

**BLOCKCHAINK2 CORP.**

**Interim Consolidated Financial Statements**

**For the three and nine months ended June 30, 2024 and 2023**

**(Unaudited - Expressed in Canadian dollars)**

## **BLOCKCHAINK2 CORP.**

**August 29, 2024**

### **Management's Report to the Shareholders**

Management is responsible for the reliability and integrity of these financial statements. The accompanying interim consolidated financial statements have been prepared by management in accordance with International Accounting Standards ("IAS") 34 - Interim Financial Reporting and are in accordance with International Financial Reporting Standards ("IFRS"). The interim consolidated financial statements are presented in Canadian Dollars.

The accompanying interim consolidated financial statements have been prepared using policies and procedures established by management and reflect fairly the Corporation's financial position, results of operations and changes in financial position, within reasonable limits of materiality and within the framework of the accounting policies outlined in the notes to the financial statements. Management has established and maintains a system of internal controls which is designed to provide reasonable assurance that assets are safeguarded from loss or unauthorized use and financial information is reliable and accurate.

The Board of Directors is responsible for ensuring that management fulfills its responsibilities for financial reporting and internal control. The Board is assisted in exercising its responsibilities through the Audit Committee of the Board, which is composed of a majority of non-management directors. The Audit Committee meets periodically with management and the auditors to satisfy itself that management's responsibilities are properly discharged.

The following interim consolidated financial statements are unaudited and have not been reviewed by the Corporation's auditor.

**BLOCKCHAINK2 CORP.**

Interim Consolidated Statements of Financial Position

As at June 30, 2024 and September 30, 2023

(Expressed in Canadian dollars)

	<b>June 30, 2024</b>	<b>September 30, 2023</b>
	(Unaudited)	(Audited)
<b>Assets</b>		
Current assets:		
Cash	\$ 91,955	\$ 37,707
Trade and other receivables (note 5)	485,059	2,603
Prepaid expenses and deposits (note 6)	63,807	16,853
	<u>640,821</u>	<u>57,163</u>
Non-current assets:		
Investments (note 7)	72,132	1,104,584
Goodwill (note 12)	526,006	-
	<u>598,138</u>	<u>1,104,584</u>
	<u>\$ 1,238,959</u>	<u>\$ 1,161,747</u>
<b>Liabilities and Shareholders' Equity (Deficiency)</b>		
Current liabilities:		
Accounts payable and accrued liabilities (note 11)	\$ 1,334,457	\$ 383,743
Loans payable - short term (notes 8 and 11)	13,105	406,200
	<u>1,347,562</u>	<u>789,943</u>
Non-current liabilities:		
Loans payable (note 8)	81,485	74,026
	<u>1,429,047</u>	<u>863,969</u>
<b>Shareholders' Equity (Deficiency)</b>		
Share capital (note 9)	48,804,682	47,505,467
Warrants reserve (note 9)	135,623	-
Contributed surplus (note 9)	13,163,918	13,073,908
Accumulated foreign currency translation (note 9)	1,444,300	1,446,374
Deficit	(63,686,672)	(61,684,500)
Non-controlling interest (note 14)	(51,939)	(43,471)
	<u>(190,088)</u>	<u>297,778</u>
	<u>\$ 1,238,959</u>	<u>\$ 1,161,747</u>

Going concern (note 2)

Subsequent event (note 19)

See accompanying notes to the interim consolidated financial statements.

Approved for issuance by the Board of Directors on August 29, 2024

Signed "Steven Sangha"

Steven Sangha, Director

Signed "Sergei Stetsenko"

Sergei Stetsenko, Director

**BLOCKCHAINK2 CORP.**

Interim Consolidated Statements of Comprehensive Loss  
For the three and nine months ended June 30, 2024 and 2023  
(Unaudited - Expressed in Canadian dollars)

	Three Months Ended		Nine Months Ended	
	June 30,		June 30,	
	2024	2023	2024	2023
Sales	\$ 142,751	\$ 7,607	\$ 142,751	\$ 31,142
Cost of sales	(1,192)	(167)	(1,192)	(12,686)
<b>Gross profit</b>	<b>141,559</b>	<b>7,440</b>	<b>141,559</b>	<b>18,456</b>
<b>Expenses</b>				
Advertising and promotion	53,935	1,335	201,165	11,777
Business development	66,431	-	66,431	-
Consulting fees (note 11)	119,400	9,000	143,286	31,200
Directors' fees (note 11)	41,070	40,421	122,266	121,691
Filing and listing fees	20,784	6,792	48,871	18,151
Foreign exchange loss (gain)	3,923	(1,959)	1,378	(7,621)
General and administrative	64,652	4,788	65,753	14,466
Investor relations	8,728	-	8,728	-
Professional fees	66,888	3,860	86,271	24,684
Salaries (note 11)	305,775	-	305,775	-
Selling expenses (recovery)	-	(16)	-	5,565
Share-based compensation (note 9)	90,010	-	90,010	-
	<b>(841,596)</b>	<b>(64,221)</b>	<b>(1,139,934)</b>	<b>(219,913)</b>
<b>Other items</b>				
Interest and accretion (note 8)	(2,277)	(9,452)	(17,985)	(47,851)
Change in fair value of investment (note 7)	(1,166)	-	(1,166)	-
Write-off of accounts payable	-	-	-	244,569
Write-off of inventory	-	(7,445)	-	(7,445)
Gain on debt settlement (note 9)	76,661	-	76,661	-
Impairment loss (note 7)	-	-	(1,104,584)	-
Dividend income (note 7)	842	-	842	-
	74,060	(16,897)	(1,046,232)	189,273
<b>Net loss from continuing operations</b>	<b>(625,977)</b>	<b>(73,678)</b>	<b>(2,044,607)</b>	<b>(12,184)</b>
Net gain (loss) from discontinued operation	150	(5,128)	36,008	(101,441)
<b>Net loss for the period</b>	<b>(625,827)</b>	<b>(78,806)</b>	<b>(2,008,599)</b>	<b>(113,625)</b>
<b>Other comprehensive loss</b>				
Exchange gain (loss) on translation	(2,041)	2,090	(2,074)	3,391
<b>Comprehensive loss for the period</b>	<b>\$ (627,868)</b>	<b>\$ (76,716)</b>	<b>\$ (2,010,673)</b>	<b>\$ (110,234)</b>
<b>Net loss for the period attributable to:</b>				
Common shareholders of the Corporation	\$ (621,623)	\$ (74,485)	\$ (2,002,172)	\$ (99,393)
Non-controlling interest (note 14)	(4,204)	(4,321)	(6,427)	(14,232)
	<b>\$ (625,827)</b>	<b>\$ (78,806)</b>	<b>\$ (2,008,599)</b>	<b>\$ (113,625)</b>
<b>Comprehensive loss for the period attributable to:</b>				
Common shareholders of the Corporation	\$ (621,718)	\$ (73,265)	\$ (2,002,205)	\$ (97,241)
Non-controlling interest (note 14)	(6,150)	(3,451)	(8,468)	(12,993)
	<b>\$ (627,868)</b>	<b>\$ (76,716)</b>	<b>\$ (2,010,673)</b>	<b>\$ (110,234)</b>
<b>Loss per share from continuing operations -</b>				
<b>Basic and diluted</b> (note 9)	<b>\$ (0.03)</b>	<b>\$ (0.00)</b>	<b>\$ (0.09)</b>	<b>\$ (0.00)</b>
<b>Loss per share - Basic and diluted</b> (note 9)	<b>\$ (0.03)</b>	<b>\$ (0.00)</b>	<b>\$ (0.09)</b>	<b>\$ (0.01)</b>

See accompanying notes to the interim consolidated financial statements.

**BLOCKCHAINK2 CORP.**

Interim Consolidated Statements of Shareholders' Equity (Deficiency)

For the nine months ended June 30,

(Unaudited - Expressed in Canadian dollars)

	<b>2024</b>	<b>2023</b>
<b>Share capital</b>		
Balance, beginning of period	\$ 47,505,467	\$ 47,263,590
Issued pursuant to private placements	1,024,376	-
Issued pursuant to a debt settlement	434,411	-
Fair value of issued warrants pursuant to a private placement	(135,623)	-
Share issue costs	(23,949)	-
Balance, end of period	48,804,682	47,263,590
<b>Obligation to issue shares</b>		
Balance, beginning of period	-	-
Share subscriptions received in advance pursuant to a private placement	-	250,000
Balance, end of period	-	250,000
<b>Warrants reserve</b>		
Balance, beginning of period	-	-
Fair value of issued warrants pursuant to a private placement	135,623	-
Balance, end of period	135,623	-
<b>Contributed surplus</b>		
Balance, beginning of period	13,073,908	13,071,322
Fair value adjustment to loans payable	-	2,586
Share-based compensation	90,010	-
Balance, end of period	13,163,918	13,073,908
<b>Accumulated foreign currency translation</b>		
Balance, beginning of period	1,446,374	1,446,291
Gain (loss) on translation	(2,074)	3,391
Balance, end of period	1,444,300	1,449,682
<b>Deficit</b>		
Balance, beginning of period	(61,684,500)	(61,368,364)
Net loss for the period	(2,002,172)	(99,393)
Balance, end of period	(63,686,672)	(61,467,757)
<b>Non-controlling interest</b>		
Balance, beginning of period	(43,471)	(28,051)
NCI recognized upon acquisition of Envexergy, Inc.	(1,473)	-
Net loss for the period	(6,427)	(14,232)
Gain (loss) on translation	(568)	1,239
Balance, end of period	(51,939)	(41,044)
<b>Shareholders' equity (deficiency)</b>	<b>\$ (190,088)</b>	<b>\$ 528,379</b>

See accompanying notes to the interim consolidated financial statements.

**BLOCKCHAINK2 CORP.**

Interim Consolidated Statements of Cash Flows

For the three and nine months ended June 30, 2024 and 2023

(Unaudited - Expressed in Canadian dollars)

	Three Months Ended June 30,		Nine Months Ended June 30,	
	2024	2023	2024	2023
Cash provided by (used in):				
<b>Operating activities:</b>				
Loss from continuing operations	\$ (625,977)	\$ (73,678)	\$ (2,044,607)	\$ (12,184)
Income (loss) from discontinued operation	150	(5,128)	36,008	(101,441)
Net loss for the period	(625,827)	(78,806)	(2,008,599)	(113,625)
Items not affecting cash:				
Interest and accretion	2,277	9,452	17,985	47,851
Write-off of accounts payable	-	-	-	(244,569)
Write-off of inventory	-	7,445	-	7,445
Impairment loss	-	-	1,104,584	-
Share-based compensation	90,010	-	90,010	-
Change in fair value of investment	1,166	-	1,166	-
Shares issued for debt settlement	434,411	-	434,411	-
Gain on debt settlement	(76,661)	-	(76,661)	-
<b>Cash flows before non-cash operating working capital</b>	<b>(174,624)</b>	<b>(61,909)</b>	<b>(437,104)</b>	<b>(302,898)</b>
Change in non-cash operating working capital:				
Increase in receivables	(116,403)	(1,115)	(150,729)	(3,015)
Decrease (increase) in prepaids	5,067	(15,223)	12,412	(15,223)
Decrease in inventory	-	13	-	6,416
Increase in trade payables	175,325	22,157	260,313	204,782
<b>Cash flows from non-cash operating working capital</b>	<b>63,989</b>	<b>5,832</b>	<b>121,996</b>	<b>192,960</b>
<b>Cash flows used in operating activities</b>	<b>(110,635)</b>	<b>(56,077)</b>	<b>(315,108)</b>	<b>(109,938)</b>
<b>Investing activities:</b>				
Dividends received from SREIT investment	842	-	842	-
Cash from redemption of SREIT shares	43,787	-	43,787	-
Net cash received (paid) on acquisition of Envexergy	35,906	-	(268,452)	-
<b>Cash flows provided by (used in) investing activities</b>	<b>80,535</b>	<b>-</b>	<b>(223,823)</b>	<b>-</b>
<b>Financing activities:</b>				
Proceeds from (repayment on) loans, net	(404,738)	(2,115)	(404,738)	23,057
Proceeds from issuance of shares	499,376	-	1,024,376	-
Share issuance costs	(13,144)	-	(23,949)	-
Obligation to issue shares	(166,523)	250,000	-	250,000
<b>Cash flows provided by (used in) financing activities</b>	<b>(85,029)</b>	<b>247,885</b>	<b>595,689</b>	<b>273,057</b>
Effect of foreign exchange on cash	(2,263)	1,139	(2,510)	1,749
Net change in cash	(117,392)	192,947	54,248	164,868
Cash, beginning of period	209,347	16,578	37,707	44,657
<b>Cash, end of period</b>	<b>\$ 91,955</b>	<b>\$ 209,525</b>	<b>\$ 91,955</b>	<b>\$ 209,525</b>

See accompanying notes to the interim consolidated financial statements.

## **BLOCKCHAINK2 CORP.**

Notes to the Interim Consolidated Financial Statements  
For the three and nine months ended June 30, 2024 and 2023  
(Unaudited - Expressed in Canadian dollars)

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### **1. Nature of operations and basis of presentation:**

BlockchainK2 Corp. (the “Corporation”) is a public company incorporated under the Company Act, Alberta, Canada and its shares are listed on the NEX Board on the TSX Venture Exchange (“Exchange”). In 2016, the Corporation ceased to operate in the resource sector. Management completed a “Change of Business” transaction (“COB Transaction”) pursuant to the policies of the Exchange and became a blockchain technology company, listed on the Exchange, on May 28, 2018. The Corporation changed its name to BlockchainK2 Corp. and its stock symbol to BITK.

The Corporation is currently operating as a holding company investing in blockchain technology solutions for capital markets and other sectors that can be made more efficient through tokenization. To date, the Corporation have had invested in three separate ventures: 1. Amplify Games Inc. (“Amplify”); 2. iRecover Inc. (“iRecover”); and 3. Envexergy Inc. (Envexergy) (note 12). The Corporation also holds a 51% interest in Sobe Organics Inc. (“Sobe Organics”) (note 13). Sobe Organics is an omni-channel platform that distributes a broad line of CBD infused products. It owns the CBD indie beauty brand, Lux Beauty Club, which sells online to subscription box retailers, distributors, specialty chains, and private label businesses.

Effective August 3, 2018, the Corporation began trading on the U.S. OTC Market under the symbol BIDCF. Effective February 19, 2021, the Corporation began trading on the Frankfurt Stock Exchange under the symbol KRL2.

On February 23, 2021, the Corporation incorporated a wholly owned subsidiary, iRecover, a company that is planning on offering online substance abuse education and support for middle, high school and college students.

On March 1, 2021, the Corporation launched Amplify. Amplify utilizes blockchain technology to create a decentralized distribution network for digital games.

As of the year ended September 30, 2023, Sobe Organics ceased operations and has the intention to proceed with dissolution. However, the dissolution process has not been completed as of date.

On February 26, 2024, the Corporation completed the dissolution of its wholly owned subsidiaries, Amplify and iRecover. As a result of the loss of control on Amplify, the Corporation derecognized all assets and liabilities at their book values on June 30, 2024 and wrote down all balances receivable from Amplify to \$Nil. During the nine months ended June 30, 2024, the Corporation recorded a gain on dissolution of Amplify of \$36,008 as a discontinued operation and reclassified the operating results of Amplify as a discontinued operation for the nine months ended June 30, 2023.

On April 9, 2024, the Corporation acquired approximately 99.3% of the issued and outstanding shares of Envexergy Inc., commonly referred to as RealBlocks and its wholly owned subsidiaries, RealBlocks Private Securities Inc. and RealBlocks Investment Advisors, Inc., in exchange for a consideration of \$304,358 (US\$225,000) (notes 7 and 12).

The address of the Corporation’s main office is 400 - 837 West Hastings Street, Vancouver, BC V6C3N6.

### **Statement of compliance**

These interim consolidated financial statements are prepared in accordance with International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board (“IASB”), in particular IAS 34, interim reporting, and interpretations issued by the International Financial Reporting Interpretations Committee (“IFRIC”). The preparation of interim consolidated financial statements in conformity with IFRS requires the use of estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the interim consolidated financial statements and the reported amounts of revenues and expenses during the reporting period.

## **BLOCKCHAINK2 CORP.**

Notes to the Interim Consolidated Financial Statements  
For the three and nine months ended June 30, 2024 and 2023  
(Unaudited - Expressed in Canadian dollars)

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### **1. Nature of operations and basis of presentation (continued):**

#### **Statement of compliance (continued)**

Although these estimates are based on management's best knowledge of the amount, events or actions, actual results ultimately may differ from those estimates. Areas where estimates are significant to the interim consolidated financial statements are disclosed in note 4.

#### **Basis of measurement**

The interim consolidated financial statements have been prepared on a historical cost basis, except for the valuation of certain financial assets and financial liabilities at fair value.

Items included in the interim consolidated financial statements of the Corporation and its subsidiaries are measured using the currency of the primary economic environment in which the Corporation operates (the "functional currency"). The consolidated financial statements are presented in Canadian dollars, which is the Corporation's functional currency.

### **2. Going concern:**

The interim consolidated financial statements have been prepared on a going concern basis, which assumes that the Corporation will be able to continue its operations and will be able to realize its assets and discharge its liabilities in the normal course of business for the foreseeable future. The Corporation manages its activity levels, expenditures and commitments based on its current cash position. For the nine months ended June 30, 2024, the Corporation reported a net loss of \$2,008,599 (2023 - \$113,625), negative operating cash flows of \$315,108 (2023 - \$109,938), and a deficit of \$63,686,672 (September 30, 2023 - \$61,684,500). The ability of the Corporation to continue as a going concern is dependent on generating profitable operations and raising additional financing in the form of debt and/or equity in order to meet its planned objectives. Having been prepared, giving effect to the going concern assumption, these interim consolidated financial statements do not reflect any adjustments to the amounts and classifications of assets and liabilities reported that would be necessary if the going concern assumption was not appropriate. Such adjustments could be material.

### **3. Material accounting policies:**

The accounting policies followed in these interim consolidated financial statements are the same as those applied in the Corporation's most recent audited consolidated annual financial statements for the year ended September 30, 2023, except for the adoption of *Disclosure of Accounting Policies* (Amendments to IAS 1 and IFRS Practice Statement 2) mentioned below (m). Therefore, it is recommended that this financial report be read in conjunction with the audited annual consolidated financial statements of the Corporation for the years ended September 30, 2023 and 2022. Material accounting policies and judgments were adopted by the Corporation.

#### **a.) Basis of consolidation**

The interim consolidated financial statements include the accounts of the Corporation and its subsidiaries.

Subsidiaries are entities controlled by the Corporation. Control exists when the Corporation has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. In assessing control, potential voting rights that are currently exercisable are taken into account. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases.

## BLOCKCHAINK2 CORP.

Notes to the Interim Consolidated Financial Statements  
For the three and nine months ended June 30, 2024 and 2023  
(Unaudited - Expressed in Canadian dollars)

### 3. Material accounting policies (continued):

#### a.) Basis of consolidation (continued)

Inter-company transactions, balances and unrealized gains or losses with the subsidiaries are eliminated on consolidation. The financial statements of the subsidiaries are prepared using consistent accounting policies with that of the Corporation.

At June 30, 2024 and September 30, 2023, the Corporation's active subsidiaries are as follows:

	Country of incorporation	Principal activity	Percentage owned	
			June 30, 2024	September 30, 2023
Sobe Organics	US	Health and beauty products	51%	51%
Amplify*	US	Digital game distribution	-	100%
iRecover*	US	Addiction recovery platform	-	100%
Envexergy (dba. RealBlocks)	US	Investment platform	99%	-
RealBlocks Private Securities, Inc	US	Investment platform	99%	-
RealBlocks Investment Advisors, Inc.	US	Investment advisory	99%	-

\*Amplify and iRecover were dissolved on February 26, 2024.

#### *Non-controlling interests*

Non-controlling interests in the Corporation's less than wholly-owned subsidiaries are classified as a separate component of equity. On initial recognition, non-controlling interests are measured at their proportionate share of the acquisition date fair value of identifiable net assets of the related subsidiary acquired by the Corporation.

Subsequent to the acquisition date, adjustments are made to the carrying amount of non-controlling interests for the non-controlling interests' share of changes to the subsidiary's equity. Adjustments to recognize the noncontrolling interests' share of changes to the subsidiary's equity are made even if this results in the noncontrolling interests having a deficit balance.

Changes in the Corporation's ownership interest in a subsidiary that do not result in a loss of control are recorded as equity transactions. The carrying amount of non-controlling interests is adjusted to reflect the change in the non-controlling interests' relative interests in the subsidiary and the difference between the adjustment to the carrying amount of non-controlling interests and the Corporation's share of proceeds received and/or consideration paid is recognized directly in equity and attributed to the shareholders of the Corporation.

#### b.) Cash and cash equivalents

Cash and cash equivalents consist of cash held with banks and cash held in trust accounts with maturities of three months or less.

## **BLOCKCHAINK2 CORP.**

Notes to the Interim Consolidated Financial Statements  
For the three and nine months ended June 30, 2024 and 2023  
(Unaudited - Expressed in Canadian dollars)

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### **3. Material accounting policies (continued):**

#### **c.) Foreign currency translations**

The functional currency of the Corporation is Canadian dollars and the functional currency of Sobe Organics, Envenergy, RealBlocks Private Securities and RealBlocks Investment Advisors is the US dollar.

Transactions in foreign currencies are translated into the respective functional currency at exchange rates at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies at the reporting date are translated to the functional currency at the exchange rate at that date. Non-monetary items are measured in terms of historical cost in a foreign currency and are translated using the exchange rate at the date of the transaction. The foreign currency gains or losses resulting from such transactions are recognized in the consolidated statement of comprehensive loss.

The assets and liabilities of the Corporation's subsidiaries which have functional currencies different from the presentation currency of the Corporation are translated to the presentation currency at the rate of exchange in effect at the financial period end; revenue and expenses are translated at average exchange rates. All resulting exchange gains or losses are recognized as a foreign currency translation adjustment and included as a separate component of equity.

#### **d.) Impairment of non-financial assets**

The Corporation reviews the carrying amounts of its non-financial assets, including equipment and intangible assets, when events or changes in circumstances indicate the assets may not be recoverable. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss, if any.

Where it is not possible to estimate the recoverable amount of an individual asset, the Corporation estimates the recoverable amount of the cash generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows to be derived from continuing use of asset or cash generating unit are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. Fair value less costs of disposal is the amount obtainable from the sale of an asset or cash generating unit in an arm's length transaction between knowledgeable, willing parties, less the costs of disposal. Fair value less costs of disposal is estimated using recent market prices for similar items that would be received in an orderly transaction between market participants at the measurement date. If the recoverable amount of an asset or cash generating unit is reduced to its recoverable amount, an impairment loss is recognized immediately in the consolidated statement of comprehensive loss. Where an impairment loss subsequently reverses, the carrying amount of the asset or cash generating unit is increased to the revised estimate of its recoverable amount, such that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognized.

#### **e.) Income taxes**

Income tax expense is comprised of current and deferred tax components.

The Corporation follows the liability method of accounting for taxes. Under this method, deferred tax assets and liabilities are recognized based on the estimated tax effects of temporary differences in the carrying amount of assets and liabilities in the consolidated financial statements and their respective tax bases.

## **BLOCKCHAINK2 CORP.**

Notes to the Interim Consolidated Financial Statements  
For the three and nine months ended June 30, 2024 and 2023  
(Unaudited - Expressed in Canadian dollars)

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### **3. Material accounting policies (continued):**

#### **e.) Income taxes (continued)**

Deferred tax assets and liabilities are calculated using the enacted or substantively enacted income tax rates that are expected to apply when the asset is recovered or the liability is settled.

Deferred tax assets or liabilities are not recognized when they arise on the initial recognition of an asset or liability in a transaction (other than in a business combination) that, at the time of the transaction, affects neither accounting nor taxable profit. Deferred tax assets for deductible temporary differences and tax loss carryforwards are recognized to the extent that it is probable that future taxable profits will be available against which the temporary differences or tax loss carryforwards can be utilized. The carrying amount of deferred tax assets is reviewed at each reporting date, and is reduced if it is no longer probable that sufficient future taxable profits will be available against which the temporary differences or tax loss carryforwards can be utilized.

Current tax is calculated based on net earnings for the year, adjusted for items that are non-taxable or taxed in different periods, using income tax rates that are enacted or substantively enacted at each reporting date. Income taxes are recognized in equity or other comprehensive income, consistent with the items to which they relate.

#### **f.) Share capital**

Financial instruments issued by the Corporation are classified as equity only to the extent they do not meet the definition of a financial liability or financial asset. The Corporation's common shares, options and warrants are classified as equity instruments. Incremental costs directly attributable to the issue of new common shares are shown in equity as a deduction, net of tax, from the proceeds. Common shares issued for consideration other than cash are valued based on their market value at the date that shares are issued.

#### **g.) Share issue costs**

Professional, consulting, regulatory and other costs directly attributable to financing transactions are recorded as deferred financing costs until the financing transactions are completed, if the completion of the transaction is considered likely; otherwise they are expensed as incurred. Share issue costs are charged to share capital when the related shares are issued. Deferred financing costs related to financing transactions that are not completed are charged to profit or loss.

#### **h.) Share-based payments**

Share-based payments to employees are measured at the fair value of the instruments issued and amortized over the vesting periods. Share-based payments to non-employees are measured at the fair value of goods or services received or the fair value of the equity instruments issued, if it is determined the fair value of the goods or services cannot be reliably measured, and are recorded at the date the goods or services are received. The corresponding amount is recorded to the option reserve. The fair value of options is determined using a Black-Scholes Option Pricing Model. The number of shares and options expected to vest is reviewed and adjusted at the end of each reporting period such that the amount recognized for services received as consideration for the equity instruments granted shall be based on the number of equity instruments that eventually vest.

## **BLOCKCHAINK2 CORP.**

Notes to the Interim Consolidated Financial Statements  
For the three and nine months ended June 30, 2024 and 2023  
(Unaudited - Expressed in Canadian dollars)

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### **3. Material accounting policies (continued):**

#### **i.) Warrants classified as equity**

Equity financing transactions may involve issuance of common shares or units. A unit comprises a certain number of common shares and a certain number of share purchase warrants.

The Corporation has adopted the pro-rata basis method for the measurement of shares and warrants issued as private placement units. The pro-rata basis method requires that gross proceeds and related share issuance costs be allocated to the common shares and the warrants based on the relative fair value of the components. The fair value of the common share is based on the closing price on the closing date of the transaction and the fair value of the warrant is determined using the Black-Scholes Option Pricing Model.

The fair value attributed to the warrant is recorded as warrant reserves. If the warrant is exercised, the value attributed to the warrant is transferred to share capital. If the warrant expires unexercised, the value is reclassified to contributed surplus within equity. Warrants, issued as part of private placement units, that have their term of expiries extended, are not subsequently revalued.

#### **j.) Loss per share amounts**

Basic loss per share is calculated by dividing the net earnings or loss by the weighted average number of shares outstanding during the period. Diluted loss per share is calculated by using the treasury stock method, by adjusting the weighted average number of shares outstanding for the potential number of issued instruments which may have a dilutive effect on net earnings or loss. This method assumes that proceeds received from the exercise of in-the-money instruments are used to repurchase common shares at the average market price for the year. Under this method, the basic and diluted loss per share is the same, as the effect of common shares issuable upon the exercise of options and warrants is anti-dilutive.

#### **k.) Revenue**

IFRS 15 Revenue from Contracts with Customers, utilizes a methodical framework for entities to follow in order to recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods and services.

The Corporation recognizes revenue when it satisfies a performance obligation by transferring a promised good or service to a customer. An asset is transferred when the customer obtains control of that asset.

The Corporation currently generates revenue by providing products and services related to its online investment platform to fund managers and investors, including but not limited to digital online boarding, virtual data room, funds integrations and set up, secondary trading and subscription fees for its software-infrastructure-as-a-service ("SaaS") platform related to other investment activities of the Corporation's subsidiary, Envexergy. Previous revenues were from sales of health and beauty products from the Corporation's subsidiary, Sobe Organics.

## BLOCKCHAINK2 CORP.

Notes to the Interim Consolidated Financial Statements  
For the three and nine months ended June 30, 2024 and 2023  
(Unaudited - Expressed in Canadian dollars)

### 3. Material accounting policies (continued):

#### 1.) IFRS 9, *Financial Instruments*

##### Classification

The Corporation classifies its financial instruments in the following categories: at fair value through profit or loss (“FVTPL”), at fair value through other comprehensive loss (“FVTOCI”) or at amortized cost. The Corporation determines the classification of financial assets at initial recognition. The classification of debt instruments is driven by the Corporation’s business model for managing the financial assets and their contractual cash flow characteristics. Equity instruments that are held for trading are classified as FVTPL. For other equity instruments, on the day of acquisition the Corporation can make an irrevocable election (on an instrument-by-instrument basis) to designate them as at FVTOCI. Financial liabilities are measured at amortized cost, unless they are required to be measured at FVTPL (such as instruments held for trading or derivatives) or the Corporation has opted to measure them at FVTPL.

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

<u>Financial assets/liabilities</u>	<u>IFRS 9 Classification</u>
Cash	FVTPL
Trade and other receivables	Amortized cost
Investments	FVTPL
Accounts payable	Amortized cost
Loans payable	Amortized cost

##### Measurement

###### *Financial assets at FVTOCI*

Elected investments in equity investments at FVTOCI are initially recognized at fair value plus transaction costs. Subsequently they are measured at fair value, with gains and losses recognized in other comprehensive loss.

###### *Financial assets and liabilities at amortized cost*

Financial assets and liabilities at amortized cost are initially recognized at fair value plus or minus transaction costs, respectively, and subsequently carried at amortized cost less any impairment.

###### *Financial assets and liabilities at FVTPL*

Financial assets and liabilities carried at FVTPL are initially recorded at fair value and transactions costs expensed in the consolidated statements of comprehensive loss. Realized and unrealized gains and losses arising from changes in the fair value of the financial assets and liabilities held at FVTPL are recorded in the consolidated statements of comprehensive loss in the period in which they arise.

##### Impairment of financial assets at amortized cost

The Corporation recognized a loss allowance for expected credit losses on financial assets that are measured at amortized cost.

At each reporting date, the Corporation measures the loss allowance for the financial asset at an amount equal to the lifetime expected credit losses if the credit risk on the financial asset has increased significantly since initial recognition. If at the reporting date, the financial asset’s credit risk has not increased significantly since initial recognition, the Corporation measures the loss allowance for the financial asset at an amount equal to the twelve month expected credit losses. The Corporation recognize in the consolidated statements of comprehensive loss, as an impairment gain or loss, the amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date to the amount that is required to be recognized.

## **BLOCKCHAINK2 CORP.**

Notes to the Interim Consolidated Financial Statements  
For the three and nine months ended June 30, 2024 and 2023  
(Unaudited - Expressed in Canadian dollars)

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### **3. Material accounting policies (continued):**

#### **1.) IFRS 9, *Financial Instruments* (continued)**

##### **Derecognition**

###### ***Financial assets***

The Corporation 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. Gains and losses on derecognition are generally recognized in the statements of comprehensive loss. However, gains and losses on derecognition of financial assets classified as FVTOCI remain within accumulated other comprehensive loss.

###### ***Financial liabilities***

The Corporation derecognizes financial liabilities only when its obligations under the financial liabilities are discharged, cancelled or expired. Generally, the difference between the carrying amount of the financial liability derecognized and the consideration paid and payable, including any non-cash assets transferred or liabilities assumed, is recognized in the statements of loss and comprehensive loss. The Corporation 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.

#### **m.) Adoption of new and revised accounting standards and interpretations**

In February 2021, the IASB issued amendments to IAS 1 and IFRS Practice Statement 2, *Making Materiality Judgements* to disclose material accounting policy information rather than significant accounting policies. Further amendments explain how an entity can identify a material accounting policy and clarify that information may be material because of its nature, even if the related amounts are immaterial. The amendments are effective January 1, 2023, and have not had a material effect on the Corporation's interim consolidated financial statements.

A number of new or amended accounting standards are scheduled for mandatory adoption on or after October 1, 2023. The Corporation has not adopted these new standards early in preparing these interim consolidated financial statements. These new standards are either not applicable or are not expected to have a significant impact on the Corporation's interim consolidated financial statements.

### **4. Critical accounting estimates and judgments:**

The Corporation has made estimates and assumptions regarding certain assets, liabilities, and expenses in the preparation of the consolidated financial statements. Such estimates primarily relate to unsettled transactions and events as of the date of the consolidated financial statements. Accordingly, actual results may differ from estimated amounts. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are addressed below.

##### **Accounting estimates**

#### **a.) Share-based payments**

The Corporation has made various assumptions in estimating the fair values of stock options and warrants granted including expected volatility, expected exercise behavior and future forfeiture rates. Any changes in the estimates or inputs utilized to determine fair value could result in a significant impact on the Corporation's future operating results or on other components of shareholders' equity.

## **BLOCKCHAINK2 CORP.**

Notes to the Interim Consolidated Financial Statements  
For the three and nine months ended June 30, 2024 and 2023  
(Unaudited - Expressed in Canadian dollars)

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### **4. Critical accounting estimates and judgments (continued):**

#### **Accounting judgments**

##### **a.) Deferred taxes**

Tax interpretations, regulations and legislation are subject to change and as such income taxes are subject to measurement uncertainty. Deferred tax assets are assessed by management at the end of the reporting period to determine the likelihood that they will be realized from future taxable earnings. Actual results may differ from these estimates due to, among other factors, future changes in business environment, currently unknown changes in income tax legislation, or results from the final review of tax returns by tax authorities.

##### **b.) Going concern assessment**

The interim consolidated financial statements have been prepared on a going concern basis, which assumes that the Corporation will be able to realize its assets and discharge its liabilities in the normal course of business for the foreseeable future. The assessment of the Corporation's ability to source future operations and continue as a going concern involves judgment. Estimates and assumptions are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. If the going concern assumption were not appropriate for the consolidated financial statements, then adjustments to the carrying value of assets and liabilities, the reported revenue and expenses and the consolidated statement of financial position would be necessary, and such adjustments could be material.

##### **c.) Business combinations**

Judgement is required to determine if the Corporation's acquisitions represent a business combination or an asset acquisition. For acquisitions accounted as business combination, goodwill was recognized on the transactions and acquisition costs were expensed. The cost of the business combination is measured as the aggregate of the fair values (at the date of exchange) of assets acquired and liabilities incurred or assumed. During the nine months ended June 30, 2024, management concluded that the acquisition of Envexergy Inc. represent a business combination. For acquisitions representing asset acquisition, no goodwill was recognized on the transactions and acquisition costs were capitalized to the assets purchased. An allocation of the purchase price to the individual identifiable assets acquired, including intangible assets, and liabilities assumed based on their fair values at the date of purchase was required. The fair values of the net assets acquired was calculated using significant estimates and judgments. If estimates or judgments differed, this could result in a materially different allocation of net assets on the consolidated statement of financial position.

### **5. Trade and other receivables:**

The Corporation had the following trade and other receivables as at June 30, 2024 and September 30, 2023:

	<b>June 30, 2024</b>	<b>September 30, 2023</b>
Trade receivables	\$ 422,838	\$ 1,101
Accrued revenue	55,302	-
Taxes receivable	6,919	1,502
	<b>\$ 485,059</b>	<b>\$ 2,603</b>

As at June 30, 2024, there were two customers with an amount greater than 10% of the Corporation's trade accounts receivable which represented 91% of the balance of the total trades receivables. The Corporation did not recognize any bad debt expense during the nine months ended June 30, 2024 and 2023.

## BLOCKCHAINK2 CORP.

Notes to the Interim Consolidated Financial Statements  
For the three and nine months ended June 30, 2024 and 2023  
(Unaudited - Expressed in Canadian dollars)

### 6. Prepaid expenses and deposits:

The Corporation had the following prepaid expenses and deposits as at June 30, 2024 and September 30, 2023:

	<b>June 30, 2024</b>	<b>September 30, 2023</b>
Filing and listing fees	\$ 38,180	\$ 16,853
Legal fees	2,767	-
General & admin fees	6,005	-
Investor relation fees	14,802	-
Security deposit	2,053	-
	<b>\$ 63,807</b>	<b>\$ 16,853</b>

### 7. Investments:

<b>Balance, September 30, 2022</b>	<b>\$ 1,284,346</b>
Change in fair value	(179,762)
<b>Balance, September 30, 2023</b>	<b>1,104,584</b>
Impairment	(1,104,584)
Assumed on acquisition (note 12)	116,942
Redemption of shares	(43,787)
Change in fair value	(1,166)
Foreign exchange adjustment	143
<b>Balance, June 30, 2024</b>	<b>\$ 72,132</b>

#### A. Investment in Envexergy

In October 2020, the Corporation invested \$265,840 (US\$200,000) in Envexergy as part of Envexergy's US\$7 million Series A round of financing. The Corporation's investment allows it to maintain its pro rata share of Envexergy and adds to its previous \$654,350 (US\$500,000) investment in Envexergy, which was completed in July 2, 2019 as part of a US\$3.1-million seed round of financing by Envexergy.

As at September 30, 2023, the fair value of the investment (223,580 shares of Envexergy) was calculated to be \$1,104,584 (US\$817,000) (2022 - \$1,284,346 (US\$937,000)), applying the market approach of valuation. The Corporation estimated the fair value of Envexergy, as a going concern, mainly on the basis of observable arm's length transactions in Envexergy's shares between its shareholders.

#### Valuation Techniques

The valuation model is based on weighting of the three methods of the market approach: a) 90% weighting on prior transactions adjusted for market change of 5.5% increase; b) 5% weighting on comparable public companies; and c) 5% weighting on transaction in comparable companies.

#### Quantitative impact/Sensitivity

The higher of market change assumption, the higher of the fair value in investment. A 1% change in market change assumption will result in a change of \$8,000 for the investment.

During the nine months ended June 30, 2024, the Corporation purchased 1,001,730,300 common shares in Envexergy at a price of \$0.000224611 per share for a consideration of \$304,358 (US\$225,000), an acquisition equivalent to 99.34% of the equity interest in Envexergy (note 12). The Corporation recorded an impairment of investment of \$1,104,584 during the nine months ended June 30, 2024.

## BLOCKCHAINK2 CORP.

Notes to the Interim Consolidated Financial Statements  
For the three and nine months ended June 30, 2024 and 2023  
(Unaudited - Expressed in Canadian dollars)

### 7. Investments (continued):

#### B. Investment in Starwood Real Estate Income Trust, Inc. ("SREIT")

In September 2022, Envexergy purchased 3,643 shares of SREIT for \$131,792 (US\$100,100). In connection with the acquisition of Envexergy (note 12), the Corporation acquired this investment to SREIT with a market value of \$116,942 (US\$86,126).

During the nine months ended June 30, 2024, the Corporation redeemed 1,415 shares of SREIT for cash proceeds of \$43,787 (US\$32,574) and recognized an unrealized loss of \$1,166 in the consolidated statements of loss and comprehensive loss. The Corporation also received dividend income of \$842 from this investment.

### 8. Loans payable:

In March 2020, the Corporation acquired 51% of all the issued and outstanding shares of Sobe Organics (note 13). Pursuant to the business combination, the Corporation assumed the outstanding loans payable of Sobe Organics.

	Government loans (a,b)	Director's loan (c)	Total
<b>Balance, September 30, 2022</b>	\$ 83,292	\$ 420,778	\$ 504,070
Addition	-	30,000	30,000
Discount	-	(2,586)	(2,586)
Interest	12,043	45,063	57,106
Repayment	(7,239)	(100,000)	(107,239)
Foreign exchange adjustment	(1,125)	-	(1,125)
<b>Balance, September 30, 2023</b>	<b>86,971</b>	<b>393,255</b>	<b>480,226</b>
Interest	6,813	11,172	17,985
Cash repayment	(311)	-	(311)
Settlement in shares (note 9)	-	(404,427)	(404,427)
Foreign exchange adjustment	1,117	-	1,117
<b>Balance, June 30, 2024</b>	<b>\$ 94,590</b>	<b>\$ -</b>	<b>\$ 94,590</b>
Short-term	\$ 13,105	\$ -	\$ 13,105
Long-term	81,485	-	81,485
<b>Balance, June 30, 2024</b>	<b>\$ 94,590</b>	<b>\$ -</b>	<b>\$ 94,590</b>

- a.) On May 23, 2020, the Corporation obtained a government loan of \$48,445 (US\$36,000). As at September 30, 2021, the carrying value of the loan was \$21,231. This value was based upon an undiscounted future cash flows of \$85,264 (US\$63,360), annual interest rate of 3.75% and risk adjusted discount rate of 15%. The government loan has an annual interest rate of 3.75% and payable in 360 monthly payments of principal and interest beginning 12 months from the promissory note date. The government loan is expected to be fully repaid in 2050. The Corporation's inventory is held as collateral under the loan agreement.

During the year ended September 30, 2023, the Corporation accrued interest of \$2,876 (US\$2,133) (2022 - \$2,697 (US\$2,111)), and recorded gain of \$Nil (2022 - \$3,894 (US\$3,049)) from deferment of payment for 30 months from the original note date. As at September 30, 2023, the carrying value of the loan was \$24,146 (US\$17,859) (2022 - \$21,556 (US\$15,726)). During the nine months ended June 30, 2024, the Corporation accrued interest of \$1,791 (US\$1,317) (2023 - \$2,170 (US\$1,606)). As at June 30, 2024, the carrying value of the loan was \$26,246 (US\$19,176).

## **BLOCKCHAINK2 CORP.**

Notes to the Interim Consolidated Financial Statements  
For the three and nine months ended June 30, 2024 and 2023  
(Unaudited - Expressed in Canadian dollars)

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### **8. Loans payable (continued):**

- b.) On July 19, 2021, the Corporation obtained another government loan of \$145,751 (US\$116,000). As at September 30, 2021, the carrying value of the loan was \$58,928. This value was based upon an undiscounted future cash flows of \$262,438 (US\$211,320), annual interest rate of 3.75% and risk adjusted discount rate of 15%. The government loan has an annual interest rate of 3.75% and payable in 360 monthly payments of principal and interest beginning 12 months from the promissory note date. The government loan is expected to be fully repaid in 2051. The Corporation's inventory is held as collateral under the loan agreement.

During the year ended September 30, 2023, the Corporation accrued interest of \$9,167 (US\$6,797) (2022 - \$7,549 (US\$5,910)), and recorded gain of \$Nil (2022 - \$8,745 (US\$6,847)) from deferment of payment for 30 months from the original note date. The Corporation made total repayments of \$7,239 (US\$5,368) during the year. As at September 30, 2023, the carrying value of the loan was \$62,825 (US\$46,469) (2022 - \$61,736 (US\$45,039)).

During the nine months ended June 30, 2024, the Corporation accrued interest of \$5,022 (US\$3,694) (2023 - \$6,869 (US\$5,084)). As at June 30, 2024, the carrying value of the loan was \$68,344 (US\$49,933).

- c.) During the year ended September 30, 2022, the Corporation received loans of \$425,000 from a director of the Corporation. The loans are due in 12 months, bears a 6% interest per annum, and is not collateralized (note 11). The Corporation has calculated the aggregate initial fair value of the loans as \$388,362, using a discount rate of 16%. The difference between the fair value and the carrying value was recorded as a discount of \$36,638 on the consolidated statements of shareholders' equity as contributed surplus.

During the year ended September 30, 2023, the Corporation received additional loans of \$30,000 from the same director of the Corporation (note 10). The loans are due in 12 months, bears a 6% interest per annum, and are not collateralized. The Corporation has calculated the aggregate initial fair value of the loans as \$27,414, using a discount rate of 16%. The difference between the fair value and the carrying value was recorded as a discount of \$2,586 on the consolidated statements of shareholders' equity (deficiency) as contributed surplus.

During the year ended September 30, 2023, the Corporation accrued interest of \$25,445 (2022 - \$13,303) and recorded accretion expense of \$19,618 (2022 - \$19,113). The Corporation repaid \$100,000 during the year ended September 30, 2023. As at September 30, 2023, the aggregate carrying value of the loans were \$393,255 (2022 - \$420,778).

During the nine months ended June 30, 2024, the Corporation accrued interest of \$11,172 (2023 - \$20,076) and recorded accretion expense of \$493 (2023 - \$18,736). On June 7, 2024, the Corporation issued 1,348,089 common shares with a fair value of \$343,763 in full settlement of the loan of \$404,427 (note 9) and recorded a gain on debt settlement of \$60,664 in the consolidated statements of loss and comprehensive loss.

### **9. Share capital:**

#### **a.) Authorized:**

Unlimited number of common voting shares and preferred shares.

## BLOCKCHAINK2 CORP.

Notes to the Interim Consolidated Financial Statements  
For the three and nine months ended June 30, 2024 and 2023  
(Unaudited - Expressed in Canadian dollars)

### 9. Share capital (continued):

#### b.) Issued:

	Number of Shares		Amount
<b>Balance, September 30, 2022</b>	<b>16,780,962</b>	<b>\$</b>	<b>47,263,590</b>
Issued pursuant to private placement	4,545,452		250,000
Share issue costs	-		(8,123)
<b>Balance, September 30, 2023</b>	<b>21,326,414</b>		<b>47,505,467</b>
Issued pursuant to private placement	6,884,437		1,024,376
Issued pursuant to settlement of debt	1,703,571		434,411
Fair value of issued warrants	-		(135,623)
Share issue costs	-		(23,949)
<b>Balance, June 30, 2024</b>	<b>29,914,422</b>	<b>\$</b>	<b>48,804,682</b>

On June 7, 2024, the Corporation issued 1,703,571 common shares with a fair value of \$434,411 to directors of the Corporation to settle outstanding debt of \$511,071. The Corporation recorded a gain on debt settlement of \$76,661 in the consolidated statements of loss and comprehensive loss.

On April 18, 2024, the Corporation closed its non-brokered private placement of 1,884,437 units at a price of \$0.265 per unit for aggregate gross proceeds of \$499,376. Each unit comprises one common share in the capital of the Corporation and one-half of one share purchase warrant. Each unit warrant is exercisable to acquire one additional share at an exercise price of \$0.40 per unit warrant share until April 18, 2026. The Corporation recorded the estimated fair value of warrants of \$135,623 to warrants reserve in the consolidated statements of financial position.

On February 6, 2024, the Corporation closed its non-brokered private placement offering of 5,000,000 common shares at a price of \$0.105 per common share for aggregate gross proceeds of \$525,000.

On July 10, 2023, the Corporation closed its non-brokered private placement offering of 4,545,452 common shares at a price of \$0.055 per common share for aggregate gross proceeds of \$250,000.

#### c.) Stock options:

The Corporation has an Option Plan whereby a maximum of 20% of the issued and outstanding common shares of the Corporation may be reserved for issuance pursuant to the exercise of stock options. The stock options vest immediately on the date of grant unless otherwise required by the Exchange or imposed by the Corporation.

A summary of the Corporation's stock options, and the changes during the period then ended is as follows:

	June 30, 2024		September 30, 2023	
	Number of Options	Weighted Average Exercise Price	Number of Options	Weighted Average Exercise Price
Options outstanding, beginning of period	2,744,968	\$ 0.44	2,744,968	\$ 0.44
Forfeited	(1,660,162)	0.30	-	-
<b>Options outstanding, end of period</b>	<b>1,084,806</b>	<b>\$ 0.64</b>	<b>2,744,968</b>	<b>\$ 0.44</b>

## BLOCKCHAINK2 CORP.

Notes to the Interim Consolidated Financial Statements  
For the three and nine months ended June 30, 2024 and 2023  
(Unaudited - Expressed in Canadian dollars)

### 9. Share capital (continued):

#### c.) Stock options (continued):

There were no stock options granted during the nine months ended June 30, 2024 .

The Corporation recorded share-based compensation of \$90,010 (2023 - \$nil) related to the options vested during the nine months ended June 30, 2024.

The following table summarizes information about stock options outstanding and exercisable at June 30, 2024:

Exercise Price	Number	Weighted Average Remaining Life	Weighted Average Exercise Price
\$0.52	217,040	3.35	\$0.52
\$0.25	167,766	3.95	\$0.25
\$0.77	700,000	6.51	\$0.77
	<b>1,084,806</b>	<b>5.48</b>	<b>\$0.64</b>

#### d.) Warrants:

In connection with the share issuance on April 18, 2024, the Corporation issued 942,218 share purchase warrants with a fair value of \$135,623 using the Black-Scholes Option Pricing Model with the following assumptions: expected life – 2 years; annualized volatility – 155.78%; risk-free interest rate – 4.35% per annum; dividend rate – 0%. Each warrant entitles the holder thereof to purchase one additional common share of the Corporation for a period of two years at an exercise price of \$0.40 per common share.

A summary of the Corporation's warrants, and the changes during the period then ended is as follows:

	June 30, 2024		September 30, 2023	
	Number of Warrants	Weighted Average Exercise Price	Number of Warrants	Weighted Average Exercise Price
Warrants outstanding, beginning of period	-	\$ -	-	\$ -
Issued	942,218	0.40	-	-
<b>Warrants outstanding, end of period</b>	<b>942,218</b>	<b>\$ 0.40</b>	<b>-</b>	<b>\$ -</b>

There are no warrants issued and outstanding as at September 30, 2023.

The following table summarizes information about stock options outstanding and exercisable at June 30, 2024:

Exercise Price	Number	Weighted Average Remaining Life	Weighted Average Exercise Price
\$0.40	942,218	1.78	\$0.40

## BLOCKCHAINK2 CORP.

Notes to the Interim Consolidated Financial Statements  
For the three and nine months ended June 30, 2024 and 2023  
(Unaudited - Expressed in Canadian dollars)

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### 9. Share capital (continued):

#### e.) Contributed surplus and warrants reserve:

Contributed surplus includes share-based payment reserves which records the fair value of stock options while warrants reserves records the fair value of warrants granted until such time that the stock options and warrants are exercised, at which time the corresponding amount will be transferred to share capital. Contributed surplus also includes discount on loans payable.

#### f.) Accumulated foreign currency translation reserve:

Exchange gains and losses arising from translation of foreign currency denominated transactions are included in accumulated foreign currency translation.

### 10. Loss per share:

The number of shares that have been included in the computation of basic and diluted loss per share are as follows:

<b>Three months ended June 30,</b>	<b>2024</b>	<b>2023</b>
Weighted average shares outstanding, basic and diluted	28,268,678	16,780,962

  

<b>Nine months ended June 30,</b>	<b>2024</b>	<b>2023</b>
Weighted average shares outstanding, basic and diluted	24,617,458	16,780,962

In calculating diluted loss per common share for the three and nine months ended June 30, 2024 and 2023, the Corporation excluded all options and warrants as it is currently in a loss position and would result in a diluted loss for the period.

### 11. Key management compensation and related party transactions:

The following is a summary of the related party transactions that occurred throughout the three and nine months ended June 30, 2024 and 2023:

- a.) During the three months ended June 30, 2024, the Corporation incurred directors' fees of \$41,070 (2023 - \$40,421) to a current director of the Corporation.

During the nine months ended June 30, 2024, the Corporation incurred directors' fees of \$122,266 (2023 - \$121,691) to a current director of the Corporation.

- b.) During the three months ended June 30, 2024, the Corporation incurred consulting fees of \$9,000 and professional fees of \$Nil (2023 - \$9,000 and \$3,000, respectively) to Canmore Financial Services Inc., a company controlled by the CFO of the Corporation.

During the nine months ended June 30, 2024, the Corporation incurred consulting fees of \$27,000 and professional fees of \$Nil (2023 - \$27,000 and \$9,000, respectively) to Canmore Financial Services Inc., a company controlled by the CFO of the Corporation.

- c.) During the three months ended June 30, 2024, the Corporation incurred salaries of \$39,952 (2023 - \$Nil) to a current director of the Corporation.

## BLOCKCHAINK2 CORP.

Notes to the Interim Consolidated Financial Statements  
For the three and nine months ended June 30, 2024 and 2023  
(Unaudited - Expressed in Canadian dollars)

### 11. Key management compensation and related party transactions (continued):

- During the nine months ended June 30, 2024, the Corporation incurred salaries of \$39,952 (2023 - \$81,060) to a current director of the Corporation.
- d.) As at June 30, 2024, included in the accounts payable and accrued liabilities, the Corporation has \$266,639 (September 30, 2023 - \$286,815) due to related parties as a result of related party transactions incurred throughout the period. These amounts are due on demand, unsecured and non-interest bearing.
- e.) On June 7, 2024, the Corporation issued 355,482 common shares to settle \$106,645 owing to the director and officer of the Corporation and recorded a gain on debt settlement of \$15,997 in the consolidated statements of loss and comprehensive loss (note 9).
- f.) During the nine months ended June 30, 2024, the Corporation issued 1,348,089 common shares in full settlement of the outstanding loan of \$404,427 owing to a director of the Corporation and recorded a gain on debt settlement of \$60,664 in the consolidated statements of loss and comprehensive loss (note 9). As at June 30, 2024, loans payable includes \$Nil (September 30, 2023 - \$393,255) owing to a director.

#### *Compensation of key management personnel*

<b>Three months ended June 30,</b>	<b>2024</b>	<b>2023</b>
Directors', accounting and consulting fees, and salaries	\$ 90,022	\$ 52,421

  

<b>Nine months ended June 30,</b>	<b>2024</b>	<b>2023</b>
Directors', accounting and consulting fees, and salaries	\$ 189,218	\$ 241,751

### 12. Acquisition of Envexergy Inc.:

On April 9, 2024, pursuant to the Corporation's purchase of 1,001,730,300 common shares of Envexergy at a price of \$0.000224611 per share for a consideration of \$304,358 (US\$225,000), an acquisition equivalent to 99.34% of the equity interest in Envexergy on February 7, 2024, the Corporation received the shares certificate from Envexergy. The Corporation determined that the acquisition was completed on the date the shares certificates was received. As a result, Envexergy and its wholly owned subsidiaries, RealBlocks Private Securities Inc. and RealBlocks Investment Advisors, Inc., became a subsidiary of the Corporation.

Envexergy Inc. (doing business as RealBlocks), founded in 2017 in New York City, built the most advanced alternative investment experience for fund managers and their investors worldwide through its online platform. RealBlocks is a pioneer in using advanced technology to offer a fully digital, white-label solution for today's fund managers wishing to expand their firm's investor base by allowing them to offer more funds in more locations with lower investor minimums.

RealBlocks' Software Infrastructure-As-A-Service Platform is built for global scale and uniquely bundles all front, middle, and back office functionality into one easy-to-use online interface. RealBlocks reduces operational expenses, provides the technology for expanding distribution globally, and delivers a powerful tool for built-in secondary trading. For more information, please visit <http://www.realblocks.com>.

The transaction was accounted for as a business combination under IFRS 3, *Business Combinations*. At the date of acquisition, the Corporation determined the fair value of the net identified net assets of Envexergy and recognized goodwill of \$526,006.

## BLOCKCHAINK2 CORP.

Notes to the Interim Consolidated Financial Statements  
For the three and nine months ended June 30, 2024 and 2023  
(Unaudited - Expressed in Canadian dollars)

### 12. Acquisition of Envexergy Inc. (continued):

The fair value of the total consideration has been allocated as below:

Cash consideration	\$	304,358
Identified fair value of net assets:		
Cash	\$	35,906
Trade and other receivables		331,727
Prepaid expenses		57,329
Security deposits		2,037
Investment		116,942
Trade and other payables		(669,993)
Due to BlockchainK2		(97,069)
Total net assets		(223,121)
Percentage acquired		99.34%
Net assets acquired		(221,648)
Non-controlling interest (note 14)		(1,473)
<b>Goodwill</b>	<b>\$</b>	<b>526,006</b>

During the nine months ended June 30, 2024, the acquired business contributed \$142,751 in revenue and a net loss of \$468,078 to the Corporation's consolidated results.

### 13. Sobe Organics:

During the nine months ended June 30, 2024, Sobe Organics contributed a net loss of \$6,813 (2023 - \$29,045) to the Corporation's consolidated results.

As of the year ended September 30, 2023, Sobe Organics ceased operations and has the intention to proceed with dissolution. However, the dissolution process has not been completed as of date.

### 14. Non-controlling interest

As at June 30, 2024, the carrying value of non-controlling interest ("NCI") was determined as follows:

	Sobe Organics	Envexergy	Total
<b>Balance, September 30, 2022</b>	\$ (28,051)	\$ -	\$ (28,051)
Loss allocated to NCI	(15,761)	-	(15,761)
Gain on translation allocated to NCI	341	-	341
<b>Balance, September 30, 2023</b>	<b>(43,471)</b>	<b>-</b>	<b>(43,471)</b>
NCI recognized upon acquisition	-	(1,473)	(1,473)
Loss allocated to NCI	(3,338)	(3,089)	(6,427)
Loss on translation allocated to NCI	(558)	(10)	(568)
<b>Balance, June 30, 2024</b>	<b>\$ (47,367)</b>	<b>\$ (4,572)</b>	<b>\$ (51,939)</b>

## BLOCKCHAINK2 CORP.

Notes to the Interim Consolidated Financial Statements  
For the three and nine months ended June 30, 2024 and 2023  
(Unaudited - Expressed in Canadian dollars)

### 15. Segmented disclosure:

The Corporation operates their business in the following segments:

- Investing in blockchain technology solutions for capital markets and other sectors;
- Sale of health and beauty products – operated by Sobe Organics;
- Digital game distribution – operated by Amplify;
- Addiction recovery platform services – operated by iRecover; and
- Investment platform and advisory services – operated by Envexergy

Revenues for the nine months ended June 30, 2024 and 2023 are as follows:

	Investment platform and advisory services	Health and beauty products	Total
<b>For the nine months ended June 30, 2024</b>			
Sales	\$ 142,751	\$ -	\$ 142,751
Cost of sales	(1,192)	-	(1,192)
Gross profit	\$ 141,559	\$ -	\$ 141,559
<b>For the nine months ended June 30, 2023</b>			
Sales	\$ -	\$ 31,142	\$ 31,142
Cost of sales	-	(12,686)	(12,686)
Gross profit	\$ -	\$ 18,456	\$ 18,456

All revenue during the nine months ended June 30, 2024 and 2023 were derived from customers in United States.

100% of the revenue during the nine months ended June 30, 2024 is derived from Envexergy's platform sales, while the revenue during the nine months ended June 30, 2023 is derived from Sobe Organics' website sales.

### 16. Financial instruments and risk management:

Financial instruments measured at fair value are classified into one of three levels in the fair value hierarchy based on the degree to which the inputs used to determine the fair value are observable. The three levels of the fair value hierarchy are:

- Level 1 – unadjusted quoted prices in active markets for identical assets or liabilities;
- Level 2 – inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly; and
- Level 3 – inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The fair value of the Corporation's cash constitutes a Level 1 fair value measurements. The fair value of investment in SREIT was calculated on the latest transaction price adjusted for market conditions and constitutes a Level 3 fair value measurements. The fair value of the Corporation's receivables, accounts payable, and loans payable approximate the carrying value due to their short-term nature. There was no transfer of classification among the levels of fair value hierarchy.

## BLOCKCHAINK2 CORP.

Notes to the Interim Consolidated Financial Statements  
For the three and nine months ended June 30, 2024 and 2023  
(Unaudited - Expressed in Canadian dollars)

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### 16. Financial instruments and risk management (continued):

#### Financial risk factors

##### a.) Credit risk:

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. The Corporation's cash and receivables are exposed to credit risk. The credit risk on cash is not considered significant because the counterparties are highly-rated financial institutions. The receivables mainly comprise of trade receivables, accrued income and GST recoverable.

At June 30, 2024, the Company was subject to a concentration of credit risk related to its accounts receivable as 91% of the balance of amounts owing is from two customers. The Company did not record any bad debt expense during the six months ended June 30, 2024. As at June 30, 2024, the expected credit lifetime credit losses for accounts receivable aged as current were nominal amounts. The Company considers a financial asset in default when internal or external information indicates that the Company is unlikely to receive the outstanding contractual amounts in full. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

##### b.) Liquidity risk:

Liquidity risk is the risk that the Corporation will not be able to meet its financial obligations as they are due. The Corporation's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when due, without incurring unacceptable losses or risking harm to the Corporation's reputation.

The following are the contractual maturities of financial liabilities as at June 30, 2024:

<b>Financial Liabilities</b>	<b>&lt; One Year</b>	<b>&gt; One Year</b>
Accounts payable and accrued liabilities	\$ 1,334,457	\$ -
Loans payable	13,105	81,485
<b>Total</b>	<b>\$ 1,347,562</b>	<b>\$ 81,485</b>

The following are the contractual maturities of financial liabilities as at September 30, 2023:

<b>Financial Liabilities</b>	<b>&lt; One Year</b>	<b>&gt; One Year</b>
Accounts payable and accrued liabilities	\$ 383,743	\$ -
Loans payable	406,200	74,026
<b>Total</b>	<b>\$ 789,943</b>	<b>\$ 74,026</b>

##### c.) Market risk:

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices, such as interest rates and foreign exchange rates that will affect the Corporation's comprehensive loss or the value of financial instruments. The objective of market risk management is to control market risk exposures within acceptable limits, while maximizing returns.

## **BLOCKCHAINK2 CORP.**

Notes to the Interim Consolidated Financial Statements  
For the three and nine months ended June 30, 2024 and 2023  
(Unaudited - Expressed in Canadian dollars)

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### **16. Financial instruments and risk management (continued):**

#### **Financial risk factors (continued)**

##### **c.) Market risk (continued):**

- Interest rate risk is the risk that future cash flows will fluctuate as a result in changes in market interest rates. The Corporation has not entered into any interest rate swaps or financial contracts to date. With regards to interest rate risk, a change of 1% in the effective interest rate would have a minimal impact on the consolidated statement of loss and comprehensive loss.
- Foreign currency exchange rate risk is the risk that the fair value or future cash flows will fluctuate as a result of changes in foreign exchange risks. The effect of a 1% change in the exchange rate would have a minimal impact on the consolidated statement of other comprehensive loss.

### **17. Revenue and geographic information:**

Revenues consist of revenues from Sobe Organics and Envexergy, the Corporation's subsidiaries. During the three and nine months ended June 30, 2024 and 2023, 100% of revenues were earned from United States.

As Sobe Organics ceased its operation during the year ended September 30, 2023, this in turn resulted for the Corporation to no longer earn revenues since the first quarter of 2024.

### **18. Capital disclosures:**

In the definition of capital, the Corporation includes shareholders' equity. The Corporation's objectives when managing capital is to safeguard the entity's ability to continue as a going concern, so that it can continue to provide returns for shareholders and benefits for other stakeholders.

The Corporation sets the amount of capital in proportion to risk. The Corporation manages the capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the Corporation may issue new shares, or engage in debt financing.

The Corporation is not exposed to external capital requirements and no changes in approaches.

### **19. Subsequent event:**

On July 19, 2024, the Corporation issued 359,156 common shares at \$0.40 per share pursuant to the exercise of 359,156 warrants.