

GRAND PEAK CAPITAL CORP.

Condensed Consolidated Interim Financial Statements

Three months ended December 31, 2023 and 2022

(Expressed in Canadian Dollars)

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

	Note	December 31, 2023	September 30, 2023
		\$	\$
ASSETS			
Current Assets			
Cash		79,514	80,866
Accounts receivable	10	50,625	40,739
Investments in warrants and options	4	240,166	347,319
Marketable securities	4	1,313,152	1,277,262
		1,683,457	1,746,186
Non-Current Assets			
Investment property	6	1,049,900	1,049,900
TOTAL ASSETS		2,733,357	2,796,086
LIABILITIES AND SHAREHOLDERS' EQUITY			
Current Liabilities			
Trade payables and accrued liabilities	7, 11	216,404	253,743
Dividend payable	9	-	-
		216,404	253,742
SHAREHOLDERS' EQUITY			
Share capital	9	10,450,604	10,450,604
Deficit		(7,933,650)	(7,908,261)
TOTAL SHAREHOLDERS' EQUITY		2,516,954	2,542,343
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		2,733,357	2,796,086
Nature and continuance of operations	1		
On behalf of the Board:			
<u>"Tajinder Johal"</u>	<u>"Sonny Janda"</u>		
Tajinder Johal, Director	Sonny Janda, Director		

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

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

Three months ended December 31,	2023	2022
Revenue	\$	\$
Management fee income (Notes 10, 12)	98,190	98,700
Net investment loss (Note 4)	(71,263)	(968,697)
Rental income, net of cost (Note 6)	11,005	5,206
Total revenue (loss)	37,932	(864,791)
Expenses		
Consulting fees	6,722	9,600
Office and miscellaneous	4,782	14,853
Professional fees (Note 10)	12,600	3,400
Rent (Note 10)	9,099	9,099
Transfer agent and regulatory fees	3,552	4,301
Wages and benefits	14,454	22,081
Total operating expenses	51,208	63,334
Other items		
Foreign exchange gain (loss)	(12,113)	(1,712)
Total other items	(12,113)	(1,712)
Net loss and comprehensive loss	(25,389)	(929,639)
Loss per share, basic and diluted	(0.00)	(0.01)
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 condensed consolidated interim financial statements

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

	Common Shares		Deficit	Total
	Number of shares	Amount		
		\$	\$	\$
Balance at September 30, 2022	108,557,940	10,450,604	(7,957,680)	2,492,924
Dividend declared	-	-	(14,358)	(14,358)
Net loss for the period	-	-	(929,639)	(929,639)
Balance at December 31, 2022	108,557,940	10,450,604	(8,901,677)	1,548,927
Balance at September 30, 2023	108,557,940	10,450,604	(7,908,261)	2,542,343
Net loss for the period	-	-	(25,389)	(25,389)
Balance at December 31, 2023	108,557,940	10,450,604	(7,933,650)	2,516,954

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

GRAND PEAK CAPITAL CORP.**CONDENSED CONSOLIDATED INTERIM STATEMENTS OF CASH FLOW***(Expressed in Canadian Dollars)*

Three months ended December 31,	2023	2022
OPERATING ACTIVITIES	\$	\$
Net loss	(25,389)	(929,639)
Adjustment for non-cash items:		
Net Investment loss	71,263	968,697
Changes in non-cash working capital items:		
Accounts receivable	(9,886)	(53,630)
Trade payables and accrued liabilities	(37,339)	(1,238)
Net cash flow provided by (used in) operating activities	(1,351)	(15,810)
INVESTING ACTIVITIES		
Proceeds from sale of marketable securities	-	21,188
Acquisition of marketable securities	-	(110,200)
Net cash flow provided by (used in) investing activities	-	(89,012)
Change in cash	(1,351)	(104,822)
Cash, beginning of period	80,866	270,737
Cash, end of period	\$79,514	\$165,915

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

GRAND PEAK CAPITAL CORP.**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS****THREE MONTHS ENDED DECEMBER 31, 2023 AND 2022***(Expressed in Canadian dollars)*

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 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 210 – 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 December 31, 2023, the Company had a working capital of \$1,467,054 and deficit of \$7,933,650. 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 identify, evaluate, negotiate, and exit investments in assets or businesses. These 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**Statement of Compliance**

These condensed consolidated interim financial statements, including comparatives, have been prepared in accordance with International Accounting Standard 34 - Interim Financial Reporting, using accounting policies consistent with International Financial Reporting Standards (“IFRS”), as issued by the International Accounting Standards Board. IFRS includes International Accounting Standards (“IAS”) and interpretations issued by the IFRS Interpretations Committee (“IFRIC”). As such, these condensed consolidated interim financial statements do not contain all the disclosures required by IFRS for annual financial statements and should be read in conjunction with the Company’s consolidated audited annual financial statements for the year ended September 30, 2023.

These financial statements were approved and authorized for issuance by the Company’s Board of Directors on February 29, 2024.

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.

GRAND PEAK CAPITAL CORP.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
YEARS ENDED SEPTEMBER 30, 2023 AND 2022
(Expressed in Canadian dollars)

2. BASIS OF PREPARATION (Continued)

Basis of Consolidation

These 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 condensed consolidated interim 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	
		December 31, 2023	December 31, 2022
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 and presentation 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.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies applied in the preparation of these financial statements are consistent with those applied and disclosed in notes 2 and 3 to the Company's audited annual consolidated financial statements for the year ended September 30, 2023.

Adoption of new accounting policies and new accounting pronouncements

The Company has not adopted new accounting policies since its recent year ended September 30, 2023.

Certain accounting pronouncements were issued but the Company anticipates that the application of these standards, amendments and interpretations in future periods will have no material impact on the condensed consolidated interim financial statements.

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.

GRAND PEAK CAPITAL CORP.**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS****THREE MONTHS ENDED DECEMBER 31, 2023 AND 2022***(Expressed in Canadian dollars)*

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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 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 payment and derivative financial assets (e.g. investments in warrants and options). 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 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.

(iv) 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.

GRAND PEAK CAPITAL CORP.**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS****THREE MONTHS ENDED DECEMBER 31, 2023 AND 2022***(Expressed in Canadian dollars)*

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**Significant Estimates and Assumptions (continued)****(v) 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 assets held and liabilities assumed by the entity declared dividends on. Included in the assets are investment properties.

The fair value of the investment properties is performed by external independent knowledgeable valuers 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:

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

4. INVESTMENTS**(a) Investments in warrants and options**

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:

	December 31, 2023	September 30, 2023
	\$	\$
Balance, beginning of period	347,319	381,239
Additions	-	-
Expiry of warrants	-	-
Exercise of warrants	-	(14,336)
Change in fair value	(107,153)	(19,584)
Balance, end of period	240,166	347,319

GRAND PEAK CAPITAL CORP.**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS****THREE MONTHS ENDED DECEMBER 31, 2023 AND 2022***(Expressed in Canadian dollars)***4. INVESTMENTS (continued)****(a) Investments in warrants and options (continued)**

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

	December 31, 2023	September 30, 2022
Risk-free interest rate	3.8-4.3%	3.8-4.2%
Expected life of options	1.3-2.4 years	0.3-2.7 years
Annualized volatility	89-251%	46-254%
Dividend rate	0.00%	0.00%

(b) 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.

	December 31, 2023	September 30, 2023
	\$	\$
Balance, beginning of period	1,277,262	2,408,189
Additions	-	537,260
Disposition	-	(198,514)
Change in fair value	35,890	(1,469,673)
Balance, end of period	1,313,152	1,277,262

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

	December 31, 2023	September 30, 2023
Cost	\$ 6,414,249	\$ 6,414,248
Fair value	\$ 1,313,152	\$ 1,277,262

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 closing 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. As of December 31, 2023, the Company determines the fair value of common shares of \$Nil (September 30, 2023 - \$Nil) 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.

GRAND PEAK CAPITAL CORP.**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS****THREE MONTHS ENDED DECEMBER 31, 2023 AND 2022***(Expressed in Canadian dollars)***4. INVESTMENTS (continued)****(c) Net investment loss**

Net investment loss comprised of the following for the three months ended December 31, 2023 and 2022:

	2023	2022
	\$	\$
Net realized gain (loss) on disposal of marketable securities	-	(5,357)
Net realized loss in warrants	-	-
Net change in unrealized loss on investments	(71,263)	(974,054)
Net investment loss	(71,263)	(968,697)

5. LOANS RECEIVABLE

During the three months ended December 31, 2023 the Company did not extend any new loans.

On February 7, 2023, the Company loaned \$75,000 to a related party bearing an interest rate of 8% per annum and payable on February 7, 2024 (Note 10). During the year ended September 30, 2023 the Company received repayment in full and recorded interest income of \$2,137. As at September 30, 2023 the balance is \$nil.

	December 31, 2023	September 30, 2023
	\$	\$
Balance, beginning of period	-	-
Loans advanced	-	75,000
Repayments	-	(77,619)
Interest earned	-	2,619
Foreign exchange loss	-	-
Balance, end of period	-	-

GRAND PEAK CAPITAL CORP.**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS****THREE MONTHS ENDED DECEMBER 31, 2023 AND 2022***(Expressed in Canadian dollars)***6. INVESTMENT PROPERTIES**

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

	Land
Cost:	\$
Balance, September 30, 2022	1,049,900
Impairment	-
Foreign exchange loss	-
Balance, September 30, 2023 and December 31, 2023	1,049,900
Net book value, September 30, 2023	1,049,900
Net book value, December 31, 2023	1,049,900

As at December 31, 2023, the Company estimated the fair value of the investment properties to be \$2,655,698 (September 30, 2023 - \$2,655,698).

The Company leased the building to earn rental income on a month-to-month basis. The Company's rental income and related cost are as follows:

	2023	2022
	\$	\$
Rental income	11,618	5,839
Management fees	(613)	(633)
Maintenance	-	-
	11,005	5,206

7. TRADE PAYABLES AND ACCRUED LIABILITIES

	December 31, 2023	September 30, 2023
	\$	\$
Trade payable	111,891	156,550
Accrued liabilities	104,513	94,025
	216,404	250,575

GRAND PEAK CAPITAL CORP.**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS****THREE MONTHS ENDED DECEMBER 31, 2023 AND 2022***(Expressed in Canadian dollars)*

8. LOANS PAYABLE

During the three month ended December 31, 2023 the Company did not extend any new loans.

On May 15, 2023, the Company received a loan from a company with management in common totaling \$60,000. The loan was due on demand and was repaid on May 16, 2023. In connection with the loan the Company paid \$2,000 in loan origination fees and recorded it in interest expense.

	December 31, 2023	September 30, 2023
	\$	\$
Balance, beginning of period	-	-
New loans	-	60,000
Repayments	-	(62,000)
Interest expense	-	2,000
Balance, end of period	-	-

9. SHARE CAPITAL**Authorized Share Capital**

Unlimited number of common shares without par value

Share Issuance

During the three months ended December 31, 2023 and the year ended September 30, 2023, the Company issued nil shares.

GRAND PEAK CAPITAL CORP.**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS****THREE MONTHS ENDED DECEMBER 31, 2023 AND 2022***(Expressed in Canadian dollars)*

9. SHARE CAPITAL (continued)**Dividends 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. The timing of the completion of the special dividend remains uncertain and accordingly the assets and liabilities of GPK USA do not meet the criteria to be classified as held for distribution.

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 September 30, 2022 was \$1,557,245. During the year ended September 30, 2023, the company determined that the criteria to recognize the dividend payable was no longer met and reversed the amount to equity. There is no balance recorded as due as at December 31, 2023.

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 relation activities.

There were no options outstanding at September 30, 2023, and December 31, 2023.

GRAND PEAK CAPITAL CORP.**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS****THREE MONTHS ENDED DECEMBER 31, 2023 AND 2022***(Expressed in Canadian dollars)*

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 transaction with related parties during the three months ended December 31, 2023:

- Incurred \$5,250 (2022 - \$4,900) in professional fees paid to a company owned by the CFO of the Company.
- Incurred \$9,554 (2022 - \$9,099) in rent expense by a landlord for a month-to-month rental arrangement.
One director of the Company is also a significant shareholder of this landlord.
- Earned \$76,155 (2022 – \$38,237) in management fee income from two companies of which one director of the Company is also a director and/or officers of these two companies.

As at December 31, 2023, the balance due to related parties included in trade payables and accrued liabilities is \$83,022 (September 30, 2023 - \$86,398). The balance is due on demand and non-interest bearing.

As at December 31, 2023, the balance due from related parties included in accounts receivable is \$6,211 (September 30, 2023 - \$6,211).

GRAND PEAK CAPITAL CORP.**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS****THREE MONTHS ENDED DECEMBER 31, 2023 AND 2022***(Expressed in Canadian dollars)*

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 prices. 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 period ended December 31, 2023, a 10% change in the closing price of its marketable securities would result in a change in earnings of \$131,000.

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 December 31, 2023, a hypothetical change of 10% in foreign exchange rates would have an effect of \$1,000 (September 30, 2023-\$1,000) 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.

GRAND PEAK CAPITAL CORP.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
THREE MONTHS ENDED DECEMBER 31, 2023 AND 2022
(Expressed in Canadian dollars)

11. FINANCIAL RISK AND CAPITAL MANAGEMENT (Continue)

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 December 31, 2023, the Company's top five equity investments, all in the mining sector, have a fair value of \$1,215,314. This represents 93% 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, taking into account of 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 as at December 31, 2023:

	Less than 1 Year	1-5 years	More than 5 years
	\$	\$	\$
Trade payable and accrued liabilities	216,404	Nil	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 is no restriction on the Company's capital and no change in the Company's approach to capital management during the year.

Classification of Financial Instruments

Financial assets and liabilities of the Company are as follows:

	Fair value measurement	Classification	December 31, 2023	September 30, 2023
			\$	\$
Financial assets:				
Accounts receivable		Amortized cost	50,625	40,739
Cash		Amortized cost	79,514	80,866
Investment in options and warrants	Level 3	FVTPL	240,166	347,319
Investment in common shares of public companies	Level 1	FVTPL	1,299,552	1,034,262
Investment in common shares of public companies (No active market available)	Level 2	FVTPL	13,600	243,000
Investment in common shares of private companies	Level 3	FVTPL	-	-
Loan receivable		Amortized Cost	-	-
Financial liabilities:				
Trade payables and accrued liabilities		Amortized cost	216,404	253,743
Loan payable		Amortized cost	-	-
Dividends payable	Level 3	FVTPL	-	-

GRAND PEAK CAPITAL CORP.**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS****THREE MONTHS ENDED DECEMBER 31, 2023 AND 2022***(Expressed in Canadian dollars)*

For fair value measurements of the warrant investments classified in level 3, the impact of changing the most significant inputs would have the following impact on the fair value of the investments as at December 31, 2023 as follows:

December 31, 2023		December 31, 2023	
Share price 10% lower	Share price 10% higher	Volatility 10% lower	Volatility 10% higher
\$ (39,867)	\$40,828	\$(52,836)	\$63,883

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.

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 traded on an active market are measured using level 1 fair value measurements (Note 4).

Investments in common shares of public companies not traded on an active market are measured using level 2 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. MAJOR CUSTOMERS

During the three month ended December 31, 2023, the Company earned management fees of \$13,410, \$22,035, and \$62,746 from three customers respectively, (2022 – \$13,914, \$32,432, and \$52,375) which were approximately 14%, 22% and 64% of the total management fee income during the year (2022 – 14%, 33% and 53%).