LUXXFOLIO HOLDINGS INC.

Interim Condensed Consolidated Financial Statements
For the three and nine months ended May 31, 2026 and 2025
(Expressed in Canadian Dollars)
(Unaudited)

NOTICE OF NO AUDITOR REVIEW OF INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

Under National Instrument 51-102, Part 4, subsection 4.3(3)(a) continuous disclosure requirement, if any auditor has not performed a review of the interim condensed consolidated financial statements, they must be accompanied by a notice indicating that the financial statements have not been reviewed by an auditor.

The accompanying unaudited interim condensed consolidated financial statements have been prepared by and are the responsibility of the Company's management.

The Company's independent auditor has not performed a review of these interim condensed consolidated financial statements.

LUXXFOLIO HOLDINGS INC.
Interim Condensed Consolidated Statements of Financial Position
(Expressed in Canadian Dollars)
(Unaudited)

As at		May 31, 2026		August 31, 2025
Assets				
Current assets				
Cash and cash equivalents	$	41,145	$	31,361
Accounts and GST receivables		31,091		81,205
Prepaid expenses		47,422		3,634
		119,658		116,200
Non-current assets				
Intangible - Digital Assets (note 5)		1,731,104		3,147,093
Property, Plant, and Equipment (note 6)		238,206		-
Total assets	$	2,088,968	$	3,263,293
Liabilities and shareholders' equity				
Current liabilities				
Accounts payable and accrued liabilities	$	178,721	$	151,373
		178,721		151,373
Shareholders' equity				
Common shares (note 8)		29,040,950		28,092,105
Contributed surplus (note 8)		1,321,348		802,723
Accumulated other comprehensive income (loss)		(1,258,747)		353,352
Accumulated deficit		(27,193,304)		(26,136,260)
		1,910,247		3,111,920
Total liabilities and shareholders' equity	$	2,088,968	$	3,263,293

Going Concern - Note 1
Subsequent Events - Note 10

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 interim condensed consolidated financial statements.

LUXXFOLIO HOLDINGS INC.
Interim Condensed Consolidated Statements of Operations and Comprehensive Loss
(Expressed in Canadian Dollars)
(Unaudited)

	For the three months ended May 31, 2026	For the three months ended May 31, 2025	For the nine months ended May 31, 2026	For the nine months ended May 31, 2025
Operating expenses				
Advertising	6,422	2,535	73,480	2,535
Consulting (note 7)	63,625	79,000	227,789	84,100
Depreciation	26,373	-	30,573	-
Digital asset mining costs	-	-	5,109	-
General and administration	12,732	36,394	34,554	42,573
Professional fees	29,660	12,475	184,507	12,475
Share-based compensation (note 7, 8)	75,283	81,746	747,338	81,746
Transfer agent and regulatory	4,961	-	18,840	-
Travel	-	5,651	1,050	5,651
Total operating expenses	(219,056)	(217,801)	(1,323,240)	(229,080)
Other income and expenses				
Other income	9	-	60	-
Total other income and expenses	9	-	60	-
Net loss	**(219,047)**	**(217,801)**	**(1,323,180)**	**(229,080)**
Other comprehensive income (loss)				
Revaluation loss on digital assets	(45,988)	(50,279)	(1,612,099)	(50,295)
	(45,988)	(50,279)	(1,612,099)	(50,295)
Comprehensive loss	**(265,035)**	**(268,080)**	**(2,935,279)**	**(279,375)**
Basic and diluted net loss per share	(0.01)	(0.02)	(0.04)	(0.02)
Weighted average number of shares outstanding:				
Basic and diluted	33,167,164	14,517,625	30,671,992	10,637,767

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

LUXXFOLIO HOLDINGS INC.
Interim Condensed Consolidated Statements of Changes in Shareholders' Equity
For the nine months ended May 31, 2026 and 2025
(Expressed in Canadian Dollars)
(Unaudited)

	Notes	Number of common shares		Common shares		Contributed surplus		AOCI		Deficit		Total
Balance, August 31, 2024		**8,671,794**	**$**	**25,008,109**	**$**	**236,455**	**$**	**-**	**$**	**(25,455,297)**	**$**	**(210,733)**
Issuance of common shares	8	7,758,367		1,163,755		-		-		-		1,163,755
Issuance of share purchase warrants	8	-		-		81,746		-		-		81,746
Finder's fees	8	-		(64,558)		-		-		-		(64,558)
Exercise of stock options		160,000		47,431		(23,431)		-		-		24,000
Comprehensive loss		-		-		-		(50,295)		(229,080)		(279,375)
Balance, May 31, 2025		**16,590,161**		**26,154,737**		**294,770**		**(50,295)**		**(25,684,377)**		**714,835**
Balance, August 31, 2025		**26,930,164**		**28,092,105**		**802,723**		**353,352**		**(26,136,260)**		**3,111,920**
Exercise of stock options		183,000		27,450		-		-		-		27,450
Share-based compensation		-		-		747,338		-		-		747,338
Transfer of fair value of stock options upon exercise		-		26,799		(26,799)		-		-		-
Private placement		6,054,000		1,029,180		-		-		-		1,029,180
Share Issuance cost		-		(70,363)		-		-		-		(70,363)
Fair value of Broker's Warrants		-		(64,221)		64,221		-		-		-
Transfer of fair value of stock options upon cancellation		-		-		(185,000)		-		185,000		-
Transfer of fair value of stock options upon expiry		-		-		(81,136)		-		81,136		-
Comprehensive loss		-		-		-		(1,612,099)		(1,323,180)		(2,935,279)
Balance, May 31, 2026		**33,167,164**	**$**	**29,040,950**	**$**	**1,321,348**	**$**	**(1,258,747)**	**$**	**(27,193,304)**	**$**	**1,910,247**

On March 21, 2025, the Company completed a share consolidation on a 10:1 basis. All outstanding common shares, stock options, warrants and finders' 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.

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

	For the nine months ended May 31, 2026	For the nine months ended May 31, 2025
Operating Activities		
Net income (loss)	$ (1,323,180)	$ (279,375)
Changes in non-cash operating items:		
Depreciation	30,573	-
Share-based compensation	747,338	81,746
Unrealized loss on digital assets	-	49,749
Changes in non-cash working capital:		
Accounts receivable	50,114	(5,597)
Prepaid expense	(43,788)	-
Accounts payable and accrued liabilities	27,349	(131,114)
Cash provided by (used in) operating activities	(511,594)	(284,591)
Investing Activities		
Purchase of intangible assets	(196,110)	(700,000)
Purchase of Equipment	(268,779)	
Cash provided by (used in) investing activities	(464,889)	(700,000)
Financing Activities		
Proceeds from short-term loan	-	-
Proceeds from private placement, net of share issuance costs	958,817	1,099,197
Exercise of stock options (note 8)	27,450	24,000
Cash provided by (used in) financing activities	986,267	1,123,197
Inflow (Outflow) of Cash	9,784	138,606
Cash, Beginning of the period	31,361	15,592
Cash, End of the period	$ 41,145	$ 154,198
SUPPLEMENTAL CASH FLOW INFORMATION		
Interest paid	-	-
Income tax paid	-	-
Non-cash financing and investing activities		
Transfer of fair value of stock options exercise	26,799	-

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

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 clean 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 interim condensed 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 nine months ended May 31, 2026, the Company realized a comprehensive loss of $2,935,279 (2025 - $279,375). As at May 31, 2026 the Company had a working capital deficiency of $59,063 (August 31, 2025 - working capital deficiency of $35,173) and an accumulated deficit of $27,193,304 (August 31, 2025 - $26,136,260). 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"), interpretations issued by the International Financial Reporting Standards Interpretation Committee ("IFRIC"), and International Accounting Standard ("IAS") 34, *Interim Financial Reporting*.

These consolidated financial statements were reviewed by the Audit Committee and approved and authorized for issuance by the Board of Directors on July 30, 2026.

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) Principles 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:

	Incorporated	**Nature**	**Ownership May 31, 2026**	**Ownership August 31, 2025**
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 May 31, 2026.

3. MATERIAL ACCOUNTING POLICIES

The preparation of financial data is based on accounting principles and practices consistent with those used in the preparation of the audited consolidated financial statements as at August 31, 2025. The accompanying unaudited condensed interim consolidated financial statements should be read in conjunction with the Company's audited consolidated financial statements for the year ended August 31, 2025.

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.

(Expressed in Canadian Dollars)

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 May 31 , 2026.

(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 May 31, 2026, 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:

(At fair value)	**Litecoin**		**USDC**	
	Units	**Amount**	**Units**	**Amount**
Balance, August 31, 2025	20,226	$3,026,112	87,976	$120,981
Purchases	22,342	-	-	-
Expenses	(21,581)	(1,177,675)	(14,000)	
Revaluation	-	(218,295)	-	(20,018)
Balance, May 31, 2026	20,987	$1,630,142	73,976	$ 100,962

(Expressed in Canadian Dollars)

6. PROPERTY, PLANT AND EQUIPMENT

	Mining servers	Total
Cost		
As at August 31, 2025	$ -	$ -
Additions	268,779	268,779
As at May 31, 2026	$268,779	$268,779
Accumulated depreciation		
As at August 31, 2025	$ -	$ -
Depreciation	30,573	30,573
As at May 31, 2026	$ 30,573	$ 30,573
Net Book Value, August 31, 2025	$ -	$ -
Net Book Value, May 31, 2026	$238,206	$238,206

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 nine months ended May 31, 2026 and 2025, the Company entered into following transactions with related parties:

	For the nine months ended May 31, 2026	**For the nine months ended May 31, 2025**
Consulting fees	$ 80,594	$ 5,100
Professional fees	27,000	-
Share-based compensation	73,735	-
	$ 181,329	$ 5,100

As at May 31, 2026 the Company had outstanding amounts payable to officers and directors of the Company in the amount of $2,362 (May 31, 2025 - $Nil) for outstanding consulting fees. The balances are unsecured, non-interest bearing, and have no specific terms of repayment.

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 finders' 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

<u>For the nine months ended May 31, 2026:</u>

On January 30, 2026, the Company closed the second and final tranche of the private placement for 1,430,000 units at a price of $0.17 per unit for gross proceeds of $243,100. In total, the Company raised aggregate gross proceeds of $1,029,180 and issued 6,054,000 units under the financing. Each unit is comprised of one common share and one share purchase warrant, with each warrant exercisable at $0.35 for a period of 24 months from the date of issuance.

In connection with the second tranche, the Company paid $17,017 in cash finder's fees and issued 100,100 brokers' warrants. Each broker's warrant is exercisable at a price of $0.35 for a period of 24 months from the date of issuance.

On December 9, 2025, the Company closed the first tranche of a non-brokered private placement for 4,624,000 units at a price of $0.17 per unit for gross proceeds of $786,080. Each unit is comprised of one common share and one share purchase warrant, with each warrant exercisable at $0.35 for a period of 24 months from the date of issuance.

In connection with the financing, the Company paid finder's fees of $53,345 in cash and issued 313,796 brokers' warrants. Each broker's warrant is exercisable at a price of $0.35 for a period of 24 months from the date of issuance.

During the nines months ended May 31, 2026, the Company issued 183,000 common shares upon the exercise of 183,000 stock options with an exercise price of $0.15 per share for gross proceeds of $27,450. Related to the exercise, the Company recognized a transfer of $26,799 from contributed surplus to share capital.

8. SHARE CAPITAL (continued)

(b) Issued and outstanding

<u>For the year ended August 31, 2025:</u>

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 finders' fees of $142,569 were paid and share purchase warrants (the "Finders' Warrants") totaling 570,276 were issued to certain arms-length parties. The Finders' Warrants have an exercise price of $0.50 and an expiry date of July 14, 2027. The finders' 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 finders' fees of $64,558 were paid and 406,119 finders' warrants were issued to certain arms-length parties. The finders' warrants have an exercise price of $0.15 and an expiry date of March 24 and March 25, 2027. The finders' 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 stock options 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.

(Expressed in Canadian Dollars)

8. SHARE CAPITAL (continued)

(c) Warrants

During the nine months ended May 31, 2026 and 2025, the Company issued a total of 6,054,000 warrants (2025 – Nil) in connection with the two tranches of a non-brokered private placement that closed on December 9, 2025 and January 30, 2026. Each warrant entitles the holder to acquire one common share of the Company at an exercise price of $0.35 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 Warrants	Weighted Average Exercise Price
Outstanding, August 31, 2024	-	-
Issued	5,000,000	$0.50
Outstanding, August 31, 2025	5,000,000	$0.50
Issued	6,054,000	$0.35
Outstanding, May 31, 2026	11,054,000	$0.42

The weighted average contractual life of share purchase warrants outstanding as at May 31, 2026 is 1.36 (2025 - 1.87) years.

(d) Finders' warrants

The finders' 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	2.66%
Expected life of warrants	2 years
Annualized volatility	317.76%
Weighted average fair value per warrant	$0.16

The annualized volatility was based on historical weekly data of the Company. Finders' warrant transactions and the number of finders' warrants outstanding are as follows:

	Number of Finders' Warrants	Weighted Average Exercise Price
Outstanding, August 31, 2024	-	-
Issued	976,395	$0.35
Outstanding, August 31, 2025	976,395	$0.35
Issued	413,896	$0.35
Outstanding, May 31, 2026	1,390,291	$0.35

The weighted average contractual life of finders' warrants outstanding as at May 31, 2026 is 1.16 (2025 – 1.74) years.

(Expressed in Canadian Dollars)

8. SHARE CAPITAL (continued)

(e) Stock options

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.

During the same period, the Company issued 183,000 common shares upon the exercise of stock options granted on August 4, 2023. The options were exercised at a price of $0.15 per share, for total proceeds of $27,450.

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
Exercised	(60,000)	$0.15
Outstanding, February 28, 2025	807,000	$0.29
Outstanding, August 31, 2025	1,727,000	$0.30
Granted	1,500,000	$0.40
Exercised	(183,000)	$0.15
Expired	(35,000)	$2.36
Cancelled	(500,000)	$0.40
Outstanding, May 31, 2026	2,509,000	$0.33
Exercisable, May 31, 2026	384,000	$0.35

The weighted average contractual life of stock options outstanding as at May 31, 2026 is 5.77 (2025 - 3.26) 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	$0.40
Risk-free interest rate	2.72%
Expected life of warrants	5 years
Annualized volatility	263.06%
Weighted average fair value per stock option	$0.38

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

(Expressed in Canadian Dollars)

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 May 31, 2026 and August 31, 2025 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. As at May 31, 2026 the Company has the following contractual maturities:

	Carrying amount	Contractual cash flows	FY2026	FY2027	FY2028
Accounts Payable and accrued Liabilities	$178,721	$178,721	$178,721	$nil	$nil
	$178,721	$178,721	$178,721	$nil	$nil

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 May 31, 2026 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 since the year ended August 31, 2025.

11. SUBSEQUENT EVENTS

On July 20, 2026, the Company closed a non-brokered private placement through the issuance of 7,767,000 units at a price of $0.20 per unit for gross proceeds of $1,553,400. Each unit is comprised of one common share and one-half of one common share purchase warrant, with each whole warrant exercisable at $0.40 per warrant share for a period of 24 months from the closing of the offering, subject to acceleration in certain circumstances. In connection with the financing, the Company paid $95,438 in cash finder's fees and issued 477,190 finder's warrants exercisable at $0.20 for a period of 24 months. The Company intends to use the net proceeds of the financing for general working capital and the development of its Litecoin and stablecoin projects.