



BIGG DIGITAL ASSETS INC.

**Condensed Consolidated Interim Financial Statements
For the Six Months ended June 30, 2025 and 2024**

(Unaudited)

(Expressed in Canadian dollars)

NOTICE TO READER

Under National Instrument 51-102, Part 4, subsection 4.3(3)(a) issued by the Canadian Securities Administrators, if an auditor has not performed a review of the interim financial statements, they must be accompanied by a notice indicating that the financial statements have not been reviewed by an auditor.

The accompanying unaudited condensed consolidated interim financial statements of BIGG Digital Assets Inc. as at June 30, 2025 and 2024, notes to unaudited condensed consolidated interim financial statements and related Management's Discussion and Analysis have been prepared by and are the responsibility of management.

The Company's independent auditor has not performed a review of these interim financial statements in accordance with the standards established by the CPA Canada for a review of interim financial statements by an entity's auditor.

BIGG DIGITAL ASSETS INC.
CONDENSED CONSOLIDATED INTERIM STATEMENTS OF FINANCIAL POSITION
Expressed in Canadian dollars



As at	Note	June 30, 2025 <i>(Unaudited)</i>	December 31, 2024 <i>(Audited)</i>
ASSETS			
Current			
Cash and cash equivalents		\$ 5,801,380	\$ 6,250,905
Restricted cash	4	10,998,544	16,224,212
Accounts and other receivables		2,203,961	1,733,444
Digital currency inventory	5	188,657,497	198,342,209
Prepays		669,416	617,262
Total current assets		208,330,798	223,168,032
Digital currencies	6	2,972,820	5,745,208
Investments	7	272,859	346,981
Financial asset	8	712,028	-
Investment tax credits receivable		51,630	696,550
Intangible assets	9	241,646	347,239
Goodwill	9	1,071,851	1,071,851
Right-of-use asset	10	26,290	36,295
Equipment	12	173,574	256,295
Total assets		\$ 213,853,496	\$ 231,668,451
LIABILITIES AND EQUITY			
Current liabilities			
Accounts payable and accrued liabilities	13, 15	\$ 3,310,423	\$ 3,424,294
Contract liability		691,063	844,482
Customer deposits – cash		10,916,044	16,141,712
Customer deposits – digital currency		176,838,471	185,222,834
Lease liability	11	20,807	19,696
Provision	18	8,645,998	8,455,745
Total current liabilities		200,422,806	214,108,763
Non-Current liabilities			
Lease liability	11	16,069	25,858
Total liabilities		200,438,875	214,134,621
Equity			
Share capital	14	121,146,397	121,146,397
Equity reserves	14	17,286,212	17,244,770
Accumulated other comprehensive income		3,811,863	4,236,328
Deficit		(128,829,851)	(125,093,665)
Equity attributable to BIGG Digital Assets Inc.		13,408,905	17,533,830
Non-controlling interests	19	5,716	-
Total equity		13,414,621	17,533,830
Total liabilities and equity		\$ 213,853,496	\$ 231,668,451

Going Concern [note 1]

Contingent liabilities and provisions [note 18]

Subsequent event [note 21]

On behalf of the Board:

“Lance Morginn”

Director

“Kim Evans”

Director

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

BIGG DIGITAL ASSETS INC.
CONDENSED CONSOLIDATED INTERIM STATEMENTS OF
COMPREHENSIVE INCOME (LOSS)
(Unaudited)
Expressed in Canadian dollars



	Notes	Three months ended		Six months ended	
		June 30, 2025	June 30, 2024	June 30, 2025	June 30, 2024
Revenue					
Subscription revenue		\$ 466,861	\$ 322,988	\$ 947,896	\$ 618,811
Service revenue		114,870	62,764	222,400	128,028
Transaction revenue	5	2,079,177	2,009,906	5,459,754	5,121,255
Metaverse studio and advisory revenue		-	-	118,768	232,035
		2,660,908	2,395,658	6,748,818	6,100,129
Cost of sales					
		40,540	48,585	200,176	233,590
		2,620,368	2,347,073	6,548,642	5,866,539
Expenses					
Advertising and promotion		201,040	174,393	414,508	469,036
Amortization and depreciation	9,10,12	85,524	98,127	170,992	194,373
Bad debt		12,038	13,100	29,667	27,310
Business operations expense		153,443	88,437	262,463	518,761
Consulting		94,404	155,408	188,979	245,220
Director's fees	15	27,967	28,451	54,000	57,214
Office and administration		966,788	1,318,176	2,086,227	2,301,179
Professional fees		592,599	353,498	1,013,454	949,816
Regulatory and listing fees		32,073	35,791	61,424	64,818
Research and development		488,300	706,607	1,756,104	1,258,754
Share-based compensation	15	18,791	132,559	41,442	357,991
Shareholder communications		10,290	16,996	38,203	66,012
Travel		14,698	6,267	23,816	11,526
Wages and benefits	15	1,975,503	2,144,118	4,169,826	4,743,761
Loss from operating activities		(2,053,090)	(2,924,855)	(3,762,463)	(5,399,232)
Other Income (Expenses)					
Interest income		56,944	126,451	180,224	211,778
Provision for GST assessment	18	(34,180)	-	(190,252)	-
Foreign exchange gain (loss)		(230,026)	65,867	(186,177)	257,428
Gain on sale of equity investment	7	151,392	-	151,392	-
Gain (loss) on sale of digital currencies		347,552	(3)	844,582	(3)
Gain on sale of digital currency inventory		190,363	672,461	393,714	745,182
Unrealized gain (loss) on investments		29,458	(5,148)	-	5,148
Unrealized gain on derivative financial asset	8	7,028	-	7,028	-
Unrealized loss on digital currencies		(509)	(201,891)	(1,512)	(213,286)
Unrealized gain (loss) on digital currency inventory		1,418,579	(2,637,490)	(1,097,442)	2,173,737
Impairment of intangible assets	9	(1,294)	-	(48,883)	-
Other		-	(105,965)	-	(105,965)
Loss before income taxes		\$ (117,783)	\$ (5,010,573)	\$ (3,709,789)	\$ (2,325,213)
Tax (expense) recovery		484	(4,117)	(26,397)	(4,117)
Net loss for the period		\$ (117,299)	\$ (5,014,690)	\$ (3,736,186)	\$ (2,329,330)
Net (loss) income attributable to:					
BIGG Digital Assets Inc.		(117,227)	(5,014,690)	(3,741,902)	(2,329,330)
Non-controlling interests	19	(72)	-	5,716	-
Basic and diluted loss per common share		\$ (0.00)	\$ (0.01)	\$ (0.01)	\$ (0.01)
Weighted average number of common shares outstanding		355,780,820	355,285,765	355,780,820	341,957,270

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

BIGG DIGITAL ASSETS INC.
CONDENSED CONSOLIDATED INTERIM STATEMENTS OF
COMPREHENSIVE INCOME (LOSS)
(Unaudited)
Expressed in Canadian dollars



	Three months ended		Six months ended	
	June 30, 2025	June 30, 2024	June 30, 2025	June 30, 2024
Net Loss for the period	\$ (117,299)	\$ (5,014,690)	\$ (3,736,186)	\$ (2,329,330)
Other comprehensive income (loss)				
<i>Items that will not be reclassified to profit or loss</i>				
Unrealized gain (loss) on digital currencies	381,125	(193,396)	(555,152)	485,796
<i>Item that may be reclassified to profit or loss</i>				
Currency translation adjustment	137,318	(32,926)	130,687	26,891
Other comprehensive income (loss) for the period	518,443	(226,322)	(424,465)	512,687
Comprehensive income (loss) for the period	\$ 401,144	\$ (5,241,012)	\$ (4,160,651)	\$ (1,816,643)

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

BIGG DIGITAL ASSETS INC.
CONDENSED CONSOLIDATED INTERIM STATEMENTS OF CHANGES IN EQUITY
(Unaudited)
Expressed in Canadian dollars



	Share capital		Equity Reserves	Revaluation Reserve	Cumulative Translation Adjustment	Deficit	Total
	Number of Shares	Amount					
Balance at December 31, 2023	319,298,939	\$ 113,629,497	\$ 16,167,651	\$ 2,034,282	\$ (28,589)	\$ (99,263,994)	\$ 32,538,847
Shares issued for private placement, net of costs	33,333,333	5,918,346	1,384,574	-	-	-	7,302,920
Shares issued on option exercises	2,723,548	1,535,419	(697,767)	-	-	-	837,652
Share issue costs	-	(2,854)	-	-	-	-	(2,854)
Share-based compensation	-	-	357,992	-	-	-	357,992
Loss for the period	-	-	-	-	-	(2,329,330)	(2,329,330)
Other comprehensive income	-	-	-	485,796	26,891	-	512,687
Balance at June 30, 2024	355,355,820	\$ 121,080,408	\$ 17,212,450	\$ 2,520,078	\$ (1,698)	\$ (101,593,324)	\$ 39,217,914
Balance at December 31, 2024	355,780,820	\$ 121,146,397	\$ 17,244,770	\$ 4,404,878	\$ (168,550)	\$(125,093,665)	\$ 17,533,830
Share-based compensation	-	-	41,442	-	-	-	41,442
Loss for the period	-	-	-	-	-	(3,736,186)	(3,736,186)
Other comprehensive income (loss)	-	-	-	(555,152)	130,687	-	(424,465)
Balance at June 30, 2025	355,780,820	\$ 121,146,397	\$ 17,286,212	\$ 3,849,726	\$ (37,863)	\$(128,829,851)	\$ 13,414,621

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

BIGG DIGITAL ASSETS INC.
CONDENSED CONSOLIDATED INTERIM STATEMENTS OF CASH FLOWS
(Unaudited)
Expressed in Canadian dollars



	For the Six Months Ended	
	June 30, 2025	June 30, 2024
CASH FLOWS USED IN OPERATING ACTIVITIES		
Income (loss) for the period	\$ (3,736,186)	\$ (2,329,330)
Restricted cash	5,225,668	(3,634,809)
Items not involving cash		
Amortization and depreciation	170,992	194,373
Income tax expense	26,397	-
Share-based compensation	41,442	357,991
Foreign exchange loss (gain)	14,920	(9,220)
Gain on the sale of equity investments	(151,392)	-
Loss (gain) on sale of digital currencies	(844,582)	3
Gain on the sale of digital currency inventory	(393,714)	(745,182)
Unrealized gain on equity investments	-	(5,148)
Unrealized gain on derivative financial asset	(7,028)	-
Unrealized loss on digital currencies	1,512	213,286
Unrealized loss (gain) on digital currency inventory	1,097,442	(2,173,737)
Impairment of digital land	48,883	-
Other	1,696	107,262
Changes in non-cash working capital items:		
Accounts and other receivables	(470,517)	(174,762)
Investment tax credits receivable	644,920	67,473
Prepays	(52,154)	1,840
Accounts payable and accrued liabilities	(113,871)	(953,290)
Interest and penalties on tax provision	190,252	-
Contract liability	(153,419)	(61,126)
Customer deposits	(13,610,031)	26,855,398
Digital currency inventory	8,498,433	(25,741,896)
Net cash used in operating activities	(3,570,337)	(8,030,874)
CASH FLOWS USED IN INVESTING ACTIVITIES		
Purchase of equipment	(21,557)	(80,896)
Financial asset acquisition	(705,000)	-
Purchase of digital currencies	(51,422)	(3,019,205)
Proceeds from sale of digital currencies	3,322,323	6,908,015
Proceeds from sale of digital currency inventory	482,539	-
Net cash from investing activities	3,026,883	3,807,914
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issuance of common shares	-	8,140,571
Share issue costs	-	(2,854)
Lease payments	(10,374)	(10,440)
Net cash from financing activities	(10,374)	8,127,277
Change in cash for the period	(553,828)	3,904,317
Cash, beginning of period	6,250,905	4,304,802
Effect of foreign exchange on cash	104,303	231,897
Cash, end of period	\$ 5,801,380	\$ 8,441,016

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

1. NATURE OF OPERATIONS AND GOING CONCERN

BIGG Digital Assets Inc. (the “Company” or “BIGG”), was incorporated on October 17, 2014 under the *Business Corporations Act* (British Columbia). On November 30, 2017, the Company acquired Blockchain Technology Group Inc. (“BTGI”) through a reverse acquisition transaction. BTGI was incorporated under the *Business Corporations Act* (British Columbia) on May 31, 2010. On September 26, 2019, the Company changed its name to BIGG Digital Assets Inc. The Company’s shares are traded on the TSX Venture Exchange (“TSXV”) under the symbol “BIGG”. The Company’s head office and principal place of business is Suite 220 - 1130 West Pender Street, Vancouver, BC, Canada.

On August 1, 2023, the Company incorporated a new subsidiary entity, 1431224 B.C. Ltd. (“Subco”), to complete the acquisition of TerraZero Technologies Inc. and all of its subsidiaries (“TerraZero”). At closing of the acquisition on September 28, 2023, TerraZero was then immediately amalgamated into Subco, and the amalgamated entity adopted the name TerraZero Technologies Inc. TerraZero is a vertically integrated leading Web3 technology company specializing in helping artists, creators and brands create immersive experiences.

The Company’s principal business activity is investing in companies innovating in the digital assets space. Digital assets are revolutionizing the way we use, store, trade and value assets. BIGG has three operating divisions which provide: blockchain search products to large enterprises with significant data requirements in the financial and ecommerce sectors globally; brokerage and exchange software to make the purchase and sale of cryptocurrency easily accessible to the mass consumer and investor with a focus on compliance and safety; and immersive metaverse experiences.

These unaudited condensed consolidated interim financial statements have been prepared on a going concern basis, which assumes that the Company will realize its assets and discharge its liabilities in the normal course of business. For the period ended June 30, 2025, the Company reports net loss of \$3,736,186, cash used in operations of \$3,570,337 and an accumulated deficit of \$128,829,851.

The Company’s subsidiary Netcoins Inc. has been subject to an ongoing GST/HST audit by the Canada Revenue Agency (“CRA”) in relation to its fiscal 2018 operations. During the financial year ended December 31, 2024, the CRA issued a notice of reassessment in the amount of \$8,455,745, inclusive of interest and penalties. A provision for the reassessed amount has been made as at June 30, 2025 (see Note 18). The Company disputes and is contesting CRA’s reassessment. The Company is pursuing its appeal rights under Canadian federal tax legislation. If the outcome of our appeal is unsuccessful, it will result in the payment of significant taxes, interest charges and penalties, which could have a material adverse effect on the Company’s liquidity, financial position, results of operations and cash flows.

The Company has incurred losses and has had negative cash flows from operations since inception that have primarily been funded through financing activities. The Company continues to rely on financing through equity raises or debt instruments to support its operations and expects to do so until the business operates with sufficient cash flows from operations. Although the Company has been successful in the past in obtaining financing, there is no assurance that it will be able to obtain adequate financing in the future or that such financing will be on terms advantageous to the Company.

Management cannot provide assurance that the Company will achieve profitable operations or become cash flow positive, or raise additional funds via equity issuances or debt instruments. Its ability to continue as a going concern depends upon whether it develops profitable operations and continues to raise adequate financing. These factors indicate a material uncertainty and may cast a significant doubt on the Company’s ability to continue as a going concern. The consolidated financial statements do not reflect the adjustments to the carrying amounts of assets and liabilities and the reported expenses that would be necessary if the Company were unable to realize its assets and settle its liabilities as a going concern in the normal course of operations. Such adjustments could be material.

2. BASIS OF PRESENTATION

a) Statement of Compliance

These unaudited condensed consolidated interim financial statements, including comparatives, have been prepared in accordance with International Financial Reporting Standards (“IFRS”), as issued by the International Accounting Standards Board (“IASB”) applicable to the preparation of interim financial statements, including IAS 34, Interim Financial Reporting. As a result, certain disclosures included in the annual financial statements prepared in accordance with IFRS have been condensed or omitted. Accordingly, these condensed consolidated interim financial statements should be read in conjunction with the Company’s audited consolidated annual financial statements for the year ended December 31, 2024. In preparation of these condensed consolidated interim financial statements, the Company has consistently applied the same accounting policies as disclosed in note 3 to the audited consolidated annual financial statements for the year ended December 31, 2024.

These unaudited condensed consolidated interim financial statements were approved by the Board of Directors on August 28, 2025.

b) Basis of Consolidation

These unaudited condensed consolidated interim financial statements include the accounts of the Company and its wholly owned subsidiaries Blockchain Technology Group Inc., 2140 Software Solutions Inc., BitRank Verification Services Inc., Dark Fibre Systems Inc., QLUE Forensic Systems Inc., CFC Digital Inc., BIG Blockchain Intelligence Group Inc., 1208810 B.C. Ltd., Netcoins Inc., NTC Holdings Corp., Netcoins USA, Inc., TerraZero Technologies Inc., TerraZero Technologies US Inc., as well as TerraZero Metaverse LLP (90%). The accounts of the subsidiaries are included in the consolidated financial statements from the date that control commences until the date the control ceases. All significant intercompany transactions and balances have been eliminated upon consolidation.

3. SUMMARY OF MATERIAL ACCOUNTING POLICIES

These unaudited condensed consolidated interim financial statements have been prepared in accordance with the accounting policies, critical accounting estimates and judgments adopted in the audited consolidated annual financial statements for the year ended December 31, 2024, except as otherwise noted herein.

4. RESTRICTED CASH

	June 30, 2025	December 31, 2024
TD GIC – Visa credit lines	\$ 82,500	\$ 82,500
Customer cash deposits held in trust	10,916,044	16,141,712
	\$ 10,998,544	\$ 16,224,212

At June 30, 2025, the Company held restricted cash of:

- (a) \$82,500 (December 31, 2024 - \$82,500) in a Guaranteed Investment Certificate (GIC), at an interest rate of 2.35% with a maturity date of July 15, 2025, pursuant to a demand operating facility agreement with the Toronto-Dominion Bank, to support Visa credit lines of \$75,000; and
- (b) \$10,916,044 (December 31, 2024 - \$16,141,712) in customer cash deposits, which are held in trust and represent the aggregate customer cash holdings on deposit in the Netcoins App.

5. DIGITAL CURRENCY INVENTORY

The Company holds digital currencies as inventory as follows:

	June 30, 2025	December 31, 2024
Bitcoin	\$ 83,998,232	\$ 76,809,733
Ethereum	22,610,891	29,187,528
XRP	58,884,732	59,639,681
USDC	1,063,250	903,341
LTC	2,135,122	1,976,797
XLM	2,489,343	3,322,076
LINK	749,488	1,030,277
DOGE	1,480,814	3,153,962
SHIB	1,030,722	1,888,381
SOL	4,728,276	5,971,484
ADA	1,513,026	2,143,715
RENDER	322,197	1,102,802
HBAR	1,339,085	1,682,084
Other digital currencies	6,312,319	9,530,348
	\$ 188,657,497	\$ 198,342,209

During the period ended June 30, 2025, revenue from digital currency brokerage sales was \$5,423,782 (2024 - \$5,071,440).

During the six months ended June 30, 2025, the Company offered digital currency inventory staking service to its customers, resulting in net staking revenue of \$35,972 (2024 - \$49,815). As at June 30, 2025, the total digital currency inventory staked, included in digital currency inventory, was \$7,440,175 (2024 - \$3,804,253).

BIGG DIGITAL ASSETS INC.
NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
Expressed in Canadian dollars
For the Six Months ended June 30, 2025



6. DIGITAL CURRENCIES

The Company holds digital currencies as investments as follows:

		Bitcoin	Solarcoin	Bitcoin Gold	Bitcoin SV	USDT	USDC	XDC	Other
Balance, December 31, 2023	\$ 1,147,967	16.64	25,916.45	25.20	24.96	21,578.47	-	2,240,275.00	4.30
Digital currencies purchased or received ⁽ⁱ⁾	2,802,662	30.08	-	-	-	-	52,780.54	-	-
Traded for cash or digital currencies ⁽ⁱⁱ⁾	(569,691)	(4.00)	-	-	-	(21,578.47)	(41,694.19)	(2,240,275.00)	(4.30)
Used for research and development ⁽ⁱⁱⁱ⁾	(13,377)	(0.02)	-	-	-	-	(8,654.96)	-	-
Gain on sale of digital currencies ^(iv)	196,629	-	-	-	-	-	-	-	-
Revaluation of digital currencies ^(iv)	2,181,018	-	-	-	-	-	-	-	-
Balance, December 31, 2024	\$ 5,745,208	42.70	25,916.45	25.20	24.96	-	2,431.39	-	-
Digital currencies purchased or received ⁽ⁱ⁾	51,422	0.05	-	-	-	-	31,782.15	-	-
Traded for cash or digital currencies ⁽ⁱⁱ⁾	(2,266,385)	(22.50)	-	-	-	-	(24,000.00)	-	-
Used for research and development ⁽ⁱⁱⁱ⁾	(762)	(0.00)	-	-	-	-	(84.89)	-	-
Gain on sale of digital currencies ^(iv)	844,582	-	-	-	-	-	-	-	-
Revaluation of digital currencies ^(iv)	(1,401,245)	-	-	-	-	-	-	-	-
Balance, June 30, 2025	\$ 2,972,820	20.24	25,916.45	25.20	24.96	-	10,128.65	-	-

- (i) During the period ended June 30, 2025, the Company received 0.05 Bitcoin valued at \$6,360 (2024 – 30 Bitcoin valued at \$2,723,679) and received 31,782.15 USDC valued at \$45,062 (2023 – 17,800.54 USDC valued at \$24,083).
- (ii) During the period ended June 30, 2025, the Company exchanged 22.50 Bitcoin valued at \$2,232,037 (2024 – Nil) and 24,000.00 USDC valued at \$34,348 (2024 – Nil) for cash or digital currencies.
- (iii) During the period ended June 30, 2025, the Company used 0.006 BTC valued at \$640 and 84.89 USDC valued at \$122 for research and development purposes. In the prior year, the Company used 790 USDC valued at \$1,067.
- (iv) Digital currencies held are revalued each reporting period based on the fair market value of the price of the digital currencies on the reporting date. As at June 30, 2025, a revaluation loss of \$1,401,245 (2024 – gain of \$272,510) was recorded. A gain of \$844,582 (2024 – loss of \$3) was realized on disposal of coins, and an unrealized loss of \$1,512 (2024 – \$213,286) was recorded to the condensed consolidated interim statement of comprehensive loss.

7. INVESTMENTS

At June 30, 2025 and December 31, 2024, the Company held the following equity investments:

	June 30, 2025			December 31, 2024		
	Shares #	Cost \$	Fair Value \$	Shares #	Cost \$	Fair Value \$
LQwD FinTech Corp.	-	-	-	28,600	100,100	59,202
ZenLedger Inc.	70,062	251,859	272,859	70,062	251,859	287,779
Totals	70,062	251,859	272,859	98,662	351,959	346,981

During the period ended June 30, 2025, the Company:

- sold its 28,600 common shares of LQwD FinTech Corp. (“LQwD”) for gross proceeds of \$210,594 and recorded a realized gain of \$151,392. Immediately prior to disposal the shares were revalued at a fair value of \$212,215; and,
- held a total of 70,062 shares of Series A preferred stock in ZenLedger, Inc. (“ZenLedger”) at a cost of \$251,859 (USD\$199,999). The valuation of the ZenLedger securities, which are unlisted, has been measured using the market approach which was unchanged. During the period ended June 30, 2025, a foreign exchange loss of \$14,920 (2024 - gain of \$9,220) was recorded. ZenLedger, Inc., a US-based company, is a leading cryptocurrency tax platform.

The Company records its investments as FVTPL. During the period ended June 30, 2025, the Company recorded a gain of \$Nil (2024 – \$5,148) on revaluation of its securities to their fair market value.

8. FINANCIAL ASSET

On March 31, 2025, the Company invested \$705,000 (USD\$500,000) in APX Inc., a private Canadian-based startup (“APX”) through a Simple Agreement for Future Equity (SAFE). The SAFE is classified as a financial asset at fair value through profit or loss (FVTPL) in accordance with IFRS 9.

The SAFE entitles the Company to receive shares of common stock in APX upon:

- a liquidity event (Change of Control or IPO),
- a next equity financing (minimum USD\$5 million),
- or, in absence of the above, a SAFE expiration conversion on December 31, 2026.

The SAFE includes a pre-money valuation cap of USD\$15 million and a 10% discount rate, which determines the conversion price of equity upon a triggering event.

The instrument does not represent equity interest, nor does it carry fixed payments or maturity. It is considered a derivative financial instrument because its value is contingent on the valuation of APX and specific future events. There is no significant influence over APX.

The SAFE is measured at fair value at each reporting date. As at June 30, 2025, the Company determined the fair value to be \$712,028 (USD\$705,000), reflecting an unrealized gain of \$7,028 since initial recognition. This valuation is based on a probability-weighted scenario approach considering:

- expected timing and likelihood of conversion events
- the pre-money valuation cap and discount rate
- estimated liquidity price and company capitalization
- foreign exchange rate impacts (USD to CAD conversion rate)

The fair value measurement is classified as Level 3 in the IFRS 9 fair value hierarchy due to the use of unobservable inputs.

9. GOODWILL & INTANGIBLE ASSETS

	LMS Platform	Netcoins App	Netcoins.com	TerraZero domains	Metaverse Land	Blockchain Intelligence Group domains	Subtotal – Intangible Assets	Goodwill	Total
Cost									
December 31, 2023	129,972	882,000	181,464	299,750	224,009	-	1,717,195	17,087,618	18,804,813
Reallocation to goodwill	-	-	-	-	-	4,171	4,171	-	4,171
Additions through acquisition	-	-	-	-	-	-	-	67,503	67,503
December 31, 2024	129,972	882,000	181,464	299,750	224,009	4,171	1,721,366	17,155,121	18,876,487
Additions	-	-	-	-	-	-	-	-	-
Reallocation to goodwill	-	-	-	-	-	-	-	-	-
Disposals	-	-	-	-	-	-	-	-	-
June 30, 2025	129,972	882,000	181,464	299,750	224,009	4,171	1,721,366	17,155,121	18,876,487
Accumulated amortization and impairment									
December 31, 2023	129,972	882,000	95,843	19,643	-	-	1,127,458	-	1,127,458
Additions	-	-	36,387	76,037	-	463	112,887	-	112,887
Impairment	-	-	-	-	133,782	-	133,782	16,083,270	16,217,052
December 31, 2024	129,972	882,000	132,230	95,680	133,782	463	1,374,127	16,083,270	17,457,397
Additions	-	-	17,995	38,019	-	696	56,710	-	56,710
Impairment	-	-	-	-	48,883	-	48,883	-	48,883
June 30, 2025	129,972	882,000	150,225	133,698	182,665	1,158	1,479,720	16,083,270	17,562,990
December 31, 2024	\$ -	\$ -	\$ 49,234	\$ 204,070	\$ 90,227	\$ 3,708	\$ 347,239	\$ 1,071,851	\$ 1,419,090
June 30, 2025	\$ -	\$ -	\$ 31,239	\$ 166,052	\$ 41,344	\$ 3,013	\$ 241,646	\$ 1,071,851	\$ 1,313,497

Intangible assets

During the year ended December 31, 2019, the Company recognized \$882,000 as an intangible asset comprising the Netcoins App upon the acquisition of Netcoins Inc. The Netcoins App was amortized on a straight-line basis over a period of three years representing the estimated useful life of the intangible asset.

During the year ended December 31, 2021, the Company recognized \$181,464 as an intangible asset, comprising the Netcoins.com domain, acquired from a third-party, which is amortized on a straight-line basis over a period of five years representing the estimated useful life of the intangible asset.

During the year ended December 31, 2023, the Company recognized \$299,750 as intangible assets comprising three domains upon the acquisition of TerraZero. The domains are amortized on a straight-line basis over a period of five years representing the estimated useful life of the intangible assets.

Amortization of intangible assets for the period ended June 30, 2025 was \$56,710 (2023 - \$56,113).

9. GOODWILL & INTANGIBLE ASSETS (cont'd...)

Goodwill

Goodwill of \$1,071,851 was recorded in connection with the Netcoins acquisition, attributable to the workforce and the highly specialized nature of the acquired business and is not deductible for tax purposes.

Goodwill of \$16,083,270 was recorded in connection with the TerraZero acquisition, attributable to the workforce and the highly specialized nature of the acquired business and is not deductible for tax purposes.

Goodwill impairment

As at December 31, 2024, the Company performed its annual impairment test on goodwill in accordance with IAS 36 *Impairment of Assets*. Goodwill arose from the acquisition of TerraZero in 2023 and was allocated to the TerraZero CGU, the lowest level at which goodwill is monitored internally.

During the year ended December 31, 2024, the Company recognized a full impairment of goodwill in the amount of \$16,083,270. This was recorded in the consolidated statement of loss under “Other Income (Expenses) – Impairment of intangible assets”.

The recoverable amount of the TerraZero CGU was determined based on value in use, using a discounted cash flow model. The key assumptions were:

- discount rate (pre-tax): 33.5%
- terminal growth rate: 2%
- cash flow forecast period: 5 years based on management budgets.

A number of factors impacted the review of the recoverable amount and resulted, ultimately, in the full impairment of the goodwill:

- given the nascent nature of the industry in which TerraZero operates, there are no comparable, publicly traded companies to support the revenue estimates and assumptions used in the 5 year cash flow forecast;
- TerraZero is a young company, founded in 2021, and does not have significant historical information to support the revenue estimates and assumptions used in the 5-year forecast for Intraverse and associated product development(s);
- TerraZero’s Intraverse platform was in development throughout 2024 and revenue generating activities were virtually non-existent. Intraverse was not completed until the end of June 2025 and, as a result, there is not sufficient examples of contract values to support the revenue estimates and assumptions used in the 5 year cash flow forecast; and
- that the TerraZero acquisition was completed via a share exchange agreement, when the Company’s shares were issued at a higher price than the prevailing market price.

The goodwill was previously allocated to the TerraZero operating segment under IFRS 8. The full impairment of \$16,083,270 was reflected in the segment for the financial year ended December 31, 2024.

10. RIGHT-OF-USE ASSET

At June 30, 2025, the right-of-use asset is an office lease, as amended, entered into by the Company commencing March 1, 2021, which terminates on February 28, 2027. The right-of-use asset is amortized over the shorter of the asset’s useful life and the lease term on a straight-line basis.

	Office Operating Lease
Balance at December 31, 2023	\$ 56,556
Depreciation	(20,261)
Balance at December 31, 2024	\$ 36,295
Depreciation	(10,005)
Balance at June 30, 2025	\$ 26,290

11. LEASE LIABILITIES

The lease liability is measured at the present value of the lease payments and discounted using the Company's incremental borrowing rate of 8%. Lease liabilities are recorded as follows:

	Office Operating Lease
Balance at December 31, 2023	\$ 58,567
Lease payments	(16,572)
Interest expense on lease liability	3,559
Balance at December 31, 2024	\$ 45,554
Lease payments	(10,374)
Interest expense on lease liability	1,696
Balance at June 30, 2025	\$ 36,876
Current	\$ 20,807
Non-current	\$ 16,069

12. EQUIPMENT

Cost	Total
Balance at December 31, 2023	\$ 1,811,716
Additions	123,071
Disposals	(4,888)
Balance at December 31, 2024	\$ 1,929,900
Additions	21,557
Disposals	-
Balance at June 30, 2025	\$ 1,951,457
Accumulated depreciation	
Balance at December 31, 2023	\$ 1,442,654
Disposals	(1,887)
Depreciation for the year	232,838
Balance at December 31, 2024	\$ 1,673,605
Depreciation for the year	104,278
Balance at June 30, 2025	\$ 1,777,883
Carrying amounts	
At December 31, 2024	\$ 256,295
At June 30, 2025	\$ 173,574

13. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	June 30, 2025	December 31, 2024
Accounts payable	\$ 1,960,330	\$ 1,706,276
Accrued liabilities	821,036	1,319,238
Payroll liabilities	529,057	398,780
	\$ 3,310,423	\$ 3,424,294

14. SHARE CAPITAL

Authorized share capital

Unlimited number of common shares and preferred shares, without par value

Share Issuances

2025

During the period ended June 30, 2025, the Company did issue any shares.

2024

During the period ended June 30, 2024, the Company:

- (i) issued an aggregate 2,723,548 common shares upon the exercise of options for gross proceeds of \$837,652; and,
- (ii) closed a private placement offering for gross aggregate proceeds of \$8,000,000. A total of 33,333,333 units were issued at a price of \$0.24, with each unit comprising one common share and one share purchase warrant. Each warrant entitles the holder thereof to acquire one additional common share of the Company at a price of \$0.30 for a period of five years from closing of the offering. A.G.P. Canada Investments ULC (“AGP”), the sole agent and bookrunner, received cash fees of \$529,396, reimbursement of related expenses of \$54,054 and 2,151,166 compensation warrants (each, a “Broker Warrant”). Each Broker Warrant entitles AGP to purchase a common share of the Company at a price of \$0.30 for a period of five years. The Broker Warrants were valued at \$384,574 and credited to reserves-share based. Fair value was determined using the Black-Scholes valuation model, based on a risk free interest rate of 3.47%, an expected life of five years, an expected volatility of 133.43% and a dividend rate of nil.

Share purchase warrants

The Company may issue share purchase warrants to acquire its common shares either in combination with share offerings, or on a stand-alone basis to its consultants and advisors. The terms of warrants issued are determined by the Company’s Board of Directors.

Share purchase warrant transactions are summarized for the six months ended June 30, 2025 and year ended December 31, 2024.

	For the Six Months Ended June 30, 2025		For the Year Ended December 31, 2024	
	Number of Warrants	Weighted Average Exercise Price	Number of Warrants	Weighted Average Exercise Price
Opening balance	39,564,075	\$ 0.32	4,079,576	\$ 0.46
Issued	-	0.30	35,484,499	0.30
Expired	(2,026,320)	0.51	-	-
Ending balance	37,537,755	\$ 0.31	39,564,075	\$ 0.32
Warrants exercisable	37,537,755	\$ 0.31	39,564,075	\$ 0.32

As at June 30, 2025 and December 31, 2024, the following share purchase warrants were outstanding:

	Expiry Date	Exercise Price	June 30, 2025		December 31, 2024		Weighted Average Remaining Contractual Life
			Number Outstanding	Number Exercisable	Number Outstanding	Number Exercisable	
Warrants	February 8, 2025	\$ 0.53	-	-	1,688,600	1,688,600	0.00 years
Warrants	March 1, 2025	\$ 0.41	-	-	337,720	337,720	0.00 years
Warrants	October 31, 2025	\$ 0.41	422,150	422,150	422,150	422,150	0.34 years
Warrants	March 12, 2029	\$ 0.30	33,333,333	33,333,333	33,333,333	33,333,333	3.70 years
Broker warrants	March 12, 2029	\$ 0.30	2,151,166	2,151,166	2,151,166	2,151,166	3.70 years
Warrants	June 21, 2033	\$ 0.41	1,631,106	1,631,106	1,631,106	1,631,106	7.98 years
			37,537,755	37,537,755	39,564,075	39,564,075	

14. SHARE CAPITAL (cont'd...)

Stock options

The Company adopted an incentive stock option plan (the “Option Plan”) which provides that the Board of Directors of the Company may from time to time, in its discretion, grant to directors, officers, employees and consultants to the Company, non-transferable options to purchase common shares, provided that the number of common shares reserved for issuance will not exceed 10% of the issued and outstanding common shares. Such options will be exercisable for a period of up to ten years from the date of grant. Vesting terms will be determined at the time of grant by the Board of Directors.

Stock option transactions are summarized for the six months ended June 30, 2025 and year ended December 31, 2024.

	For the Six Months Ended June 30, 2025		For the Year ended December 31, 2024	
	Number of Options	Weighted Average Exercise Price	Number of Options	Weighted Average Exercise Price
Opening balance	19,791,926	\$ 0.53	30,459,338	\$ 0.52
Exercised	-	-	(3,148,548)	0.28
Expired	(197,500)	0.50	(6,224,646)	0.68
Forfeited/cancelled	(107,250)	0.30	(1,294,218)	0.32
Ending balance	19,487,176	\$ 0.53	19,791,926	\$ 0.53
Options exercisable	18,926,676	\$ 0.54	18,452,426	\$ 0.55

Weighted Average Exercise Price	Expiry Date	Number Outstanding	Number Exercisable	Weighted Average Remaining Contractual Life
\$ 0.20	July 27, 2025	325,000	325,000	0.07 years
\$ 0.75	February 5, 2026	2,670,000	2,670,000	0.60 years
\$ 1.75	March 3, 2026	525,000	525,000	0.67 years
\$ 3.00	April 22, 2026	65,000	65,000	0.81 years
\$ 1.40	July 13, 2026	1,420,000	1,420,000	1.04 years
\$ 1.60	November 2, 2026	440,000	440,000	1.34 years
\$ 0.09	November 12, 2026	1,477,525	1,477,525	1.37 years
\$ 0.24	January 28, 2027	1,173,577	1,173,577	1.58 years
\$ 0.50	June 8, 2027	1,415,000	1,415,000	1.94 years
\$ 0.41	June 8, 2027	1,139,805	1,139,805	1.94 years
\$ 0.45	September 1, 2027	570,000	570,000	2.17 years
\$ 0.32	January 18, 2028	3,045,000	3,045,000	2.55 years
\$ 0.41	March 17, 2028	700,769	700,769	2.72 years
\$ 0.30	December 4, 2028	4,520,500	3,960,000	3.43 years
		19,487,176	18,926,676	

Share-based compensation

During the six month period ended June 30, 2025, the Company recorded share-based compensation totaling \$41,442 (2024 - \$357,991) as follows:

- \$41,442 (2024 - \$338,718) in relation to the stock options, which was expensed as share-based compensation in operations; and,
- Nil (2024 - \$19,273) related to the vesting of warrants issued pursuant to a business combination.

14. SHARE CAPITAL (cont'd...)

Share-based compensation (cont'd...)

The fair value of stock options was estimated on the measurement date using the Black-Scholes option-pricing model and amortized over the vesting period of the underlying options. The assumptions used to calculate the fair value were as follows:

	For the Year Ended December 31, 2024
Share price at measurement date	\$0.225 to \$0.31
Risk-free interest rate	2.80 to 4.30%
Exercise price	\$0.09 to \$0.41
Expected life of options	3.31 to 5 years
Expected volatility	133 - 139%
Forfeiture rate	12%
Dividend yield	Nil

Escrowed shares

As at the date of the TerraZero acquisition, 39,148,287 common shares of the Company were subject to an escrow and voting trust agreement dated August 25, 2023, pursuant to which 3,568,755 shares were released upon closing of the TerraZero acquisition with the remaining escrowed shares scheduled to be released over a period of 24 months, as follows:

	2023			2024			2025	Total
	Oct 28	Nov 28	Dec 28	Jan 28	Mar 28	Sept 28	Mar 28	Sept 28
	2,077,160	2,077,160	2,077,160	2,077,161	7,936,415	7,936,422	5,699,027	5,699,027
								35,579,532

At June 30, 2025, a total of 29,880,505 (2024 – 19,813,811) common shares had been released from escrow and an aggregate 5,699,027 (2024 – 19,334,476) common shares remain in escrow.

15. RELATED PARTY TRANSACTIONS

Key Management Compensation

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly. Key management personnel include the Company's executive officers and Board of Director members.

	For the Six Months Ended June 30,	
	2025	2024
Director's fees	\$ 55,934	\$ 57,214
Consulting	11,000	10,500
Wages and benefits	978,565	1,149,050
Share-based compensation	10,887	105,198
Total	\$ 1,056,386	\$ 1,321,962
Accounts payable due to related parties	\$ 146,327	\$ 101,283

As at June 30, 2025 and 2024, the following deposits were held by key management personnel:

	For the Six Months Ended June 30,	
	2025	2024
Deposits held on Netcoins App	\$ 905,054	\$ 624,531
Digital currencies held in trust by a director of the Company	-	90,792

16. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

All financial and non-financial assets and liabilities measured or disclosed at fair value are categorized into one of three fair value hierarchy levels in accordance with IFRS.

The fair value hierarchy is based on the transparency of inputs to the valuation of an asset or liability as of the measurement date. In certain cases, the inputs used to measure fair value may fall within different levels of the fair value hierarchy. For disclosure purposes, the level in the hierarchy within which an instrument is classified in its entirety is based on the lowest level input that is significant to the fair value measurement. The three levels of the fair value hierarchy are as follows:

Level 1 – Unadjusted quoted prices in active markets for identical assets or liabilities;

Level 2 – Observable inputs other than quoted prices included in Level 1, such as quoted prices for similar assets or liabilities in active markets; quoted prices for identical or similar assets or liabilities in markets that are not active; or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the asset or liability; and;

Level 3 – Inputs that are not based on observable market data (unobservable inputs).

The following table presents the fair value hierarchy for the Company’s assets and liabilities measured at fair value by level as at June 30, 2025 and December 31, 2024:

	June 30, 2025			December 31, 2024		
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
Assets						
Digital currency inventory	\$ -	\$ 188,657,497	\$ -	\$ -	\$ 198,342,209	\$ -
Digital currencies	-	2,972,820	-	-	5,745,208	-
Investments	-	-	272,859	59,202	-	287,779
Financial asset	-	-	712,028	-	-	-
Total	\$ -	\$ 191,630,317	\$ 984,887	\$ 59,202	\$ 204,087,417	\$ 287,779
Liabilities						
Customer deposits - digital currency	\$ -	\$ 176,838,471	\$ -	\$ -	\$ 185,222,834	\$ -

Valuation of Assets / Liabilities that use Level 1 Inputs (“Level 1 Assets / Liabilities”). Consists of the Company’s investments which are valued at the public closing price in active markets.

Valuation of Assets / Liabilities that use Level 2 Inputs (“Level 2 Assets / Liabilities”). Consists of the Company’s inventory and digital currencies held, where quoted prices in active markets are available. For inventory and digital currencies, the fair value is determined by the volume-weighted average of prices across principal exchanges as of 12:00 am UTC.

Valuation of Assets / Liabilities that use Level 3 Inputs (“Level 3 Assets / Liabilities”). Consists of certain of the Company’s investments. Non-marketable equity investments in privately-held companies are generally accounted for under the measurement alternative, defined as cost, less impairments, adjusted for subsequent observable price changes and are periodically assessed for impairment when events or circumstances indicate that a decline in value may have occurred. The Company’s SAFE investment (Note 8) is classified as a derivative financial asset, as it provides the right to receive equity in the future based upon specific triggering events and does not qualify as an equity instrument or a loan. The SAFE valuation is based on a probability-weighted scenario model and relies on unobservable inputs.

16. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (cont'd...)

Level 3 Continuity

The following is a reconciliation of Level 3 assets for the six months ended June 30, 2025 and year ended December 31, 2024:

	Fair Value at December 31, 2024	Purchases	Sales	Net Realized Gain (Loss) on Investments	Net Unrealized Gain (Loss) on Investments	Transfers in/(out) of Level 3	Fair Value at June 30, 2025
Assets							
Investments	\$ 287,779	\$ -	\$ -	\$ -	\$ (14,920)	\$ -	\$ 272,859
Financial asset	-	705,000	-	-	7,028	-	712,028
	\$ 287,779	\$ 705,000	\$ -	\$ -	\$ 7,892	\$ -	\$ 984,887

	Fair Value at December 31, 2023	Purchases	Sales	Net Realized Gain (Loss) on Investments	Net Unrealized Gain (Loss) on Investments	Transfers in/(out) of Level 3	Fair Value at December 31, 2024
Assets							
Investments	\$ 264,519	\$ -	\$ -	\$ -	\$ 23,260	\$ -	\$ 287,779

Transfers in and out of Level 3 are considered to have occurred at the beginning of the period the transfer occurred.

	Fair value at June 30, 2025	Valuation technique	Unobservable input	Range (weighted average)
Private equity investments	\$ 272,859	Market comparable companies	Discount for lack of marketability ^(a) Control premium ^(a)	10-35% (10%) 10-50% (10%)
Financial derivative assets	\$ 712,028	Probability-weighted conversion model using discount/cap terms		

	Fair value at December 31, 2024	Valuation technique	Unobservable input	Range (weighted average)
Private equity investments	\$ 287,779	Market comparable companies	Discount for lack of marketability ^(a) Control premium ^(a)	10-35% (10%) 10-50% (10%)

(a) Represents amounts used when the Company has determined that market participants would take into account these discounts and premiums when pricing the investments.

The fair value of Level 3 assets and liabilities is inherently subjective. Specifically, because of the uncertainty of determining the fair value of investments that do not have readily ascertainable market values, the Company's conclusion of fair value for an investment on a date may differ significantly from (1) the fair value conclusions of other knowledgeable market participants and/or (2) prior or subsequently observed transaction prices, including the price paid to acquire, or received to sell, the investment itself.

As at June 30, 2025 and December 31, 2024, the fair value of cash, restricted cash and customer deposits-cash held by the Company approximates carrying value and was based on level 1 of the fair value hierarchy. The carrying values of accounts and other receivables, accounts payable and accrued liabilities and other current assets and liabilities are based on level 2 inputs and approximate fair value due to their short-term maturities. The carrying value of the Company's lease liability is measured as the present value of the discounted future cash flows.

16. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (cont'd...)

Risk

The Company's risk exposures and the impact on the Company's financial instruments are summarized below:

Credit risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. The Company has no significant concentration of credit risk arising from operations. The Company has cash balances but no interest-bearing debt. The Company's maximum exposure to credit risk at the reporting date is the carrying value of cash, restricted cash and accounts receivable. Credit risk associated with digital currencies proceeds collected by vendors on behalf of the Company is limited as transactions are usually settled within 1 to 15 days. The Company's credit risk has not changed significantly from the prior year.

The Company also utilizes third-party liquidity providers in the execution of customer trades. Trade execution and settlement is typically completed within milliseconds of the customer's execution of a trade order; however, there is credit risk that a liquidity provider will not fulfill its obligation or be delayed in fulfilling its obligation. Management believes the credit risk with respect to its use of liquidity partners to be remote. In the remote case of a liquidity partner not fulfilling its obligation, the Company expects to use its cash and/or digital currencies to complete the trade.

Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company manages liquidity risk by ensuring that it has sufficient cash and other financial resources available to meet its short-term obligations. The Company forecasts cash flows for a period of twelve months to identify financial requirements. These requirements are met by accessing financing through public equity offerings and private placements.

Accounts payable and accrued liabilities, other than accrued compensation, generally have maturities of 30 days or less or are due on demand.

Commitments - operational	2025	2026-2027
Lease payments	\$ 20,807	\$ 16,069
Accounts payable	1,960,330	-
Accrued liabilities	1,350,093	-
Customer deposits-cash	10,916,044	-
Customer deposits-digital currency	176,838,471	-
Total contractual obligations	\$ 191,085,745	\$ 16,069

There is no public market for the Company's financial asset investment. Liquidity is contingent upon a successful equity financing, IPO, or sale of APX. The Company considers this risk in its investment horizon and maintains a liquidity buffer.

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. Market risk comprises three types of risk: interest rate risk, foreign currency risk and other price risk, such as commodity and equity price risk.

i. Interest rate risk

Interest rate risk arises from changes in market rates of interest that could adversely affect the Company. The Company currently has no interest-bearing financial instruments other than cash, so its exposure to interest rate risk is insignificant.

16. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (cont'd...)

Market risk (cont'd...)

ii. Foreign currency risk

Foreign currency risk arises from fluctuations in foreign currencies versus the Canadian dollar that could adversely affect reported balances and transactions denominated in those currencies. The Company currently has investment assets, some liabilities and revenue or expenses denominated in a foreign currency, so is exposed to foreign currency risk. The Company does not currently hedge its exposure to foreign currency cash flows as management has determined that currency risk is not significant. The Company's main risk is associated with fluctuations in US dollars. The following amounts are presented in to demonstrate the effect on net income or loss of changes in foreign exchange rates:

		June 30, 2025	December 31, 2024
Cash held	USD	\$ 1,072,249	\$ 707,368
Accounts and other receivables	USD	207,617	564,209
Accounts payable	USD	(723,687)	(610,688)
Effect of +/- 5% change in exchange rate		\$ 136,198	\$ 134,994

iii. Commodity and equity price risk

Commodity and equity price risk arises from market fluctuations in commodity and equity prices that could adversely affect the Company's operations. The Company's current exposure to equity price risk includes declines in the values and volumes of (i) its own equity shares which could impede its ability to raise additional funds when required and (ii) its investment in various marketable securities.

All investments present a risk of loss of capital. The maximum risk resulting from financial instruments is equivalent to their fair value. At June 30, 2025, management's estimate of the effect on equity to a +/- 5% change in its investments is +/- \$13,600 (December 31, 2024 - \$17,300).

Additionally, the Company is exposed to changes in equity valuation of APX, which impact the fair value of the SAFE financial asset. A hypothetical +/- 5% in APX's valuation may result in a \$35,600 change in fair value.

Digital currencies risk

Digital asset prices are affected by various forces including global supply and demand, interest rates, exchange rates, inflation or deflation and the global political and economic conditions. Further, digital currencies have no underlying backing or contracts to enforce recovery of invested amounts.

At June 30, 2025, the Company held digital currency inventory valued at \$188,657,497 (December 31, 2024 - \$198,342,209) with reputable custodians and self-custodied through reputable wallet providers. Digital currency investments were \$2,972,820 (December 31, 2024 - \$5,745,208). At June 30, 2025, had the market price of the Company's digital currency assets changed by 10% with all other variables remaining constant, the corresponding digital asset value change would be approximately \$19,163,000 (December 31, 2024 - \$20,400,000).

The profitability of the Company is directly related to the current and future market price of digital assets. In addition, the Company may not be able liquidate its digital currency inventory at its desired price if required. Investing in digital currencies is speculative, prices are volatile, and market movements are difficult to predict. Supply and demand for such currencies change rapidly and are affected by a variety of factors, including regulation and general economic trends. A decline in the market prices for digital assets could negatively impact the Company's future operations. The Company has not hedged the conversion of any of its sales of digital assets. Digital assets have a limited history and the fair value historically has been very volatile. Historical performance of digital assets is not indicative of their future price performance.

There is a risk that some or all of the Company's holdings of cryptocurrencies could be lost, stolen, destroyed or inaccessible, potentially by the loss or theft of the private keys held by the primary custodian with the public addresses that hold the Company's cryptocurrencies including customers crypto assets and/or destruction of storage hardware. Multiple thefts of cryptocurrencies and other digital assets from other holders have occurred in the past. Because of the decentralized process for transferring cryptocurrencies, thefts can be difficult to trace, which may make cryptocurrencies a particularly attractive target for theft.

16. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (cont'd...)

Digital currencies risk (cont'd...)

The Company utilizes BitGo Trust Company, Inc. (“BitGo”) as its primary custodian for the majority of its digital currency inventory holdings (cold wallets solution). The Company also utilizes BitGo and Fireblocks Ltd.’s (“Fireblocks”) self-custody technology (hot wallets solution) for the remaining digital currency inventory to support its daily transactions. As at June 30, 2025 approximately 90% (December 31, 2024 - ~90%) of total digital currency inventory was held in custody with BitGo.

BitGo maintains a comprehensive insurance policy for digital assets covering \$250 million in losses for crypto assets held in custody, in the event of copying and theft of private keys, insider theft of dishonest acts by BitGo employees or executives or loss of keys.

The Company maintains a separate insurance policy with Digital Asset Services Ltd, trading as CoinCover, a United Kingdom domiciled digital assets insurance provider, covering up to \$3.35 million in aggregated losses for crypto asset transactions through Fireblocks hot wallet solution in the event of lost access, cyber threats, operational failure, human error or technology failure.

17. CAPITAL MANAGEMENT

The Company includes all components of equity in the definition of capital. The Company’s objectives when managing capital are to safeguard the Company’s ability to continue as a going concern in order to pursue the development of its blockchain technology and to maintain a flexible capital structure which optimizes the costs of capital at an acceptable risk.

The Company manages its capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. To maintain or adjust capital structure, the Company may consider issuing new shares, and/or issue debt, acquire or dispose of assets, or adjust the amount of cash and investments on hand. The Company is not currently subject to any externally imposed capital requirements.

The Company has been dependent upon external financings to fund activities. Until such time as it begins to generate revenue, in order to carry out planned expenditures and pay for administrative costs the Company will spend its existing working capital and may seek to raise additional funds as needed.

In order to maximize ongoing development efforts, the Company does not pay out dividends. The Company’s investment policy is to keep its cash on deposit in interest bearing Canadian chartered bank accounts. Some cash is kept on deposit with fiat to cryptocurrency exchanges in order to facilitate the Company’s business. There have been no significant changes to the Company’s approach to capital management during the periods ended June 30, 2025 and 2024.

Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company, is reasonable.

18. CONTINGENT LIABILITIES AND PROVISIONS

Contingent liabilities

Contingent liabilities are possible obligations whose existence will be confirmed by uncertain future events that are not wholly within the control of the Company.

On October 28, 2019, the Company received Notice of Civil Claim in the Supreme Court of British Columbia by a former employee, alleging constructive dismissal. The claimant has claimed \$450,000 in damages. The claim is being contested by the Company. The Company believes the claim has no merit and will vigorously defend against the claim. No provision has been recognized in respect to this claim as there is no present obligation and the probability of settlement cannot be determined.

18. CONTINGENT LIABILITIES AND PROVISIONS (cont'd...)

Provisions

CRA reassessment

During the year ended December 31, 2024, the Company received a notice of reassessment from Canada Revenue Agency in relation to Netcoins Inc.'s ("Netcoins") 2018 tax year. It is the CRA's position that Netcoins owes GST/HST of \$6,071,388, plus interest and penalties of \$2,286,731. CRA takes the position that the sale of crypto assets prior to May 18, 2019 is treated as a sale of intangible personal property ("IPP") and is assessing GST/HST based on the location of Netcoins' customers.

Netcoins is in the process of disputing CRA's finding that GST/HST should be calculated on the gross transaction value and is contesting the CRA's reassessment, pursuing its appeal rights under Canadian federal tax legislation. However, to reflect the uncertainties of the results in contesting CRA's position through the appeals process, the Company has recorded a liability in its consolidated financial statements in the amount of \$8,645,998 – representing the reassessment amount of \$8,358,119 plus additional interest accruals of \$287,879.

19. NON-CONTROLLING INTERESTS

The following table presents the summarized financial information about the Company's subsidiary that has non-controlling interests. This information represents amounts before intercompany eliminations.

	As at June 30,	
	2025	2024
	TerraZero	TerraZero
	Metaverse LLP	Metaverse LLP
	90%	90%
Ownership interest		
Sales – Intraverse	\$ 71,760	\$ -
Cost of goods sold	(14,604)	-
Non-controlling interests	5,716	-
Equity attributable to BIGG Digital Assets Inc.	\$ 51,440	\$ -

20. SEGMENTED INFORMATION

The Company operates three business segments: blockchain technology development, digital currency sales via the Netcoins App and immersive metaverse experiences. The parent entity manages the business segments and activities associated with the Company being a public company.

The summarized financial information for the Company's business segments is as follows:

	For the Period Ended June 30, 2025				
	Parent	Blockchain	Netcoins	TerraZero	Total
Total assets	\$ 5,333,895	\$ 717,794	\$ 207,088,752	\$ 713,055	\$ 213,853,496
Total liabilities	1,162,413	832,964	198,304,415	139,083	200,438,875
Total revenue	-	1,170,297	5,459,754	118,768	6,748,819
Net loss	(586,751)	(680,896)	(6,589)	(2,461,950)	(3,736,186)

	For the Year Ended December 31, 2024				
	Parent	Blockchain	Netcoins	TerraZero	Total
Total assets	\$ 6,985,191	\$ 845,198	\$ 222,346,656	\$ 1,491,406	\$ 231,668,451
Total liabilities	1,354,175	987,838	211,486,916	305,692	214,134,621
Total revenue	-	1,666,280	10,559,392	205,033	12,430,705
Net (loss) income	(2,644,160)	(2,650,679)	341,848	(20,876,680)	(25,829,671)

The net loss reported for TerraZero includes goodwill impairment in the amount of \$16,083,270 (see Note 9).

20. SEGMENTED INFORMATION (cont'd...)

Revenues from external customers are attributed to geographic areas based on the location of the contracting customers. The following table sets forth external revenue by geographic areas:

	June 30, 2025		June 30, 2024	
	Revenues	Non-current Assets	Revenues	Non-current Assets
Canada	\$ 5,365,346	\$ 5,249,839	\$ 4,673,055	\$ 23,071,501
USA	554,205	272,859	901,594	273,739
Europe	238,883	-	127,565	-
Other	590,384	-	397,915	-
	\$ 6,748,818	\$ 5,522,698	\$ 6,100,129	\$ 23,345,240

21. SUBSEQUENT EVENT

Subsequent to June 30, 2025, the Company granted, subject to regulatory approval, an aggregate 6,425,000 incentive stock options to directors, officers, employees and consultants, pursuant to the terms of the Company's Omnibus Equity Incentive Plan. The options are exercisable for a period of five years at a price of \$0.15 per share and subject to vesting requirements over a period of up to 24 months.