GRAND PEAK CAPITAL CORP.

Consolidated Financial Statements

Years Ended September 30, 2022 and 2021

(Expressed in Canadian Dollars)

DALE MATHESON CARR-HILTON LABONTE LLP
CHARTERED PROFESSIONAL ACCOUNTANTS

Independent Auditor's Report

To the Shareholders of Grand Peak Capital Corp.

Opinion

We have audited the consolidated financial statements of Grand Peak Capital Corp. (the "Company"), which comprise the consolidated statement of financial position as at September 30, 2022, and the consolidated statements of (loss) income and comprehensive (loss) income, changes in shareholders' equity and cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies (collectively referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at September 30, 2022, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the 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.

Other Matter

The financial statements of the Company for the year ended September 30, 2021, were audited by another auditor who expressed an unmodified opinion on those statements on January 28, 2022.

Other Information

Management is responsible for the other information. The other information comprises the information included in 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 identified above 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.

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Vancouver, BC V6E 4G1
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Surrey
200 - 1688 152 St.
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700 - 2755 Lougheed Hwy
Port Coquitlam, BC V3B 5Y9
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Victoria
320 - 730 View St.
Victoria, BC V8W 3Y7
250.800.4694

We obtained Management's Discussion and Analysis prior to the date of this auditor's report. 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 International Financial Reporting Standards, 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 skepticism 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.
- 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 David Goertz.

DMCL.

DALE MATHESON CARR-HILTON LABONTE LLP
CHARTERED PROFESSIONAL ACCOUNTANTS
Vancouver, BC

April 21, 2023

GRAND PEAK CAPITAL CORP.
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
(Expressed in Canadian dollars)

As at	Note	September 30, 2022	September 30, 2021
		$	$
ASSETS			
Current Assets			
Cash		270,737	397,229
Accounts receivable		80,177	10,898
Investments in options and warrants	4	381,239	2,020,530
Marketable securities	4	2,408,189	5,451,659
Loans and interest receivable	5	-	1,053,628
		3,140,342	8,933,944
Non-Current Assets			
Investment properties	6	1,049,900	1,331,702
TOTAL ASSETS		4,190,242	10,265,646
LIABILITIES AND SHAREHOLDERS' EQUITY			
Current Liabilities			
Trade payables and accrued liabilities	7, 10	140,073	110,032
Dividends payable	9	1,557,245	-
		1,697,318	110,032
Non-Current Liabilities			
Loan and interest payable	8	-	947,408
		1,697,318	1,057,440
SHAREHOLDERS' EQUITY			
Share capital	9	10,450,604	10,450,604
Deficit		(7,957,680)	(1,242,398)
TOTAL SHAREHOLDERS' EQUITY		2,492,924	9,208,206
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		4,190,242	10,265,646

Nature and continuance of operations 1

On behalf of the Board:

"Tajinder Johal" "SonnyJanda”

Tajinder Johal, Director Sonny Janda, Director

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

GRAND PEAK CAPITAL CORP.
CONSOLIDATED STATEMENTS OF (LOSS) INCOME AND COMPREHENSIVE (LOSS) INCOME
(Expressed in Canadian dollars)

Year ended September 30,	**2022**	**2021**
Revenue		
Management fee income (Notes 10 & 13)	361,293	236,683
Net investment loss (Note 4)	(4,901,210)	(8,323,808)
Interest income	16,517	58,223
Rental income, net of cost (Note 6)	28,600	18,585
Total revenue (loss)	(4,494,800)	(8,010,317)
Expenses		
Bad debt	-	8,996
Consulting	50,800	27,707
Depreciation (Note 6)	11,051	11,051
Office and general	107,742	40,352
Professional fees	96,950	66,510
Rent (Note 10)	36,238	36,000
Transfer agent and regulatory fees	27,099	46,913
Wages and benefits	56,103	59,594
Total operating expenses	385,983	297,123
Other items		
Interest and accretion (Note 8)	(13,553)	(250,420)
Impairment of investment properties (Note 6)	(261,122)	-
Foreign exchange gain (loss)	7,978	(158,984)
Gain on settlement of loan receivable (Note 5)	-	9,263,526
Gain on modification of convertible debentures	-	33,229
Recovery of loan receivables (Note 5)	-	2,481,518
Other income	7,058	51,900
Total other items	(275,595)	11,420,769
(Loss) before income taxes	(5,156,378)	3,113,329
Income taxes (Note 12)	(1,659)	-
Net (loss) income and comprehensive (loss) income	(5,158,037)	3,113,329
Earnings per share, basic and diluted	(0.05)	0.03
Weighted average number of outstanding common share, basic and diluted	108,557,940	108,557,940

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

GRAND PEAK CAPITAL CORP.
CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY
(Expressed in Canadian dollars)

	Issued Common Shares				
	Number of Shares	**Amount**	**Equity component of convertible debentures**	**Deficit**	**Total**
		$	$	$	$
Balance at September 30, 2020	108,557,940	10,450,604	238,541	(4,594,268)	6,094,877
Maturity of unexercised convertible debentures		-	(238,541)	238,541	-
Net income for the year	-	-	-	3,113,329	3,113,329
Balance at September 30, 2021	108,557,940	10,450,604	-	(1,242,398)	9,208,206
Dividend declared	-	-	-	(1,557,245)	(1,557,245)
Net loss for the year	-	-	-	(5,158,037)	(5,158,037)
Balance at September 30, 2022	**108,557,940**	**10,450,604**	**-**	**(7,957,680)**	**2,492,924**

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

GRAND PEAK CAPITAL CORP.
CONSOLIDATED STATEMENTS OF CASH FLOWS
(Expressed in Canadian Dollars)

Year ended September 30,	**2022**	**2021**
OPERATING ACTIVITIES	$	$
Net income (loss)	(5,158,037)	3,113,329
Adjustment for non-cash items:		
Realized loss on investment in warrants	243,700	145,596
Realized loss on marketable securities	3,527	2,881,779
Unrealized loss on investments in options and warrants	1,395,591	2,578,881
Unrealized loss on marketable securities	3,258,392	2,717,552
Accretion	-	62,636
Interest expenses	14,619	187,784
Interest income	(13,997)	(34,348)
Impairment of investment properties	261,122	-
Bad debt recovery	-	8,996
Depreciation	11,051	11,051
Foreign exchange loss	9,629	113,710
Other income	-	(51,900)
Gain on modification of convertible debentures	-	(33,229)
Gain of settlement of loan receivable	-	(9,263,526)
Recovery of loan receivable	-	(2,481,518)
Changes in non-cash working capital items:		
Accounts receivable	(69,279)	24,733
Trade payables and accrued liabilities	30,102	69,609
Net cash flow provided by (used in) operating activities	(13,580)	51,135
INVESTING ACTIVITIES		
Proceeds from sale of marketable securities	15,390	1,526,082
Acquisition of marketable securities	(233,900)	(1,092,319)
Issuance of loan receivable	(37,973)	(1,269,280)
Receipt of loan receivable	1,105,598	250,000
Receipt of interest income	-	3,947
Net cash flow provided by (used in) investing activities	849,115	(581,570)
FINANCING ACTIVITIES		
Proceeds from issuance of loan	-	1,100,000
Repayment of loan payable	(947,408)	(580,000)
Interest payments	(14,619)	(17,491)
Net cash flow provided by (used in) investing activities	(962,027)	502,509
Change in cash during the year	(126,492)	(27,926)
Cash, beginning of year	397,229	425,155
Cash, end of year	**270,737**	**397,229**

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

1. NATURE AND CONTINUANCE OF OPERATIONS

Grand Peak Capital Corp. (the "Company") is incorporated under the Business Corporations Act of British Columbia and is a diversified industry investment company. The Company invests in high quality cash flow assets across multiple industries, including real estate ventures in Canada and the USA, securities, early stage venture capital companies.

The Company is listed on the Canadian Securities Exchange (the "CSE") and trades under the symbol "GPK". The head office, principal address and records office of the Company are located at Suite 120 – 9648 128 Street, Surrey, British Columbia, Canada, V4K 3N3.

The Company's going concern is dependent on cashflow from its investments, or operations and its ability to raise equity capital or borrowings sufficient to meet current and future obligations. As at September 30, 2022, the Company had a working capital of $1,443,024 (2021 – $8,823,912) and deficit of $7,957,680 (2021 - $1,242,398). Management believes that Company has sufficient resources to fund its business activities for at least the next 12 months. The Company's financial success is dependent on its ability to identity, evaluate, negotiate, and exit investments in assets or businesses. These consolidated financial statements have been prepared by management on a going concern basis which assumes that the Company will be able to realize its assets and discharge its liabilities in the normal course of business for the foreseeable future.

These financial statements do not reflect the adjustments to the carrying value of assets and liabilities and the reported expenses and statement of financial position classifications that would be necessary were the going concern assumptions inappropriate. These adjustments could be material.

2. BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES

Statement of Compliance

These consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and Interpretations of the International Financial Reporting Interpretations Committee (IFRIC").

These consolidated financial statements were authorized for issue by the Board of Directors on April 21, 2023.

Basis of Preparation

These financial statements have been prepared on historical cost basis except for financial instruments classified as and measured at fair value. In addition, these financial statements have been prepared using the accrual basis of accounting, except for cash flow information. The financial statements are presented in Canadian dollars, which is also the Company's and all its subsidiaries' functional currency, unless otherwise indicated. The preparation of financial statements in compliance with IFRS requires management to make certain critical accounting estimates. It also requires management to exercise judgment in applying the Company's accounting policies.

2. BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES (Continued)

Basis of Consolidation

These consolidated financial statements included the accounts of the Company and its wholly owned subsidiaries. The results of each subsidiary will continue to be included in the consolidated financial statements of the Company until the date that the Company's control over the subsidiary ceases. Control exists when the Company has the power, directly or indirectly, to govern the financial and operating policies of an entity so as to obtain benefits from its activities.

Intercompany balances and transactions, including unrealized income and expenses arising from intercompany transactions are eliminated upon consolidation.

Entity	Incorporation	Ownership Percentage	
		2022	2021
Grand Peak USA, Inc.	USA	100%	100%
Fruitridge 65 LLC	USA	100%	100%

Foreign Currency Translation

The functional currency of the Company is measured using the currency of the primary economic environment in which the Company operates. The financial statements are presented in Canadian dollars which is the functional currency of the Company and all of its subsidiaries.

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the date of the transaction. Foreign currency monetary items are translated at the period-end exchange rate. Non-monetary items measured at historical cost continue to be carried at the exchange rate at the date of the transaction. Non-monetary items measured at fair value are reported at the exchange rate at the date when fair values are determined.

Financial Instruments

Financial Instruments are accounted for in accordance with IFRS 9 Financial instruments: Classification and Measurement. A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

The following table shows the classification under IFRS 9:

Financial assets / liabilities	Classification
Cash	Amortized cost
Accounts receivable	Amortized cost
Investment in options and warrants	Fair value through profit or loss
Marketable securities	Fair value through profit or loss
Loan and interest receivable	Amortized cost
Trade payables and accrued liabilities	Amortized cost
Dividends payable	Fair value through profit or loss

2. BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES (Continued)

Financial Instruments (continued)

Financial assets

On initial recognition, financial assets are recognized at fair value and are subsequently classified and measured at: (i) amortized cost; (ii) fair value through other comprehensive income ("FVOCI"); or (iii) fair value through profit or loss ("FVTPL"). The classification of financial assets is generally based on the business model in which a financial asset is managed and its contractual cash flow characteristics. A financial asset is measured at fair value net of transaction costs that are directly attributable to its acquisition except for financial assets at FVTPL where transaction costs are expensed.

All financial assets not classified and measured at amortized cost or FVOCI are measured at FVTPL. On initial recognition of an equity instrument that is not held for trading, the Company may irrevocably elect to present subsequent changes in the investment's fair value in other comprehensive income.

The Company derecognizes financial assets only when the contractual rights to cash flows from the financial assets expire, or when it transfers the financial assets and substantially all of the associated risks and rewards of ownership to another entity.

The classification determines the method by which the financial assets are carried on the statement of financial position subsequent to inception and how changes in value are recorded.

Impairment of financial assets

IFRS 9 uses the expected credit loss ("ECL") model. The credit loss model groups receivables based on similar credit risk characteristics and days past due in order to estimate bad debts. The ECL model applies to the Company's receivables.

An 'expected credit loss' impairment model applies which requires a loss allowance to be recognized based on expected credit losses. The estimated present value of future cash flows associated with the asset is determined and an impairment loss is recognized for the difference between this amount and the carrying amount as follows: the carrying amount of the asset is reduced to estimated present value of the future cash flows associated with the asset, discounted at the financial asset's original effective interest rate, either directly or through the use of an allowance account and the resulting loss is recognized in profit or loss for the period.

In a subsequent period, if the amount of the impairment loss related to financial assets measured at amortized cost decreases, the previously recognized impairment loss is reversed through profit or loss to the extent that the carrying amount of the investment at the date the impairment is reversed does not exceed what the amortized cost would have been had the impairment not been recognized.

Financial liabilities

Financial liabilities are designated as either: (i) fair value through profit or loss; or (ii) other financial liabilities. All financial liabilities are classified and subsequently measured at amortized cost except for financial liabilities at FVTPL. The classification determines the method by which the financial liabilities are carried on the statement of financial position subsequent to inception and how changes in value are recorded.

The Company derecognizes a financial liability when its contractual obligations are discharged or cancelled, or expire. The Company also derecognizes a financial liability when the terms of the liability are modified such that the terms and / or cash flows of the modified instrument are substantially different, in which case a new financial liability based on the modified terms is recognized at fair value.

Gains and losses on derecognition are generally recognized in profit or loss.

2. BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES (Continued)

Financial Instruments (continued)

Convertible debentures

Compound financial instruments issued by the Company comprise convertible debentures that can be converted to share capital at the option of the holder, and the number of shares to be issued does not vary with changes in their fair value. The components of the compound financial instrument (convertible debentures) issued by the Company are classified separately as financial liabilities and equity in accordance with the substance of the contractual arrangement and the definitions of a financial liability and an equity instrument. The conversion option that will be settled by the exchange of a fixed amount in cash for a fixed number of equity instruments of the Company is classified as an equity instrument.

At the issuance date, the liability component is recognized initially at the fair value of a similar liability that does not have an equity conversion option. The equity component is recognized initially as the difference between the fair value of the compound financial instrument as a whole and the fair value of the liability component. Any directly attributable transaction costs are allocated to the liability and equity components in proportion to their initial carrying amounts.

Subsequent to initial recognition, the liability component of a compound financial instrument is measured at amortized cost using the effective interest method. The equity component of a compound financial instrument is not re-measured subsequent to initial recognition except on conversion or expiry.

Investment Properties

Investment properties comprise land parcels and a residential property which includes a building and land, held for capital appreciation. The residential property is also held to earn rental income. Acquired investment properties are measured at cost, including related transaction costs associated with the acquisition when the acquisition is accounted for as an asset purchase

The building is measured at cost less accumulated depreciation and accumulated impairment losses. Depreciation is calculated using the straight-line method with reference to the property's cost, its estimated useful life and residual value. The depreciation method, useful life and residual value are reviewed annually and adjusted as required.

Repair and maintenance costs are expensed as incurred. In the case of constituting a capital asset, the costs are capitalized and amortized on a straight-line basis over the expected useful life of the improvement.

Disclosure of the investment properties includes fair value of the investment properties. The following approaches either individually or in combination, are used, together with appraisers, in determination of the fair value of investment properties:

- The Income Approach derives market value by estimating the future cash flows that will be generated by the property and then applying an appropriate capitalization rate or discount rate to those cash flows. This approach can utilize the direct capitalization method and/or the discounted cash flow analysis.

- The Direct Comparison Approach involves comparing or contrasting the recent sale, listing or optioned prices of properties comparable to the subject property and adjusting for any significant differences between them.

An investment property is derecognized when it has been disposed of. Any gains or losses on the disposal are recognized in profit or loss and determined as the difference between the net disposal proceeds and the carrying value of the asset on the date the transaction occurred.

2. BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES (Continued)

Impairment of Non-Financial Assets

The carrying amount of the Company's non-financial assets is reviewed at each reporting date to determine whether there is any indication of impairment. If such indication exists, the recoverable amount of each separately identifiable asset or cash generating unit is estimated in order to determine the extent of the impairment loss. An impairment loss is charged against profit or loss whenever the carrying amount exceeds its recoverable amount.

The recoverable amount of assets is the greater of an asset's fair value less cost to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects the current market assessments of the time value of money and the risks specific to the asset. For an asset that does not generate cash inflows largely independent of those from other assets, the recoverable amount is determined for the cash-generating unit to which the asset belongs.

An impairment loss is only reversed if there is an indication that the impairment loss may no longer exist and there has been a change in the estimates used to determine the recoverable amount; however, not to an amount higher than the carrying amount that would have been determined had no impairment loss been recognized in previous years. Assets that have an indefinite useful life are not subject to amortization and are tested annually for impairment.

Share-Based Payments

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

Earnings (Loss) Per Share

Basic earnings (loss) per share is calculated by dividing the earnings (loss) attributable to common shareholders by the weighted average number of common shares outstanding in the period. For all periods presented, the earnings (loss) attributable to common shareholders equals the reported earnings (loss) attributable to the owners of the Company. Diluted earnings (loss) per share is calculated by the treasury stock method. Under the treasury stock method, the diluted earnings (loss) per share is determined by adjusting the earnings (loss) attributable to common shareholders and the weighted average number of common shares outstanding for the effects of all options, warrants and convertible debentures outstanding that may add to the total number of common shares. As of September 30, 2022, the Company had no dilutive instruments.

Share Capital

Common shares are classified as equity. Transaction costs directly attributable to the issue of common shares and share options are recognized as a deduction from equity, net of any tax effects. The value of common shares and warrants issued as private placement units is measured using the residual value method, which first allocates value to the more easily measurable component based on fair value (common shares in the private placements) and then the residual value, if any, to the less easily measurable component (warrants in the private placements). Warrants that are issued as agency compensation or other transaction costs are accounted for as share issue costs.

2. BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES (Continued)

Revenue
To determine the amount and timing of revenue to be recognized, the Company follows a 5-step process:

a) Identifying the contract with a customer;
b) Identifying the performance obligations;
c) Determining the transaction price;
d) Allocating the transaction price to the performance obligations; and
e) Recognizing revenue when/as performance obligation(s) are satisfied.

Management fee income
The Company earned fees through provision of accounting, management and professional services to Canadian public companies. Services fees are measured at the amount of transaction price that is allocated to a performance obligation, the amount of consideration to which the Company expects to be entitled in exchange for transferring promised services to a customer. Revenue is recognized over time when services are rendered.

Net investment gain and loss
Net investment gains (losses) comprise realized gains (losses) on disposal of investments and unrealized gains and losses from change of value of investments. Realized gains and losses are recognized on the settlement date in profit or loss. Unrealized gains and losses from change to value of investments are measured at the end of each reporting period and recorded in profit or loss. All transaction costs associated with the disposition of investments are expensed as incurred.

Interest income
Interest income is earned on short term money market investments and measured using the effective interest rate method.

Rental income
The Company earns rental income from leasing a residential property. Rental income is recognized on a straight-line basis over the lease term.

Income Taxes
Current Income Tax
Current income tax assets and liabilities for the current period are measured at the amount expected to be recovered from and paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date, in the countries where the Company operates and generates taxable income.

Current income tax relating to items recognized directly in other comprehensive loss or equity is recognized in other comprehensive loss or equity and not in profit or loss. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred Tax
Deferred tax is recorded by providing for temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes. The carrying amount of deferred tax assets is reviewed at the end of each reporting period and recognized only to the extent that it is possible that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilized.

2. BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES (Continued)

Income Taxes (continued)

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set off current tax assets against current income tax liabilities and the deferred income taxes related to the same taxable entity and the same taxation authority.

Standards Issued But Not Yet Affective

At the date of authorization of these financial statements, certain new standards, amendments, and interpretations to existing IFRS standards have been published but are not yet effective and have not been adopted early by the Company.

IAS 1, Presentation of Financial Statements
The IASB issued an amendment to IAS 1, Presentation of Financial Statements, to clarify one of the requirements under the standard for classifying a liability as non-current in nature, specifically for the requirement for an entity to have the right to defer settlement of the liability for at least 12 months after the reporting period. This amendment includes:

- Specifying that an entity's right to defer settlement must exist at the end of the reporting period;
- Clarifying that classification is unaffected by management's intentions or expectations about whether the entity will exercise its right to defer settlement;
- Clarifying how lending conditions affect classification; and
- Clarifying requirements for classifying liabilities an entity will or may settle by issuing its own equity investments.

The amendment is effective for annual periods beginning on or after January 31, 2023. The Company expects no impact to the financial statements as a result of this amendment.

The new standards and interpretations that have been issued are not expected to have a material impact on the Company's financial statements. Management anticipates that any relevant pronouncements will be adopted in the Company's accounting policy for the first period beginning after the effective date of the pronouncement.

3. CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS

Significant Estimates and Assumptions

The preparation of these financial statements requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, profit and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgments about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

Certain factors impact and cast additional uncertainty on the assumptions used by management in making its judgments and estimates. These factors include, but not limited to, inflation, significant monetary and fiscal interventions by the government and central banks to stabilize economic conditions, including slowing economic growth, inflation and rising interest rates, as well as the impact of the war in Ukraine and the resulting humanitarian crisis on the global economy. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the

3. CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS (Continued)

Significant Estimates and Assumptions (continued)

revision affects only that period or in the period of the revision and further periods if it affects both current and future periods.

Critical accounting estimates are estimates and assumptions made by management that may result in material adjustments to the carrying amounts of assets and liabilities within the next financial year.

(i) Income taxes
Tax interpretations, regulations and legislation in the various jurisdictions in which the Company operates are subject to change and interpretation. As such, income taxes are subject to measurement uncertainty. Assessing the recoverability of deferred tax assets requires the Company to make significant estimates related to the expectations of future taxable income and the application of existing tax laws. To the extent that future taxable income differs significantly from estimates, the ability of the Company to realize deferred tax assets could be impacted. Additionally, changes in tax laws could limit the ability of the Company to obtain tax deductions in the future.

(ii) Valuation of share-based payments and derivative financial assets
The Company uses the Black-Scholes Option Pricing Model for valuation of share-based payments and derivative financial assets including investments in options and warrants. Option pricing models require the input of subjective assumptions including expected price volatility, interest rates and forfeiture rates. Changes in the input assumptions can materially affect the fair value estimate and the Company's earnings and equity reserves.

(iii) Impairment of financial assets at amortized cost and determining expected credit losses
The Company recognizes a loss allowance for expected credit losses (“ECLs”) on accounts receivable and loans receivable. The amount of ECLs is updated at each reporting date to reflect changes in credit risk since initial recognition of the respective financial instrument. The Company recognises lifetime ECLs for accounts receivable and loans receivable, estimated using a provision matrix based on the Company’s historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current as well as the forecast direction of conditions at the reporting date, including time value of money where appropriate.

For all other financial instruments, the Company recognizes lifetime ECLs when there has been a significant increase in credit risk since initial recognition. However, if the credit risk on the financial instrument has not increased significantly since initial recognition, the Company measures the loss allowance for that financial instrument at an amount equal to 12-month ECLs. The lifetime estimate represents ECLs that result from all possible default events over the expected life of a financial instrument. In contrast, 12-month ECLs represent the portion of lifetime ECL that is expected to result from default events on a financial instrument that are possible within 12 months after the reporting date. Determining an allowance for ECLs requires management to make assumptions about the historical patterns for the probability of default, the timing of collection and the amount of incurred credit losses, which are adjusted based on management’s judgment about whether economic conditions and credit terms are such that actual losses may be higher or lower than what the historical patterns suggest.

3. CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS (Continued)

Significant Estimates and Assumptions (continued)

(iv) Impairment of non-financial assets
Impairment 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.

(v) Fair value of private company investments
Where the fair values of investments in private companies 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 is not available, judgment is required to establish fair value and this value may not be indicative of recoverable value.

The determinations of the fair value other than initial cost is subject to certain limitations. Financial information for private companies in which the Company has investments may not be available and, even if available, that information may be limited.

(vi) Fair value of dividends payable
Dividends payable are initially recognized at fair value and remeasured to fair value at each reporting date. The payable is determined based on fair value of the net assets to be distributed to the shareholders. Included in the net assets to be distributed are the investment properties.

The fair value of the investment properties is estimated by external independent knowledgeable valuators located in the area of the properties. Inputs used in the property valuation models are based on appropriate assumptions that reflect the type of property and location. Management reviews the assumptions made and models used to ensure they correlate with their expectation and understanding of the market. Changes in assumptions about these factors could affect the fair value of investment properties.

Significant Judgements

The preparation of financial statements in accordance with IFRS requires the Company to make judgments, apart from those involving estimates, in applying accounting policies. The most significant judgments in applying the Company's financial statements include:

(i) the Company's ability to continue as a going concern and whether there are events or conditions that may give rise to significant uncertainty; and
(ii) the classification of financial instruments.

(Expressed in Canadian dollars)

4. INVESTMENTS

Marketable Securities

The Company's marketable securities comprise of investments in common shares of Canadian public companies and private companies. The Company designates its investment in common shares as FVTPL.

	2022	2021
	$	$
Balance, beginning of year	5,451,659	5,166,258
Additions	233,840	10,730,067
Disposition	(15,390)	(4,707,848)
Change in fair value and foreign exchange	(3,261,920)	(5,736,818)
Balance, end of year	**2,408,189**	**5,451,659**

The cost and fair values of the marketable securities are as follows:

		September 30, 2022		September 30, 2021
Cost	$	7,473,978	$	7,454,673
Fair value	$	2,408,189	$	5,451,659

Investments in common shares of public companies are measured at fair value based on published market prices with unrealized gains and losses recognized through profit or loss. The valuation of these shares has been determined in whole by reference to the close price of the shares on the TSX, TSX Venture Exchange or Canadian Securities Exchange ("CSE") at each reporting date.

Investments in common shares of a private company 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 these common shares may, depending upon the circumstances, be adjusted with unrealized gains and losses recognized through profit or loss. On September 30, 2022, the Company determines the fair value of common shares of $40,000 (2021 - $100,000) using the market approach with the following key assumptions:

- The most current financial and operational information of the investee;
- The forecast financial information of the investee;
- Existence of any material contingent liabilities, know environmental issues, unusual contractual obligations, litigation pending or threatened, or substantial commitments on the valuation date; and
- The most recent capital financing of the investee; and
- Index of comparable public companies engaged in early-stage mining operations as indicative of the overall industry investment sentiment for business similar to the investee.

Investments in options and warrants

Warrants have been received as attachments to share-purchase units and do not trade in an active market. At the time of purchase, the unit cost is allocated to common shares and warrants using the residual value method. The value of the warrants is subsequently determined at the measurement date using the Black-Scholes option pricing model.

The Company's investments in options and warrants consists of share-purchase warrants and stock options of Canadian public companies which are measured at fair value using the Black Scholes option pricing model. The fair values of the options and warrants are as follows:

(Expressed in Canadian dollars)

4. INVESTMENTS

Investments in options and warrants (cont'd)

	2022	2021
	$	$
Balance, beginning of year	2,020,530	405,932
Additions	243,700	4,339,075
Expiry of warrants	(243,700)	(145,596)
Change in fair value	(1,639,291)	(2,578,881)
Balance, end of year	**381,239**	**2,020,530**

Net investment loss

Net investment loss comprised of the following:

	2022	2021
	$	$
Net realized loss on disposal of investments	247,227	3,027,375
Net unrealized loss on investments	4,653,983	5,296,433
Net investment loss	**4,901,210**	**8,323,808**

The fair value of investment in options and warrants have been estimated by using the Black-Scholes option pricing model with the following assumptions:

	2022	2021
Risk-free interest rate	3.4-3.9%	0.2-1.1%
Expected life of options	0.4-3.5 years	0.9-4.5 years
Annualized volatility	100-280%	110-280%
Dividend rate	0.00%	0.00%

With all other assumptions held constant, a hypothetical change of 10 percentage in the annualized volatility would have a decrease of $30,481 on the fair value of investment in options and warrants as at September 30, 2022.

5. LOANS RECEIVABLE

	2022	2021
	$	$
Balance, beginning of year	1,053,628	2,338,629
Loans advanced	37,973	1,269,280
Repayments	(1,105,598)	(253,946)
Interest earned	17,582	52,678
Loss on early settlement	-	(4,833,676)
Recovery of loan receivable	-	2,481,518
Foreign exchange loss	(3,585)	(855)
Balance, end of year	-	1,053,628

a) As at September 30, 2021, the Company's loan receivable comprised of solely a loan of $1,024,000 (US$800,000). The loan receivable was unsecured, has a two-year term that matured on January 27, 2023, and had an interest rate of 5% per annum. In January 2022, the Company received $1,066,559 (US$800,000 principal and US$39,890 interest) as the full repayment.

(Expressed in Canadian dollars)

5. LOANS RECEIVABLE (Continued)

b) During the year ended September 30, 2022, the Company advanced $37,973. The loan was unsecured, payable on-demand, and had an interest rate of 5% per annum. This loan was fully repaid on September 15, 2022.

c) During the year ended September 30, 2021, the Company received common shares with fair value of $9,476,351 and share purchase warrants with fair value of $4,287,175 of a borrower, totalling $13,763,526, as full repayment of the loan receivable due from this borrower. The outstanding amount of this un-secured loan receivable (with an interest rate of 10%) on September 30, 2022 was $Nil (September 30, 2021 - $2,018,482). As a result, the Company recorded a gain on loan receivable settlement of $9,263,526 and a recovery of loan receivable of $2,481,518 for the year ended September 30, 2021.

d) During the year ended September 30, 2021, the Company advanced $250,000. This loan receivable was unsecured, due within 30 days and bore interest at 10% per annum (interest rate was increased to 18% if payment was not received on the maturity date). During the year ended September 30, 2021, the borrower fully repaid the loan principal of $250,000 and accrued interest of $3,946.

e) During the year ended September 30, 2020, the Company advanced a unsecured loan of $300,000 to a borrower at an interest rate of 5% per annum. It was unsecured and matured on August 7, 2021. One director of the Company is a significant shareholder of this borrower. During the year ended September 30, 2021, the borrower fully repaid this loan by delivering two parcels of vacant land to settle the principal of $300,000 and accrued interest of $52,183. The acquired land is recorded at its fair value on the date of settlement.

6. INVESTMENT PROPERTIES

The Company's' investment properties were comprised of a residential property and several parcels of land.

	Building	Land	Total
Cost:	$	$	$
Balance, September 30, 2020	303,904	697,674	1,001,578
Addition	-	352,226	352,226
Balance, September 30, 2021	303,904	1,049,900	1,353,804
Impairment	(294,275)	-	(294,275)
Foreign exchange loss	(9,629)	-	(9,629)
Balance, September 30, 2022	-	1,049,900	1,049,900
Depreciation:			
Balance at September 30, 2020	11,051	-	11,051
Depreciation	11,051	-	11,051
Balance, September 30, 2021	22,102	-	22,102
Depreciation	11,051	-	11,051
Impairment	(33,153)	-	(33,153)
Balance, September 30, 2022	-	-	-
Net carrying amount at September 30, 2021	281,802	1,049,900	1,331,702
Net carrying amount at September 30, 2022	-	1,049,900	1,049,900

(Expressed in Canadian dollars)

6. INVESTMENT PROPERTIES (Continued)

During the year ended September 30, 2021, the Company acquired two parcels of vacant land located in California, USA for $352,226 (US$278,626) as settlement of a loan receivable (Notes 5 and 10)

As at September 30, 2022, the Company recorded an impairment charge of $261,122 on the building. The impairment is assessed based on the property type and the trading history of comparable properties located in the same are as the residential property.

As at September 30, 2022, the Company estimated the fair value of the investment properties to be $ 2,820,359 (Note 9) (2021 - $1,990,000).

During the year ended September 30, 2022 and 2021, the Company leased the building to earn rental income on a month-to-month basis. The Company's rental income and related cost during 2022 and 2021 are as follows:

	2022	2021
	$	$
Rental income	33,092	30,491
Management fees	(2,491)	(1,718)
Maintenance	(2,001)	(10,188)
	28,600	**18,585**

7. TRADE PAYABLES AND ACCRUED LIABILITIES

	2022	2021
	$	$
Trade payable	29,885	85,032
Accrued liabilities	110,188	25,000
	140,073	**110,032**

On December 15, 2021, the Company and COMSovereign Holding Corp, ("COMS"), a US public Company, entered into a distribution agreement (the "Agreement"), whereby COMS has appointed the Company as the distributor of COMS' products including telecom hardware and software (the "Products'). The term of the Agreement was 12 months which was automatically renewable for another 12 months. The Company had a non-exclusive, non-transferable right to distribute, sell, market, and support the Products in Canada and India. During the year ended September 30, 2022, the Company made an initial purchase of the Products ("Initial Purchase") whereby such products, if not sold by the Company within the first six months following the Initial Purchase, may be returned for credits without penalty or refund if business is insufficient to off set.

On April 27, 2022, the Company and COMS terminated the Agreement with the following terms:

- All unsold Initial Purchase returned to COMS without penalty or fees;
- The proceeds received from the sale of the Initial Purchase was $183,049, net of fees charged by the Company of $7,058, are returned to COMS. As at September 30, 2022, the balance owing to COMS included in accounts payable and accrued liabilities was $9,239; and
- The Company assigned receivables of $259,895 from the sales of the Initial Purchase to COMS.

Considering the commercial substance of the arrangements and the consignment nature of the Agreement, the Company recorded the fees charged to COMS of $7,058 as other income.

(Expressed in Canadian dollars)

8. LOANS PAYABLE

	2022	2021
	$	$
Balance, beginning of year	947,408	407,307
Loans borrowed	-	1,100,000
Repayment of loan and interest	(962,027)	(597,491)
Interest	14,619	37,592
Balance, end of year	**-**	**947,408**

During the year ended September 30, 2021, the Company borrowed from a lender an amount of $1,100,000. The loan was unsecured, had an interest of 4% per annum, and matured on January 26, 2023. The Company repaid $180,000 in June 2021. As at September 30, 2021, the outstanding balance of the loan was $920,000 and the accrued interest was $27,408. In February 2022, the Company repaid this loan and accrued interest in full.

In May and June 2020, the Company entered into loan agreements of $150,000 and $250,000 with two entities. These loans are unsecured, with a one-year term and carry an interest rate of 6%. During the year ended September 30, 2021, the Company fully repaid the outstanding loans and interest balance of $417,491.

9. SHARE CAPITAL

Authorized Share Capital
Unlimited number of common shares without par value

Share Issuance
There was no share issuance nor redemption during the years ended September 30, 2022 and 2021.

Dividend Payable
On November 2, 2021, the Company declared a special dividend in kind to the shareholders of record at the close of business on November 5, 2021. Each shareholder will receive common shares of the Company's wholly owned subsidiary, Grand Peak USA, Inc. ("GPK USA"), based on each shareholder's ownership of the Company on a pro-rata basis. The Company intends to list the common shares of GPK USA. on the OTCQB in the USA.

In accordance with IFRIC17 – Distribution of Non-cash Assets to Owners, the fair value of the dividend payable, which is the net asset value of GPK USA, on November 2, 2021 (declaration date) and September 30, 2022 (year end date), was $990,428 and $1,557,245 respectively. Details are as follow:

	November 2, 2021	September 30, 2022
	$	$
Cash	2,054	16,234
Promissory note receivable	1,022,783	-
Accounts payable	-	9,064
Investment properties (i)	2,149,134	2,820,359
less:		
Accounts payable and accrued liabilities	-	(12,802)
Amount owing to Grand Peak Capital Corp.	(2,183,543)	(1,275,610)
Net asset to be distributed	990,428	1,557,245

(i) The Company has adopted the direct comparison approach to estimate the fair values of the investment properties based on what other purchasers and sellers in the market have agreed for comparable properties on respective dates.

9. SHARE CAPITAL (Continued)

Dividend Payable (continued)

The distribution of these dividend in kind (common shares of GPK USA) pending the successful listing of common shares of Grand Peak USA on the OTCQB.

Stock Options

The Company has adopted a stock option plan whereby the Company may from time-to-time in accordance with the CSE requirements grant to directors, officers, employees and consultants options to purchase common shares of the Company provided that the number of options granted, including all options granted by the Company to date, does not exceed 10% of the Company's common shares issued and outstanding at the time of granting stock options. Options may be exercised no later than 90 days following cessation of the optionee's position with the Company or 30 days following cessation of an optionee conducting investor relations activities.

As of September 30, 2022, and 2021, no option was outstanding.

10. RELATED PARTY TRANSACTIONS

Key management personnel include those persons having authority and responsibility for planning, directing, and controlling the activities of the Company as a whole. The Company has determined that key management personnel consist of executive and non-executive members of the Board of Directors and corporate officers.

The Company had the following transactions with related parties:

<u>2022</u>

1) During the year ended September 30, 2022, the Company earned management fees totalling $239,112 (2021 - $130,183) from two companies of which one director of the Company is a director and/or officers of these two companies.

2) The Company paid office rent of $36,238 (2021 - $36,000) to an entity for a month-to-month rental arrangement. One director of the Company is a significant shareholder of the entity. As at September 30, 2022, the balance owing was $28,885 (2021 - $49,582).

3) The Company paid consulting fees of $25,600 (2021 - $nil) to an entity. The CFO of the Company is the owner of the entity. As at September 30, 2022, the balance owing was $2,000 (2021 - $nil).

4) The Company, through a private placement, acquired 1,333,334 security units (one common share and one share purchase warrant) of a public company for gross proceeds of $200,000. The CEO of this public company is a director of the Company.

<u>2021</u>

1) During the year ended September 30, 2021, the Company acquired two parcels of vacant land (Note 6) from a company of which a significant shareholder is a director of the Company. The land parcels were the payment settling the loan receivable with the principal of $300,000.

11. FINANCIAL RISK AND CAPITAL MANAGEMENT

The Company is exposed in varying degrees to a variety of financial instrument related risks. The Board of Directors approves and monitors the risk management processes, inclusive of documented investment policies, counterparty limits and controlling and reporting structures. The type of risk exposure and the way in which such exposure is managed is provided as follows:

Market Risk

Marketable Securities

Market risk is the risk that the fair value of, or future cash flows from the Company's investment in marketable securities will significantly fluctuate because of changes in market places. The Company is exposed to market risk or equity risk or equity price risk in trading its investment and unfavourable market conditions could result in dispositions of investments at less than favourable prices. Additionally, the Company marks its investments to market in accordance with accounting policies at each reporting period. This process could result in significant write-downs of the Company's investment over one or more reporting periods, particularly during periods of declining resource markets.

Market risk includes price risk, interest rate risk and currency risk as well as factors specific to an individual investment or its issuer or risk specific to a certain market. Market risk is managed principally through diversification of investments. Management monitors the overall market risk position on a quarterly basis.

Investment Properties

The Company is exposed to market risk for its investment properties in relation to the changes in market price for fair value of the investment properties.

Price Risk

The Company is exposed to price risk in relation to listed marketable securities and warrants held as FVTPL investment. For the year ended September 30, 2022, a 10% change in the closing price of its marketable securities would result in a change in earnings of $240,818.

Interest Rate Risk

Interest risk is the risk that the fair values or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to interest rate risk is minimal as the Company does not have variable interest-bearing asset or debt.

Currency Risk

Currency risk is the risk that the fair values of future cash flows of a financial instrument will fluctuate because they are denominated in currencies that differ from the respective functional currency. The Company is exposed to currency risk on cash, marketable securities and loans receivables denominated in United States dollars. At September 30, 2022, a hypothetical change of 10% in foreign exchange rates would have an effect of $9,300 (2021-$268,200) on net loss and comprehensive loss.

Credit Risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. The Company's primary exposure to credit risk is on its loans receivable and accounts receivables. The Company's secondary risk is its cash. The Company evaluates the creditworthiness of the counterparty and the value of any collateral. The Company mitigates its credit risk by only providing loans to counterparties whereby the Company has detailed knowledge about their business operations and strategy. Cash is deposited in bank accounts held with a major bank in Canada. A significant amount of the Company's cash is held by one bank, there is a concentration of credit risk. This risk is managed by using major banks that are high credit financial institutions as determined by rating agencies.

(Expressed in Canadian dollars)

11. FINANCIAL RISK AND CAPITAL MANAGEMENT (Continued)

Concentration risk

Concentration risk is the risk that any investment or group of investments will have the potential to materially affect the operating results of the Company. As at September 30, 2022, the Company's top five equity investments, all in the mining sector, had a fair value of $1,938,650. This represents 46% of the fair value of the Company's total assets.

Liquidity Risk

Liquidity risk is the risk that the Company may be unable to meet its financial obligations as they fall due. The Company reviews its working capital position regularly to ensure there is sufficient capital in order to meet short-term business requirements, considering its anticipated cash flows from operations and its holding of cash.

The following is an analysis of the contractual maturities of the Company's financial liabilities at of September 30, 2022.

	Less than 1 Year	1-5 years	More than 5 years
	$	$	$
Trade payable and accrued liabilities	140,073	Nil	Nil
Dividends payable	Nil	1,557,245	Nil

Capital Management

The Company considers items in its shareholders' equity as capital. The Company's policy is to maintain a strong capital base so as to maintain investor and creditor confidence and safeguard the Company's ability to sustain future development of the business.

There was no change to the Company's management of capital during the year ended September 30, 2022. Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company, is reasonable. The Company is not subject to any externally imposed capital requirements.

Classification of Financial Instruments

Financial assets and liabilities of the Company are as follows:

	Fair value measurement	Classification	2022	2021
			$	$
Financial assets:				
Accounts receivable		Amortized cost	80,177	10,898
Loan receivables		Amortized cost	-	1,053,628
Cash		Amortized cost	270,737	397,229
Investment in options and warrants	Level 3	FVTPL	381,239	2,020,530
Investment in common shares of public companies	Level 1	FVTPL	2,368,189	5,351,659
Investments in common shares of private companies	Level 3	FVTPL	40,000	100,000
Financial liabilities:				
Accounts payable and accrued liabilities		Amortized cost	140,073	110,032
Loans and interest payable		Amortized cost	-	947,408
Dividends payable	Level 3	FVTPL	1,557,245	-

Fair Value

The fair value of the Company's financial assets and liabilities approximate the carrying amount whether due to their short-term nature or because the interest rates applied to measure their carrying amount approximate current market rates.

(Expressed in Canadian dollars)

11. FINANCIAL RISK AND CAPITAL MANAGEMENT (Continued)

Fair Value (continued)
Financial instruments measured at fair value are classified into one of three levels in the fair value hierarchy according to the relative reliability of the inputs used to estimate the fair values. The three levels of the fair value hierarchy are:

- Level 1 - Unadjusted quote prices in active markets for identical assets or liabilities;
- Level 2 - Inputs other than quoted prices that are observable for the asset or liability, either directly or indirectly; and
- Level 3 - Inputs that are not based on observable market data.

Investments in common shares of public companies are measured using level 1 fair value measurements (Note 4).

Investments in options and warrants are measured using level 3 fair value measurements as the fair value estimate incorporates the use of option pricing models (Note 4).

Investments in private companies are measured using level 3 fair value measurements as the fair value estimate incorporates non-observable market inputs (Note 4).

Dividends payable are measured using level 3 fair value measurements as the fair value estimate incorporates non-observable market inputs (Note 9).

12. INCOME TAXES

A reconciliation of expected income tax recovery to the actual income tax recovery is as follows:

	2022	2021
	$	$
Income (loss) before taxes	(5,156,378)	3,113,329
Statutory tax rate	27%	27%
	(1,392,222)	841,000
Change in statutory, foreign tax, foreign exchange rate and others	(30,037)	(32,000)
Permanent difference	663,600	(499,000)
Adjustment to prior years provision versus statutory tax returns and expiry of non-capital losses	-	(25,000)
Change in unrecognized deductible temporary difference	757,000	(285,000)
Total income taxes	(1,659)	-

The significant components of the Company's deductible temporary differences, unused tax credits and unusual tax losses that have not been recognized on the statement of financial position are as follows:

	2022	Expiry dates	2021	Expiry dates
	$		$	
Property and equipment	513,000	No expiry	205,000	No expiry
Marketable securities	4,995,000	No expiry	1,774,000	No expiry
Investments in options and warrants	4,063,107	No expiry	2,319,000	No expiry
Allowable capital losses	2,756,970	No expiry	2,673,000	No expiry
Non-capital losses available for future periods	657,000	2039-2042	652,000	2039 - 2040

13. MAJOR CUSTOMER

During the year ended September 30, 2022, the Company earned management fees of $179,000, $125,000, and $57,300 from three customers respectively, (2021 – $106,500, $73,575, $56,608) which were approximately 50%, 35% and 15% of the total management fee income during the year (2021 – 45%, 31%, and 24%).