Stack Capital Group Inc.

Annual Consolidated financial statements

December 31, 2024 and 2023
(Expressed in Canadian Dollars)

Independent Auditor's Report

To the Shareholders of Stack Capital Group Inc.:

Opinion

We have audited the consolidated financial statements of Stack Capital Group Inc. (the "Company"), which comprise the consolidated statement of financial position as at December 31, 2024, and the consolidated statement of net income (loss) and comprehensive (loss), changes in equity and cash flow for the year then ended, and notes to the consolidated financial statements, including material accounting policy information.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Company as at December 31, 2024, and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with IFRS® Accounting Standards as issued by the International Accounting Standards Board.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

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

Valuation of Unlisted Investments and Accuracy of Net Change in Unrealized Fair Value on Investments

Key Audit Matter Description

Refer to Note 3 - Material Accounting Policies, Note 4 - Investments, at fair value and Note 8 - Financial Instruments to the consolidated financial statements.

The Company had private company investments of $117,794,234 as at December 31, 2024, which are measured at fair value through profit or loss.

Private company investments for which reliable quotations are not readily available, or for which there is no closing price, are valued at fair value using management's best estimates. Several valuation methodologies may be considered in determining the fair value estimate, including initial or recent transaction price, market approach or discounted cash flow analysis.

In the current year, management used the initial transaction price, recent transaction price and market approach to determine the fair value of the private company investments. Recent and initial transaction prices may be an appropriate estimate of fair value and management assesses the reasonability of this judgment considering relevant industry information, and to the extent available, information from the private companies and public or non-public information which may be relevant to the fair value of the investments. When the market approach is used to determine fair value, key assumptions include revenue growth rates, size and profitability of the underlying private companies and revenue multiples of comparable companies publicly available in the relevant industry.

We consider this to be a key audit matter due to the magnitude of the investments balance, and the judgment and estimates made by management in determining the fair value of the investments, and the high degree of auditor judgement, subjectivity and efforts in assessing audit evidence related to the valuation of investments.

Audit Response

We responded to this matter by performing audit procedures in relation to the valuation of private company investments and the accuracy of the net change in unrealized gains (losses) on investments. Our audit work in relation to this included, but was not restricted to, the following:

- Obtained third party confirmations and confirmed the quantities that the Company held, either directly or indirectly, in the investee entities as at December 31, 2024;
- Evaluated the appropriateness of management's use of the initial transaction price or a more recent transaction price, and tested the transaction price executed on the initial purchase of the investments, on a sample basis, by agreeing the transaction price to the purchase agreements and payment records, if such purchases were made during the year ended December 31, 2024;
- Involved our internal valuation experts to evaluate management's assessment of the information that could impact the fair value of the investments by considering relevant industry information, and to the extent available, information from the private investees and public or non-public information, which may be relevant to the fair value of the investments;
- Evaluated the reasonableness of management's key assumptions related to the estimated revenue growth rate of the underlying private companies by considering the investees' historical revenue growth and projections; and
- Involved our internal valuations experts to evaluate the appropriateness of management's choice of approach of each investment.

Other Matter

The consolidated financial statement for the year ended December 31, 2023 were audited by another auditor who expressed an unmodified opinion on those statements on March 7, 2024.

Other Information

Management is responsible for the other information. The other information comprises Management's Discussion and Analysis.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. We obtained Management's Discussion and Analysis prior to the date of this auditor's report. If, based on the work we have performed on this other information, we conclude that there is a material misstatement

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

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

In preparing the consolidated financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Company as a basis for forming an opinion on the consolidated financial statements. We are responsible for the direction, supervision and review of the audit work performed for the purpose of the group audit. We remain solely responsible for our audit opinion.

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

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

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

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

MNP LLP

Chartered Professional Accountants
Licensed Public Accountants

Toronto, Ontario
March 11, 2025

Stack Capital Group Inc.

Consolidated Statements of Financial Position

(Expressed in Canadian Dollars)

As at December 31,	Notes		2024		2023
Assets					
Cash		$	11,259,678	$	25,074,005
Restricted Cash	3		3,109,489		-
Investments, at fair value	4		117,793,178		71,852,516
Prepaid expenses			77,331		174,259
Total Assets		$	132,239,676	$	97,100,780
Liabilities					
Accounts payable and accrued liabilities	8	$	360,728	$	204,172
Amounts due to manager	8		587,152		147,131
Derivative liability			773,975		-
Total Liabilities			1,721,855		351,303
Equity					
Share capital	5	$	109,090,036	$	93,480,730
Equity reserves	6,7		2,362,277	$	7,741,289
Retained earnings			19,065,508		(4,472,542)
Total Equity			130,517,821		96,749,477
Total Equity and Liabilities		$	132,239,676	$	97,100,780

General Information (Note 1)

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

Approved on Behalf of the Board:

"Jeffrey Parks, Signed"
Jeffrey Parks, Director

"John Bell, Signed"
John Bell, Director

Stack Capital Group Inc.

Consolidated Statements of Net Income (Loss) and Comprehensive Income (Loss)

(Expressed in Canadian Dollars)

For the year ended December 31,	Notes	2024	2023
Income			
Interest income		$ 1,115,064	$ 1,370,101
Change in unrealized fair value of investments	4	10,435,155	(850,910)
Realized gain on sale of investments		48,500	-
Change in unrealized foreign exchange on investments, at fair value	4	8,076,903	(1,668,036)
Unrealized loss on forward foreign currency contract		(773,975)	(97,500)
Realized gain on forward currency contract		-	168,250
		$18,901,647	$ (1,078,095)
Expenses			
Management fees	8	1,800,951	1,706,586
Performance fee	8	396,112	-
Professional fees	8	498,223	490,934
Insurance		259,569	385,388
General and administrative		258,728	320,356
Loss (gain) on foreign exchange		(530,341)	37,310
Share-based compensation	6	226,243	200,329
		$ 2,909,485	$ 3,140,903
Net Income (Loss) and Comprehensive Income (Loss) for the Year		$15,992,163	$ (4,218,998)
Basic Earnings (Loss) per Share		$ 1.70	$ (0.47)
Diluted Earnings (Loss) per Share		$ 1.69	$ (0.47)
Weighted Average Number of Common Shares Outstanding			
Basic		9,428,293	9,049,717
Diluted		9,472,571	9,074,934

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

Stack Capital Group Inc.

Consolidated Statements of Cash Flows

(Expressed in Canadian Dollars)

For the year ended December 31,	Notes	2024	2023
Operating Activities:			
Net Income (loss) and comprehensive income (loss) for the year		$ 15,992,163	$ (4,218,998)
Changes in non-cash operating items:			
Change in unrealized fair value of investments	4	(10,435,155)	850,910
Unrealized gain on forward currency contract		773,975	97,500
Share-based compensation	6	226,244	200,329
Change in unrealized foreign exchange on investments, at fair value	4	(8,076,903)	1,668,036
Loss (gain) on foreign exchange		(530,341)	37,310
Changes in cash operating items:			
Acquisition of investments, net of share issuance	4,5	(24,958,889)	(3,683,340)
Changes in non-cash working capital items:			
Prepaid expenses		96,928	76,005
Accounts payable and accrued liabilities	8	156,556	8,685
Amounts due to Manager	8	440,020	(5,184)
Net Cash Used in Operating Activities		$(26,315,402)	$ (4,968,747)
Financing activities			
Share repurchase		$ (417,796)	$ (1,312,743)
Proceeds from private placement, net of issuance costs	5	15,498,019	-
Net Cash Provided (Used) by Financing Activities		$ 15,080,223	$ (1,312,743)
Net Change in Cash		$(11,235,179)	$ (6,281,490)
Cash and cash equivalents, beginning of year		25,074,005	31,392,805
Effect of foreign exchange changes		530,341	(37,310)
Cash and cash equivalents, end of year		$ 14,369,167	$25,074,005

Supplemental disclosure of cash flow information (see note 11)

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

Stack Capital Group Inc.

Consolidated Statements of Changes in Equity

(Expressed in Canadian Dollars)

	Notes	Common shares (#)	Common shares ($)	Equity Reserves	Retained Earnings (Deficit)	Total
Balance, December 31, 2022		**9,150,974**	**$ 95,566,206**	**$ 7,540,960**	**$ (1,049,287)**	**$ 102,057,879**
Share repurchase		(201,900)	(2,108,486)	-	795,743	(1,312,743)
Share issuance private placement		2,171	23,010	-	-	23,010
Share based compensation		-	-	200,329	-	200,329
Net loss for the year		-	-	-	(4,218,998)	(4,218,998)
Balance, December 31, 2023		**8,951,245**	**$ 93,480,730**	**$ 7,741,289**	**$ (4,472,542)**	**$ 96,749,477**
Share repurchase	5	(41,200)	(425,059)		7,263	(417,796)
Share issuance for private placement	5	1,520,331	13,564,651	1,933,368	-	15,498,019
Shares issued for acquisition of investments	5	273,501	2,469,714			2,469,714
Share based compensation	6	-	-	226,244	-	226,244
Warrant expiry	7	-	-	(7,538,624)	7,538,624	-
Net income for the year		-	-	-	15,992,163	15,992,163
Balance, December 31, 2024		**10,703,877**	**109,090,036**	**2,362,277**	**19,065,508**	**130,517,821**

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

Stack Capital Group Inc.

Schedule of Investment Portfolio as at December 31, 2024

(Expressed in Canadian Dollars)

Private Investments

Investments	Investment type	Portfolio weight at period end	Cost	Fair value
SpaceX[i]	Units	18.01%	$ 6,464,130	$ 23,507,072
Canva	Common shares	10.61%	10,864,716	13,845,344
Hopper	Series A-1 Preferred shares	8.87%	10,368,105	11,571,469
Newfront Insurance	Series D-1 Preferred shares	8.83%	10,133,737	11,527,614
Locus Robotics	Series F preferred shares	9.15%	11,225,501	11,939,780
Locus Robotics	Common shares	1.69%	2,083,801	2,212,269
Coreweave	Common shares	8.62%	10,953,718	11,251,110
Omio[ii]	Series E-1 Preferred shares	7.73%	9,095,738	10,086,588
Omio	Common shares	1.38%	952,112	1,802,541
Prove Identify[iii]	Common shares	4.92%	6,004,207	6,415,003
Prove Identify	Series E-1 Preferred shares	2.75%	3,921,236	3,583,058
Bolt Financial	Series E-1 Preferred shares	3.17%	5,091,044	4,135,603
Bolt Financial	Series D Preferred shares	0.96%	2,577,092	1,250,251
Shield AI [iv]	Units	2.44%	3,078,737	3,189,990
Varo Money	Common shares	1.09%	6,335,194	1,419,747
Other Capitalized Legal Fees		0.04%	55,616	55,742
Total		**90.25%**	**$99,204,684**	**$ 117,793,178**
Cash		11.01%		$ 14,369,167
Other assets and liabilities		(1.26%)		(1,644,524)
Total		**100.00%**		**$ 130,517,821**

[i] the Company invested in units of Space LP which is primarily invested into Space Exploration Technologies Corp. (“SpaceX”).

[ii] the Company invested in shares of GoEuro Corp. which carries on business as Omio.

[iii] the fair value of Prove Identity Inc. common shares is net of an unrealized deferred gain of $1,021,949. Refer to Note 4 viii.

[iv] the company invested in units of Defence AI LP which is invested in Shield AI Inc.

1. General Information

Stack Capital Group Inc. (the "Company") is an investment holding company. Its business objective is to invest in equity, debt and/or other securities of growth-to-late-stage private businesses. On June 16, 2021, the Company completed its initial public offering, at which time, the Company's common shares commenced trading on the Toronto Stock Exchange ("TSX") under the symbol "STCK", pursuant to the TSX Sandbox initiative for the listing of new issuers. Effective August 5, 2022, the Company satisfied exit conditions and successfully exited the TSX Sandbox program. SC Partners Ltd. (the "Manager") has taken the initiative in creating the Company and acts as the Company's administrator and is responsible to source and advise with respect to all investments for the Company.

The Company is federally incorporated and domiciled in Ontario, Canada. The registered office of the Company and the Manager is located at 155 Wellington St. W, Suite 3140, Toronto, ON, M5V 3H1.

The consolidated financial statements were approved by the Company's Board of Directors on March 11, 2025 for issuance on March 12, 2025.

2. Basis of Presentation

a. Statement of Compliance

The consolidated financial statements of the Company have been prepared in accordance with International Financial Reporting Standards, as issued by the International Accounting Standards Board ("IFRS Accounting Standards"). The material accounting policies applied in these consolidated financial statements are presented in Note 3 and are based on IFRS Accounting Standards effective as at December 31, 2024 or for the year then ended.

The consolidated statement of financial position of the Company is presented on a non-classified basis. Except for Investments, all other assets expected to be realized and liabilities expected to be settled within the Company's normal operating cycle of one year are considered current.

b. Historical Cost Convention

These consolidated financial statements have been prepared using the historical cost convention except for certain financial instruments, which are measured at fair value.

c. Consolidation

The consolidated financial statements include the financial statements of Stack Capital Group Inc. and its subsidiaries, collectively referred to as the "Group." The Group's subsidiaries consist of Stack Capital Group Genpar Inc., and two limited partnerships, Defence AI LP and Space LP, all controlled by the Company.

Stack Capital Group Genpar Inc. is the general partner of the limited partnerships, Defence AI LP and Space LP, and was created as a subsidiary of Stack Capital Group Inc. on April 29, 2024, the date control was obtained. Defence AI LP was formed as a limited partnership on April 29, 2024, the same date control was established, while Space LP was created as a limited partnership on June 6, 2024, which is also the date of control.

Control is determined in accordance with IFRS 10 - Consolidated financial statements, where the parent company has the ability to govern the financial and operating policies of these entities through its direct or indirect ownership of voting rights or other means. The consolidated financial statements of the subsidiaries have been consolidated from the date that control was obtained, and they continue to be consolidated until the date that control ceases. All intercompany transactions and balances, including unrealized gains and losses on transactions between the Group companies, are eliminated in full upon consolidation.

d. Monetary References

All monetary references expressed in these notes are references to Canadian dollar amounts unless otherwise specified.

3. Material Accounting Policies

The material accounting policies applied to the preparation of the consolidated financial statements is applied consistently during the year presented.

Determination of Investment Entity Status

An entity that meets the IFRS 10 *Consolidated financial statements* ("IFRS 10") definition of an investment entity is required to measure its investments in subsidiaries at fair value through profit or loss ("FVTPL") rather than consolidate them (other than those subsidiaries that provide services to the company).

An investment entity is an entity that obtains funds from one or more investors for the purpose of providing them with investment management services, commits to its investors that its business purpose is to invest funds solely for returns from capital appreciation, investment income, or both, and measures and evaluates the performance of substantially all its investments on a fair value basis. An investment entity may provide investment-related services, either directly or through a subsidiary, to third parties as well as to its investors, even if those activities are substantial to the entity, subject to the entity continuing to meet the definition of an investment entity. The company meets the definition of an investment entity, as its strategic objective is to invest in private equity investments to provide investors with returns in the form of long-term capital appreciation.

Functional and Presentation Currency

The consolidated financial statements are presented in Canadian dollars, which is the Company's functional and presentation currency.

Foreign Currency Translation

Foreign currency transactions are translated into Canadian dollars at exchange rates in effect on the date of the transactions. Monetary assets and liabilities denominated in foreign currencies at the statement of financial position date are translated to Canadian dollars at the foreign exchange rate applicable at that date. Realized and unrealized exchange gains and losses are recognized through profit or loss. Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction.

Classification and Measurement of Investments

In classifying and measuring financial instruments held by the Company, the Company is required to make significant judgements about its business model for managing its financial instruments, and whether or not the business of the Company is to manage the financial assets with the objective of realizing cash flows through the sale of the assets for the purpose of classifying certain financial instruments at FVTPL.

3. Material Accounting Policies *(Continued)*

Valuation of Investments

Investments are measured at fair value in accordance with IFRS 13 *Fair Value Measurement*. Investments for private issuers for which reliable quotations are not readily available, or for which there is no closing bid price, are valued at fair value using management's best estimates. Several valuation methodologies may be considered in determining the fair value estimate, including initial or recent transactions, market approach, and discounted cash flow. During the initial period after an investment has been made, transaction price may represent the most reasonable estimate of fair value. Management assesses the reasonability of this judgment by analysis of relevant industry information, and to the extent available information from the private issuer, and/or through public or non-public information which may be relevant to the fair value of the investment. In situations where the transaction price is not representative of the fair value of the investment, the investment will be recognized at fair value and the difference between the fair value and transaction price is recognized as a deferred gain or loss on the Statement of Financial Position. The deferred gain or loss will remain unrecognized until all market inputs used to value the investment become observable or until the investment is disposed of.

Management evaluates the fair value of investments taking into account various valuation methodologies, which may include observations from underlying portfolio companies, through examination of trading multiples of comparable public and non-public companies, examination of discounted cash flows, where available, and/or recent market transactions. Unrealized gains and losses on investments are recognized in the Consolidated Statements of Income (Loss) and Comprehensive Income (Loss).

Revenue Recognition

Interest income amounts on financial assets at amortized cost are recognized on a time-proportionate basis using the effective interest method in the Consolidated Statements of Income (Loss) and Comprehensive Income (Loss).

Equity

Common shares issued by the Company are classified as equity when there is no contractual obligation to transfer cash or other financial assets to the holder of the shares. Incremental costs directly attributable to the issue or repurchase of shares for cancellation of equity instruments are recognized in equity, net of tax.

Dividends and other distributions to holders of the Company's equity instruments are recognized directly in equity.

Cash

Cash comprises cash on deposit and cash held in prime brokerage accounts, and is stated at fair value.

Restricted Cash

Restricted cash is comprised of cash deposited to meet margin requirements or posted as collateral for open derivative contracts, when applicable.

Forward Foreign Currency Contract

Forward foreign currency contract represents a forward contract, which derives its value primarily from changes in underlying foreign currency rates. The fair value of forward foreign currency contract in a gain position is presented on the Statements of Financial Position as derivative assets and the fair value of derivatives in a loss position are presented on the Statements of Financial Position as derivative liabilities. The initial premium paid for a derivative contract, if any, would be recorded as a derivative asset and subsequently adjusted for changes in the fair value of the contract at each reporting date. Changes in the fair value of derivatives are recorded as unrealized gain (loss) on forward foreign currency contract in the Consolidated Statements of Income (Loss) and Comprehensive Income (Loss).

3. Material Accounting Policies *(Continued)*

Income Taxes

The income tax expense or recovery for the year is the tax payable on the current year's taxable income, based on the applicable income tax rate, adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

The current income tax expense or recovery is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation and considers whether it is probable that a taxation authority will accept an uncertain tax treatment.

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. However, deferred tax liabilities are not recognized if they arise from the initial recognition of goodwill. Deferred tax assets and liabilities are recognized where the carrying amount of an asset or liability differs from its tax base, except for taxable temporary differences arising on the initial recognition of goodwill, temporary differences arising from investments in subsidiaries that are not expected to reverse in the foreseeable future, and the initial recognition of assets or liabilities that affect neither accounting nor taxable loss which at the time of the transaction, does not give rise to equal taxable and deductible temporary differences. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realized or the deferred income tax liability is settled.

Deferred tax assets are recognised only if it is probable that future taxable amounts will be available to utilize those temporary differences and losses.

Deferred tax assets and liabilities are offset where there is a legally enforceable right to offset current tax assets and liabilities and where the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Current and deferred tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

Long-term Incentive Plan & Share-based Compensation

The Company has a long-term incentive plan. In determining the fair value of the long-term incentive plan, the Company makes judgments about future events and market conditions. In particular, judgment must be formed as to the likely number of stock options that will vest, and the fair value of the award granted. The fair value of stock options granted is determined using the Black-Scholes option-pricing model, which is dependent on further estimates, including the Company's future dividend policy and the future volatility in the price of the common shares. See Note 6 for the judgments used. Such judgments are based on publicly available information and reflect market expectation. Different judgments about these factors to those made by the Company could materially affect reported net income.

The Company measures equity settled share-based payments based on their fair value at the grant date and recognizes compensation expense over the vesting period based on the Company's estimate of equity instruments that will eventually vest. Forfeitures are adjusted for on an actual basis. The impact of the revision of the original estimate is recognized in profit or loss such that the cumulative expense reflects the revised estimate.

For stock options granted to non-employees the compensation expense is measured at the fair value of goods and services received except where the fair value cannot be estimated, in which case it is measured at the fair value of the equity

3. Material Accounting Policies *(Continued)*

Longİterm Incentive Plan ɢ Shareİbased Compensation *(Continued)*

instruments granted. Consideration paid by employees or non-employees on the exercise of stock options is recorded as share capital and the related share-based compensation is transferred from equity reserve to share capital.

Critical Accounting Estimates and Judgments

Management makes estimates and judgments concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and judgments that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities are outlined below.

i) Determination of Functional Currency

An entity's functional currency is the currency of the primary economic environment in which the entity operates. When the functional currency of an entity is not evident, management uses its judgment to determine the functional currency that most faithfully represents the economic effects of the entity's underlying transactions, events, and conditions. The primary activity of the Company is to invest in late-growth stage private issuers in the North America. The Company's net proceeds pursuant to the Company's initial public offering on June 16, 2021 (the "Offering"), and significant expenses (including management fees, and performance fees, if any) are denominated in the Canadian dollar. The performance and liquidity of the Company are measured and reported to the investors in the Canadian dollar. Accordingly, management has determined that the Canadian dollar is the functional currency of the Company.

ii) Warrants

The Company used the Black-Scholes model to calculate the value of warrants issued as part of the Offering. The Black-Scholes model requires six key inputs to determine a value for a warrant: risk-free interest rate, exercise price, market price at date of issuance, expected yield, expected life and expected volatility. Certain of the inputs are estimates, which involve considerable judgment and are or could be affected by significant factors that are out of the Company's control. Proceeds from the Offering, net of issuance costs, were allocated between Share Capital and Equity Reserves issued according to their fair value.

iii) Fair Value of Investments

The fair value of investments requires significant estimation, judgments and may include use of unobservable inputs, as discussed above in Note 3 under "Valuation of Investments".

(Expressed in Canadian Dollars)

4. Investments, at Fair Value

A summary of changes in the fair value of the Company's investments for the year ended December 31, 2024 is as follows:

Investments	Investment type	Balance as of January 1, 2024	Additions	Unrealized Gain (Loss) on Investments	Unrealized Foreign Currency Gains	Balance as of December 31, 2024
SpaceX[i]	Units	$ 12,009,093	$ -	$ 9,940,531	$ 1,557,448	$ 23,507,072
Canva [ii]	Common shares	18,878	10,845,838	2,192,662	787,966	13,845,344
Hopper [iii]	Series A-1 Preferred shares	10,636,198	-	-	935,271	11,571,469
Newfront[iv]	Series D-1 Preferred shares	10,595,887	-	-	931,727	11,527,614
Locus Robotics [v]	Series F preferred shares	10,585,498	-	403,132	951,149	11,939,780
Locus Robotics [v]	Common shares	-	2,486,406	(402,606)	128,468	2,212,269
Coreweave [vi]	Common shares	-	10,953,718	-	297,391	11,251,110
Omio[vii]	Series E-1 Preferred shares	9,271,333	-	-	815,255	10,086,588
Omio[vii]	Common shares	1,656,849	-	-	145,691	1,802,541
Prove Identity [viii*]	Common shares	5,898,262	-	-	516,741	6,415,003
Prove Identity [viii]	Series E-1 Preferred shares	3,293,455	-	-	289,603	3,583,058
Bolt Financial [ix]	Series E-1 Preferred shares	3,291,522	-	528,011	316,069	4,135,603
Bolt Financial [ix]	Series D Preferred shares	1,651,990	8,287	(529,544)	119,517	1,250,251
Shield AI [x]	Units	-	3,078,737	-	111,253	3,189,990
Varo Money [xi]	Common shares	2,943,551	-	(1,697,032)	173,228	1,419,747
Other capitalized legal fees		-	55,616	-	126	55,742
Total		**$ 71,852,516**	**$ 27,428,603**	**$ 10,435,155**	**$ 8,076,903**	**$ 117,793,178**

* The fair value of Prove Identity Inc. common shares is net of an unrealized deferred Day 1 gain of $1,021,949. Refer to Note 4 viii).

A summary of changes in the fair value of the Company's investments for the year ended December 31, 2023 is as follows:

Investments	Investment type	Balance as of January 1, 2023	Additions	Unrealized Gain (Loss) on Investments	Unrealized Foreign Currency Losses	Balance as of December 31, 2023
Space X(Space LP)[i]	Units	$ 9,327,040	$ -	$ 2,904,954	(222,901)	$ 12,009,093
Hopper[iii]	Series A-1 Preferred shares	8,148,110	2,711,204	-	(223,116)	10,636,198
Newfront Insurance [iv]	Series D-1 Preferred shares	10,842,799	-	-	(246,912)	10,595,887
Locus Robotics [v]	Series F preferred shares	10,832,167	-	-	(246,669)	10,585,498
Omio[vii]	Series E-1 Preferred shares	9,487,379	-	-	(216,046)	9,271,333
Omio[vii]	Common shares	-	953,258	725,441	(21,850)	1,656,849
Prove Identity [viii*]	Common shares	6,226,279	-	(186,727)	(141,290)	5,898,262
Prove Identity [viii]	Series E-1 Preferred shares	4,141,609	-	(753,842)	(94,312)	3,293,455
Bolt Financial [ix]	Series E-1 Preferred shares	5,455,951	-	(2,040,186)	(124,243)	3,291,522
Bolt Financial [ix]	Series D Preferred shares	2,725,327	-	(1,011,276)	(62,061)	1,651,990
Varo Money [xi]	Common shares	3,501,461	-	(489,274)	(68,636)	2,943,551
Other capitalized legal fees[ii]		-	18,878	-	-	18,878
Total		**$ 70,688,122**	**$ 3,683,340**	**$ (850,910)**	**$ (1,668,036)**	**$ 71,852,516**

4. Investments, at Fair Value *(Continued)*

i) Space LP is a special purpose vehicle, which is wholly owned and controlled by the Company, it is invested in shares of Space Exploration Technologies Corp. ("SpaceX"). Substantially all of Space LP's value is derived from SpaceX. SpaceX, based in Hawthorne, California, is a designer and provider of space transportation services, as well as a satellite communications provider through its Starlink brand.

The Company invested $6,464,130 (US$5,000,000) in limited partnership units in SpaceX SPV during 2021. SpaceX completed an offering in Q4-2024 which valued SpaceX at US$350 billion. Management updated their valuation in SpaceX SPV during the year ended December 31, 2024 to reflect the changes in value relevant to this offering. As at December 31, 2024, management has based the valuation in SpaceX SPV based on the recent market transactions resulting in a fair value of $23,507,072 (2023: $12,009,093).

ii) Canva, Inc. ("Canva"), based in Sydney, Australia, Canva is a graphic design platform that's used for creating visual content, presentations, posters, and documents. During the quarter ended March 31, 2024, the company invested $10,845,838 (US$8,007,183) in common shares of Canva. In Q4-2024 Canva completed an offered which valued Canva at US$32 billion. As at December 31, 2024, management has determined that the transaction price is representative of a fair value of $13,845,344 (December 31 2023: 18,878).

iii) Hopper Inc. ("Hopper"), based in Montreal, Quebec, is an AI-powered and mobile focused online travel agency, specializing in hotels, flights, car rentals and homes. During the first quarter ended March 31, 2022, the Company invested $7,656,901 (US$6,020,385) in Class A-1 preferred shares of Hopper. During the second quarter ended June 30, 2023 additional Class A-1 preferred shares were purchased for $2,711,204 (US$2,021,500). As at December 31, 2024, management has determined that the recent transaction price is representative of fair value of $11,571,469 (2023: $10,636,198).

iv) Newfront Insurance Holdings, Inc. ("Newfront"), based in Sacramento, California, is an insurance brokerage focused on leveraging technology intended to assist large businesses in purchasing insurance packages based on insight-based recommendations. During the quarter ended June 30, 2022, the Company invested $10,133,737 (US$8,011,407) in Series D-1 preferred shares of Newfront. As at December 31, 2024, management has determined that the recent transaction price is representative of fair value of $11,527,614 (2023: 10,595,887).

v) Locus Robotics Corp. ("Locus"), headquartered in Wilmington, Massachusetts, is a provider of enterprise robotics solutions for some of the world's most dynamic warehouses and leading brands operating in third-party logistics, retail & e-commerce, healthcare, and the industrial sectors. During the year ended December 31, 2022, the Company invested $10,822,368 (US$8,003,552) in Series F preferred shares of Locus. Additionally, during the quarter ended March 31, 2024, the Company purchased $2,469,714 in common shares of Locus in share swap for 273,501 shares of Stack Capital Group Inc. The transaction took place on March 4, 2024, therefore the share swap was priced at the closing price of the Company's shares as at March 3, 2024 of $9.03. As at December 31, 2024, management has determined that the transaction price of the series F preferred shares and the common shares is representative of fair value of $11,939,780 and $2,212,269 respectively (December 31, 2023: $10,585,498 series F preferred shares and nil common shares).

vi) Coreweave, Inc. ("Coreweave"), headquartered in Roseland, New Jersey, specializes in providing cloud-based graphics processing unit (GPU) infrastructure to artificial intelligence developers. During the year ended December 31, 2024 the company invested $10,953,718 (US$7,819,244). As at December 31, 2024, management has deferred the recent transaction price is representative of fair value of $11,251,110 (2023: nil).

Subsequent to the year-end the Company purchased common shares of Coreweave, Inc. for consideration of US$2,161,000. US$1,161,000 is related to an investment was made directly by the Company into Coreweave. An additional investment of US$1,000,000 was made through Stack CW LP, a special purpose vehicle wholly invested in Coreweave, Inc. (see note 12).

4. Investments, at Fair Value *(Continued)*

vii) GoEuro Corp. (known as "Omio"), headquartered in Berlin, Germany and domiciled in the United States, is an operator of a multi-modal travel booking platform intended to help travellers in Europe, the United States and Canada to compare, plan and book trains, buses, ferries, and flights. During the quarter ended June 30, 2022, the Company invested $9,095,738 (US$7,009,929) in Series E-1 preferred shares of Omio. During the quarter ended September 30, 2023, the Company also invested $953,258 (US$704,225) in common shares of Omio. As at December 31, 2024, management has determined that the most recent transaction price is representative of fair value of $10,086,588 and $1,802,541 for preferred shares and common shares, respectively (December 31, 2023: $9,271,333 preferred shares, $1,656,849 common shares).

viii) Prove Identity Inc. ("Prove"), based in New York City, New York, is a software developer of identity-verification software designed to protect against identity theft and social engineering attacks from professional attackers.

In 2021, the Company invested $1,083,556 (US$822,500) and $3,921,236 (US$3,060,106) in common shares and Series E-1 preferred shares of Prove, respectively, in two market transactions. During the quarter ended June 30, 2022 the Company acquired additional commons shares for $2,761,603 (US$2,137,238). During the quarter ended September 30, 2022, the Company acquired additional common shares of Prove in a private transaction with a motivated seller for a combination of 139,440 common shares of the Company valued at 1,020,639 (US$782,012)and $1,116,689 (US$855,605) in cash. In addition, during the quarter ended December 31, 2022, the Company acquired additional common shares of Prove in a private transaction for $135,220 (US$100,000) in cash. On initial recognition, the fair value of the acquired common shares of Prove was estimated at $3,429,818. Given the nature of the private transaction, the fair value of acquired common shares exceeded the transaction price of $2,272,548 by $1,157,270. Following the IFRS 9 *Financial Instruments* requirements, this difference, referred hereafter as Day 1 gain, was deferred on the Consolidated Statements of Financial Position as the fair value of Prove is determined using the valuation technique that includes unobservable (L3) inputs. The carrying value of common shares on the Consolidated Statements of Financial Position is net of the unrealized deferred Day 1 gain, revalued at December 31, 2024 to be $1,021,949 (2023: $939,349).

As at December 31, 2024, the Company estimated the fair value of Prove based on recent market transaction data, and the common shares and Series E-1 Preferred shares of Prove had a fair value of $6,415,003 and $3,583,058, respectively (December 31, 2023: $5,898,262 common shares and $3,293,455 series E-1 preferred shares).

ix) Bolt Financial Inc. ("Bolt"), based in San Francisco, California, is a software developer of a one-click checkout process and fraud protection for online retailers. During 2021, the Company invested $2,568,361 (US$2,013,986) in Series D preferred shares and $5,091,044 (US$4,031,233) in convertible debentures of Bolt.

The fair value of the Bolt's Series E-1 and Series D preferred shares as at December 31, 2024 was $4,135,603 and $1,250,251 (December 31, 2023: $3,291,522 and $1,651,990), respectively.

x) Defence AI LP, a special purpose vehicle ("SPV"), that holds an investment in Shield AI. Shield AI is an American aerospace and defense technology company based in San Diego, California. It develops artificial intelligence-powered fighter pilots, drones, and technology for defense operations. During the year ended December 31, 2024 the Company invested $2,778,010 (US$2,000,000). The instrument entitles the Company an annual interest rate of 13.74% paid in kind and an equity fee paid in common shares of the military defence company that will range from 30.4% to 42.8% depending on time until a liquidity event. There is no end of term for this investment.

The fair value of this hybrid debt and equity instrument is currently held at the fair value at the time of acquisition, plus interest accrued using the effective interest method. The discount rate being used is 33.51%, with an assumed 3-year exit. Management has assessed that the significant input for the valuation is number of years to exit. The impact to the valuation would decrease by $38,423 or increase by $86,350 if the number of year increase by one year or decreased by one year, respectively. The Company valued the equity portion of this instrument through the net present value method with the difference being valued as the liability.

(Expressed in Canadian Dollars)

4. Investments, at Fair Value *(Continued)*

x) Shield AI *(Continued)*

Balance, May 10, 2024	**$**	**-**
Initial purchase		2,778,010
Interest income		300,728
Unrealized foreign currency loss		111,253
Balance, December 31, 2024	**$**	**3,189,990**

The Company assesses the carrying amount of this instrument at each reporting date to determine whether there is any objective evidence of impairment. If such evidence exists, the Company calculates the impairment loss as the difference between the carrying amount and the present value of estimated future cash flows discounted at the original effective interest rate of the instrument.

xi) Varo Money, Inc. (“Varo”), based in San Francisco, California, is the first all-digital bank in the United States to secure a national bank charter allowing it to offer more products, including loans, to its clients.

During 2021, the Company invested $6,335,194 (US$5,062,126) in common shares of Varo. During Q4-2024 the Company received new information that resulted in a lower valuation for its investment in Varo. The fair value of Varo as at December 31, 2024 was $1,419,747 (December 31, 2023: $2,943,551).

5. Share Capital and Equity Reserves

a. Authorized Share Capital

As at December 31, 2024 and 2023, the authorized share capital consisted of an unlimited number of common shares.

b. Common Shares Issued

As at December 31, 2024 and 2023, the issued share capital was as follows:

	Number of Common Shares		Amount
Balance, December 31, 2022	**9,150,974**	**$**	**95,566,206**
Share repurchase	(201,900)		(2,108,486)
Share issuance private placement	2,171		23,010
Balance, December 31, 2023	**8,951,245**	**$**	**93,480,730**
Share repurchase[i]	(41,200)		(425,059)
Share issuance private placement[ii]	1,520,331		13,564,651
Shares issued for acquisition of investments [iii]	273,501		2,469,714
Balance, December 31, 2024	**10,703,877**	**$**	**109,090,036**

[i] For the year ended December 31, 2024, the Company repurchased and cancelled a total of 41,200 (2023: 201,900) common shares for $417,796 cash (2023: $932,124).

[ii] During the year ended December 31, 2024, the company issued 1,793,832 common shares. The Company issued 4,423 shares at an average price of $9.87 related to consulting services, for a total gross proceeds of $43,667 offset by legal fees of $14,146 for a total net proceeds of 29,522. The company also complete a private placement in two tranches, the first of which took place on October 30, 2024, the company issued a total of 1,437,839 units (comprised of 1,437,839 common shares and 718,918 warrants) issued at a price of $11 per unit for a total gross proceeds of $15,816,229 ($13,982,195 related to common shares issued at a price of $9.72, and $1,834,034 related to warrants issued at a price of $1.28), this was offset by $1,206,490 in legal fees and commissions for a total net proceeds of $14,609,739. The second tranche took place on November 22, 2024, the company issued a total of 78,069 units (comprised of 78,069 common shares and 39,030 warrants) issued at a price of $11 per unit for a total gross proceeds of $858,759 ($759,425 related to common shares issued at a price of $9.73, and $99,333 related to warrants issued at a price of $1.27).

[iii] The Company purchased $2,469,714 in common shares of Locus in a share swap for 273,501 shares of Stack Capital Group Inc., that were privately placed. The transaction took place on March 4, 2024, therefore the share swap was priced at the closing price of the Company’s shares as at March 1, 2024 of $9.03.

(Expressed in Canadian Dollars)

5. Share Capital and Equity Reserves *(Continued)*

c. Warrants

The following table reflects the continuity of warrants for the years ended December 31, 2023 to December 31, 2024:

	Number of Warrants		Amount
Balance, January 1, 2023	**4,913,167**	**$**	**7,538,624**
Issued	-		-
Balance, December 31, 2023	**4,913,167**	**$**	**7,538,624**
Expired[i]	(4,913,167)	$	(7,538,624)
Issued[ii]	757,953	$	1,933,368
Balance December 31, 2024	**757,953**	**$**	**1,933,368**

[I] These warrants expired as of June 16, 2024. None of the warrants were exercised prior to their expiration

[ii] The Company completed a private placement in two tranches, the first of which took place on October 30, 2024, where 718,918 warrants were issued. The second tranche took place on November 22, 2024, where 39,030 warrants were issued. These warrant expire three years after issue on October 30, 2027 and November 22, 2027 respectively. The estimated weighted average grant date fair value for these grants was $1.28 per warrant, as determined using the Black-Scholes valuation model and the following assumptions: risk free interest rate – 3.110%, expected life in years 0 – 3 years, expected volatility – 35.73%, expected dividend – 0% and expected forfeiture – 0%.

The following table reflects the warrants outstanding and exercisable as of December 31, 2024:

Expiry Date	Exercise Price ($)	Weighted Average Remaining Contractual Life (Years)	Number of Warrants Outstanding and Exercisable
October 30, 2027	11.00	2.83	718,918
November 22, 2027	11.00	2.88	39,030

d. Capital Management

The Company actively manages capital to maintain a strong and efficient capital base to maximize risk-adjusted returns to shareholders and to invest in future growth opportunities, while ensuring there is available capital to fund the Company's operation. The Company's capital consists of share capital and warrants.

6. Earnings (Loss) per Share

Basic and diluted loss per common share are calculated as follows:

		2024		2023
Net Income (Loss) Available to Common Shareholders	**$**	**15,993,219**	**$**	**(4,218,998)**
Weighted Average Number of Common Shares Outstanding				
Basic		9,428,293		9,049,717
Diluted[i]		9,472,571		9,074,934
Earnings (Loss) per Share				
Basic	**$**	**1.70**	**$**	**(0.47)**
Diluted	**$**	**1.69**	**$**	**(0.47)**

[i] The determination of the year ended December 31, 2024 diluted weighted average number of common shares outstanding excludes, 718,198 (2023: 4,913,167) shares related to warrants, 6,502 related to (2023: 3,750) shared relates to stock options, 43,023 (2023: 25,217) shares related to deferred stock units, and 2,160 (2023: nil) related to restrictive stock units that were anti-dilutive.

(Expressed in Canadian Dollars)

7. Long-term Incentive Plan

The Company has a long-term incentive plan ("LTIP"), which was approved by shareholders on May 18, 2022 at the annual and special general meeting of shareholders. The LTIP will facilitate the granting of stock options, restricted share units ("RSUs"), performance share units ("PSUs"), and deferred share units ("DSUs"), representing the right to receive one Common Share of the Company in accordance with the terms of the LTIP. The LTIP is not intended to be granted to the founders of the Company and the Manager. As per the terms of the LTIP, the maximum aggregate number of Common Shares reserved for issuance under the LTIP shall not exceed a combined total of 10% of the Company's issued and outstanding Common Shares.

a. Options

In May 2023, 4,000 options were cancelled with the departure of an employee of the Manager. As none of these options had vested at the time of the employee's departure.

During the year ended December 31, 2023, the Company granted 3,750 stock options with a weighted average exercise price of $7.00. All outstanding stock options vest and become exercisable over a period not exceeding five years (time vesting) from the date of grant. Additionally, during the year ended December 31, 2024, the Company granted 4,002

stock options with a weight average exercise price of $10.00. All outstanding stock options vest and become exercisable over a period not exceeding five years (time vesting) from the date of grant.

The estimated weighted average grant date fair value for these grants was $8.55 per stock option, as determined using the Black-Scholes valuation model and the following assumptions: risk free interest rate – 3.940%, expected life in years 0 - 5 years, expected volatility – 37.50%, expected dividend – 0% and expected forfeiture – 0%. The remaining contractual life of options outstanding as at December 31, 2024 was 4.29 years.

The following table reflects the options outstanding as of December 31, 2024:

Expiry Date	Exercise Price ($)	Weighted Average Remaining Contractual Life (Years)	Number of Options Issued and Outstanding	Number of Exercisable options
September 6, 2028	7.00	3.68	3,750	1,250
November 1, 2029	10.00	4.85	4,002	-
Total			**7,752**	**1,250**

b. Deferred Stock Units

During the year ended December 31, 2023, the Company granted 25,217 DSUs to directors with a weighted average cost of $7.96. Additionally, during the year ended December 31, 2024 the Company granted 17,811 DSUs to directors with a weighted average cost of 11.51. The Company has a total pool of 150,000 DSUs that can be issued in aggregate, as of December 31, 2024, the company has 106,972 DSUs remaining that can be issued. As of December 31, 2024 no shares have been released in share capital.

c. Restricted Stock Units

The Company has a pool of 25,000 RSUs that can be issued in aggregate, as of December 31, 2024. During the year ended December 31, 2024 the Company issued 2,160 RSU's for consulting services with a six month vesting period. As of December 31, 2024 no shares have been released in share capital.

8. Related Party Transactions

Related party transactions include transactions with key management personnel, including members of the board, and the Manager. Key management personnel are defined as those individuals having authority and responsibility for

8. Related Party Transactions *(Continued)*

planning, directing and controlling the activities of the Company. During the year ended December 31, 2024, the Company incurred $2,502,161 (2023: $2,011,586) in charges paid or payable to related parties consisting of director fees of $305,000 (2023: $305,000) and management fees of $1,800,951 (2023: $1,706,586), and a performance fee of $396,112 (2023:nil) pursuant to the Management Agreement. In addition, included in general and administrative expenses are $70,583 (2023: $70,583) expenses paid to the Manager for accounting and administrative services provided by an employee of the Manager. Included in amounts due to Manager are $587,152 (2023: $147,131) which include management fees of $184,623 (2023: $140,712), and a performance fee of 396,112 (2023: nil) and $6,417 (2023: $6,417) for expenses paid back to the Manager.

Management Agreement

At the time of the Company's initial public offering on June 16, 2021, the Company entered into a Management Agreement with the Manager to provide administration and investment services to the Company (the "Management Agreement"). As compensation for the provision of the services to be provided to the Company by the Manager, the Company will pay the management fee and, if applicable, the performance fee, in each case, together with any applicable sales taxes thereon, to the Manager. The management fee is a monthly amount equal to 1/12 of 1.5% of the total assets less the total liabilities, excluding any deferred taxes, plus any sales taxes thereon (defined in the Management Agreement as "Book Value").

The performance fee is 15% of the Book Value on a per share basis using the time-weighted average common shares outstanding (defined in the Management Agreement as "Book Value per Share") that exceeds the amount of Book Value per Share at any time which must be achieved before any performance fee would be payable. This amount of Book Value per Share is sometimes referred to as the "High Watermark." The performance fee is calculated and paid for after the Company's year-end results have been filed each calendar year. The performance fee will be payable in cash, or at the option of the Manager, in common shares of the Company.

For the year ended December 31, 2024, a performance fee of $396,112 (2023: no performance fee) incurred to the Manager. The Manager has opted to take this performance fee entirely as common shares of the Company.

9. Financial Instruments

a. Fair Value Estimation

The carrying value of cash, and accounts payable and accrued liabilities, approximate their fair values due to the relatively short-term maturities of these financial instruments. The three levels of the fair value hierarchy are described below:

Level 1 – Unadjusted quoted prices in active markets that are accessible at the measurement date for identical, unrestricted assets or liabilities;

Level 2 – Quoted prices in markets that are not active or financial instruments for which all significant inputs are observable, either directly or indirectly; and

Level 3 – Prices or valuations that require inputs that are both significant to the fair value measurement and unobservable.

(Expressed in Canadian Dollars)

9. Financial Instruments *(Continued)*

a. Fair Value Estimation *(Continued)*

The following table presents the Company's assets and liabilities that are measured at fair value as at December 31, 2024:

	Level 1	Level 2	Level 3	Total
Assets				
Financial assets at fair value through profit or loss				
Cash and restricted cash	$ 14,369,165	$ -	$ -	$ 14,369,167
Investments, at fair value	-	-	117,793,178	117,793,178
Liabilities				
Financial liabilities at fair value through profit or loss				
Forward foreign currency contract	-	(773,975)	-	(773,975)
Total Net Financial assets	**$ 12,695,064**	**$ (922,000)**	**$117,974,234**	**$ 131,388,370**

The following table presents the Company's assets and liabilities that are measured at fair value as at December 31, 2023:

	Level 1	Level 2	Level 3	Total
Assets				
Financial assets at fair value through profit or loss				
Cash and restricted cash	$ 25,074,005	$ -	$ -	$ 25,074,005
Investments, at fair value	-	-	71,852,516	71,852,516
Total Net Financial Assets	**$ 25,074,005**	**$ -**	**$ 71,852,516**	**$ 96,926,521**

The fair value of financial instruments traded in active markets is determined using the quoted prices where they represent those at which regularly and recently occurring transactions take place.

Level 1 instrument includes cash deposit in Canadian chartered banks, as well as restricted cash, $3,109,489 held as the minimum margin requirement related to the forward foreign currency contract mentioned below.

Level 2 instrument includes forward foreign currency contract. The Company's foreign currency forward contracts are valued using standard calculations/models that are primarily based on observable inputs, such as foreign currency exchange rates, or can be corroborated by observable market data.

Level 3 instrument includes investments measured at fair value. The fair values of private investments cannot be derived from an active market and accordingly, are determined using industry accepted valuation techniques and models. Market observable inputs are used where possible, with unobservable inputs used where necessary. Use of unobservable inputs can involve significant judgment and may materially affect the reported fair value of these investments. The Company's investments are focused on private issuers which may have unobservable inputs.

9. Financial Instruments *(Continued)*

a. Fair Value Estimation *(Continued)*

The following table presents changes in level 3 instruments for the year ended December 31, 2024.

		Amount
Balance, December 31, 2022	**$**	**70,688,122**
Purchases		3,683,340
Unrealized loss on investments		(850,910)
Unrealized foreign exchange loss on investments, at fair value		(1,668,036)
Balance, December 31, 2023	**$**	**71,852,516**
Purchases		27,428,603
Unrealized gain on investments		10,435,155
Unrealized foreign exchange gain on investments, at fair value		8,076,903
Balance, December 31, 2024	**$**	**117,793,178**

There were no (2023: no) transfers into or out of level 1 and level 2 during the year ended December 31, 2024.

b. Financial Risk Factors

The Company's activities expose it to a variety of financial risks: market risk (including foreign exchange risk, interest rate risk and price risk), credit risk and liquidity risk. In the normal course of business, the Company manages these risks as they arise as a result of its use of financial instruments.

Market Risk

Market risk is the risk of a financial loss resulting from adverse changes in underlying market factors, such as foreign exchange rate, interest rates, and equity and commodity prices.

i) Foreign Currency Risk

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument or another asset or liability will fluctuate due to changes in exchange rates.

As at December 31, 2024, some of cash and substantially all of the Company's investments, at fair value are denominated in U.S. dollars. The impact of fluctuations in foreign currency on cash and investments are primarily

subject to fluctuations between the U.S. dollar and the Canadian dollar. A 10% change in the value of the Canadian dollar relative to the U.S. dollar would affect the value of cash and investments as at December 31, 2024 by approximately $12,300,100 (2023: $7,275,000).

ii) Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in market interest rates. Typically, as interest rates rise, the fair values of fixed income investments decline and, conversely, as interest rates decline, the fair values of fixed income investments rise. In each case, the longer the maturity of the financial instrument, the greater the consequence of a change in interest rates.

The Company has exposure to the risk related to changes in interest rates on its cash balances. The Company does not have outstanding debt and does not have exposure to interest rate risk related to this for the year ended December 31, 2024.

9. Financial Instruments *(Continued)*

b. Financial Risk Factors *(Continued)*

iii) Price Risk

Price risk is the risk that the fair value or future cash flows of an equity investment or limited partnership investment will fluctuate due to changes in market prices (other than those arising from interest rate risk or foreign currency risk), whether those changes are caused by factors specific to the individual investment or its issuer, or other factors affecting all similar investments in the market.

The Company is not exposed to commodity price risk. The Company is exposed to equity securities price risk on investments. The Company's investments that have price risk include investments in private issuers of $117,793,178 as at December 31, 2024 (2023: $71,852,516). The effect of a 10% decline or increase in the value of investments would affect the value of investments as at December 31, 2024 by approximately US$8,186,000 (2022: US$5,442,000).

Credit Risk

Credit risk is the risk of loss resulting from the failure of a counterparty to honour its financial obligations to the company and arises predominantly with respect to cash and cash equivalents, restricted cash deposits, term deposits, short term investments and investments in debt instruments.

The Company is exposed to credit risk, which 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 Company has no debt outstanding, and the credit risk is considered limited. The Company's only exposure to variable rates is with the interest derived from its bank balance.

Liquidity Risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset. The Company manages liquidity risk by maintaining sufficient liquid assets to enable settlement of financial commitments on their respective due dates. All accounts payable and accrued liabilities are due within three months, and income taxes payable must be remitted to the tax jurisdiction as they are due. There were no significant changes to the Company's exposure to liquidity risk or the framework used to monitor, evaluate and manage liquidity risk as at December 31, 2024.

The undeployed cash and investments at December 31, 2024 provide adequate liquidity to meet the Company's remaining known significant commitments over the next twelve months, which are principally comprised of the management fees and operating expenses. The Company has adequate working capital to support its operations.

As at December 31, 2024, there is a $396,112 performance fee obligation (2023: $Nil), however, the Manager has elected to have this paid out entirely in shares, therefore it will not affect the liquidity of the Company (Note 7).

(Expressed in Canadian Dollars)

10. Income Taxes

The difference between income tax expense and the income taxes as computed based on the statutory rate is as follows:

	2024	2023
Net Income (Loss) before Income Taxes	**$ 15,992,163**	**$ (4,218,998)**
Statutory Tax Rate	26.5%	26.5%
Expected taxes payable (recovery) based on statutory rate	**4,237,923**	**(1,118,034)**
Adjustments to expected income taxes recovery:		
Non-taxable portion of unrealized losses (gains)	(1,433,490)	225,491
Share issuance costs	(319,720)	(350,800)
Unrealized (gain) loss on foreign exchange	(1,019,497)	442,030
Non-deductible expenses	47,100	
Tax benefits not recognized	(1,512,316)	801,314
Provision for (recovery of) Income Taxes	**$ -**	**$ -**

The income tax expense consists of the following:

	2024	2023
Current tax expense	$ -	$ -
Deferred tax expense	-	-
Net tax expense	**$ -**	**$ -**

The tax effect of temporary differences and loss carry forwards that give rise to significant portions of the deferred tax liability, which has been recognized during the year are as following:

	2024	2023
Deferred tax asset		
Non-capital losses	$ 2,463,185	$ 2,463,185
	$ 2,463,185	$ 2,463,185
Deferred tax liability		
Taxable portion of investments, at fair value	(2,463,185)	(2,463,185)
Net deferred tax liability	**$ -**	**$ -**

The tax effects of temporary differences and loss carry forwards that give rise to significant portions of the deferred tax asset, which have not been recognized are approximately as follows:

	2024	2023
Share issuance costs	$ 2,615,376	$ 2,973,413
Non-capital loss carry forward	3,100,272	9,221,349
Taxable portion of unrealized loss (gain) on investments, at fair value	-	937,035
Taxable portion of unrealized gain on foreign exchange	-	(904,131)
Derivative liability	773,975	-
Total	**$ 6,489,623**	**$ 12,227,755**

As at December 31, 2024, the Company had non-capital losses of approximately $12,395,311 (2023: $12,227,755), of which $9,295,039 would be used to cover the taxable capital gain on investment, at fair value, leave a net non-capital loss of $3,100,272 available to reduce future taxable income, which expires in 2044. Deferred tax assets have not been recognized

(Expressed in Canadian Dollars)

10. Income Taxes *(Continued)*

in respect of these items because it is not probable that the temporary difference will reverse in the foreseeable future and that taxable profit will be available against which the tax benefits can be utilized.

11. Supplemental Disclosure of Cash Flow

The following table shows the supplemental cash flow information for the year ended December 31, 2024:

	2024	2023
Interest income	$ 814,337	$ 1,371,461
	$ 814,337	**$ 1,371,461**

12. Subsequent Events

Subsequent to the year-end the Company purchased common shares of Coreweave, Inc. for consideration of US$2,161,000. US$1,161,000 is related to an investment was made directly by the Company into Coreweave. An additional investment of US$1,000,000 was made through Stack CW LP, a special purpose vehicle wholly invested in Coreweave, Inc.