

**Planet Ventures Inc.**

**Financial Statements**

**For the Years Ended March 31, 2023 and 2022**

**Expressed in Canadian Dollars**

**PLANET VENTURES INC.**  
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**For the Years Ended March 31, 2023 and 2022**

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INDEPENDENT AUDITOR'S REPORT

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## INDEPENDENT AUDITOR'S REPORT

To the Shareholders of Planet Ventures Inc.

### Opinion

We have audited the accompanying financial statements of Planet Ventures Inc. (the “Company”), which comprise the statements of financial position as at March 31, 2023 and 2022, and the statements of operations and comprehensive loss, changes in equity and cash flows for the years then ended and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at March 31, 2023 and 2022, and its financial performance and cash flows for the years then ended in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board (IFRS).

### Basis for Opinion

We conducted our audits 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 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 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 financial statements for the year ended March 31, 2023. These matters were addressed in the context of our audit of the 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 Gains on Investments

The valuation of unlisted investments requires significant judgment and estimates by management and is therefore considered a key audit matter due to the subjective nature of certain assumptions inherent in each valuation. Please refer to Note 4 in the financial statements for details.

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

- For existing investments, analyzed changes in significant assumptions compared with assumptions audited in previous periods and compared these to independent evidence, where available, including available industry data.
- Sent third party confirmations to management of unlisted investments to corroborate valuation assumptions made by the Company's management, including requests for the internal financial statements for our analyses.
- Performed recalculations of the unrealized gains/losses.
- Assessed the appropriateness of the disclosures relating to the assumptions used in the valuation of unrealized investments in the notes to the financial statements.

### **Other Information**

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

Our opinion on the 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 financial statements, our responsibility is to read the other information, and in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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

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

In preparing the 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 Financial Statements**

Our objectives are to obtain reasonable assurance about whether the 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 financial statements.

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

- Identify and assess the risks of material misstatement of the 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.

**SHIM & Associates LLP**  
**Chartered Professional Accountants**

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- 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 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 financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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.

The engagement partner on the audit resulting in this independent auditor's report is Dong H. Shim.

***“SHIM & Associates LLP”***

**CHARTERED PROFESSIONAL ACCOUNTANTS**

Vancouver, Canada

27 July 2023

**PLANET VENTURES INC.**  
**Statements of Financial Position**  
**As at March 31, 2023 and 2022**  
*(Expressed in Canadian dollars)*

	March 31, 2023	March 31, 2022
<b>ASSETS</b>	\$	\$
<b>Current assets</b>		
Cash and cash equivalents	3,716,847	3,848,075
Investments at fair value (notes 4 and 8)	2,343,328	2,395,541
Loans receivable (note 5)	40,000	457,000
Receivables (note 5)	50,141	56,239
Prepaid expenses	635	4,767
<b>Total current assets</b>	<b>6,150,951</b>	<b>6,761,622</b>
Office rental deposit	29,433	29,433
Investments at fair value (note 4)	7	8,007
Right-of-use asset (note 6)	294,542	369,744
<b>Total assets</b>	<b>6,474,933</b>	<b>7,168,806</b>
<b>LIABILITIES</b>		
<b>Current liabilities</b>		
Accounts payable and accrued liabilities (note 8)	166,581	177,274
Deferred revenue	175,000	76,450
Current portion of lease liability (note 6)	66,119	58,033
<b>Total current liabilities</b>	<b>407,700</b>	<b>311,757</b>
Non-current portion of lease liability (note 6)	247,292	313,410
<b>Total liabilities</b>	<b>654,992</b>	<b>625,167</b>
<b>EQUITY</b>		
Share capital (note 7(a))	26,994,371	25,902,727
Contributed surplus (notes 7(c) and (d))	3,476,146	3,476,146
Deficit	(24,650,576)	(22,835,234)
<b>Total equity</b>	<b>5,819,941</b>	<b>6,543,639</b>
<b>Total liabilities and equity</b>	<b>6,474,933</b>	<b>7,168,806</b>

Approved and authorized by the Board of Directors on July 27, 2023:

“Chris Cooper”  
Director

“Desmond Balakrishnan”  
Director

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

**PLANET VENTURES INC.**  
**Statements of Operations and Comprehensive Loss**  
**For the Years Ended March 31, 2023 and 2022**  
*(Expressed in Canadian dollars)*

	2023	2022
	\$	\$
<b>Investment income</b>		
Net realized loss on disposal of investments (note 4)	(156,224)	(315,038)
Net change in unrealized loss on investments (note 4)	(1,632,138)	(1,203,351)
Interest and dividends (notes 4 and 5)	109,327	38,961
Total investment loss	<u>(1,679,035)</u>	<u>(1,479,428)</u>
<b>Expenses</b>		
Commissions	7,037	16,995
Consulting (note 8)	84,000	531,489
Depreciation (note 6)	75,202	73,837
Directors' fees (note 8)	15,000	14,500
Insurance	635	1,270
Interest (note 6)	33,779	6,358
Office and administration	65,522	90,179
Professional fees (note 8)	126,122	104,189
Rent expenses	1,532	-
Stock based compensation (note 8)	-	14,393
Transfer agent and filing fees	34,471	24,679
Total expenses	<u>(443,300)</u>	<u>(877,889)</u>
<b>Other income (loss)</b>		
Foreign exchange gain (loss)	(310)	5,067
Consulting income	201,449	429,569
Other income (note 8)	159,234	88,159
Gain on receivable settlement	-	37,307
Write-off of receivables	(53,380)	-
Total other income	<u>306,993</u>	<u>560,102</u>
<b>Net loss and comprehensive loss</b>	<u>(1,815,342)</u>	<u>(1,797,215)</u>
Basic and diluted loss per common share	<u>(0.03)</u>	<u>(0.03)</u>
Weighted average number of common shares outstanding:		
Basic and diluted	<u>56,366,477</u>	<u>55,079,824</u>

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

**PLANET VENTURES INC.**  
**Statements of Changes in Equity**  
**For the Years Ended March 31, 2023 and 2022**  
*(Expressed in Canadian dollars)*

	Share Capital		Share Subscriptions Received	Contributed Surplus	Deficit	Total
	Number of Shares	Amount				
<b>Balance, March 31, 2021</b>	<b>51,257,838</b>	<b>24,985,365</b>	<b>67,500</b>	<b>3,460,557</b>	<b>(21,038,019)</b>	<b>7,475,403</b>
Shares issued for cash net of share issue costs	4,050,000	898,612	(67,500)	1,196	-	832,308
Shares issued on exercise of warrants	75,000	18,750	-	-	-	18,750
Shares cancelled	(70,000)	-	-	-	-	-
Stock based compensation	-	-	-	14,393	-	14,393
Net loss for the year	-	-	-	-	(1,797,215)	(1,797,215)
<b>Balance, March 31, 2022</b>	<b>55,312,838</b>	<b>25,902,727</b>	<b>-</b>	<b>3,476,146</b>	<b>(22,835,234)</b>	<b>6,543,639</b>
Shares issued for cash net of share issue costs	55,312,836	1,091,644	-	-	-	1,091,644
Net loss for the year	-	-	-	-	(1,815,342)	(1,815,342)
<b>Balance, March 31, 2023</b>	<b>110,625,674</b>	<b>26,994,371</b>	<b>-</b>	<b>3,476,146</b>	<b>(24,650,576)</b>	<b>5,819,941</b>

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



**PLANET VENTURES INC.**  
**Statements of Cash Flows**  
**For the Years Ended March 31, 2023 and 2022**  
*(Expressed in Canadian dollars)*

	2023	2022
	\$	\$
<b>Cash flows from (used in):</b>		
<b>Operating activities</b>		
Net loss for the year	(1,815,342)	(1,797,215)
<i>Items not affecting operating cash:</i>		
Net realized loss on investments	156,224	315,038
Unrealized losses on investments	1,632,138	1,203,351
Stock based compensation	-	14,393
Depreciation of right-of-use asset	75,202	73,837
Interest expense on lease liabilities	33,774	5,967
Gain on settlement of loan	-	(37,307)
Write-off of receivables	23,343	-
Non-cash interests	(75,710)	-
Non-cash other income	(33,000)	-
<i>Adjustments for:</i>		
Proceeds on disposal of investments	165,419	1,865,238
Purchase of investments	(1,643,737)	(1,924,448)
Change in loan principal	260,000	235,914
Change in receivables	(1,365)	(22,247)
Change in prepaid expenses	4,132	128,872
Change in accounts payable and accrued liabilities	(10,693)	(4,439)
Change in deferred revenue	98,550	(50,603)
<b>Net cash (used in) provided by operating activities</b>	<b>(1,131,065)</b>	<b>6,351</b>
<b>Investing activities</b>		
Office lease payments received	(91,807)	(88,159)
<b>Net cash used in investing activities</b>	<b>(91,807)</b>	<b>(88,159)</b>
<b>Financing activities</b>		
Shares issued for cash net of cash share issue costs	1,091,644	832,308
Cash received on exercise of warrants	-	18,750
<b>Net cash provided by financing activities</b>	<b>1,091,644</b>	<b>851,058</b>
Change in cash and cash equivalents	(131,228)	769,250
Cash and cash equivalents, beginning of year	3,848,075	3,078,825
Cash and cash equivalents, end of year	3,716,847	3,848,075

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

**PLANET VENTURES INC.**  
**Notes to the Financial Statements**  
**For the Years Ended March 31, 2023 and 2022**  
*(Expressed in Canadian dollars)*

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**1. NATURE OF OPERATIONS**

Planet Ventures Inc. (the “Company”) was incorporated in Canada on January 29, 1996 under the Alberta Business Corporations Act and continues under the British Columbia Business Corporations Act. On June 28, 2017, the Company changed its name to Planet Ventures Inc. from Planet Mining Exploration Inc. The Company’s registered office and its principal place of business are located at Suite 303, 750 West Pender Street, Vancouver, BC Canada V6C 2T7. The Company’s shares are listed on the TSX Venture Exchange (TSX.V) under the trading symbol “PXI”.

From its inception up to October 2, 2014, the Company was in the business of acquiring, exploring and developing gold, copper, silver and other resource properties, both directly and through joint ventures in Canada. In October 2014, the Company changed its business from a “junior mineral exploration company” to an “investment issuer”.

The principal business of the Company is investing in a portfolio of common shares and other securities of publicly-listed and private companies to achieve capital appreciation of the portfolio.

**2. BASIS OF PREPARATION**

(a) Statement of compliance

The financial statements have been prepared in accordance with the International Financial Reporting Standards (“IFRS”) issued by the International Accounting Standard Board (“IASB”).

(b) Basis of presentation

These financial statements have been prepared on a historical cost basis, except for certain financial instruments which are measured at fair value. In addition, these financial statements have been prepared using the accrual basis of accounting, except for cash flow information.

The Company meets the definition of an investment entity under IFRS 10 Consolidated Financial Statements and measures its investment in relevant subsidiaries at fair value through profit or loss (see note 4).

The presentation and functional currency of the Company is the Canadian dollar.

## **2. BASIS OF PREPARATION (continued)**

### **I Significant accounting judgements and estimates**

The preparation of these financial statements requires management to make certain estimates, judgments and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and expenses during the reporting period. Actual results could differ from these estimates.

These financial statements include estimates which, by their nature, are uncertain. The impacts of such estimates are pervasive throughout the financial statements, and may require accounting adjustments based on future occurrences. Revisions to accounting estimates are recognized in the period in which the estimate is revised and may affect both the period of the revision and future periods. These estimates are based on historical experience, current and future economic conditions and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Significant assumptions about the future and other sources of estimation uncertainty that management has made at the reporting date that could result in a material adjustment to the carrying amounts of assets and liabilities, in the event that actual results differ from estimates made, relate to determination of the fair value of financial instruments (note 4(b)).

In preparing the financial statements, management makes judgments regarding the application of IFRS for the Company's accounting policies. Significant judgments relate to the following areas:

#### *(i) Going concern assumption*

Determining if the Company has the ability to continue as a going concern is dependent on its ability to achieve profitable operations. Certain judgments are made when determining if the Company will achieve profitable operation.

#### *(ii) Income taxes*

Judgements are made by management at the end of the reporting period to determine the likelihood that deferred income tax assets will be realized from future taxable earnings. Assessing the recoverability of deferred income tax assets requires the Company to make judgments related to the expectations of future cash flows from operations and the application of existing tax laws. While management believes judgements and the estimates are reasonable, actual results could differ from those judgements and estimates and could impact future results of operations and cash flows.

#### *(iii) Investment entity status*

Determining if the Company meets the investment entity status under IFRS 10 requires significant judgment.

### **3. SIGNIFICANT ACCOUNTING POLICIES**

The accounting policies set out below have been applied consistently by the Company.

(a) Foreign currencies

The Company's functional and reporting currency for all its operations is the Canadian dollar as this is the currency of the primary economic environment in which it operates.

Transactions in foreign currencies are initially recorded in the Company's functional currency at the exchange rate at the date of the transaction. Monetary assets and liabilities of the Company that are denominated in foreign currencies are translated at the functional currency rate of exchange ruling at the date of the statement of financial position. Non-monetary assets and liabilities are translated using the exchange rates as at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when fair value is determined.

Exchange gains and losses arising on translation are included in the statement of operations and comprehensive loss.

(b) Financial instruments

(i) Measurement – initial recognition

All financial assets and financial liabilities are initially recorded on the Company's statement of financial position when the Company becomes a party to the contractual provisions of the instrument. Purchases and sales of investments are recognized on the settlement date. All financial asset and liabilities are initially recorded at fair value, net of attributable transaction costs, except for those classified as fair value through profit or loss ("FVTPL"). Subsequent measurement of financial assets and financial liabilities depends on the classifications of such assets and liabilities.

(ii) Classification – financial assets

*Amortized cost*

Financial assets that are held within a business model whose objective is to hold financial assets in order to collect contractual cash flows, and the contractual terms of these financial assets give rise on specified date to cash flows that are solely payments of principal and interest on the principal amount outstanding, are subsequently measured at amortized cost using the effective interest rate method. The Company classifies loans receivable and receivables as a financial asset at amortized cost.

### **3. SIGNIFICANT ACCOUNTING POLICIES (continued)**

(b) Financial instruments (continued)

(ii) Classification – financial assets (continued)

*Fair value through other comprehensive income (“FVTOCI”)*

Financial assets that are held within a business model whose objective is to hold financial assets in order to both collect contractual cash flows and selling financial assets, and that the contractual terms of the financial assets give rise on specified date to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Upon initial recognition of equity securities, the Company may make an irrevocable election (on an instrument-by-instrument basis) to designate its equity securities that would otherwise be measured at FVTPL to present subsequent changes in fair value in other comprehensive income. Designation at FVTOCI is not permitted if the equity investment is held for trading or if it is contingent consideration recognized by an acquirer in a business combination. Investments in equity instruments at FVTOCI are initially measured at fair value plus transaction costs. Subsequently, they are measured at fair value with gains and losses arising from changes in fair value recognized in OCI. The cumulative gain or loss is not reclassified to profit or loss on disposal of the instrument; instead, it is transferred to retained earnings upon derecognition. The Company currently has no financial assets designated as FVTOCI.

*Fair value through profit or loss (“FVTPL”)*

By default, all other financial assets are measured subsequently at FVTPL, which includes cash and cash equivalents and investments at fair value.

(iii) Classification – financial liabilities

Financial liabilities are subsequently measured at amortized cost using effective interest method, except for financial liabilities at FVTPL, financial guarantee contracts, loan commitments as below-market interest rate, and liabilities related to contingent consideration of an acquirer in a business combination. Financial liabilities at amortized cost include accounts payable.

The Company has no hedging arrangements and does not apply hedge accounting.

### **3. SIGNIFICANT ACCOUNTING POLICIES (continued)**

(b) Financial instruments (continued)

(iv) Derecognition and reclassification of investments

Investments are derecognized when the rights to receive cash flows from the investments have expired or the Company has transferred the financial asset and the transfer qualifies for derecognition in accordance with IFRS.

The Company would only reclassify a financial asset when the Company changes its business model for managing the financial asset. Reclassifications are recorded at fair value at the date of reclassification, which becomes the new carrying value.

(v) Determination of fair values

The determination of fair value requires judgment and is based on market information, where available and appropriate. At the end of each financial reporting period, the Company's management estimates the fair value of investments based on the criteria below and reflects such valuations in the financial statements.

(vi) Impairment

The Company recognizes a loss allowance for expected credit losses on its financial assets when necessary. The amount of expected credit losses is updated at each reporting period to reflect changes in credit risk since initial recognition of the respective financial instruments. The Company did not recognize impairment losses during the years ended March 31, 2023 and 2022.

The Company is also required to disclose details of its investments (and other financial assets and liabilities for which fair value is measured or disclosed in the financial statements) within three hierarchy levels (Level 1, 2, or 3) based on the transparency of inputs used in measuring or disclosing the fair value, and to provide additional disclosure in connection therewith (note 4).

(c) Cash and cash equivalents

Cash and cash equivalents are comprised of cash on hand, demand deposits and short-term investments with a maturity less than 90 days on acquisition that are readily convertible into known amounts of cash.

### **3. SIGNIFICANT ACCOUNTING POLICIES (continued)**

#### (d) Investments in crypto currencies

Crypto currencies acquired are accounted for as intangible assets, initially recorded at cost and are subsequently measured at fair value under the revaluation method. Crypto currencies are treated as indefinite lived intangibles, unless the contractual terms indicate a definite useful life.

Under IAS 38, Intangible Assets, for the purposes of revaluation, fair value is measured by reference to an active market. If an intangible asset cannot be revalued because there is no active market for this asset, it should be carried at cost less any accumulated amortization and impairment losses. The fair value changes are accounted for as follows:

- Increases in the fair value are recorded in other comprehensive income (“OCI”), and decreases that reverse previous increases are recorded in OCI, which would result in the cumulative effect on OCI being the net increase in the fair value of cryptocurrencies over time; and
- Decreases in the fair value are recorded in profit or loss, and increases that reverse previous decreases are recorded in profit or loss, which would result in the cumulative effect on profit or loss being the net decrease in the fair value of cryptocurrencies over time.

Decreases in the fair value to the extent of the credit balance in the revaluation surplus related to the crypto currency asset may be recorded in OCI.

#### (e) Revenue recognition

Sales of investments are recognized on the settlement date. Realized gains and losses on disposal of investments and unrealized gains and losses in the value of investments are reflected in the statements of operations and comprehensive loss.

All transaction costs associated with the acquisition and disposition of investments are expensed to the statements of operations and comprehensive loss as incurred.

Interest income from a financial asset is recognized when it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably.

Interest income is recognized in profit or loss as it accrues, using the effective interest method.

Consulting income is recorded when services have been rendered, terms of the arrangement with a client have been met and collection is probable, which is usually when a consulting invoice is issued.

**3. SIGNIFICANT ACCOUNTING POLICIES (continued)**

(f) Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the statement of financial position if there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, or to realize the assets and settle the liabilities simultaneously.

(g) Income taxes

Income tax expense comprises current and deferred tax. Current tax and deferred tax are recognized in profit or loss except to the extent that it relates to a business combination, or items recognized directly in equity or in other comprehensive loss.

(i) Current income tax

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

(ii) Deferred income tax

- Deferred tax is recognized in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognized for the following temporary differences: liabilities arising from initial recognition of goodwill for which depreciation is not deductible for tax purposes;
- liabilities arising from the initial recognition of an asset/liability other than in a business combination which, at the time of the transaction, does not affect either the accounting or the taxable profit; and
- liabilities arising from undistributed profits from investments where the entity is able to control the timing of the reversal of the difference and it is probable that the reversal will not occur in the foreseeable future.



### **3. SIGNIFICANT ACCOUNTING POLICIES (continued)**

(g) Income taxes (continued)

(ii) Deferred income tax (continued)

Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date. Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realized simultaneously.

A deferred tax asset is recognized for unused tax losses, tax credits and deductible temporary differences, to the extent that it is probable that future taxable profits will be available against which they can be utilized. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

(h) Share capital

The proceeds from the exercise of stock options or warrants together with amounts previously recorded over the vesting periods are recorded as share capital.

Share capital issued for non-monetary consideration is recorded at an amount based on fair market value on the date of issue.

The proceeds from the issue of units is allocated between common shares and common share purchase warrants using residual value method. Under this method, the unit price is compared to the price of common shares in a concurred financing or to the market share price. The proceeds are first allocated to the share capital and any residual value is allocated to contributed surplus.

### **3. SIGNIFICANT ACCOUNTING POLICIES (continued)**

#### **(i) Share-based compensation**

The Company has a stock option plan as described in note 7(c). An individual is classified as an employee, versus a consultant, when the individual is an employee for legal or tax purposes (direct employee) or provides services similar to those performed by a direct employee.

Compensation expense attributable to share based awards to employees is measured at the fair value at the date of grant using the Black-Scholes model, and is recognized over the period that the employee becomes unconditionally entitled to the awards. The amount recognized as an expense is adjusted to reflect the number of awards for which the related service and non-market vesting conditions are expected to be met, such that the amount ultimately recognized as an expense is based on the number of awards that do meet the related service and non-market performance conditions at the vesting date.

For share-based payment awards with non-vesting conditions, the grant date fair value of the share-based payment is measured to reflect such conditions and there is no true-up for differences between expected and actual outcomes. The fair value, under the Black-Scholes model, takes into account a number of variables, including the exercise price of the award, the expected dividend rate, the expected life of the options, forfeiture rate and the risk free interest rate.

Where equity instruments are granted to parties other than employees, they are recorded by reference to the fair value of the services received. If the fair value of the services received cannot be reliably estimated, the Company measures the services received by reference to the fair value of the equity instruments granted, measured at the date the counterparty renders service.

All equity-settled share-based payments are reflected in contributed surplus, until exercised. Upon exercise, shares are issued from treasury and the amount reflected in contributed surplus is credit to share capital, adjusted for any consideration paid.

### **3. SIGNIFICANT ACCOUNTING POLICIES (continued)**

(j) Earnings (loss) per share

Basic earnings (loss) per share is computed by dividing net income (loss) available to common shareholders by the weighted average number of shares outstanding during the reporting period. Diluted income (loss) per share is computed similar to basic income (loss) per share except that the weighted average shares outstanding are increased to include additional shares for the assumed exercise of stock options and warrants, if dilutive. The number of additional shares is calculated by assuming that outstanding stock options and warrants were exercised and that proceeds from such exercises were used to acquire common stock at the average market price during the reporting periods.

Currently, the effect of potential issuances of shares under stock options and warrants would be anti-dilutive and accordingly, basic and diluted loss per share is the same.

(k) Comprehensive income (loss)

Comprehensive income (loss) is the change in the Company's net assets that results from transactions, events and circumstances from sources other than the Company's shareholders and includes items that are not included in net profit such as foreign currency gains or losses related to translation of the financial statements of foreign operations and the revaluation of the Company's investments in crypto currencies. The Company's comprehensive loss, components of other comprehensive loss are presented in the statements of comprehensive loss and the statements of changes in equity.

(l) New accounting standards

No new accounting standards were adopted in the 2023 year-end which had a significant impact on the financial statements.

Certain new standards, interpretations and amendments to existing standards have been issued by the IASB or the IFRIC that are mandatory for future accounting periods. The Company has not identified any new standards, interpretations or amendments to existing standards that are expected to have an impact on the Company's financial statements.

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**4. INVESTMENTS AT FAIR VALUE AND FINANCIAL INSTRUMENTS HIERARCHY**

The fair value measurements use a fair value hierarchy that reflects the significance of the inputs used in making measurements. The level in the hierarchy within which the fair value measurement is categorized is determined on the basis of the lowest level input that is significant to the fair value measurement in its entirety.

The fair value hierarchy has the following levels:

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities;

Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability either directly (that is, as prices) or indirectly (that is, derived from prices);

Level 3: Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs).

	March 31, 2023			March 31, 2022		
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
	\$	\$	\$	\$	\$	\$
Investments at fair value:						
Equity investments in public companies (a)	2,048,623	-	-	2,395,541	-	-
Investments in convertible debentures (c)	-	294,705	-	-	-	-
Equity investments in private companies (b)	-	-	7	-	-	8,007

The methods of measuring each of these financial assets have not changed during the period. The fair values of financial instruments measured at amortized cost approximate their carrying amounts.

**4. INVESTMENTS AT FAIR VALUE AND FINANCIAL INSTRUMENTS  
HIERARCHY (continued)**

(a) Equity investments in public companies

The Company's equity investments are valued using quoted market prices in active markets and as such are classified within Level 1 of the fair value hierarchy. The fair value of investment securities is calculated as the closing market price of the investment equity security multiplied by the quantity of shares held by the Company. Some of the equity investments are subject to a four-month statutory hold period. Stock options and warrants held that are not traded on an active market are remeasured using a valuation technique based on data inputs that are supported by observable current market conditions and are therefore classified within Level 2 of the fair value hierarchy.

(b) Equity investments in private companies

All privately-held investments (other than options and warrants) are initially recorded at the transaction price, being the fair value at the time of acquisition. Thereafter, at each reporting period, the fair value of an investment may (depending upon the circumstances) be adjusted using one or more of the valuation indicators described below.

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

Use of the valuation approach described below may involve uncertainties and determinations based on the Company's judgment and any value estimated from these techniques may not be realized or realizable.

Company-specific information is considered when determining whether the fair value of a privately-held investment should be adjusted upward or downward at the end of each reporting period. Valuation techniques which use management-derived unobservable data specific to the investee are considered to be measured at fair value using Level 3 inputs. In addition to company-specific information, the Company will take into account trends in general market conditions and the share performance of comparable publicly-traded companies when valuing privately-held investments.

The absence of the occurrence of any events, such as a significant change in trends in general market conditions, or any significant change in share performance of comparable publicly-traded companies indicates generally that the fair value of the investment has not materially changed. The fair value of a privately-held investment may be adjusted if there has been a significant subsequent equity financing provided by outside investors at a valuation different than the current value of the investee company, in which case the fair value of the investment is set to the value at which that financing took place.

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**4. INVESTMENTS AT FAIR VALUE AND FINANCIAL INSTRUMENTS  
HIERARCHY (continued)**

(b) Equity investments in private companies (continued)

Adjustments to the fair value of a privately-held investment will be based upon management’s judgment and any value estimated may not be realized or realizable. The resulting values for non-publicly traded investments may differ from values that would be realized if a ready market existed. In addition, the amounts at which the Company’s privately-held investments could be disposed of currently may differ from the carrying value assigned.

In addition, investments which are in Level 3 and become public issuers during the period are transferred to Level 1 or 2. The following table presents the changes in fair value measurements of financial instruments classified as Level 3 for the years ended March 31, 2023 and 2022. These financial instruments are measured at fair value utilizing non-observable market inputs based on specific company information and general market conditions. The net change in unrealized gains (losses) are recognized in the statements of operations and comprehensive loss.

<b>Balance as at March 31, 2022</b>	<b>\$</b>	<b>8,007</b>
Transfer to Level 1		(8,000)
<b>Balance as at March 31, 2023</b>	<b>\$</b>	<b>7</b>

(c) Investments in convertible debentures

On August 15, 2022, Planet Ventures invested 250 convertible debenture units ("Debenture Unit") of Plurilock Security Inc. ("Plurilock") at a cost of \$250,000 with \$1,000 per Debenture Unit. Each Debenture Unit consisted of (i) \$1,000 principal amount of 10% unsecured convertible debenture of Plurilock (each, a "Debenture") maturing on August 15, 2026, subject any forced conversion in certain circumstances; and (ii) 500 common share purchase warrants (each, a "Warrant"). Each Warrant entitles the holder to acquire one common share of Plurilock (each a "Warrant Share") at an exercise price of \$0.40 per Warrant Share until August 15, 2024. The Debentures are convertible at the holder’s option into common shares of Plurilock (the "Debenture Shares") at a conversion price of \$0.285 per Debenture Share. The Debentures shall bear interest at a rate of 10% per annum (the "Interest") from the date of issue, payable in arrears every six (6) months from the date of issue of the Debentures.

Plurilock may elect, from time to time (including following the conversion, at the time of redemption or at the time of maturity), to pay the Interest: (i) in cash; (ii) by shares at a price equal to the closing trading price on the date the Interest is payable; or (iii) any combination of (i) and (ii) above. Interest shall be computed on the basis of a 360-day year composed of twelve 30-day month.

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**4. INVESTMENTS AT FAIR VALUE AND FINANCIAL INSTRUMENTS**  
**HIERARCHY (continued)**

(c) Investments in convertible debentures (continued)

The investments in the convertible debentures are initially recorded at the transaction price, being the fair value at the time of acquisition, and measured subsequently at fair value, with any changes in the fair value of the instrument being recorded in the statements of operations and comprehensive loss. The Company estimates the fair value of this instrument by first estimating the fair value of the straight debt portion, excluding the embedded conversion option, using a discounted cash flow model. The discount rate used is 12%. The Company then estimates the fair value of the embedded conversion option using the Black-Scholes Option Pricing Model. The investments in convertible debentures are remeasured using a valuation technique based on data inputs that are supported by observable current market conditions and are therefore classified within Level 2 of the fair value hierarchy.

The assumptions used in the Black-Scholes Option Pricing Model for the conversion option are as follows: (i) exercise price of \$0.285, (ii) volatility of 75%, (iii) expected life of 3.375 years and (iv) risk-free rate of 3.18%.

The sum of these two valuation models resulted in an estimated fair value of the investments in convertible debentures of \$294,705 as of March 31, 2023. The change in the fair value of the investments in convertible debentures has been recognized in the statements of operations and comprehensive loss during the year ended March 31, 2023.

(d) Fair market value and original cost of investments

Investments at original cost and fair value consist of the following:

	<b>March 31, 2023</b>		<b>March 31, 2022</b>	
	<b>Cost</b>	<b>Fair market value</b>	<b>Cost</b>	<b>Fair market value</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
Shares in public companies	5,074,488	2,048,623	3,744,562	2,395,541
Shares in private companies	7,842,101	7	7,842,102	8,007
Convertible debentures	250,000	294,705	-	-
<b>Total</b>	<b>13,166,589</b>	<b>2,343,335</b>	<b>11,586,664</b>	<b>2,403,548</b>
			<b>March 31, 2023</b>	<b>March 31, 2022</b>
			<b>\$</b>	<b>\$</b>
Realised losses on investments – public companies			<b>(156,224)</b>	<b>(315,038)</b>
<b>Total</b>			<b>(156,224)</b>	<b>(315,038)</b>

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**4. INVESTMENTS AT FAIR VALUE AND FINANCIAL INSTRUMENTS**  
**HIERARCHY (continued)**

(d) Fair market value and original cost of investments (continued)

	<u>March 31, 2023</u>	<u>March 31, 2022</u>
	\$	\$
Unrealized gains and losses on investments:		
Losses on public companies	<b>(1,676,844)</b>	(1,203,351)
Gains on convertible debentures	<b>44,706</b>	-
<b>Total</b>	<b>(1,632,138)</b>	<b>(1,203,351)</b>

**5. LOANS RECEIVABLE**

In July 2018, the Company entered into an agreement with VIP Entertainment Group Inc. ("VIP") (formerly VIP Bets Inc.) to purchase a \$250,000 secured convertible debenture. The debenture bore interest of 12% and was repayable in 24 months. During the year ended March 31, 2021, the Company agreed to have the principal of the debenture plus interest of \$34,000 repaid in \$5,000 monthly payments starting from November 2020. On November 1, 2021, the Company entered into a settlement agreement that in consideration of the sum of \$240,000 to be settled through the issuance of 960,000 VIP units. Each unit consists of one common share of VIP and one half of one share purchase warrant, each whole warrant can be exchanged for one additional share of VIP at any time in the following 24 months for a price of \$0.50. During the year ended March 31, 2023, the agreement was settled in exchange for 1,120,694 shares of VIP with a fair value of \$240,000.

On August 23, 2019, the Company entered into an agreement to loan \$175,000 with an interest of 18% per annum. The loan can be repaid in part or in full before maturity date. The loan is secured by a share pledge of common shares registered and beneficially owned by the borrower. During the year ended March 31, 2022, the loan balance of \$175,000 was settled in exchange for 1,000,000 shares of Datable Technology Corp. and 1,000,000 shares of Global Cannabis Applications Corp. As at March 31, 2023, the balance of interest receivable on this loan was \$11,154 (March 31, 2022 - \$11,154).

On October 29, 2020, the Company entered into an agreement to loan up to \$300,000 with a private company. The principal amount was \$250,000 with a 6% interest rate per annum due on August 3, 2021. The loan was secured by a mortgage in the principal amount of \$300,000 against the sub-lease between the borrower as tenant and a landlord. During the year ended March 31, 2022, the Company agreed to extend the maturity date to August 31, 2022, in return for a \$33,000 loan extension fee. On April 1, 2022, the principal increased by \$50,000 from \$250,000 to \$300,000 as a lump-sum interest payment agreed, and the Company received another loan extension fee of \$33,000 to be recognized as other income. During the year ended March 31, 2023, the Company recorded \$59,630 (March 31, 2022 - \$15,205) in interest revenue, \$66,000 in other income and \$260,000 in principal payment. The balance of the loan principal is \$40,000 (March 31, 2022 - \$217,000), and the interest receivable is \$30,917 (March 31, 2022 - \$21,287).



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**6. RIGHT-OF-USE ASSET AND LEASE LIABILITY**

On April 1, 2016, the Company entered into an office lease agreement for a term ended on February 28, 2022. On March 1, 2022, the lease was extended to February 28, 2027. Interest was calculated based on estimated annual rate of 10%.

As at March 31, 2023, the lease liability is as follows:

Balance as at March 31, 2021	\$	77,625
Addition		376,010
Interest expense		5,967
Lease payments		(88,159)
Balance as at March 31, 2022	\$	371,443
Interest expense		33,774
Lease payments		(91,807)
<b>Balance as at March 31, 2023</b>	<b>\$</b>	<b>313,411</b>
Current portion of the lease liability		66,119
Non-current portion of a lease liability		247,292

As at March 31, 2023, the balance of the right-of-use asset is as follows:

Balance as at March 31, 2021	\$	67,571
Addition		376,010
Depreciation		(73,837)
Balance as at March 31, 2022	\$	369,744
Depreciation		(75,202)
<b>Balance as at March 31, 2023</b>	<b>\$</b>	<b>294,542</b>

## **7. SHARE CAPITAL**

### (a) Common shares

The Company is authorized to issue an unlimited number of common voting shares without par value. The holder of common shares is entitled to receive any dividend declared by the Company on such shares.

#### **Shares issued during the year ended March 31, 2023**

In March 2023, the Company closed rights offering and issued an aggregate of 55,312,836 common shares at a price of \$0.02 per common share for gross proceeds of \$1,091,644.

#### **Shares issued during the year ended March 31, 2022**

During the year ended March 31, 2022, the Company closed a private placement with the sale of 4,050,000 units at \$0.225 per unit for gross proceeds of \$911,250. Each unit consists of one common share and one common share purchase warrant. Each warrant entitles the holder to acquire an additional common share for \$0.30 per share for a three-year period. The Company paid \$11,442 in cash share issue costs and issued 7,000 finders warrants with fair value of a \$1,196.

During the year ended March 31, 2022, the Company issued 75,000 shares on exercise of warrants at \$0.25 per warrant.

### (b) Preferred shares

The Company is authorized to issue an unlimited number of first preferred shares and second preferred shares issuable in series with the issue price to be fixed by the directors. The holders of first preferred shares are entitled to preference over the common shares and the second preferred shares with respect to payment of dividends and distribution of assets in the event of liquidation, dissolution or winding-up of the Company.

No preferred shares were issued or were outstanding as at March 31, 2023 and 2022.

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**7. SHARE CAPITAL (continued)**

(c) Stock options

The Company has a stock option plan whereby the Company may grant options to its directors, officers, employees and consultants for up to 10% of the outstanding common shares from time to time with vesting rights determined at each grant date. The exercise price of each option equals the market price of the Company's stock on the date of the grant (less any permitted discount, if any) and an option's maximum term is five years.

There were no stock options granted or exercised during the years ended March 31, 2023 and 2022.

A continuity schedule of the Company's outstanding options is as follows:

	Number of options	Weighted average exercise price
		\$
Balance, March 31, 2021 and 2022	3,875,000	0.51
Cancelled	(790,000)	0.52
Expired	(200,000)	0.50
<b>Balance, March 31, 2023</b>	<b>2,885,000</b>	<b>0.51</b>

As at March 31, 2023, the Company had the following stock options outstanding and exercisable:

Expiry date	Exercise price	Number of options outstanding	Number of options exercisable	Weighted average remaining contractual life (in years)
August 1, 2023	\$ 0.75	150,000	150,000	0.34
February 1, 2024	\$ 0.50	300,000	300,000	0.84
February 6, 2025	\$ 0.50	100,000	100,000	1.86
November 16, 2025	\$ 0.50	2,335,000	2,335,000	2.63

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**7. SHARE CAPITAL (continued)**

(d) Share purchase warrants

There were no additional share purchase warrants issued during the year ended March 31, 2023.

During the year ended March 31, 2022, the Company closed a private placement of units. As part of the units in the private placement the Company issued 4,050,000 warrants exercisable at \$0.30 per warrant for a period of three years. In addition, the Company issued 7,000 finders warrants with fair value of \$1,196. The fair value was calculated using Black-Scholes option pricing model with the following assumptions: stock price – \$0.25; exercise price – \$0.30; expected life – three years; volatility – 130%; dividend yield – \$nil; and risk-free rate – 0.52%.

A continuity schedule of the Company's outstanding warrants is as follows:

	Number of warrants	Weighted average exercise price
		\$
<b>Balance as at March 31, 2021</b>	<b>14,302,350</b>	<b>0.41</b>
Issued	4,057,000	0.30
Exercised	(9,421,000)	0.50
Expired	(75,000)	0.25
<b>Balance as at March 31, 2022 and 2023</b>	<b>8,863,350</b>	<b>0.27</b>

As at March 31, 2023, the Company had the following share purchase warrants outstanding:

Expiry date	Exercise price	Number of warrants outstanding	Weighted average remaining contractual life (in years)
	\$		
November 16, 2023	0.25	4,806,350	0.63
April 22, 2024	0.30	4,057,000	1.06

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**8. KEY MANAGEMENT COMPENSATION AND RELATED PARTY TRANSACTIONS**

(a) Key management compensation

Key management personnel include the members of the Board of Directors and officers of the Company, who have the authority and responsibility for planning, directing and controlling the activities of the Company.

Amounts paid and accrued for key management compensation are as follows:

	<b>March 31, 2023</b>	March 31, 2022
	<b>\$</b>	<b>\$</b>
Consulting	<b>9,000</b>	1,000
Directors' fees	<b>15,000</b>	14,500
Total	<b>24,000</b>	15,500

Included in accounts payable and accrued liabilities at March 31, 2023 was \$3,675 (March 31, 2022 - \$3,100) due to companies controlled by directors of the Company for unpaid directors' fees.

(b) Related party transactions

In the normal course of operations, the Company transacts with companies related to its directors or officers. Related party transactions are measured at the exchange amounts as agreed upon by transacting parties.

Related party transactions not disclosed elsewhere in the financial statements are as follows:

- During the year ended March 31, 2023, the Company incurred \$83,622 (March 31, 2022 - \$24,508) in legal expenses and \$Nil (2022 - \$9,867) in share issue costs from a law firm of which a director and officer of the Company is a partner. As at March 31, 2023, \$86,784 (March 31, 2022 - \$84,191) is included in accounts payable for this law firm.
- The Company's office lease payments are reimbursed monthly by a company of which an officer of the Company is an employee. As a result, during the year ended March 31, 2023, income of \$93,234 (March 31, 2022 - \$88,159), was recognized in the statement of operations and comprehensive loss.
- During the year ended March 31, 2023, the Company recorded an expense related to stock options granted to directors and officers of the Company with a fair value of \$Nil (March 31, 2022 - \$14,393).

## **9. FINANCIAL AND CAPITAL RISK MANAGEMENT**

The Company is exposed to various financial instrument risks and assesses the impact and likelihood of this exposure. These risks include liquidity risk, credit risk, fair value risk and interest rate risk. Where material, these risks are reviewed and monitored by the Board of Directors.

### **(a) Capital management**

The Company manages its capital to safeguard the Company's ability to continue as a going concern, so that it can continue to provide adequate returns to shareholders and benefits to other stakeholders, and to have sufficient funds on hand for business opportunities as they arise. The Company considers the items included in equity as capital. The Company manages the capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the Company may issue new shares through private placements, the sale of assets, debt, or return of capital to shareholders.

### **(b) Liquidity risk**

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company maintains sufficient cash and cash equivalent balances to meet current working capital requirements.

### **(c) Credit risk**

Credit risk is the risk of potential loss to the Company if the counterparty to a financial instrument fails to meet its contractual obligations. The Company's credit risk is primarily attributable to its liquid financial assets including cash and cash equivalents and receivables.

The Company limits exposure to credit risk on liquid financial assets through maintaining its cash and cash equivalents, and other assets with high-credit quality financial institutions, and obtains security from creditors on receivables when possible.

The majority of the Company's cash and cash equivalents are held with major Canadian-based financial institutions. As at March 31, 2023, the Company estimates the credit risk associated with receivables as \$88,321 (March 31, 2022 - \$489,441) as it related to two loan receivables, interest accrued on those loans receivable (note 5) and convertible debenture (note 4).

## **9. FINANCIAL AND CAPITAL RISK MANAGEMENT (continued)**

### (d) Market risk

Market risk is the risk that the fair value of, or future cash flows from, the Company's financial instruments will significantly fluctuate due to changes in market prices. The value of the financial instruments can be affected by changes in interest rates, foreign exchange rates, and commodity prices.

#### Interest rate risk

Interest rate risk is the impact that changes in interest rates could have on the Company's profit and losses. The Company's exposure to interest rate risk arises from the interest rate impact on its cash and cash equivalents and reclamation bond. The Company's practice has been to invest cash at floating rates of interest, in cash equivalents, in order to maintain liquidity, while achieving a satisfactory return for shareholders.

The Company is exposed to significant interest rate risk as the Company has fixed interest-bearing debt. Management closely monitors the market to determine the appropriate course of action to be taken by the Company.

#### Foreign currency risk

The Company's functional currency is the Canadian dollar and major purchases are transacted in Canadian dollars. The Company does not have any exposure to any highly inflationary foreign currencies.

#### Price risk

The Company is exposed to price risk in trading its investments, and unfavourable market conditions could result in dispositions of investments at less than favourable prices.

In accordance with IFRS 9, the Company is required to remeasure its investments at fair value at the end of each reporting period. This process could result in significant write-downs of the Company's investments over one or more reporting periods, particularly during periods of overall market instability, which would have a significant unfavourable effect on the Company's financial position.

The result of sensitivity analysis shows an increase or decrease of 5% in the market prices, with all other variables held constant, could have decreased or increased the Company's net loss by approximately \$102,431 as at March 31, 2023 (March 31, 2022 - \$119,777).

Management closely monitors commodity prices, individual equity movements, and the stock market to determine the appropriate course of action to be taken by the Company.

**9. FINANCIAL AND CAPITAL RISK MANAGEMENT (continued)**

(e) Concentration risk in the Company's investment portfolio

Concentration risk is the risk that any single investment or group of investments will have the potential to materially affect the operating results of the Company.

Subject to board approval for investments in excess of a pre-determined threshold, there are no restrictions on the proportion of Company's funds and no limit on the amount of funds that may be allocated to any particular investment, industry or sector. Accordingly, the Company's investment activities may be highly concentrated in a limited number of investments or industry sectors and the Company's financial results may be substantially adversely affected by the unfavourable performance in those investments or industry sectors.

As at March 31, 2023, the Company's top two investments had a fair value of \$742,144 in publicly traded companies, representing 36% of the fair value of the Company's publicly traded companies portfolio (March 31, 2022 – \$1,683,575 or 73%).

**10. INCOME TAX**

Income tax expense (recovery) is recognized based on the weighted average annual income tax rate for the year applied to pre-tax income (loss). The Company's effective tax rate for the year ended March 31, 2023 was 27% (2022 - 27%).

The following table reconciles the amount of income tax recoverable on application of the statutory Canadian federal and provincial income tax rates:

The following table reconciles the amount of income tax recoverable on application of the statutory Canadian federal and provincial income tax rates:

	<b>Year ended March 31, 2023</b>	Year ended March 31, 2022
	\$	\$
Expected income tax recovery	<b>(490,142)</b>	(485,248)
Permanent differences and other	<b>28,979</b>	30,998
Change in prior year estimates	<b>(183,558)</b>	-
Change in unrecognized deferred tax assets	<b>644,722</b>	454,250
	-	-



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**10. INCOME TAX (continued)**

Significant components of the Company's unrecognized deferred tax assets and liabilities, after applying enacted corporate income tax rates, are as follows:

	<b>2023</b>	2022
	<b>\$</b>	\$
Non-capital losses	<b>1,296,554</b>	1,117,796
Capital losses	<b>104,050</b>	75,761
Resource property expenditures	<b>1,742,473</b>	1,742,473
Undeducted share issue costs and other	<b>37,942</b>	40,943
Investments	<b>1,841,769</b>	1,401,091
	<b>5,022,787</b>	4,378,064
Unrecognized deferred income tax assets	<b>(5,022,787)</b>	(4,378,064)
	<b>-</b>	-

At March 31, 2023, the Company had the following accumulated non-capital losses available for utilization in future years. If unused, these losses expire in the following years:

2032	305,693
2033	824,034
2034	742,174
2035	737,262
2036	350,367
2038	137,227
2039	217,246
2040	368,858
2041	792,694
2042	326,495
	<b>\$ 4,802,050</b>

At March 31, 2023, the Company had approximately \$385,369 in capital losses to available for utilization in the future years.

**11. SUBSEQUENT EVENTS**

On May 10, 2023, the Company incorporated a wholly owned subsidiary, Planet Ventures Exploration Inc. ("Subco").

On June 15, 2023, the Company entered into a claim sale agreement with Wildwood Explorations Inc., Shawn Ryan and Isaac Fage, pursuant to which the Company has agreed to purchase 1,013 mineral claims located in the province of Quebec, named the Potier claims.

**11. SUBSEQUENT EVENTS (continued)**

As consideration for the Potier claims, the Company has agreed to: (i) pay \$350,000 in cash; and (ii) issue an aggregate of five million common shares in the capital of the Company. The consideration shares will be subject to escrow conditions, pursuant to which: (i) one-third of the consideration shares will be released from escrow four months and one day after the date on which the company acquires the Potier claims; (ii) one-third of the consideration shares will be released eight months after the closing date; and (iii) one-third of the consideration shares will be released 12 months after the closing date. Additionally, Subco will grant Ryan a 1% net smelter return royalty on the Potier claims.