

NEW FRONTIER VENTURES INC.
Consolidated Financial Statements

For the years ended December 31, 2023 and 2022

Independent Auditor's Report

To the Shareholders of New Frontier Ventures Inc.

Opinion

We have audited the consolidated financial statements of New Frontier Ventures Inc. and its subsidiaries (the "Company"), which comprise the consolidated statements of financial position as at December 31, 2023 and 2022, and the consolidated statements of loss and comprehensive loss, consolidated statements of change in deficiency and consolidated statements of cash flows for the years then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

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

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 consolidated 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 consolidated financial statements in Canada. 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.

Material uncertainty related to going concern

We draw attention to Note 2 in the consolidated financial statements, which indicates that the Company had a cumulative deficit, and negative cash flow from operations for the year ended December 31, 2023 and, as of that date, the Company's current liabilities exceeded its current assets. As stated in Note 2, these events or conditions, along with other matters as set forth in Note 2, indicate that material uncertainties exist that cast significant doubt on the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Except for the matter described in Material uncertainty related to going concern section, we have determined that there were no additional key audit matters to communicate in our report.

Other information

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

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

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 consolidated financial statements

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

In preparing the consolidated 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 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 consolidated financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated 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 aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

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

- Identify and assess the risks of material misstatement of the consolidated 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 risks 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 consolidated 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 consolidated financial statements, including the disclosures, and whether the consolidated 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.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner of the audit resulting in this independent auditor's report is Soheil Talebi.

McGovern Hurley LLP



**Chartered Professional Accountants
Licensed Public Accountants**

Toronto, Ontario
June 7, 2024

New Frontier Ventures Inc.
Consolidated Statements of Financial Position
As at December 31, 2023 and 2022
(Presented in Canadian dollars)

	Notes	2023	2022
		\$	\$
Assets			
Current assets			
Cash		263	3,575
Other receivables	5	2,157	15,368
Total assets		2,420	18,943
Liabilities			
Current liabilities			
Trade and other payables	6,11	324,352	386,544
Advances payable	7	38,671	28,000
Loan payable	8	60,000	33,333
Total liabilities		423,023	447,877
Deficiency			
Share capital	9	2,176,852	2,000,600
Contributed surplus		4,373,695	4,373,695
Accumulated other comprehensive loss		(184,272)	(184,272)
Deficit		(6,786,878)	(6,618,957)
Total deficiency		(420,603)	(428,934)
Total liabilities and deficiency		2,420	18,943

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

Going Concern (Note 2)

On behalf of the Board:

/s/ Vikas Ranjan
Director

/s/ Winfield Ding
Director

New Frontier Ventures Inc.

Consolidated Statements of Loss and Comprehensive Loss

For the years ended December 31, 2023 and 2022

(Presented in Canadian dollars)

	Notes	2023	2022
		\$	\$
Expenses			
Consulting and professional fees		44,687	26,070
Compensation and management fees	11	85,219	95,690
General and administrative expenses		52,431	35,592
Interest expense and bank charges	8	7,502	6,198
Gain on forgiveness and settlement of debt	9	(40,189)	-
(Gain) loss on investments		(1,729)	184
Foreign exchange loss		-	162
Total expenses		147,921	163,896
Loss before other income		(147,921)	(163,896)
Reversal of government grant revenue	8	(20,000)	-
Loss before income taxes		(167,921)	(163,896)
Net loss and comprehensive loss		(167,921)	(163,896)
Net loss per share, basic and diluted		(0.03)	(0.06)
Weighted average number of shares outstanding			
Basic and diluted	10	4,960,133	2,904,082

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

New Frontier Ventures Inc.

Consolidated Statements of Change in Deficiency

(Presented in Canadian dollars, except for number of common shares)

	Common shares		Contributed	Accumulated other comprehensive		Total
	Shares	Amount	surplus	(loss)	Deficit	Shareholders' deficiency
	#	\$	\$	\$	\$	\$
Balance at December 31, 2021	2,904,082	2,000,600	4,373,695	(184,272)	(6,455,061)	(265,038)
Net loss for the year	-	-	-	-	(163,896)	(163,896)
Balance at December 31, 2022	2,904,082	2,000,600	4,373,695	(184,272)	(6,618,957)	(428,934)
Net loss for the year	-	-	-	-	(167,921)	(167,921)
Issuance of shares for debt, net of costs	9 4,239,880	176,252	-	-	-	176,252
Balance at December 31, 2023	7,143,962	2,176,852	4,373,695	(184,272)	(6,786,878)	(420,603)

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

New Frontier Ventures Inc.

Consolidated Statements of Cash Flows

For the years ended December 31, 2023 and 2022
(Presented in Canadian dollars)

	Notes	2023	2022
		\$	\$
Operating activities			
Net (loss)		(167,921)	(163,896)
Items not involving cash			
(Gain) Loss on disposal of investment		(1,729)	184
Gain on settlement and forgiveness of debts		(40,189)	-
Reversal of government grant		20,000	-
Interest accretion		6,667	5,555
		(183,172)	(158,157)
Changes in non-cash working capital	13	182,003	122,329
Net cash used in operating activities		(1,169)	(35,828)
Investing activities			
Proceeds from disposal of investment		1,729	-
Net cash provided by investing activities		1,729	-
Financing activities			
Share issuance costs	9	(14,543)	-
Proceeds from advances payable	7	10,671	28,000
Net cash used in financing activities		(3,872)	28,000
(Decrease) in cash		(3,312)	(7,828)
Cash, beginning of year		3,575	11,403
Cash, end of year		263	3,575

The accompanying notes are an integral part of the consolidated financial statements.
See Note 13 for additional cash flow information.

New Frontiers Ventures Inc.

Notes to the Consolidated Financial Statements

For the years ended December 31, 2023 and 2022

(Presented in Canadian dollars unless otherwise noted)

1. NATURE OF OPERATIONS

New Frontier Ventures Inc. (the “Company”) was an investment holding firm. It disposed of its assets in 2019 to 2021 and is currently looking for new business. The Company is a publicly listed company on the Canada Securities Exchange (“CSE”) and was trading under the symbol, VFI-X.

The Company was incorporated under the Canada Business Corporation Act with its registered office and principal place of business at 200 Consumers Road, Suite 702, Toronto, Ontario, M2J 4R4.

These Consolidated Financial Statements (“Financial Statements”) were approved by the Board of Directors on June 7, 2024.

2. STATEMENT OF COMPLIANCE, BASIS OF PRESENTATION AND GOING CONCERN

These Financial Statements have been prepared in accordance with International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board (“IASB”). These Financial Statements have been prepared on a going concern basis, under the historical cost convention, modified to include the fair valuation of certain financial instruments to the extent required or permitted under accounting standards as set out in the relevant accounting policies. These financial statements are also prepared on an accrual basis, except for cash flow information.

Going Concern

These Financial Statements have been prepared on a going concern basis, which assumes the Company will continue its operations in the foreseeable future and that it will be able to realize its assets and discharge its liabilities in the normal course of operations. As of December 31, 2023, the Company’s current liabilities exceed current assets by 420,603 (2022 - \$428,934). The Company as of December 31, 2023, has a cumulative deficit of \$6,786,878 (2022 - \$6,618,957); negative cash flows from operations for the year ended December 31, 2023 totaling \$1,169 (2022 - \$35,828); and has a shareholder deficiency of \$420,603 as at December 31, 2023 (2022 - \$428,934). These conditions indicate the existence of material uncertainties that may cast significant doubt on the Company’s ability to continue as a going concern. The consolidated financial statements do not reflect adjustments to the carrying value of assets and liabilities or reported expenses and statement of financial position classifications that would be necessary if the going concern assumption was not appropriate. These adjustments could be material.

3. MATERIAL ACCOUNTING POLICIES

Use of Estimates, Judgements and Assumptions

The preparation of these financial statements requires the Company to make judgments in applying its accounting policies and estimates and assumptions about the future. Judgments, estimates and assumptions affect the Company’s reported amounts of assets, liabilities, and items in net income or loss, and related disclosure. Estimates are based on various assumptions that the Company believes are reasonable under the circumstances. These estimates form the basis for making judgments about the carrying value of assets and liabilities and the reported amounts of items in net income or loss that are not apparent from other sources. The Company evaluates its estimates on an ongoing basis. Actual results may differ from the Company’s estimates.

The following are significant management judgments and estimates in applying the accounting policies of the Company that have the most significant effect on these financial statements.

Fair value of financial assets and financial liabilities – Fair value of financial assets and financial liabilities on the statement of financial position that cannot be derived from active markets, are determined using a variety of techniques including the use of mathematical models. The inputs to these models are derived from observable market data where possible, but where observable market data are not available, judgment is required to established fair values. The judgments include, but are not limited to, consideration of model inputs such as volatility, estimated life and discount rates,

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(Presented in Canadian dollars unless otherwise noted)

repayment of Canada Emergency Business Account (“CEBA”) loan and government grant, and interest rate used for accretion of the CEBA loan

Income taxes – The estimate of income taxes includes evaluating the recoverability of deferred tax assets based on an assessment of the Company’s ability to utilize the underlying future tax deductions against future taxable income prior to expiry of those deductions, the Company assesses whether it is probable that some or all of the deferred income tax assets will not be realized the ultimate realization of deferred tax assets is dependent upon the generation of future taxable income. If changes were made to the Company’s assessment regarding its ability to use future tax deductions, the Company may be required to recognize more or fewer deferred tax assets and future income tax provisions or recoveries could be affected.

Expected credit losses – Management must exercise judgment to estimate the expected credit losses related to various financial assets. The evaluation of the expected credit losses is established considering the specific credit risk to its counterparties, historical trends and economic conditions.

Provisions – The Company and its subsidiaries from time to time are subject to legal proceedings. Contingent loss provisions are recorded by the Company when it is probable that loss will occur and it can be estimated.

Basis of consolidation

These Financial Statements include the accounts of the Company and its subsidiaries. Subsidiaries are entities which the Company has power over decisions about relevant activities. The existence and effect of potential voting rights that are currently exercisable, or convertible are considered when assessing whether control exists. Subsidiaries are fully consolidated from the date on which control is transferred to the Company. Entities are deconsolidated from the date on which control ceases. Accounting policies of subsidiaries have been changed, where necessary, to ensure consistency with the Company’s policies. The acquisition method of accounting is used to account for the acquisition of subsidiaries. Purchase consideration is measured as the fair value of the assets given, equity instruments issued, and liabilities assumed at the date of exchange. The transaction costs directly attributable to the acquisition are expensed.

Consolidated subsidiaries	Jurisdiction of incorporation	Direct or Indirect Percentage Ownership (a)
Gravitas Financial Services Holdings Inc. (“GFSHI”)	Canada	100%
Capital Ideas Media Inc.	Canada	100%
Revenue.com US Corporation	USA	55%
Gravitas Siraj Holdco Inc.	Canada	100%
Gravitas Global GP Inc.	Canada	100%
Siraj Ontario Corporation	Canada	100%
Gravitas Select Flow-Through GP Inc. (“GSFT”)	Canada	100%
SearchGold Guinee SARL	Guinee, Africa	100%
Global Compliance Network Inc.	Canada	100%

Functional and presentation currency and basis of evaluation

These Financial Statements are presented in Canadian dollars, which is also the functional currency of the Company and its subsidiaries, with the exception of one non-operating subsidiary whose functional currency is in United States dollars. Monetary assets and liabilities in foreign currency are translated at the exchange rate in effect at the statement of financial position date, whereas other assets and liabilities are translated at the exchange rate in effect at the transaction date. Revenues and expenses are translated at the average rate in effect during the year. Gains and losses are included in consolidated statement of loss and comprehensive loss for the year.

Each subsidiary determines its own functional currency and items included in their financial statements are measured using that functional currency. The determination of functional currency is based on the primary economic environment (including monetary policy) in which an entity operates. The functional currency of an entity reflects the underlying transactions, events and conditions that are relevant to the entity. Factors that an entity considers when determining

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its functional currency include: (1) the currency that mainly influences sale price for goods and services; (ii) the currency of the country whose competitive forces and regulations mainly determine that sale price of its goods and services; (iii) the currency that mainly influences labour, material and other costs of providing goods and services; (iv) the currency in which funds from financing activities are generated; and (v) the currency in which receipts from operating activities are usually retained.

The assets and liabilities of any foreign operations having a functional currency other than the Canadian dollar are translated into Canadian dollar at the exchange rate prevailing at the consolidated statement of financial position date, and at the average exchange rate for the reporting period for revenue and expense accounts. The cumulative foreign currency translation adjustment is recorded as a component of accumulated other comprehensive income or loss in shareholder's equity.

On disposal of a subsidiaries' entire interest in a foreign operation or the Company's loss control of that operation: (i) all of the exchange differences accumulated in equity in respect of that operation attributable to the Company are reclassified to profit or loss; and (ii) any cumulative amount of exchange differences relating to that foreign operation attributable to the non-controlling interests is de-recognized but is not reclassified to profit or loss. In the case of a partial disposal that does not result in the Company losing control over a subsidiary that includes a foreign operation, the proportionate share of accumulated exchange differences is re-attributed to non-controlling interests and not recognized in profit of loss.

Provisions

Provisions represent a liability to the Company for which the amount or timing is uncertain. Provisions are recognized when the Company has a legal obligation as a result of prior events, it is probable that a financial outflow of resources will occur, and the amount can be reasonably estimated.

Income taxes

Income tax expense includes current and deferred tax. This expense is recognized in profit or loss, except for income tax related to the components of other comprehensive income (loss) or equity, in which case the tax expense is recognized in other comprehensive income (loss) or equity, respectively. Current tax is the expected tax payable on the taxable income for the period, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect to previous period. Deferred tax is recognized using the liability method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax liabilities are generally recognized for all taxable temporary differences. Deferred tax assets are generally recognized for all deductible temporary differences to the extent that it is probable that taxable income will be available against which those deductible temporary differences and the carry forward of non-capital losses can be utilized.

Deferred tax is not recognized on the initial recognition of assets or liabilities in a transaction that is not a business combination. In addition, deferred tax is not recognized for taxable temporary differences arising on the initial recognition of goodwill. Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse based on the laws that have been enacted or substantively enacted by the reporting date. Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to offset current tax assets against current tax liabilities and the deferred tax relates to the same taxable entity and the same taxation authority. A deferred tax asset is recognized to the extent that it is probable that future taxable income will be available against which the temporary differences can be utilized. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefits will be realized. Unrecognized deferred tax assets are reassessed at each reporting date and are recognized to the extent that it has become probable that future profit will allow the deferred tax assets to be recovered.

Equity

Share capital represents the amount received upon the share issuance. If shares are issued when options and warrants are exercised, the share capital account also comprises the share-based payment cost previously recognized in

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contributed surplus. Other elements of equity include the following: (i) contributed surplus includes share-based payments related to options and warrants until such equity instruments are exercised; (ii) (deficit) includes all current and prior period profits or losses and issuance costs net of any tax benefits; and (iii) foreign currency translation adjustments.

Basic and diluted net income (loss) per share

Basic income (loss) per share is calculated by dividing the income (loss) attributable to ordinary equity holders of the Company by the weighted average number of common shares outstanding during the period. Diluted income (loss) per share is calculated by adjusting the income (loss) attributable to ordinary equity holders of the Company, and the weighted average number of common shares outstanding, for the effects of all dilutive potential common shares which include options and warrants. Dilutive potential common shares shall be deemed to have been converted into common shares at the beginning of the period or, if later, at the date of issue of the potential common shares.

Financial Instruments

Debt instruments and business model assessment

On initial recognition, all debt instruments are classified based on both the business model under which the asset is held and the contractual cash flow characteristics of the financial instrument. The business model assessment involves determining whether financial assets are held and managed by the Company for generating and collecting contractual cash flows, selling the financial assets or both. The Company assesses the business model at a portfolio level using judgment supported by relevant objective evidence including: (i) how the performance of the asset is evaluated and reported to the Company's management; (ii) the frequency, volume, reason and timing of sales in prior periods and expectations about future sales activity; (iii) whether the assets are held purely for trading purposes i.e., assets that are acquired by the Company principally for the purpose of selling or repurchase in the near term or held as part of a portfolio that is managed for short-term profits; and (iv) the risks that affect the performance of assets held within a business model and how those risks are managed.

Cash flow characteristics assessment

The contractual cash flow characteristics assessment involves assessing the contractual features of an instrument to determine if they give rise to cash flows that are consistent with a basic lending arrangement i.e. if they represent cash flows that are solely payments of principal and interest ("SPPI"). Principal is defined as the fair value of the instrument at initial recognition. Principal may change over the life of the instruments due to repayments. Interest is defined as consideration for the time value of money and the credit risk associated with the principal amount outstanding and for other basic lending risks and costs (liquidity risk and administrative costs), as well as a profit margin. In assessing whether the contractual cash flows are SPPI, the Company considers the contractual terms of the instrument. This includes assessing whether the financial asset contains any contractual terms that could change the timing or amount of contractual cash flows such that the financial asset would not meet the SPPI criteria. In making the assessment, the Company considers: (i) contingent events that would change the amount and/or timing of cash flows; (ii) leverage features; (iii) prepayment and extension terms; (iv) penalties relating to prepayments; terms that limit the Company's claim to cash flows from specified assets; and (v) features that modify consideration of the time value of money.

Debt instruments measured at AMC

Debt instruments are measured at AMC using the effective interest rate, if they are held within a business model whose objective is to hold the financial asset for collecting contractual cash flows where those cash flows represent SPPI. The effective interest rate is the rate that discounts estimated future cash payments or receipts through the expected life of the financial asset to the gross carrying amount of the financial asset. AMC is calculated considering any discount or premium on acquisition, transaction costs and fees that are an integral part of the effective interest rate. Amortization of these deferred costs is included in interest income in the consolidated statements of income (loss). Impairment on debt instruments measured at AMC is calculated using the ECL approach. Loans and debt securities measured at amortized cost are presented net of the allowance for credit losses in the consolidated statements of financial position.

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Financial assets designated at FVTPL

Financial assets classified in this category are those that have been designated so by management on initial recognition or are held for trading purposes. Financial assets are designated at FVTPL if doing so eliminates or significantly reduces an accounting mismatch which would otherwise arise. Financial assets designated at FVTPL are recorded in the statement of financial position at fair value. For assets designated at FVTPL, changes in fair values are recognized in income in the statements of income (loss).

Based on this assessment, management has determined that all the debt instruments held are classified as AMC and none of the debt instruments are considered FVTOCI. Further, cash, and trade and other receivables are classified as amortized cost.

Impairment

The Company applies the three-stage approach to measure allowance for credit losses, using the expected credit loss impairment approach as required under IFRS 9, for the following categories of financial instruments that are not measured at FVTPL: (i) financial assets at AMC; (ii) debt securities as at FVOCI (which there are none); and (iii) off-balance sheet loan commitments (which there are none). The Company has adopted the simplified approach for calculation of impairment for trade and other receivables based on a provision matrix.

Write-offs

The Company writes off an impaired financial asset, either partially or in full, when there is no realistic prospect of recovery. Where financial assets are secured, write-off is after the expected receipts from the realization of collateral. In subsequent periods, recoveries if any, against written off loans are credited to the provision for credit losses in the statements of income (loss) and comprehensive income (loss).

Derecognition

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 the associated risks and rewards of ownership to another entity. Gains and losses on derecognition are recognized in the statements of income (loss) and comprehensive income (loss).

The Company derecognizes financial liabilities only when its obligations under the financial liabilities are discharged, cancelled or expired. Generally, the difference between the carrying amount of the financial liability derecognized and the consideration paid and payable, including any non-cash assets transferred or liabilities assumed, is recognized in the statements of income (loss) and comprehensive income (loss).

Government grants

Government grant is recognized when there is reasonable assurance that the grant will be received and the Company will comply with the conditions. The grant is recognized as income over the period to match with the cost that it is intended to compensate. The government grants received by the Company include the Canada Emergency Wage Subsidy (“CEWS”) and the Canada Emergency Business Account Loan (“CEBA”).

Leases under IFRS 16

At the inception of a contract, the Company assesses whether the contract is, or contains, a lease that conveys to the Company the right to control the use of an underlying asset in return for payment. If the contract meets the definition of a lease, the lease liability is recognized in an amount equal to the present value of the unpaid lease payments discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, the lessee’s incremental borrowing rate is used. Lease payments include: (i) all fixed payments; (ii) variable payments that depend on an index or rate; and (iii) any purchase option or termination penalty reasonably certain to be incurred. A lease ROU asset is recognized in an amount equal to the lease liability less any lease incentives received and plus: (i) any payments made prior to the start of the lease; (ii) any initial direct costs incurred; and (iii) an estimate of the cost to restore the asset as required by the lease contract. The Company remeasures the lease liability in response to changes in future lease

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payments, such as consumer price index (CPI) escalations or changes in lease term, adjusting the lease asset by an equivalent amount. Depreciation starts at the commencement date of the lease.

The Company applies the cost model to subsequently measure lease ROU assets and applies same impairment policy as other property and equipment. Lease ROU assets are depreciated over the period of the lease term.

the Company has no lease agreement and there is no lease asset or liability recognized.

4. STANDARDS, AMENDMENTS, AND INTERPRETATIONS ISSUED AND ADOPTED

The Company has adopted effectively from January 1, 2023 the follow new standards and amendments. The adoption of the standards and amendments has no impact on the consolidated financial statements of the Company.

IAS 1 – Presentation of Financial Statements (“IAS 1”) was amended in January 2020 to provide a more general approach to the classification of liabilities under IAS 1 based on the contractual arrangements in place at the reporting date. The amendments clarify that the classification of liabilities as current or noncurrent is based solely on a company’s right to defer settlement at the reporting date. The right needs to be unconditional and must have substance. The amendments also clarify that the transfer of a company’s own equity instruments is regarded as settlement of a liability, unless it results from the exercise of a conversion option meeting the definition of an equity instrument. The amendments are effective for annual periods beginning on January 1, 2024.

5. OTHER RECEIVABLES

	December 31, 2023	December 31, 2022
	\$	\$
Harmonized sales tax receivables (“HST”)	22,256	15,368
Provision for uncollectible HST	(20,098)	-
	2,157	15,368

6. TRADE AND OTHER PAYABLES

A summary of trade and other payables of the Company is as follows:

	December 31, 2023	December 31, 2022
	\$	\$
Trade payables	229,584	327,780
Accrued liabilities	94,768	58,764
	324,352	386,544

7. ADVANCES PAYABLE

In the year ended December 31, 2023, three directors of the Company made advances in total of \$10,671 (2022 - \$28,000) to the Company to support its working capital that are interest free, unsecured, and due on demand. The outstanding balance was \$38,671 as of December 31, 2023 (2022 - \$28,000)

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8. LOAN PAYABLE

On June 2, 2020, the Company obtained \$40,000 in revolving credit from the Government of Canada under the Canada Emergency Business Account (CEBA) COVID-19 Economic Response Plan. The funding is granted in the form of an interest free revolving credit line of which up to \$40,000 may be drawn. On January 1, 2021, any balance remaining on the revolving credit line will automatically convert into a non-revolving term loan. Effective January 1, 2023, any outstanding balance on the term loan shall bear interest at a rate of 5% per annum. The term loan matures on December 31, 2025. If 75% of the outstanding balance of the term loan is repaid on or before December 31, 2022, the remaining 25% of the balance shall be forgiven. The Company used the assumption of 20% discount rate to determine the fair value of the interest-free period, and assumes the Company will repay the 75% outstanding balance on December 31, 2022. The difference between the amount received in cash and the related fair value was considered a government grant and was recognized as income in the statement of income.

The Company drew the full \$40,000 and intended to repay \$30,000 on or before December 31, 2022. The initial recognition of the \$40,000 was at its fair value at a discount of 20%. \$18,665 was recognized as debt and \$21,335 was recognized as government grant income.

In 2021 the Canadian Government increased the CEBA loan available to small businesses to \$60,000. The Company made another draw of \$20,000 on January 11, 2021. If the Company would repay the outstanding balance of the loan (other than the forgiven amount) on or before December 31, 2022, the forgiven amount would be \$20,000 in total (25% of the first \$40,000 and 50% of the second \$20,000). The Company recorded the \$12,903 of the \$20,000 as government grant income, and \$7,097 as new loan portion.

In late 2021, the Canadian Government extended the date of repayment for the forgiven amount from December 31, 2022 to December 31, 2023.

\$6,667 interest was accrued for the year ended December 31, 2023 (2022 - \$5,555). Subsequent to December 31, 2023, the Company was not able to repay the \$40,000 amount required before the deadline of January 18, 2024, and the Company adjusted the loan balance as of December 31, 2023 to \$60,000 (2022 - \$33,333) and recorded a reversal of government grant of \$20,000 for the year ended December 31, 2023 (2022 - \$nil). Effective January 18, 2024 the loan became a term loan bearing annual interest rate of 5% that matures on December 31, 2026.

9. SHARE CAPITAL

The authorized share capital of the Company consists of an unlimited number of common shares. As at December 31, 2023, outstanding shares were 7,143,962 (2022 - 2,094,082). Share capital totals \$2,176,852 (2022 - \$2,000,600).

On July 7, 2023 the Company closed the settlement of \$211,994 debt owed by the Company to three service providers by issuing 4,239,880 common shares of the Company at \$0.045 per share, including 3,200,000 common shares issued to two directors of the Company to settle \$160,000 owed to them. \$21,199 gain on the debt settlement was recorded representing the difference between the fair price of the shares and the debt amount settled. \$14,543 legal costs were recorded as share issue costs. Legal costs plus HST in total of \$18,990 was forgiven by the service provider that was recorded as gain on forgiveness of debt.

10. LOSS PER SHARE

Income (loss) per share is based on the weighted average number of common shares of the Company outstanding during the period. The diluted income (loss) per share reflects the potential dilution of common share equivalents, such as outstanding share options and warrants. The weighted average number of shares outstanding for the year ended December 31, 2023 are 4,960,133 (2022 - 2,094,082). No stock options were outstanding during the years ended

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December 31, 2023 and 2022. No warrants were outstanding during the years ended December 31, 2023 and 2022. The diluted outstanding number of shares of the Company was 7,143,962 as of December 31, 2023 (2022 – 2,094,052).

Basic and diluted loss per share for the year ended December 31, 2023 totaled \$0.03 (2022 – \$0.06).

11. RELATED PARTY TRANSACTIONS

Parties are considered related if the party has the ability, either directly or indirectly, to control the other party or exercise significant influence over the other party in making operating and financial decisions. This would include the Company's and their subsidiaries' senior management. Parties are also related if they are subject to common control or common significant influence. Related parties may be individuals or corporate entities. A transaction is a related party transaction when there is a transfer of resources or obligations between related parties. The following are the related party transactions during the years ended December 31, 2023 and 2022. Unless otherwise stated, none of the transactions incorporated special terms and conditions and no guarantees were given or received. Usually outstanding balances are settled in cash.

Amounts owed to related parties are unsecured, non-interest bearing, due on demand.

During the year ended December 31, 2023, the Company:

- Incurred \$84,000 (2022 - \$90,000) of fees to senior officers of the Company, including the Chief Executive Officer and Chief Financial Officer. This amount has been included in compensation and management fees. \$245,794 (2022 - \$328,054) was outstanding at December 31, 2023 and included in trade and other payables. In the year 2023, 3,200,000 common shares were issued to two officers of the Company to settle \$160,000 (2022 - \$nil) payable to the two officers.
- See Note 7.

12. STOCK OPTION PLAN AND STOCK BASED COMPENSATION

The Company has adopted a stock-based option plan under which the Board of Directors may award options for common shares to directors, officers, employees and consultants. The maximum number of common shares issuable pursuant to the share option plan must not exceed 10% of the total number of the Company's outstanding. The exercise price of each option is determined by the Board of Directors and cannot be less than the discounted market value of the common shares on the eve of the award. The term of the options cannot exceed five years. During the years ended December 31, 2023 and 2022, there were no stock options outstanding.

13. ADDITIONAL INFORMATION – CASH FLOWS

The changes in working capital items are detailed as follows:

For the year ended	December 31, 2023	December 31, 2022
	\$	\$
Change in:		
Other receivables	13,211	1,896
Trade and other payables	168,792	120,433
Changes in working capital	182,003	122,329

Supplemental cash flow information

For the year ended	December 31, 2023	December 31, 2022
	\$	\$
Shares issued for liabilities	211,994	-

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14. INCOME TAXES

Relationship between expected tax expense and accounting net earnings loss

The relationship between the expected tax expense based on the combined federal and provincial income tax rate in Canada and the reported tax expense in the consolidated statement of comprehensive loss income can be reconciled as follows:

	For the years ended December 31,	
	2023	2022
	\$	\$
Expected income tax recovery calculated using the combined federal and provincial income tax rate in Canada of 26.5% (2022 – 26.5%)	44,000	43,000
Share issue costs	4,000	-
Tax rate changes and other adjustments	700	3,000
Changes in unrecognized temporary differences	48,700	43,300
Income tax expense	-	-

The Company has the following timing differences that have not been recognized on the Financial Statements:

	For the years ended December 31,	
	2023	2022
	\$	\$
Capital loss carry forwards	903,513	904,534
Share issue costs	11,634	-
Non-capital losses carried forward	1,950,783	1,778,227
Total deductible temporary differences	2,865,930	2,682,761

The ability to realize the tax benefits is dependent upon several factors, including the future profitability of operations. Deferred tax assets are recognized only to the extent that it is probable that sufficient taxable profits will be available to allow the asset to be recovered. The Company has the following non-capital losses which are available to reduce income taxes in future periods, for which no deferred tax asset has been recognized in the consolidated statement of financial position, that can be carried over the following years:

	For the years ended December 31,
	2023
	\$
2037	335,456
2040	1,067,292
2041	212,769
2042	162,710
2043	172,556
	1,950,783

15. FINANCIAL INSTRUMENTS

Fair value

The carrying value of cash, trade and other receivables and trade and other payables, advance payable and loan payable are considered to be a reasonable approximation of the fair value due to the short-term maturity of these instruments. The carrying value of guaranteed investment certificates are considered to be reasonable approximate of the fair value since these instruments are redeemable at any time, except the guaranteed investment certificates used as deposit collateral for the office lease disposed are considered to impaired with a fair value of \$nil due to estimate of no recoverability.

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Assets and liabilities have been categorized into hierarchical levels, according to the significance and reliability of the inputs used in determining fair value measurements.

The fair value hierarchy has the following levels:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
- Level 3: inputs for the assets or liabilities are not based on observable market data (unobservable inputs).

No financial instruments were subject to the fair value hierarchy during the years ended December 31, 2023 and 2022.

16. CAPITAL MANAGEMENT

The Company manages its capital structure and adjusts related to changes in the economic environment and the underlying risks of its assets. In its definition of capital, the Company includes advances and loan payable and equity (deficiency). The following table shows the items included in the definition of capital. There has been no change with respect to the overall capital management strategy during the years ended December 31, 2023 and 2022.

	2023	2022
	\$	\$
Advances and loan payable	98,671	61,333
Deficiency	(420,603)	(428,934)
	<u>(321,932)</u>	<u>(367,601)</u>

17. FINANCIAL RISKS

The Company is exposed to the following risks through its financial instruments.

Credit risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. The Company's trade and other receivables are subject to the expected credit loss model. The Company applies the simplified approach to providing for expected credit losses prescribed by IFRS 9, which permits the use of the lifetime expected loss provision for all trade and other receivables and receivables from brokers and clients, while ECL calculation based on stage assessment has been performed for loan receivables.

Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulties in meeting obligations with financial liabilities that would be settled either by delivering cash or another financial asset. See Note 2 for Going Concern uncertainty. The Company has current assets of \$2,421 which will be used to cover its operating and investing activities. The expected timing of consolidated cash flows relating to financial liabilities as at December 31, 2023, are as follows:

	Less than 1 year	1-5 years	6-10 years	Total
	\$	\$	\$	\$
Trade and other payables	324,352	-	-	324,352
Loan payable	60,000	-	-	60,000
Advances payable	38,671	-	-	38,671
	<u>423,023</u>	-	-	<u>423,023</u>

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Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. The Company is exposed to the following three types of market risk: interest rate risk, currency risk and other price risk.

Interest rate risk - Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company is not exposed to significant interest rate risk as the loan payable is interest free.