VALOUR INC.

CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

For the three months ended March 31, 2024 and 2023

(expressed in United States dollars)

Valour Inc.

NOTICE OF NO AUDITOR REVIEW OF
CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

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

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

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

Valour Inc.

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Valour Inc.
Condensed Consolidated Interim Statements of Financial Position
(Expressed in United States dollars)

	Note	March 31, 2024	December 31, 2023
		$	$
Assets			
Current			
Cash and cash equivalents	3,15	6,536,548	5,041,896
Amounts receivable	15	1,623,409	35,656
Investment, at fair value through profit and loss	4	2,909,438	2,838,826
Prepaid expenses	5	1,483,195	1,082,945
Due from related party	7	43,176,423	41,101,399
Digital assets	6,15	278,014,338	142,387,266
Digital assets loaned	6,15	95,995,976	204,417,574
Digital assets staked	6,15	270,312,612	23,073,407
Total current assets		700,051,939	419,978,969
Equipment		1,580	2,072
Goodwill		10,255	10,255
Total assets		700,063,774	419,991,297
Liabilities and shareholders' equity			
Current liabilities			
Accounts payable and accrued liabilities	8,15,18	4,778,537	4,664,458
Loans payable	9.15	42,500,000	42,500,000
ETP holders payable	10.15	670,057,465	384,190,602
Total current liabilities		717,336,002	431,355,060
Shareholders' equity			
Common shares	14	6,707	6,707
Share premium		2,770,990	2,770,990
Non-controlling interest		33,898	(3,575)
Deficit		(20,083,823)	(14,137,885)
Total equity		(17,272,228)	(11,363,763)
Total liabilities and equity		700,063,774	419,991,297
Nature of operations and going concern	1		
Subsequent events	19		

Approved on behalf of the Board of Directors:

"Olivier Roussy Newton"	*"Johan Wattenstrom"*
Director	Director

See accompanying notes to these condensed consolidated interim financial statements

Valour Inc.
Condensed Consolidated Interim Statements of Operations and Comprehensive (Loss)
(Expressed in United States dollars)

	Note	Three months ended March 31 2024	2023
		$	$
Revenues			
Realized and net change in unrealized gains and (losses) on digital assets	11	234,335,267	46,577,630
Realized and net change in unrealized gains and (losses) on ETP payables	12	(243,399,952)	(55,830,953)
Staking and lending income		4,298,970	422,760
Management fees		1,284,189	159,461
Realized (loss) on investments	4	-	(434)
Unrealized (loss) on investments	4	70,612	139,245
Interest income		1,081,205	680,848
Total revenues		(2,329,709)	(7,851,443)
Expenses			
Operating, general and administration	13,18	1,354,457	873,753
Depreciation - property, plant and equipment		492	492
Depreciation - right of use assets		-	25,163
Finance costs		1,278,470	948,497
Transaction costs		363,629	172,102
Foreign exchange loss (gains)		588,858	2,473
Total expenses		3,585,906	2,022,480
Net (loss) and comprehensive (loss) for the period		(5,915,615)	(9,873,923)
Net (loss) and comprehensive (loss) attributed to:			
Owners of the parent		(5,945,938)	(9,873,923)
Non-controlling interests		30,323	-
		(5,915,615)	(9,873,923)

See accompanying notes to these condensed consolidated interim financial statements

Valour Inc.
Condensed Consolidated Interim Statements of Cash Flows
(Expressed in United States dollars)

	Note	Three months ended March 31, 2024 $	2023 $
Cash (used in) provided by operations:			
Net (loss) for the period		$ (5,915,615)	$ (9,873,923)
Adjustments to reconcile net (loss) income to cash (used in) operating activities:			
Interest income		(1,081,205)	(680,848)
Depreciation - Property, plant & equipment		492	492
Depreciation - right of use assets		-	25,163
Realized loss on investments		-	434
Unrealized (gain) loss on investments		(70,612)	(139,245)
Realized and net change in unrealized (gains) and loss on digital assets	11	(234,335,267)	(46,577,630)
Realized and net change in unrealized (gains) and loss on ETP	12	243,399,952	55,830,953
Staking and lending income		(4,298,970)	(422,760)
Management fees		(1,284,189)	(159,461)
Unrealized loss on foreign exchange		(209,568)	1,681,883
		(3,794,982)	(314,942)
Adjustment for:			
Purchase of digital assets		(148,587,085)	(67,226,841)
Disposal of digital assets		111,197,559	57,026,127
Change in amounts receivable		21,279	(14,277)
Change in prepaid expenses and deposits		(400,250)	61,250
Change in due from related party		(993,819)	(637,594)
Change in accounts payable and accrued liabilities		114,080	748,869
Net cash (used in) operating activities		(42,443,218)	(10,357,409)
Financing activities			
Proceeds from ETP holders		197,449,064	36,219,031
Payments to ETP holders		(153,511,194)	(29,066,698)
Loan Payable		-	3,000,001
Net cash provided by financing activities		43,937,870	10,152,334
Change in cash and cash equivalents		1,494,652	(205,075)
Cash, beginning of year		5,041,896	3,428,952
Cash and cash equivalents, end of period		$ 6,536,548	$ 3,223,877

See accompanying notes to these condensed consolidated interim financial statements

Valour Inc.

Condensed Consolidated Interim Statements of Changes in Equity

(Expressed in United States dollars)

	Number of Common Shares	Common Shares	Share Premium	Non-controlling interest	Deficit	Total
Balance, December 31, 2023	**67,065,959**	**$ 6,707**	**$ 2,770,990**	**(3,575)**	**(14,137,885)**	**$ (11,363,763)**
Net (loss) and comprehensive (loss) for the period	-	-	-	37,473	(5,945,938)	(5,908,465)
Balance, March 31, 2024	**67,065,959**	**$ 6,707**	**$ 2,770,990**	**$ 33,898**	**$ (20,083,823)**	**$ (17,272,228)**
		-	-	-		
Balance, December 31, 2022	**67,065,959**	**$ 6,707**	**2,770,990**	**$ -**	**$ 591,510**	**$ 3,369,207**
Net (loss) and comprehensive (loss) for the period	-	-	-	-	(9,874,047)	(9,874,047)
Balance, March 31, 2023	**67,065,959**	**$ 6,707**	**$ 2,770,990**	**$ -**	**$ (9,282,537)**	**$ (6,504,840)**

See accompanying notes to these condensed consolidated interim financial statements

1. Nature of operations and going concern

Valour Inc. (the "Company") was incorporated on June 18, 2019 under the Companies Act of the Cayman Islands as an exempted company with limited liability. The Company's intended operations consists of being an issuer of exchange-traded certificates ("ETP") linked to various digital currencies and the hedging thereof. On March 31, 2021, the Company became a wholly owned subsidiary of DeFi Technologies Inc., a publicly listed company incorporated in Canada with shares listed on the NEO Exchange, through acquisition of 100% of the Company's share capital.

The Company's registered office is P.O. Box 10008, Willow House, Cricket Square, Grand Cayman, KY1-1001, Cayman Islands

These condensed consolidated interim financial statements were prepared on a going concern basis of presentation, which contemplates the realization of assets and settlement of liabilities as they become due in the normal course of operations for the next fiscal year. As at March 31, 2024, the Company has working capital (deficiency) of $(17,284,063) (December 31, 2023 - $(11,376,091)), including cash of $6,536,548 (December 31, 2023 - $5,041,896) and for the three months ended March 31, 2024 had a net loss and comprehensive loss of $(5,915,615) (for the three months ended March 31, 2023 – $(9,874,923)). The Company's current source of operating cash flow is dependent on the success of its business model and operations and there can be no assurances that sufficient funding, including adequate financing, will be available to cover the general and administrative expenses necessary for the maintenance of a public company. The Company's status as a going concern is contingent upon raising the necessary funds through the selling of investments, digital assets and issuance of equity or debt. Management believes its working capital will be sufficient to support activities for the next twelve months and expects to raise additional funds when required and available. There can be no assurance that funds will be available to the Company with acceptable terms or at all. These matters constitute material uncertainties that cast significant doubt about the ability of the Company to continue as a going concern.

These condensed consolidated interim financial statements do not reflect adjustments in the carrying value of the assets and liabilities, the reported revenues and expenses and the balance sheet classifications that would be necessary if the going concern assumption were not appropriate. These adjustments could be material.

International conflict and other geopolitical tensions and events, including war, military action, terrorism, trade disputes, and international responses thereto have historically led to, and may in the future lead to, uncertainty or volatility in global commodity and financial markets and supply chains. Russia's invasion of Ukraine has led to sanctions being levied against Russia by the international community and may result in additional sanctions or other international action and the escalation of war between Israel and Hamas in Gaza, any of which may have a destabilizing effect on commodity prices, supply chains, and global economies more broadly. Volatility in digital asset prices and supply chain disruptions may adversely affect the Corporation's business, financial condition, financing options, and results of operations. The extent and duration of the current Russia-Ukraine conflict or the Israel and Hamas conflict in Gaza and related international action cannot be accurately predicted at this time and the effects of such conflict may magnify the impact of the other risks, including those relating to digital asset price volatility and global financial conditions. The situation is rapidly changing and unforeseeable impacts, including on shareholders of the Corporation, and third parties with which the Corporation relies on or transacts, may materialize and may have an adverse effect on the Corporation's business, results of operation, and financial condition.

2. Material accounting policy information

(a) Statement of compliance

These condensed consolidated interim financial statements of the Company were 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. These condensed consolidated interim financial statements should be read in conjunction with the annual audited consolidated financial statements for the years ended December 31, 2023 and 2022, which was prepared in accordance with IFRS as issued by the IASB. These condensed consolidated interim financial statements of the Company were approved for issue by the Board of Directors on June 19, 2024.

2. Material accounting policy information (continued)

(b) Basis of consolidation

Subsidiaries consist of entities over which the Company is exposed to, or has rights to, variable returns as well as the ability to affect these returns through the power to direct the relevant activities of the entity. Subsidiaries are fully consolidated from the date control is transferred to the Company and are deconsolidated from the date control ceases. The condensed consolidated interim financial statements include all the assets, liabilities, revenues, expenses and cash flows of the Company and its subsidiary after eliminating inter-entity balances and transactions.

These condensed consolidated interim financial statements of fiscal 2024 comprise the financial statements of the Company and its wholly owned subsidiaries, Valour Europe AG, Valour Management Limited and Valour Digital Securities Limited. All material intercompany transactions and balances between the Company and its subsidiary have been eliminated on consolidation.

Intercompany balances and any unrealized gains and losses or income and expenses arising from intercompany transactions are eliminated in preparing the condensed consolidated interim financial statements.

(c) Basis of preparation and functional currency

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

Foreign currency transactions are recorded at the exchange rate as at the date of the transaction. At each statement of financial position date, monetary assets and liabilities in foreign currencies other than the functional currency are translated using the year end foreign exchange rate. Non-monetary assets and liabilities that are measured at fair value in a foreign currency are translated into the functional currency at the exchange rate when the fair value was determined. Non-monetary assets and liabilities in foreign currencies other than the functional currency are translated using the historical rate. All gains and losses on translation of these foreign currency transactions and balances are included in the profit and loss. The functional currency for Valour Europe AG, Valour Management Limited and Valour Digital Securities Limited is US Dollars.

The results and financial position of foreign operations (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

• assets and liabilities for each balance sheet presented are translated at the closing rate at the date of that balance sheet,

• income and expenses for each statement of loss and comprehensive loss are translated at average exchange rates (unless this is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the dates of the transactions), and

• all resulting exchange differences are recognized in other comprehensive loss.

On consolidation, exchange differences arising from the translation of any net investment in foreign entities and of borrowings are recognized in other comprehensive loss. When a foreign operation is sold or any borrowings forming part of the net investment are repaid, the associated exchange differences are reclassified to profit or loss, as part of the gain or loss on sale.

Goodwill and fair value adjustments arising on the acquisition of a foreign operation are treated as assets and liabilities of the foreign operation and translated at the closing rate.

2. Material accounting policy information (continued)

(d) Change in accounting policy

During the year ended December 31, 2023, the Company changed its accounting policy regarding the treatment for when the Company sells a portion of its digital asset holdings or when there's redemptions of its ETP payables. The Company has adopted first in, first out ("FIFO") to identify the units sold and determine the cost basis to use. As a result, for the three months ended March 31, 2023, realized gains (loss) on digital assets increase (decreased) by $1,778,305, respectively and unrealized gains (loss) (decreased) increased by $(1,778,305), respectively. As a result, for the three months ended March 31, 2023, realized gains (loss) on ETP payables (decreased) increase by $3,812,656, respectively and unrealized gains (loss) (decreased) increased by $(3,812,656), respectively.

There were no changes to the condensed consolidated interim statements of financial position, condensed consolidated interim statements of operations and comprehensive (loss) or condensed consolidated interim statements of cash flow.

(e) Significant accounting judgements, estimates and assumptions

The preparation of these condensed consolidated interim financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the reported amounts of assets, liabilities and disclosure of contingent assets and liabilities at the date of the condensed consolidated interim financial statements and reported amounts of revenues and expenses during the reporting period. Such estimates and assumptions are continuously evaluated and are based on management's experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Actual outcomes can differ from these estimates. The impacts of such estimates are pervasive throughout the condensed consolidated interim 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 the revision affects both current and future periods.

Information about critical judgments and estimates in applying accounting policies that have the most significant effect on the amounts recognized in the condensed consolidated interim financial statements are as follows:

(i) Accounting for digital assets

Among its digital asset holdings, only USDC was classified by the Company as a financial asset. The rest of its digital assets were classified following the IFRS Interpretations Committee (the "Committee") published its agenda decision on Holdings of Cryptocurrencies in June 2019. The Committee concluded that IAS 2 – Inventories applies to cryptocurrencies when they are held for sale in the ordinary course of business, otherwise an entity should apply IAS 38 - Intangible Assets to holdings of cryptocurrencies. The Company has assessed that it acts in a capacity as a commodity broker trader as defined in IAS 2 - Inventories, in characterizing certain of its holdings as inventory, or more specifically, digital assets. If assets held by commodity broker-traders are principally acquired for the purpose of selling in the near future and generating a profit from fluctuations in price or broker-traders' margin, such assets are accounted for as inventory, and changes in fair value less costs to sell are recognized in profit or loss. Digital currencies consist of cryptocurrency denominated assets (see Note 6) and are included in current and long-term assets. Digital currencies are carried at their fair value determined by the spot rate less costs to sell. The cost to sell digital assets is nominal. The digital currency market is still a new market and is highly volatile; historical prices are not necessarily indicative of future value; a significant change in the market prices for digital currencies would have a significant impact on the Company's earnings and financial position. Fair value is determined by taking the mid-point price at 17:30 CET digital asset exchanges consistent with the final terms for each exchange traded product ("ETP"). The primary digital asset exchanges used to value digital assets are Kraken, Bitfinex, Binance, Coinbase and Bitstamp. Where digital assets held do not have pricing on these exchanges, other exchanges would be used. On all material coins, Kraken, Bitfinex, Coinbase and Bitstamp were used. The Company revalues its digital assets quarterly.

2. Material accounting policy information (continued)

(e) Significant accounting judgements, estimates and assumptions (continued)

(ii) Accounting for ETP holder payables

Financial liabilities at fair value through profit or loss held includes ETP holders payable. Liabilities arising in connection with ETPs issued by the Company referencing the performance of digital assets are measured at fair value through profit or loss. Their fair value is a function of the unadjusted quoted price of the digital asset underlying the ETP, less any accumulated management fees. The fair value basis is consistent with the measurement of the underlying digital assets which are measured at fair value. The Company elected not to designate this as a hedging instrument. The ETPS are actively traded on the Nordic Growth Market ("NGM") and Germany Borse Frankfurt Zertifikate AG.

(iii) Fair value of investment in securities not quoted in an active market or private company investments

Where the fair values of financial assets and financial liabilities recorded on the statement of financial position cannot be derived from active markets, they are determined using a variety of valuation techniques. The inputs to these models are derived from observable market data where possible, but where observable market data are not available, judgment is required to establish fair values. Refer to Notes 4 and 15 for further details.

(iv) Business combinations and goodwill

Judgment is used in determining whether an acquisition is a business combination or an asset acquisition. In a business combination, all identifiable assets and liabilities acquired are recorded at their fair values. In determining the allocation of the purchase price in a business combination, including any acquisition related contingent consideration, estimates including market based and appraisal values are used. The contingent consideration is measured at its acquisition-date fair value and included as part of the consideration transferred in a business combination. Contingent consideration that is classified as equity is not remeasured at subsequent reporting dates and its subsequent settlement is accounted for within equity. Goodwill is assessed for impairment annually.

(v) Impairment of non-financial assets

The Company's non-financial assets include prepaid expenses, digital assets excluding USDC, equipment and right of use assets, intangibles and goodwill. Impairment of these non-financial assets exists when the carrying value of an asset exceeds its recoverable amount, which is the higher of its fair value less costs to sell and its value in use. These calculations are based on available data, other observable inputs and projections of cash flows, all of which are subject to estimates and assumptions.

(vi) Functional currency

The functional currency of the Company has been assessed by management based on consideration of the currency and economic factors that mainly influence the Company's digital currencies, production and operating costs, financing and related transactions. Specifically, the Company considers the currencies in which digital currencies are most commonly denominated and the currencies in which expenses are settled, by each entity, as well as the currency in which each entity receives or raises financing. Changes to these factors may have an impact on the judgment applied in the determination of the Company's functional currency.

(Expressed in United States dollars unless otherwise noted)

2. Material accounting policy information (continued)

(e) Significant accounting judgements, estimates and assumptions (continued)

(vii) Control

Significant judgment is involved in the determination whether the Company controls under IFRS 10. The Company is deemed to control an investee when it demonstrates: power over the investee, exposure, or rights to variable returns from its involvement with the investee and has the ability to use its power over the investee to affect the amount of the investor's returns. There is judgement required to determine whether these criterions are met. The Company determined it controlled Valour Digital Securities Limited through its role as arranger.

(viii) Accounting for digital assets held as collateral

The Company has provided digital assets as collateral for loans provided by digital asset liquidity provider. These digital assets held as collateral are included with digital assets and valued at fair value consistent with the Company's accounting policy for its digital assets. See note 2(e)(i).

3. Cash and cash equivalents

		31-Mar-24		31-Dec-23
Cash at banks	$	458,670	$	187,397
Cash at brokers		4,978,223		4,852,355
Cash at digital currency exchanges		1,099,655		2,144
	$	6,536,548	$	5,041,896

4. Investments, at fair value through profit and loss

At March 31, 2024, the Company's investment portfolio consisted of one publicly traded investment and one private investments for a total estimated fair value of $2,909,438 (December 31, 2023 – two publicly traded investment and one private investments at a total estimated fair value of $2,838,826).

During the three months ended March 31, 2024, the Company had an unrealized gain of $70,612 (March 31, 2023 – realized (loss) of $(434) and an unrealized gain of $139,245) on private and public investments.

		31-Mar-24		31-Dec-23
DeFi Technologies Inc.	$	1,989,364	$	1,918,752
3iQ Corp.		920,074		920,074
Balance, end of period	$	2,909,438	$	2,838,826

5. Prepaid expenses

		31-Mar-24		31-Dec-23
Prepaid expenses	$	1,483,195	$	1,082,945
	$	1,483,195	$	1,082,945

(Expressed in United States dollars unless otherwise noted)

6. Digital Assets

As at March 31, 2024, the Company's digital assets consisted of the below digital currencies, with a fair value of $644,322,926 (December 31, 2023 - $369,878,247). Digital currencies are recorded at their fair value on the date they are acquired and are revalued to their current market value at each reporting date. Fair value is determined by taking the mid-point price at 17:30 CET from Kraken, Bitfinex, Binance, Coinbase and other exchanges consistent with the final terms for each ETP. The Company's holdings of digital assets consist of the following:

	March 31, 2024		December 31, 2023	
	Quantity	$	Quantity	$
Binance Coin	1,513.1116	883,430	236.4452	73,877
Bitcoin	2,381.8503	141,897,456	2,271.3329	82,445,984
Ethereum	21,676.5143	77,444,758	21,537.4066	49,868,683
EthereumPoW	0.2000	1	0.2000	1
Cardano	61,168,793.2691	39,997,821	54,210,783.1700	32,743,313
Polkadot	2,027,300.6397	19,325,041	1,666,147.7880	13,890,341
Solana	1,699,772.18	317,117,996	1,682,112.49	178,234,621
Uniswap	318,909.1202	3,991,403	296,352.0602	2,217,365
USDC		510		509
USDT		18,345		84,573
Litcoin	-	-	17.3931	1,300
Doge	373,126.4335	82,125	220,474.3947	20,151
Cosmos	11,245.3147	138,853	11,700.0000	129,666
Avalanche	421,146.8852	23,062,657	248,151.6644	9,941,105
Matic	18,786.3068	18,792	0.0003	-
Ripple	5,229,376.9426	3,250,057	-	-
Enjin	56,055.3285	28,330	76,029.7317	47,435
Tron	584,329.3077	70,305	432,342.3671	168,786
Terra Luna	203,002.3956	-	118,490.5094	12,536
ICP	911,662.5358	16,966,035	202,302.5360	-
AAVE	28.7781	3,634		
LINK	1,330.8496	25,379		
Total Digital Assets		**644,322,926**		**369,880,247**

The continuity of digital assets for the three months ended March 31, 2024 and year ended December 31, 2023:

	March 31, 2024	December 31, 2023
Opening balance	$ 369,880,247	$ 76,868,871
Digital assets acquired	148,587,085	233,672,201
Digital assets disposed	(111,197,559)	(179,577,616)
Realized gain (loss) on digital assets	51,674,909	(517,332)
Digital assets earned from staking, lending and fees	5,583,159	2,597,760
Net change in unrealized gains and losses on digital assets	182,660,358	237,501,793
Foregin exchange (loss) gain / fees / other	(2,865,273)	(665,430)
	$ 644,322,926	**$ 369,880,247**

In the normal course of business, the Company enters into open-ended lending arrangements with certain financial institutions, whereby the Company loans certain fiat and digital assets in exchange for interest income. The Company can demand the repayment of the loans and accrued interest at any time. The digital assets on loan are included in digital assets balances above.

(Expressed in United States dollars unless otherwise noted)

6. Digital Assets (continued)

Digital assets held by counterparty for the three months ended March 31, 2024 and year ended December 31, 2023 is the following:

		March 31, 2024		December 31, 2023
Counterparty A	$	295,815,470	$	318,832,535
Counterparty B		25,212,500		23,130,914
Counterparty C		3,702,772		2,098,357
Counterparty D		17,850,840		8,910,812
Counterparty E		6,959,762		6,572,863
Counterparty F		19,048,419		633,561
Counterparty G		11,228,734		6,684,552
Counterparty H		18,039,573		-
Other		1,228,720		187,732
Self custody		245,236,136		2,828,921
Total	**$**	**644,322,926**	**$**	**369,880,247**

As of March 31, 2024, digital assets held as collateral consisted of the following:

	Number of coins on loan		Fair Value
Bitcoin	816.4876	$	30,908,049
Ethereum	9,946.4729		35,534,160
Total	**10,762.9605**	**$**	**66,442,209**

As at March 31, 2024, the 475 Bitcoin held by Genesis Global Capital LLC (“Genesis”) as collateral against a loan has been written down to $6,679,315, the fair value of the loan and interest held with Genesis.

As of December 31, 2023, digital assets held as collateral consisted of the following:

	Number of coins on loan		Fair Value
Bitcoin	1,158.2614		35,323,584
Ethereum	9,263.7800		21,450,000
Total	**10,422.0414**	**$**	**56,773,584**

As at December 31, 2023, the 475 Bitcoin held by Genesis Global Capital LLC (“Genesis”) as collateral against a loan has been written down to $6,570,862, the fair value of the loan and interest held with Genesis.

(Expressed in United States dollars unless otherwise noted)

6. Digital Assets (continued)

Digital Assets loaned

As of March 31, 2024, the Company has on loan select digital assets to borrowers at annual rates ranging from approximately 2.4% to 9.7% and accrue interest on a monthly basis. The digital assets on loan are measured at fair value through profit and loss.

As of March 31, 2024, digital assets on loan consisted of the following:

	Number of coins on loan		Fair Value	Fair Value Share
Digital assets on loan:				
Ethereum	8,500.0000		30,366,580	32%
Cardano	19,000,000.0000		12,424,100	13%
Polkadot	1,800,000.0000		17,158,320	18%
Uniswap	150,000.0000		1,877,370	2%
Avalanche	300,000.0000		16,429,380	17%
Bitcoin	250.0365		17,740,226	18%
Total	**21,258,750.0365**	**$**	**95,995,976**	**100%**

As of December 31, 2023, the Company has on loan select digital assets to borrowers at annual rates ranging from approximately 2.4% to 9.7% and accrue interest on a monthly basis. The digital assets on loan are measured at fair value through profit and loss.

As of December 31, 2023, digital assets on loan consisted of the following:

	Number of coins on loan		Fair Value
Digital on loan:			
Ethereum	7,000.0000		16,208,290
Cardano	8,500,000.0000		5,134,000
Polkdot	1,373,835.0000		11,453,388
Solana	1,572,441.0000		166,613,961
Avalanche	125,009.0000		5,007,936
Total	**11,578,285.0000**	**$**	**204,417,574**

As of March 31, 2024, the digital assets on loan by significant borrowing counterparty is as follow:

	Interest rates	Number of coins on loan		Fair Value
Digital assets on loan:				
Counterparty A	2.4% to 9.7%	21,258,500.0000		78,255,750
Counterparty D	3.79%	250.0365		17,740,226
Total		**21,258,750.0365**	**$**	**95,995,976**

As of March 31, 2024, digital assets on loan were concentrated with counterparties as follows:

	Geography	March 31, 2024
Digital assets on loan:		
Counterparty A	Cayman Islands	82%
Counterparty D	United States	18%
Total		**100%**

(Expressed in United States dollars unless otherwise noted)

6. Digital Assets (continued)

As of December 31, 2023, the digital assets on loan by significant borrowing counterparty is as follow:

	Interest rates	Number of coins on loan		Fair Value
Digital on loan:				
Counterparty A	2.4% to 9.7%	11,578,285.0000		204,417,574
Total		**11,578,285.0000**	**$**	**204,417,574**

As of March 31, 2024, digital assets on loan were concentrated with counterparties as follows:

	Geography	December 31, 2023
Digital on loan:		
Counterparty A	Cayman Islands	100%
Total		**100%**

The Company's digital assets on loan are exposed to credit risk. The Company limits its credit risk by placing its digital assets on loan with high credit quality financial institutions that have sufficient capital to meet their obligations as they come due and on which the Company has performed internal due diligence procedures. The Company's due diligence procedures may include, but are not limited to, review of the financial position of the borrower, review of the internal control practices and procedures of the borrower, review of market information, and monitoring the Company's risk exposure thresholds. As of March 31, 2024 and December 31, 2023, the Company does not expect a material loss on any of its digital assets on loan. While the Company intends to only transact with counterparties that it believes to be creditworthy, there can be no assurance that a counterparty will not default and that the Company will not sustain a material loss on a transaction as a result.

Digital Assets Staked

As of December 31, 2023, the Company has skated select digital assets to borrowers at annual rates ranging from approximately 3.15% and accrue rewards as they are earned. The digital assets staked are measured at fair value through profit and loss.

As of March 31, 2024, digital assets staked consisted of the following:

	Number of coins staked		Fair Value	Fair Value Share
Digital assets on staked:				
Cardano	38,201,004.7950		24,979,637	9%
Solana	1,315,000.0000		245,332,975	91%
Total	**39,516,004.7950**	**$**	**270,312,612**	**100%**

As of December 31, 2023, digital assets staked consisted of the following:

	Number of coins staked		Fair Value
Digital on staked:			
Cardano	38,201,004.7950		23,073,407
Total	**38,201,004.7950**	**$**	**23,073,407**

(Expressed in United States dollars unless otherwise noted)

6. Digital Assets (continued)

As of March 31, 2024, the digital assets staked by significant borrowing counterparty is as follow:

	Interest rates	Number of coins staked		Fair Value
Digital on staked:				
Counterparty B	3.12%	38,201,004.7950		24,979,637
Self custody	8.88%	1,315,000.0000		245,332,975
Total		**39,516,004.7950**	**$**	**270,312,612**

As of December 31, 2023, the digital assets staked by significant borrowing counterparty is as follow:

	Interest rates	Number of coins staked		Fair Value
Digital on staked:				
Counterparty B	3.15%	38,201,004.7950		23,073,407
Total		**38,201,004.7950**	**$**	**23,073,407**

As of March 31, 2024, digital assets staked were concentrated with counterparties as follows:

	Geography	March 31, 2024
Digital on staked:		
Counterparty B	Switzerland	9%
Self custody	Switzerland	91%
Total		**100%**

As of December 31, 2023, digital assets staked were concentrated with counterparties as follows:

	Geography	December 31, 2023
Digital on staked:		
Counterparty B	Switzerland	100%
Total		**100%**

The Company’s digital assets staked are exposed to market risk, liquidity risk, lockup duration risk, loss or theft of assets and return duration risk. The Company limits these risks by placing its digital assets staked with open term durations without lockups as a standard for all staking arrangements. The Company also places allocation limits by counterparty and only deals with high credit quality financial institutions that are believed to have sufficient capital to meet their obligations as they come due and on which the Company has performed internal due diligence procedures. The Company's due diligence procedures may include, but are not limited to, review of the financial position of the counterparty, review of the internal control practices and procedures of the counterparty, review of market information, and monitoring the Company’s risk exposure thresholds. As of March 31, 2024 and December 31, 2023, the Company does not expect a material loss on any of its digital assets staked. While the Company intends to only transact with counterparties that it believes to meets the Company staking policy criteria, there can be no assurance that a counterparty will not default and that the Company will not sustain a material loss on a transaction as a result.

(Expressed in United States dollars unless otherwise noted)

7. Due to Related Party

As at December 31, 2023, DeFi Technologies Inc., the Company's sole shareholder and ultimate parent company, had a balance $43,176,423 (December 31, 2023 - $41,101,399) owed to the Company under a credit line agreement. The credit line agreement carries an interest rate of 0.85% over the interest incurred by the Company on any loans and is reviewed by both parties on a quarterly basis.

8. Accounts payable and accrued liabilities

		31-Mar-24		31-Dec-23
Corporate payables	$	1,373,139	$	1,335,744
Digital asset liquidity provider		3,405,398		3,328,714
	$	4,778,537	$	4,664,458

9. Loans payable

On January 14, 2022 and January 17, 2022, the Company entered into various loans with a digital asset liquidity provider totaling $37,000,000. On April 4, 2022, the Company entered into a loan with a second digital asset provider for $5,500,000. In April 2022, the Company partially repaid of one of the loans of $3,500,000, while the remainder of these loans have since been renewed and continue to be outstanding. The Company has spread the loans among three different digital asset liquidity providers to reduce single entity concentration and be able to obtain more competitive rates. As of March 31, 2024, the loan principal of $39,500,000 (December 31, 2023 - $39,500,000) was outstanding. The loans terms are 90 days and open term and have interest rates ranging from 9.5% and 18% The extended loans are secured with 658 BTC and 9,946 ETH.

One of Company's digital asset liquidity provider loans payable is held with Genesis. On January 20, 2023, Genesis declared bankruptcy and currently is not allowing withdrawals and not extending new loans. On March 15, 2023, the Court ruled that the Genesis debtors may not sell, buy, trade in crypto assets without prior consent by the creditors. The Court also allowed for the payment of some service providers required for upholding the operations but nothing beyond that. The Company's loan with Genesis is an open term loan. The Genesis loan and interest payable is $6,679,315 and secured with 475 BTC. See Note 6.

On March 23, 2023, the Company entered into a loan agreement with an institutional investment firm that specializes in long-term asset backed financing for secured loan of $3,000,001. The loan is secured by 158.2614 BTC. The Company paid a 1% origination fee to the lender. The principal is due eighteen months from the closing date. Interest payments of $24,375 are due quarterly with the first payment due on June 23, 2023. As of March 31, 2024, the loan principal of $3,000,001 (December 31, 2023 - $3,000,001) was outstanding.

(Expressed in United States dollars unless otherwise noted)

10. ETP holders payable

The fair market value of the Company's ETPs as at March 31, 2024 and December 31, 2023 were as follows:

	March 31, 2024	December 31, 2023
	$	$
Valour Bitcoin Zero EUR	18,527,879	10,074,872
Valour Bitcoin Zero SEK	149,236,299	85,987,477
Valour Ethereum Zero EUR	1,986,717	1,078,311
Valour Ethereum Zero SEK	74,190,340	48,936,365
Valour Polkadot EUR	147,267	164,084
Valour Polkadot SEK	19,139,377	13,651,995
Valour Cardano EUR	131,263	79,547
Valour Cardano SEK	39,545,314	32,610,860
Valour Uniswap EUR	184,201	100,529
Valour Uniswap SEK	3,786,116	2,102,663
Valour Binance EUR	71,585	1,179
Valour Binance SEK	600,087	
Valour Solana EUR	6,598,329	3,187,402
Valour Solana SEK	311,445,478	175,722,575
Valour Cosmos EUR	128,906	120,650
Valour Digital Asset Basket 10 EUR	309,827	227,905
Valour Digital Asset Basket 10 SEK	4,189	32,338
Valour Bitcoin Carbon Neutral EUR	15,695	3,998
Valour Avalanche EUR	213,790	103,922
Valour Avalanche SEK	22,729,652	9,854,935
Valour Enjin EUR	26,431	148,995
Valour Ripple SEK	3,035,251	-
1Valour Bitcoin Physical Carbon Neutral	300,227	-
1Valour Ethereum Physical Staking	145,316	-
1Valour Internet Computer Physical Carbon Neutral	16,966,019	-
1Valour STOXX Bitcoin Suisse Digital Asset Blue Chip	591,911	-
	670,057,465	**384,190,602**

The Company's ETP certificates are unsecured and trade on the Nordic Growth Market "(NGM") and / or Germany Borse Frankfurt Zertifikate AG. ETPs issued by the Company referencing the performance of digital assets are measured at fair value through profit or loss. Their fair value is a function of the unadjusted quoted price of the digital asset underlying the ETP, less any accumulated management fees. The fair value basis is consistent with the measurement of the underlying digital assets which are measured at fair value. The Company's policy is always to hedge 100% of the market risk by holding the underlying digital asset. Hedging is done continuously and in direct correspondence to the issuance of certificates to investors.

11. Realized and net change in unrealized gains and (losses) on digital assets

	31-Mar-24	31-Mar-23
Realized gains / (loss) on digital assets	$ 51,674,909	$ 122,783,635
Unrealized gains / (loss) on digital assets	182,660,358	(76,206,005)
	$ 234,335,266	$ 46,577,630

(Expressed in United States dollars unless otherwise noted)

12. Realized and net change in unrealized gains and (losses) on ETP payables

	31-Mar-24	31-Mar-23
Realized gains / (loss) on ETPs	$ (73,972,089)	$ 24,276,167
Unrealized gains / (loss) on ETPs	(169,427,863)	(80,107,120)
	$ (243,399,952)	$ (55,830,953)

13. Expenses by nature

	Three months ended March 31 2024	2023
Management and consulting fees	$ 752,966	$ 439,575
Travel and promotion	220,759	33,507
Office and rent	254,795	400,671
Accounting and legal	125,937	-
	$ 1,354,457	$ 873,753

14. Share Capital

As at March 31, 2024 and December 31, 2023, the Company is authorized to issue 500,000,000 common shares with a par value of $0.0001 each.

As at March 31, 2024 and December 31, 2023, the Company has issued 67,065,959 common shares with a par value of $0.0001 each.

15. Financial instruments

Financial assets and financial liabilities as at March 31, 2024 and December 31, 2023 are as follows:

	Asset / (liabilities) at amortized cost	Assets /(liabilities) at fair value through profit/(loss)	Total
December 31, 2023			
Cash	$ 5,041,896	$ -	$ 5,041,896
Amounts receivable	-	35,656	35,656
Investments at fair valur through profir or loss	-	2,838,826	2,838,826
USDC	-	509	509
Due from related party	41,101,399	-	41,101,399
Accounts payable and accrued liabilities	(4,664,458)	-	(4,664,458)
Loan payable	(42,500,000)	-	(42,500,000)
ETP holders payable	0	(384,190,602)	(384,190,602)
March 31, 2024			
Cash	$ 6,536,548	$ -	$ 6,536,548
Amounts receivable	1,623,409	-	1,623,409
Investments at fair valur through profir or loss	-	2,909,438	2,909,438
USDC	-	510	510
Due from related party	43,176,423		43,176,423
Accounts payable and accrued liabilities	(4,778,537)	-	(4,778,537)
Loan payable	(42,500,000)	-	(42,500,000)
ETP holders payable	-	(670,057,465)	(670,057,465)

15. Financial instruments (continued)

The Company’s financial instruments are exposed to several risks, including market, liquidity, credit and currency risks. There have been no significant changes in the risks, objectives, policies and procedures from the previous year. A discussion of the Company’s use of financial instruments and their associated risks is provided below:

Credit risk

Credit risk arises from the non-performance by counterparties of contractual financial obligations. The Company’s primary counterparty related to its cash carries an investment grade rating as assessed by external rating agencies. The Company maintains all or substantially all of its cash with a major financial institution domiciled in Europe. Deposits held with this institution may exceed the amount of insurance provided on such deposits.

Regulatory Risks

As cryptocurrencies have grown in both popularity and market size, governments around the world have reacted differently to cryptocurrencies with certain governments deeming them illegal while others have allowed their use and trade. Ongoing and future regulatory actions may alter, perhaps to a materially adverse extent, the ability of the Company to continue to operate. The effect of any future regulatory change on the DeFi ecosystem or any cryptocurrency, project or protocol that the Company may hold is impossible to predict, but such change could be substantial and adverse to the space as a whole, as well as potentially to the Company. Governments may, in the future, restrict or prohibit the acquisition, use or redemption of cryptocurrencies. Ownership of, holding or trading in cryptocurrencies may then be considered illegal and subject to sanction. Governments may also take regulatory action that may increase the cost and/or subject cryptocurrency mining companies to additional regulation.

Custodian Risks

The Company uses multiple custodians (or third-party “wallet providers”) to hold digital assets for its underlying its ETPs. Such custodians may or may not be subject to regulation by U.S. state or federal or non-U.S. governmental agencies or other regulatory or self-regulatory organizations. The Company could have a high concentration of its digital assets in one location or with one custodian, which may be prone to losses arising out of hacking, loss of passwords, compromised access credentials, malware or cyberattacks. Custodians may not indemnify us against any losses of digital assets. Digital assets held by certain custodians may be transferred into “cold storage” or “deep storage,” in which case there could be a delay in retrieving such digital assets. The Company may also incur costs related to the third-party custody and storage of its digital assets. Any security breach, incurred cost or loss of digital assets associated with the use of a custodian could materially and adversely affect our trading execution, the value of our and the value of any investment in our common shares. Furthermore, there is, and is likely to continue to be, uncertainty as to how U.S. and non-U.S. laws will be applied with respect to custody of cryptocurrencies and other digital assets held on behalf of clients. For example, U.S.- regulated investment advisers may be required to keep client “funds and securities” with a “qualified custodian”; there remain numerous questions about how to interpret and apply this rule, and how to identify a “qualified custodian” of, digital assets, which are obviously kept in a different way from the traditional securities with respect to which such rules were written. The uncertainty and potential difficulties associated with this question and related questions could materially and adversely affect our ability to continuously develop and launch our business lines. The Company may also incur costs related to the third-party custody and storage of its digital assets. Any security breach, incurred cost or loss of digital assets associated with the use of a custodian could materially and adversely affect the execution of hedging ETPs, the value of the Company’s assets and the value of any investment in the Common Shares.

(Expressed in United States dollars unless otherwise noted)

15. Financial instruments (continued)

Liquidity risk

Liquidity risk is the risk that the Company will not have sufficient cash resources to meet its financial obligations as they come due. The Company's liquidity and operating results may be adversely affected if the Company's access to the capital markets is hindered, whether as a result of a downturn in stock market conditions generally or related to matters specific to the Company, or if the value of the Company's investments declines, resulting in losses upon disposition. In addition, some of the investments the Company holds are lightly traded public corporations or not publicly traded and may not be easily liquidated. The Company generates cash flow from proceeds from the disposition of its investments and digital assets. There can be no assurances that sufficient funding, including adequate financing, will be available to cover the general and administrative expenses necessary for the maintenance of a public company. All of the Company's assets, liabilities and obligations are due within one to three years.

The Company manages liquidity risk by maintaining adequate cash balances and liquid investments and digital assets. The Company continuously monitors and reviews both actual and forecasted cash flows, and also matches the maturity profile of financial and non-financial assets and liabilities. As at March 31, 2024, the Company had current assets of $700,051,939 (December 31, 2023 - $419,978,969) to settle current liabilities of $717,336,002 (December 31, 2023 - $431,355,060).

The following table shows the Company's source of liquidity by assets / (liabilities) as at March 31, 2024 and December 31, 2023:

March 31, 2024			
	Total	Less than 1 year	1-3 years
Cash	$ 6,536,548	$ 6,536,548	$ -
Amounts receivable	1,623,409	1,623,409	-
Private investments	2,909,438	2,909,438	-
Prepaid expenses	1,483,195	1,483,195	-
Digital assets	644,322,926	644,322,926	-
Due to related party	43,176,423	43,176,423	
Accounts payable and accrued liabilities	(4,778,537)	(4,778,537)	-
Loans payable	(42,500,000)	(42,500,000)	-
ETP holders payable	(670,057,465)	(670,057,465)	-
Total assets / (liabilities) - March 31, 2024	$ (17,284,063)	$ (17,284,063)	$ -
December 31, 2023			
	Total	Less than 1 year	1-3 years
Cash	5,041,896	$ 5,041,896	$ -
Amounts receivable	35,656	35,656	-
Investments at fair value through profir or loss	2,838,826	2,838,826	-
Prepaid expenses	1,082,945	1,082,945	-
Digital assets	369,878,247	369,878,247	-
Due to related party	41,101,399	41,101,399	
Accounts payable and accrued liabilities	(4,664,458)	(4,664,458)	-
Loans payable	(42,500,000)	(42,500,000)	-
ETP holders payable	(384,190,602)	(384,190,602)	-
Total assets / (liabilities) - December 31, 2023	$ (11,376,091)	$ (11,376,091)	$ -

Digital assets included in the table above are non-financial assets except USDC. For the purposes of liquidity risk analysis, these non-financial assets were included as they are mainly utilized to pay off any redemptions related to ETP holders payable, a financial liability. The lent and staked digital assets fall under the "less than 1 year" bucket.

15. Financial instruments (continued)

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 because of changes in market prices.

(a) Price and concentration risk

The Company is exposed to market risk in trading its investments and unfavourable market conditions could result in dispositions of investments at less than favorable prices. In addition, most of the Company's investments are in the technology and resource sector.

(b) Interest rate risk

The Company's cash is subject to interest rate cash flow risk as it carries variable rates of interest. The Company's interest rate risk management policy is to purchase highly liquid investments with a term to maturity of one year or less on the date of purchase. Based on cash balances on hand at March 31, 2024, a 1% change in interest rates could result in $65,365 change in net loss.

(c) Currency risk

Currency risk is the risk that the fair value of, or future cash flows from, the Company's financial instruments will fluctuate because of changes in foreign exchange rates. The Company's operations are exposed to foreign exchange fluctuations, which could have a significant adverse effect on its results of operations from time to time. The Company's foreign currency risk arises primarily with respect to Canadian dollar, Euro, Swiss Franc, Swedish Kronos and British Pound. Fluctuations in the exchange rates between this currency and the Canadian dollar could have a material effect on the Company's business, financial condition and results of operations. The Company does not engage in any hedging activity to mitigate this risk. The Company reduces its currency risk by maintaining minimal cash balances held in foreign currency.

As at March 31, 2024 and December 31, 2023, the Company had the following financial and non-financial assets and liabilities, (amounts posted in United States dollars) denominated in foreign currencies:

March 31, 2024	Canadian	British	Swiss	Euro	Swedish Kronos
Cash	$ 3,988	$ 7,874	$ 1,103,934	$ 3,840,914	$ 30,062,075
Receivables				1,146	
Investments	2,909,438				
Accounts payable and accrued liabilities			(4,018)		(689)
Net assets (liabilities)	$ 2,913,426	$ 7,874	$ 1,099,916		$ 30,061,386

December 31, 2023	Canadian	British	Swiss	Euro	Swedish Kronos
Cash	$ 2,803	$ 7,955	$ 173,719	$ 790,120	$ 2,556,475
Receivables			34,227		
Investment at fair value througjh profit and loss	2,838,826				
Prepaid investment			57,720		
Accounts payable and accrued liabilities			(236,066)		
Net assets (liabilities)	$ 2,841,629	$ 7,955	$ 29,600	$ 790,120	$ 2,556,475

A 10% increase (decrease) in the value of the Canadian dollar against all foreign currencies in which the Company held financial instruments as of March 31, 2024 would result in an estimated increase (decrease) in net income of approximately $3,408,300 (December 31, 2023 - $622,580).

(Expressed in United States dollars unless otherwise noted)

15. Financial instruments (continued)

(d) Digital currency risk factors: Perception, Evolution, Validation and Valuation

A digital currency does not represent an intrinsic value or a form of credit. Its value is a function of the perspective of the participants within the marketplace for that digital currency. The price of the digital currency fluctuates as a result of supply and demand pressures that accumulate in the market for it.

Having a finite supply (in the case of many but not all digital currencies), the more people who want to own that digital currency, the more the market price increases and vice-versa.

The most common means of determining the value of a digital currency is through one or more cryptocurrency exchanges where that digital currency is traded. Such exchanges publicly disclose the "times and sales" of the various listed pairs. As the marketplace for digital currencies evolves, the process for assessing value will become increasingly sophisticated.

(e) Fair value of financial instruments

The Company has determined the carrying values of its financial instruments as follows:

i. The carrying values of cash, amounts receivable, accounts payable and accrued liabilities approximate their fair values due to the short-term nature of these instruments.
ii. Public and private investments are carried at amounts in accordance with the Company's accounting policies as set out in Note 2 in the Company's December 31, 2023 financial statements.
iii. Digital assets classified as financial assets relate to USDC which is measured at fair value.

The following table illustrates the classification and hierarchy of the Company's financial instruments, measured at fair value in the statements of financial position as at March 31, 2024 and December 31, 2023.

Investments, fair value	**Level 1** *(Quoted Market price)*	**Level 2** *(Valuation technique -observable market Inputs)*	**Level 3** *(Valuation technique - non-observable market inputs)*	Total
Publicly traded investments	$ 1,989,364	$ -	$ -	$ 1,989,364
Privately traded invesments	-	-	920,074	920,074
Digital assets	-	510	-	510
March 31, 2024	$ 1,989,364	$ 510	$ 920,074	$ 2,909,948
Publicly traded investments	$ 1,918,752	$ -	$ -	$ 1,918,752
Privately traded invesments	-	-	920,074	920,074
Digital assets	-	509	-	509
December 31, 2023	$ 1,918,752	$ 509	$ 920,074	$ 2,839,335

(Expressed in United States dollars unless otherwise noted)

15. Financial instruments (continued)

(e) Fair value of financial instruments (continued)

Level 2 Hierarchy

The following table presents the changes in fair value measurements of financial instruments classified as Level 2 during the periods ended March 31, 2024 and December 31, 2023. These financial instruments are measured at fair value utilizing non-observable market inputs. The net realized losses and net unrealized gains are recognized in the statements of loss

Investments, fair value for the period ended		March 31, 2024		December 31, 2023
Balance, beginning of period	$	509	$	1,171
Purchase / Disposal		1		(662)
Balance, end of period	$	510	$	509

Level 3 Hierarchy

The following table presents the changes in fair value measurements of financial instruments classified as Level 3 during the periods ended March 31, 2024 and December 31, 2023. These financial instruments are measured at fair value utilizing non-observable market inputs. The net realized losses and net unrealized gains are recognized in the statements of loss.

Investments, fair value for the period ended		March 31, 2024		December 31, 2023
Balance, beginning of period	$	920,074	$	920,074
Unrealized gain/(loss) net		-		-
Balance, end of period	$	920,074	$	920,074

Within Level 3, the Company includes private company investments that are not quoted on an exchange. The key assumptions used in the valuation of these instruments include (but are not limited to) the value at which a recent financing was done by the investee, company-specific information, trends in general market conditions and the share performance of comparable publicly-traded companies.

As valuations of investments for which market quotations are not readily available, are inherently uncertain, may fluctuate within short periods of time and are based on estimates, determination of fair value may differ materially from the values that would have resulted if a ready market existed for the investments. Given the size of the private investment portfolio, such changes may have a significant impact on the Company's financial condition or operating results.

The following table presents the fair value, categorized by key valuation techniques and the unobservable inputs used within Level 3 as at March 31, 2024 and December 31, 2023.

Description		*Fair vaue*	*Valuation technique*	*Significant unobservable input(s)*	*Range of significant unobservable input(s)*
3iQ Corp.	$	920,074	Recent financing	Marketability of shares	0% discount
March 31, 2024	$	920,074			
3iQ Corp.	$	920,074	Recent financing	Marketability of shares	0% discount
December 31, 2023	$	920,074			

15. Financial instruments (continued)

(e) Fair value of financial instruments (continued)

3iQ Corp. ("3iQ")
On March 31, 2020, the Company acquired 187,007 common shares of 3iQ as part of the Company's acquisition of Valour. As at March 31, 2024, the valuation of 3iQ was based on the recent transaction which is indicative of being the fair market value. Management has determined that there are no reasonably possible alternative assumptions that would change the fair value significantly as at March 31, 2024. As at March 31, 2024, a +/- 10% change in the fair value of 3iQ will result in a corresponding +/- $92,074 (December 31, 2023 - $92,047) change in the carrying amount.

16. Digital asset risk

(a) Digital currency risk factors: Risks due to the technical design of cryptocurrencies

The source code of many digital currencies, such as Bitcoin, is public and may be downloaded and viewed by anyone. As with all code, there may be a bug in the respective code which is yet to be found and repaired and can ultimately jeopardize the integrity and security of one or more of these networks.

Should miners for reasons yet unknown cease to register completed transactions within blocks which have been detached from the block chain, the confidence in the protocol and network will be reduced, which will reduce the value of the digital currency associated with that protocol, and the ETP payable balances that are valued with reference to the respective digital asset.

Protocols for most digital assets or cryptocurrencies are public open source software, they could be particularly vulnerable to hacker attacks, which could be damaging for the digital currency market and may be the cause for investors to choose other currencies or assets to invest in.

(b) Digital currency risk factors: Ownership, Wallets

Rather than the actual cryptocurrency (which are "stored" on the blockchain), a cryptocurrency wallet stores the information necessary to transact the cryptocurrency. Those digital credentials are needed so one can access and spend the underlying digital assets. Some use public-key cryptography in which two cryptographic keys, one public and one private, are generated and stored in a wallet. There are several types of wallets:

- Hardware wallets are USB-like hardware devices with a small screen built specifically for handling private keys and public keys/addresses.
- Paper wallets are simply paper printouts of private and public addresses.
- Desktop wallets are installable software programs/apps downloaded from the internet that hold your private and public keys/addresses.
- Mobile wallets are wallets installed on a mobile device and are thus always available and connected to the internet.
- Web wallets are hot wallets that are always connected to the internet that can be stored in a browser or can be "hosted" by third party providers such as an exchange.

16. Digital asset risk (continued)

(c) Digital currency risk factors: Political, regulatory risk and technology in the market of digital currencies

The legal status of digital currencies, inter alia Bitcoin varies between different countries. The lack of consensus concerning the regulation of digital currencies and how such currencies shall be handled tax wise causes insecurity regarding their legal status. As all digital currencies remain largely unregulated assets, there is a risk that politics and future regulations may negatively impact the market of digital currencies and companies operating in such market. It is impossible to estimate how politics and future regulations may affect the market. However, future regulations and changes in the legal status of the digital currencies is a political risk which may affect the price development of the tracked digital currencies.

The perception (and the extent to which it is held) that there is significant usage of the digital assets in connection with criminal or other illicit purposes, could materially influence the development and regulation of digital assets (potentially by curtailing the same).

As technological change occurs, the security threats to the Company's cryptocurrencies, DeFi protocol tokens and other digital assets will likely adapt and previously unknown threats may emerge. The Company's ability to adopt technology in response to changing security needs or trends may pose a challenge to the safekeeping of the Company's cryptocurrencies, DeFi protocol tokens and other digital assets. To the extent that the Company is unable to identify and mitigate or stop new security threats, the Company's cryptocurrencies, DeFi protocol tokens and other digital assets may be subject to theft, loss, destruction or other attack.

17. Capital management

The Company considers its capital to consist of share capital and deficit. The Company's objectives when managing capital are:

a) to allow the Company to respond to changes in economic and/or marketplace conditions by maintaining the Company's ability to purchase new investments;
b) to give shareholders sustained growth in value by increasing shareholders' equity; while
c) taking a conservative approach towards financial leverage and management of financial risks.

The Company's management reviews its capital structure on an on-going basis and makes adjustments to it in light of changes in economic conditions and the risk characteristics of its underlying investments. The Company's current capital is composed of its shareholders' equity and, to-date, has adjusted or maintained its level of capital by:

a) raising capital through equity financings; and
b) realizing proceeds from the disposition of its investments

The Company is not subject to any capital requirements imposed by a lending institution or regulatory body. There were no changes to the Company's capital management during the three months ended March 31, 2024.

18. Related party disclosures

a) The condensed consolidated interim financial statements include the financial statements of the Company and its subsidiaries and its respective ownership listed below:

	% equity interest
Valour Europe AG	100
Valour Management Limited	100
Valour Digital Securities Limited	0

(Expressed in United States dollars unless otherwise noted)

18. Related party disclosures (continued)

b) Compensation of key management personnel of the Company

In accordance with IAS 24, key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Company directly or indirectly, including any directors (executive and non-executive) of the Company. The remuneration of directors and key executives is determined by the remuneration committee having regard to the performance of individuals and market trends. The remuneration of directors and other members of key management personnel during the three months ended March 31, 2024 and 2023 were as follows:

	Three months ended March 31,	
	2024	2023
Short-term benefits	$ 355,379	$ 355,379
	$ 355,379	$ 355,379

The Company holds 4,000,000 common shares of DeFi Technologies Inc. A director of the Company is also the CEO and director of DeFi Technologies Inc.

19. Subsequent events

Subsequent to March 31, 2024, the Company repaid $25,500,000 of loans payable.