inputs
Equities	$ 463,168	Transaction price, indexing per industry benchmark	Recent purchase price	N/A
CRG equity investments	nil	Discounted cash flow	N/A	(1) Revenue growth 0.80% for FY 2026 followed by a 2%annual increase. (2) Gross margin 29.23%. (3) EBITDA 15.9% - 17.8%. (4) Tax rate 21%.
	$ 463,168			

Within Level 3 of the fair value hierarchy, for those investments valued based on recent financings, management has determined that there are no reasonably possible alternative assumptions that would change the fair value significantly as at March 31, 2025 and 2024. For those investments valued based on trends in comparable publicly traded companies and general market conditions, the inputs can be highly judgmental. As at March 31, 2025, a 10% change in the fair value of these investments would result in a corresponding change of approximately $46,300 change to the fair value of the investments. The sensitivity analysis is intended to reflect the uncertainty inherent in the valuation of these investments under current market conditions, and its results cannot be extrapolated due to non-linear effects that changes in valuation assumptions may have on the fair value of these investments. Furthermore, the analysis does not indicate the probability of such changes occurring, and it does not necessarily represent the Company’s view of expected future changes in the fair value of these investments.

8. RIGHT-OF-USE ASSETS

Balance - March 31, 2023	**$ 6,138,586**
Additions	1,651,514
Amortization	(1,323,411)
Disposal	(1,094,930)
Impact of foreign exchange	(1,101)
Balance - March 31, 2024	**5,370,658**
Eliminated on transition to an investment entity (Note 3)	(5,370,658)
Balance - March 31, 2025	**$ -**

9. PROPERTY AND EQUIPMENT

Cost	Computer	Cannabis equipment	Leasehold improvements	Vehicles	Total
At March 31, 2023	**$ 118,474**	**$ 351,978**	**$ 3,536,563**	**$ 149,605**	**$ 4,156,620**
Additions during the year	5,812	-	166,053	-	171,865
Disposal	(9,756)	(86,667)	(489,925)	(15,882)	(602,230)
Impairment (Note 10)	-	(57,954)	(621,276)	-	(679,230)
Impact of foreign exchange	1,234	(834)	(8,689)	114	(8,175)
At March 31, 2024	**115,764**	**206,523**	**2,582,726**	**133,837**	**3,038,850**
Eliminated on transition to an investment entity (Note 3)	(115,764)	(206,523)	(2,582,726)	(133,837)	(3,038,850)
At March 31, 2025	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**
Accumulated depreciation					
At March 31, 2023	**$ 94,738**	**$ 89,200**	**$ 917,546**	**$ 149,605**	**$ 1,251,089**
Depreciation expense	20,096	41,985	380,469	-	442,550
Disposal	(1,896)	(6,510)	(44,971)	(15,882)	(69,259)
Impact of foreign exchange	204	278	2,719	114	3,315
At March 31, 2024	**113,142**	**124,953**	**1,255,763**	**133,837**	**1,627,695**
Depreciation expense	-	-	-	-	-
Eliminated on transition to an investment entity (Note 3)	(113,142)	(124,953)	(1,255,763)	(133,837)	(1,627,695)
At March 31, 2025	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**
Carrying value					
At March 31, 2024	**$ 2,622**	**$ 81,570**	**$ 1,326,963**	**$ -**	**$ 1,411,155**
At March 31, 2025	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**

10. GOODWILL AND INTANGIBLES

Cost	Licenses	Customer relationship	Tradename	Total Intangibles	Goodwill
At March 31, 2023	**$ 6,506,555**	**$ 996,760**	**$ 3,060,778**	**$10,564,093**	**$ 6,304,019**
Impairment	(1,108,699)	-	-	(1,108,699)	(6,282,591)
Impact of foreign exchange	18,874	4,101	20,294	43,269	(21,428)
At March 31, 2024	**5,416,730**	**1,000,861**	**3,081,072**	**9,498,663**	**-**
Eliminated on transition to an investment entity (Note 3)	(5,416,730)	(1,000,861)	(3,081,072)	(9,498,663)	-
At March 31, 2025	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**
Accumulated amortization					
At March 31, 2023	**$ -**	**$ 958,153**	**$ 2,286,449**	**$ 3,244,602**	**$ -**
Amortization	-	41,312	788,070	829,382	-
Impact of foreign exchange	-	1,396	6,553	7,949	-
At March 31, 2024	**-**	**1,000,861**	**3,081,072**	**4,081,933**	**-**
Amortization	-	-	-	-	-
Eliminated on transition to an investment entity (Note 3)	-	(1,000,861)	(3,081,072)	(4,081,933)	-
At March 31, 2025	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**
Carrying value					
At March 31, 2024	**$ 5,416,730**	**$ -**	**$ -**	**$ 5,416,730**	**$ -**
At March 31, 2025	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**

As of March 31, 2024, the Company performed its annual impairment tests for goodwill and intangible assets.

The recoverable amount of all cash generating units was determined based on their value-in-use using Level 3 inputs in a discounted cash flow model. The key assumptions used in the estimates of the recoverable amounts are described as follows:

- Cash flows: Estimated cash flows were projected based on the Company's business plans, which are based on actual operating results from internal sources as well as industry and market trends. The forecasts were extended to a total of 3 years (with a terminal year thereafter);
- Terminal value of growth rate: The terminal growth rate of 2.5% was based on historical and projected consumer price inflation, historical and projected industry growth; and
- Discount rate: The post tax discount rates was 20.8%.

The recoverable amounts of the Company's licenses were also determined based on a fair value less disposal costs technique. Specifically a market based approach using comparable transactions in the same geographic proximity. The recoverable amounts were determined as the higher of: the value in use and fair value less disposal costs calculations.

10. GOODWILL AND INTANGIBLES (Continued)

As at March 31, 2024, management determined that certain of the recoverable amounts were less than the carrying value. An impairment loss has been recorded on goodwill in the amount of $6,282,591, on intangible assets in the amount of $1,108,699 and on property and equipment in the amount of $679,230. At the CGU level, the impairment attributable to the OnePlant, Castorville and Santa Cruz business operations are in the amount of $7,746,032, $318,494 and $5,994.

11. LEASE LIABILITIES

At the commencement date of the leases, the lease liabilities were measured at the present value of the lease payments that were not paid at that date. The lease payments are discounted using an interest rate of 16%, which is the Company's incremental borrowing rate.

The continuity of lease liabilities is presented in the table below:

Balance - March 31, 2023	**$ 7,657,994**
Additions	1,651,514
Disposal	(1,388,783)
Accretion expense	859,054
Lease payments	(2,064,760)
Impact of foreign exchange	(7)
Balance - March 31, 2024	6,715,012
Eliminated on transition to an investment entity (Note 3)	(6,715,012)
Balance - March 31, 2025	**$ -**

12. NON-CONTROLLING INTEREST

The continuity of CRG's non-controlling interest at March 31, 2025 is as follows:

Company's ownership interest 51%

Balance, March 31, 2023	$ 4,273,306
Share of loss for the year ended March 31, 2024	(4,754,272)
Balance, March 31, 2024	**(480,966)**
Eliminated on transition to an investment entity (Note 3)	480,966
Balance, March 31, 2025	**$ -**

13. SHARE CAPITAL

a) Authorized

Unlimited number of common shares with no par value.

b) Issued and outstanding

	Number of shares	Amount
Balance, March 31, 2025 and March 31, 2024 and 2023	**3,486,932**	**$ 116,143,585**

14. WARRANTS

The following table reflects the continuity of warrants for the years presented:

	Number of warrants	Weighted average exercise price
Balance, March 31, 2023	**426,695**	**$ 18.00**
Expired	(426,695)	18.00
Balance, March 31, 2024 and March 31, 2025	**-**	**$ -**

15. STOCK OPTIONS

The Company has a stock option plan for the purchase of common shares for its directors, officers, employees and other service providers. The aggregate number of common shares reserved for issuance under the stock option plan is 10% of the issued and outstanding common shares of the Company. The options are non-assignable and non-transferable and may be granted for a term not exceeding five years. The exercise price of the options is fixed by the Board of Directors of the Company at the time of grant, subject to all applicable regulatory requirements. The vesting term of the options is fixed by the Board of Directors of the Company at the time of grant and may vary from immediate vesting to up to 24 months.

The following table reflects the continuity of stock options for the years presented:

	Number of stock options	Weighted average exercise price
Balance, March 31, 2023	**310,575**	**$ 13.35**
Options granted (i)	335,575	1.20
Options expired	(310,575)	13.35
Balance, March 31, 2024 and March 31, 2025	**335,575**	**$ 1.20**

(i) On March 11, 2024, the Company granted 335,575 stock options to directors, officers, employees and consultants. All options vested immediately and each option entitles the holder to purchase one (1) common share at a price of $1.20 per common share for a period of three (3) years from date of grant.

A value of $261,749 was estimated for the 335,575 stock options on the date of grant with the following assumptions and inputs: share price of $1.20; exercise price of $1.20; expected dividend yield of 0%; expected volatility of 102% which is based on historical data; risk-free interest rate of 3.81%; and an expected average life of three years.

15. STOCK OPTIONS (Continued)

The Company had the following stock options outstanding at March 31, 2025:

Outstanding options	Exercisable options	Weighted average remaining contractual life (years)	Weighted average exercise price ($)	Expiry date
335,575	335,575	1.95	1.20	March 11, 2027

16. INCOME (LOSS) PER SHARE

	Years Ended March 31, 2025	Years Ended March 31, 2024
Net income (loss) for the year	**$ 7,699,693**	$(11,380,975)
Net income (loss) per share - basic and diluted	**$ 2.21**	$ (3.28)
Weighted average number of shares outstanding - basic and diluted	**3,486,932**	3,473,040

(i) Diluted loss per share does not include the effect of warrants and stock options as they are anti-dilutive.

17. GENERAL AND ADMINISTRATIVE EXPENSES

	Years Ended March 31, 2025	Years Ended March 31, 2024
Management and administrative services (Note 19)	**$ 420,000**	$ 480,000
Professional fees	**466,658**	1,787,264
Operational expenses	**209,312**	11,551,246
Travel expenses	**232,088**	401,719
Regulatory fees	**39,282**	34,437
Share based compensation (Note 15)	**-**	261,749
Interest and penalty	**-**	27,299
Depreciation of property and equipment	**-**	442,550
Accretion - lease liability	**-**	859,054
Amortization - right-of-use assets	**-**	1,323,411
	$ 1,367,340	$ 17,168,729

18. SEGMENTED INFORMATION

Management is responsible for the Company's entire investments portfolio and considers the business to have a single operating segment. The management's investment decisions are based on a single, integrated investment strategy, and the performance is evaluated on an overall basis. The Company has a single reportable geographic segment, Canada, and all of the Company's management are based in Canada.

19. RELATED PARTY TRANSACTIONS AND BALANCES

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

Remuneration of directors and key management of the Company was as follows:

	Years Ended March 31, 2025	Years Ended March 31, 2024
Directors fees and bonus (i)	**$ 200,000**	$ 260,000
Alegana Enterprises Ltd. ("Alegana") (ii)	**220,000**	220,000
Marrelli Support Services Inc. ("MSSI") (iii)	**106,697**	102,665
Share based compensation	**-**	172,214
	$ 526,697	$ 754,879

(i) Fees paid to directors of the Company. Included in accounts payable and accrued liabilities at March 31, 2025, is $nil (March 31, 2024 - $13,175) due to directors of the Company.

(ii) Alegana is a company controlled by Mr. John Zorbas, the President and Chief Executive Officer ("CEO") of the Company. The consulting fees paid to Alegana are for the function of the President which include, but are not limited to, managing the capital structure and current investment portfolio of the Company. Included in accounts payable and accrued liabilities at March 31, 2025 is $12,219 (March 31, 2024 - $12,219) owing to Alegana.

(iii) Mr. Jing Peng, the Chief Financial Officer (“CFO”), is a senior employee of MSSI. The management fees paid to MSSI relate to CFO function performed by Mr. Peng which includes the reporting of financial information and the safeguard of the Company’s assets. Included in accounts payable and accrued liabilities at March 31, 2025 is $13,190 (March 31, 2024 – $36,905) owing to MSSI.

20. INCOME TAXES

The reconciliation of the combined Canadian federal and provincial statutory income tax rate of 26.5% (2023 - 26.5%) on the net loss is as follows:

	Years Ended March 31, 2025	Years Ended March 31, 2024
Income (loss) before income taxes	**$ 7,699,693**	$ (12,253,895)
Expected income tax recovery	**$ 2,040,418**	$ (3,247,282)
Share based compensation, non-deductible expenses and other	**13,981,358**	3,921,304
280E non-deductible expenses	**-**	2,919,994
Difference in tax rates	**-**	(1,289,114)
Losses utilized	**(1,544,552)**	-
Change in tax benefit not recognized	**(14,477,224)**	1,576,480
Income tax expense	**$ -**	$ 3,881,382

The Company's income tax expense is allocated as follows:

	2025	2024
Current tax expense	**-**	4,850,217
Deferred tax expense (recovery)	**-**	(968,865)
Income tax expense	**$ -**	$ 3,881,352

20. INCOME TAXES (Continued)

The following table summarizes the components of deferred tax:

Deferred Tax	**March 31, 2025**	**March 31, 2024**
Deferred Tax Assets		
Reserves	**$ -**	$ 121,973
Fixed assets	**-**	52,018
Operating tax losses carried forward	**-**	735,546
Subtotal of assets	**$ -**	$ 909,537
Deferred Tax Liabilities		
Intangible assets	**$ -**	$ (1,374,947)
Subtotal of liabilities	**$ -**	$ (1,374,947)
Net deferred tax liability	**$ -**	$ (465,410)

Unrecognized Deferred Tax Assets

Deferred income taxes are provided as a result of temporary differences that arise due to the differences between the income tax values and the carrying amount of assets and liabilities. Deferred tax assets have not been recognized in respect of the following deductible temporary differences:

As at March 31,	**2025**	**2024**
Investments	**$ 7,216,179**	$ 6,584,485
Other investments	**227,006**	2,115,364
Non-capital losses carried forward - Canada	**23,005,673**	26,503,678
Capital losses carried forward - Canada	**2,508**	-
Losses carried forward - US	**-**	735,546
Capital tax losses carried forward - US	**-**	62,339,910
Share issuance costs	**1,627,980**	3,255,961
Accounts payable and accrued liabilities	**-**	135,800
Other unrecognized deferred tax assets	**3,695,882**	2,513,882

The Canadian operating tax losses carry forwards expire as noted in the table below. The US operating tax losses may be carried forward indefinitely. Capital loss carry forward may be carried forward indefinitely, but can only be used to reduce capital gains. The remaining deductible temporary differences may be carried forward indefinitely. Deferred tax assets have not been recognized in respect of these items because it is not probable that future taxable profit will be available against which the group can utilize the benefits therefrom. The Company's Canadian non-capital income tax losses expire as follows:

2037	$ 1,586,017
2038	2,176,307
2039	7,151,149
2040	341,364
2041	1,525,700
2042	5,311,225
2043	2,187,971
2044	2,725,940
	$ 23,005,673

20. INCOME TAXES (Continued)

Uncertain Tax Liability

When the Company operated in the cannabis industry, it was subject to the limitations of IRC Section 280E under which the Company was only allowed to deduct expenses directly related to sales of product. This resulted in permanent differences between ordinary and necessary business expenses deemed non-allowable under IRC Section 280E.

The Company was required to inventory, evaluate, and measure all uncertain tax positions taken or to be taken on tax returns, and to record liabilities for the amount of such positions that may not be sustained, or may only partially be sustained, upon examination by the relevant taxing authorities. As of March 31, 2024, the Company recognized an uncertain tax provision of $1,216,466. On transition to an investment entity, the Company derecognized this tax provision.

21. GAIN ON DERECOGNITION OF TAX PROVISION

During the year ended March 31, 2025, the Company derecognized a sales tax provision recognized in connection with the sale of ICH California in 2019. Management has determined that the provision no longer meets the IFRS 37 recognition conditions.

22. SUBSEQUENT EVENT

On May 27, 2025, Captor announced the acquisition of US$500,000 in Bitcoin for treasury holdings and the issuance of unsecured convertible loan notes (the "Notes") in the aggregate amount of US$450,000 to a European based institutional investor (the "Noteholder"). The Notes are convertible into common shares in the capital of Captor at a price equal to the closing price of the common shares trading on the CSE on the day immediately before the earlier of May 27, 2026 (the "Maturity Date") or the conversion of the Notes.

The Notes are unsecured and bear interest at a rate of 6.5%. The Notes are transferable only with Captor's written consent and in minimum denominations of US$1,000, ensuring structured and secure transactions.
The conversion terms of the Notes are as follows:

- Upon a qualified equity fundraising of US$10 million or more.
- Following a share sale resulting in a change of control.
- Prior to the Maturity Date with the consent of the Company.
- On the Maturity Date, if no prior conversion event occurs and with the consent of the Company.

23. COMPARATIVE FIGURES

Certain of the comparative figures have been reclassified to conform to the current year's presentation. Such reclassifications had no impact on previously reported comprehensive loss or deficit.