

**NEW FRONTIER VENTURES INC.**  
**Unaudited Condensed Interim Consolidated Financial Statements**

**For the periods ended June 30, 2024 and 2023**

## **Notice of Disclosure of Non-Auditor Review of Condensed Interim Consolidated Financial Statements**

Pursuant to National Instrument 51-102, Part 4, subsection 4.3(3)(a) issued by the Canadian Securities Administrators, if an auditor has not performed a review of the financial statements, they must be accompanied by a notice indicating that these financial statements have not been reviewed by an auditor.

The accompanying unaudited condensed interim consolidated financial statements of New Frontier Ventures Inc. (the “Company”) and its subsidiaries have been prepared in accordance with International Financial Reporting Standards and are the responsibility of the Company’s management.

The Company’s independent auditors have not performed a review of the condensed interim consolidated financial statements in accordance with the standards established by the Chartered Professional Accountants Canada for a review of interim condensed consolidated financial statements by an entity’s auditor.

# New Frontier Ventures Inc.

## Unaudited Condensed Interim Consolidated Statements of Financial Position

As at June 30, 2024 and December 31, 2023

(Expressed in Canadian dollars)

|   | Notes | June 30,<br>2024   | December 31,<br>2023 |
|---|-------|--------------------|----------------------|
|   |       | \$                 | \$                   |
| <b>Assets</b>                           |       |                    |                      |
| Current assets                          |       |                    |                      |
| Cash                                    |       | 390                | 263                  |
| Other receivables                       |       | 7,573              | 2,157                |
| <b>Total assets</b>                     |       | <b>7,963</b>       | <b>2,420</b>         |
| <b>Liabilities</b>                      |       |                    |                      |
| Current liabilities                     |       |                    |                      |
| Trade and other payables                | 9     | 329,647            | 324,352              |
| Advances payable                        | 5     | 89,497             | 38,671               |
| Loan payable                            | 6     | 61,016             | 60,000               |
| <b>Total liabilities</b>                |       | <b>480,160</b>     | <b>423,023</b>       |
| <b>Deficiency</b>                       |       |                    |                      |
| Share capital                           | 7     | 2,176,852          | 2,176,852            |
| Contributed surplus                     |       | 4,373,695          | 4,373,695            |
| Accumulated other comprehensive loss    |       | (184,272)          | (184,272)            |
| <b>Deficit</b>                          |       | <b>(6,838,472)</b> | <b>(6,786,878)</b>   |
| <b>Total deficiency</b>                 |       | <b>(472,197)</b>   | <b>(420,603)</b>     |
| <b>Total liabilities and deficiency</b> |       | <b>7,963</b>       | <b>2,420</b>         |

Going concern (Note 2)

Signed "Vikas Ranjan", Director

Signed "Winfield Ding", Director

See accompanying notes to the unaudited condensed interim consolidated financial statements.

# New Frontier Ventures Inc.

## Unaudited Condensed Interim Consolidated Statement of Loss and Comprehensive Loss For the periods ended June 30, 2024 and 2023

(Expressed in Canadian dollars)

|   | Notes | 3 months<br>ended<br>June 30,<br>2024 | 3 months<br>ended<br>June 30,<br>2023 | 6 months<br>ended<br>June 30,<br>2024 | 36 months<br>ended<br>June 30,<br>2023 |
|---|-------|---------------------------------------|---------------------------------------|---------------------------------------|--|
|   |       | \$                                    | \$                                    | \$                                    | \$                                     |
| <b>Expenses</b>                               |       |                                       |                                       |                                       |  |
| Compensation and management fees              | 9     | 12,401                                | 21,429                                | 24,802                                | 42,429                                 |
| General and administrative expenses           |       | 21,732                                | 39,432                                | 25,394                                | 42,387                                 |
| Interest expense and bank charges             | 7     | 746                                   | 1,896                                 | 1,398                                 | 3,633                                  |
| <b>Total expenses</b>                         |       | <b>34,879</b>                         | <b>62,757</b>                         | <b>51,594</b>                         | <b>88,449</b>                          |
| <b>Loss before other income</b>               |       | <b>(34,879)</b>                       | <b>(62,757)</b>                       | <b>(51,594)</b>                       | <b>(88,449)</b>                        |
| Investment gain                               |       | -                                     | 1,729                                 | -                                     | 1,729                                  |
| <b>Net loss and comprehensive loss</b>        |       | <b>(34,879)</b>                       | <b>(61,028)</b>                       | <b>(51,594)</b>                       | <b>(86,720)</b>                        |
| <b>Net loss per share, basic and diluted</b>  |       | <b>(0.00)</b>                         | <b>(0.02)</b>                         | <b>(0.01)</b>                         | <b>(0.03)</b>                          |
| Weighted average number of shares outstanding |       |                                       |                                       |                                       |  |
| Basic and diluted                             | 8     | 7,143,962                             | 2,904,082                             | 7,143,962                             | 2,904,082                              |

See accompanying notes to the unaudited condensed interim consolidated financial statements.

## New Frontier Ventures Inc.

### Unaudited Condensed Interim Consolidated Statements of Changes in Deficiency

(Expressed in Canadian dollars, except shares)

|                                     | Shares           | Common shares<br>Amount | Contributed<br>surplus | Accumulated<br>other<br>comprehensive<br>(loss) | Deficit            | Total<br>Shareholders'<br>deficiency |
|-------------------------------------|------------------|-------------------------|------------------------|---|--------------------|--------------------------------------|
|                                     | #                | \$                      | \$                     | \$  | \$                 | \$                                   |
|                                     | Note 9           |                         |                        |   |                    |                                      |
| <b>Balance at December 31, 2022</b> | <b>2,904,082</b> | <b>2,000,600</b>        | <b>4,373,695</b>       | <b>(184,272)</b>                                | <b>(6,618,957)</b> | <b>(428,934)</b>                     |
| Net loss for the period             | -                | -                       |                        | -   | (86,720)           | (86,720)                             |
| <b>Balance at June 30, 2023</b>     | <b>2,904,082</b> | <b>2,000,600</b>        | <b>4,373,695</b>       | <b>(184,272)</b>                                | <b>(6,705,677)</b> | <b>(515,654)</b>                     |
| <b>Balance at December 31, 2023</b> | <b>7,143,962</b> | <b>2,176,852</b>        | <b>4,373,695</b>       | <b>(184,272)</b>                                | <b>(6,786,878)</b> | <b>(420,603)</b>                     |
| Net loss for the period             | -                | -                       |                        | -   | (51,594)           | (51,594)                             |
| <b>Balance at June 30, 2024</b>     | <b>7,143,962</b> | <b>2,176,852</b>        | <b>4,373,695</b>       | <b>(184,272)</b>                                | <b>(6,838,472)</b> | <b>(472,197)</b>                     |

See accompanying notes to the unaudited condensed interim consolidated financial statements.

# New Frontier Ventures Inc.

## Unaudited Condensed Interim Consolidated Statements of Cash Flows For the periods ended June 30, 2024 and 2023

(Expressed in Canadian dollars)

|   | Notes | 6 months<br>ended<br>June 30,<br>2024 | 36 months<br>ended<br>June 30,<br>2023 |
|---|-------|---------------------------------------|--|
|   |       | \$                                    | \$                                     |
| <b>Operating activities</b>               |       |                                       |  |
| Net (loss)                                |       | (51,594)                              | (86,720)                               |
| Items not involving cash                  |       |                                       |  |
| (Gain) on disposal of investment          |       | -                                     | (1,729)                                |
| Interest accretion                        |       | 1,016                                 | 3,109                                  |
|   |       | (50,578)                              | (85,340)                               |
| Changes in non-cash working capital       |       |                                       | 78,347                                 |
| Net cash used in operating activities     |       | (50,578)                              | (6,993)                                |
| <b>Investing activities</b>               |       |                                       |  |
| Short term investments                    |       | (121)                                 | 1,729                                  |
| Net cash provided by investing activities |       | (121)                                 | 1,729                                  |
| <b>Financing activities</b>               |       |                                       |  |
| Proceeds from advances payable            | 5     | 50,826                                | 7,000                                  |
| Net cash used in financing activities     |       | 50,826                                | 7,000                                  |
| (Decrease) in cash                        |       | 127                                   | 1,736                                  |
| Cash, beginning of period                 |       | 263                                   | 3,575                                  |
| <b>Cash, end of period</b>                |       | <b>390</b>                            | <b>5,311</b>                           |

See accompanying notes to the unaudited condensed interim consolidated financial statements.

# New Frontier Ventures Inc.

## Notes to the Unaudited Condensed Interim Consolidated Financial Statements

For the periods ended June 30, 2024 and 2023

(Presented in Canadian dollars unless otherwise noted)

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### 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 Unaudited Condensed Interim Consolidated Financial Statements (“Financial Statements”) were approved by the Board of Directors on August 28, 2024.

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

These Unaudited Condensed Interim Financial Statements have been prepared in accordance with International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board (“IASB”) and with interpretations of the International Financial Reporting Interpretations Committee (“IFRIC”) which the Canadian Accounting Standards Board has approved for incorporation into Part 1 of the CAP Canada Handbook – Accounting, as applicable to the preparation of interim financial statements, including International Accounting Standard (“IAS”) 34, “Interim Financial Reporting”. These Financial Statements should be read in conjunction with the Company’s audited financial statements as at and for the year ended December 31, 2023, which were prepared in accordance with IFRS as applicable for the annual financial statements. 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.

#### 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 June 30, 2024, the Company’s current liabilities exceed current assets by \$472,197 (December 31, 2023 - \$420,603). The Company as of June 30, 2024, has a cumulative deficit of \$6,838,472 (December 31, 2023- \$6,786,878); negative cash flows from operations for the period ended June 30, 2024 totalling \$50 578 (2023 - \$6,993); and had a shareholder deficiency of \$473,197 as at June 30, 2024 (December 31, 2023- \$420,603). 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 Unaudited Condensed Interim Consolidated financial statements do not reflect adjustments to the carrying value of assets and liabilities or reported expenses and balance sheet classifications that would be necessary if the going concern assumption was not appropriate. These adjustments could be material.

# New Frontier Ventures Inc.

## Notes to the Unaudited Condensed Interim Consolidated Financial Statements

For the periods ended June 30, 2024 and 2023

(Presented in Canadian dollars unless otherwise noted)

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### 3. MATERIAL ACCOUNTING POLICIES

The material accounting policies applied by the Company are the same as those applied as at and for the year ended December 31, 2023 as described in Note 3 of the Company's December 31, 2023 audited consolidated financial statements and are consistently applied to all the periods presented unless otherwise noted below. They do not include all of the information and disclosures required for annual financial statements. For further information, see the Company's audited consolidated financial statements for the year ended December 31, 2023.

#### **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 establish fair values. The judgments include, but are not limited to, consideration of model inputs such as volatility, estimated life and discount rates, 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 Unaudited Condensed Interim Consolidated from the date on which control is transferred to the Company. Entities are de-consolidated 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



# New Frontier Ventures Inc.

## Notes to the Unaudited Condensed Interim Consolidated Financial Statements

For the periods ended June 30, 2024 and 2023

(Presented in Canadian dollars unless otherwise noted)

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%  |

#### 4. STANDARDS, AMENDMENTS, AND INTERPRETATIONS ISSUED AND ADOPTED

The Company has determined that new standards, interpretations and amendments to existing standards have been issued by the IASB or IFRIC that are either not applicable to the Company or that no material effect is expected on the financial statements as a result of adoption.

#### 5. ADVANCES PAYABLE

In the period ended June 30, 2024, a director of the Company and a company controlled by a director of the Company made advances in total of \$50,826 (2023 - \$7,000) to the Company to support its working capital that are interest free, unsecured, and due on demand. The outstanding balance was \$89,497 as of June 30, 2024 (December 31, 2023 - \$38,671).

#### 6. 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.

# New Frontier Ventures Inc.

## Notes to the Unaudited Condensed Interim Consolidated Financial Statements

For the periods ended June 30, 2024 and 2023

(Presented in Canadian dollars unless otherwise noted)

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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. In the period ended June 30, 2024, 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 and recorded a reversal of government grant of \$20,000 for the year ended December 31, 2023. Effective January 18, 2024 the loan became a term loan bearing annual interest rate of 5% that matures on December 31, 2026. The Company accrued \$1,016 interest for the loan for the period ended June 30, 2024.

### 7. SHARE CAPITAL

The authorized share capital of the Company consists of an unlimited number of common shares. As at June 30, 2024, outstanding shares were 7,143,962 (December 31, 2023 – 7,143,962). Share capital totals \$2,176,852 as at June 30, 2024 (December 31, 2023 - \$2,176,852).

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.

### 8. INCOME (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 period ended June 30, 2024 are 7,143,962 (2023- 2,094,082). No stock options were outstanding as of June 30, 2024 and December 31, 2023. No warrants were outstanding as of June 30, 2024 and December 31, 2023. The diluted outstanding number of shares of the Company was 7,143,962 for the period ended June 30, 2024 (2023 – 2,094,082). Basic and diluted net loss per share for the period ended June 30, 2024 totaled \$0.01 (2023 - \$0.03).

### 9. 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 periods ended June 30, 2024 and 2023. 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.

During the period ended June 30, 2024, the Company-

- Incurred \$24,000 (2023- \$42,000) plus HST to directors and senior officers of the Company and its subsidiaries, including the Chief Executive Officer and its Chief Financial Officer of the Company and/or its subsidiary companies. This amount has been included in compensation and management fees, professional fees and general and

# New Frontier Ventures Inc.

## Notes to the Unaudited Condensed Interim Consolidated Financial Statements

For the periods ended June 30, 2024 and 2023

(Presented in Canadian dollars unless otherwise noted)

administrative fees. \$278,914 (December 2023 - \$245,794) was outstanding at June 30, 2024 that was included in the trade and other payables.

- See Note 5.

### 10. 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. As of June 30, 2024 and December 31, 2023, there were no stock options outstanding.

### 11. 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.

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 year ended December 31, 2023 and the period ended June 30, 2024.

### 12. 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 long term debentures 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 period ended June 30, 2024.

|                           | June 30, 2024 | December 31, 2023 |
|---------------------------|---------------|-------------------|
|                           | \$            | \$                |
| Advances and loan payable | 150,513       | 98,671            |
| Deficiency                | (472,197)     | (420,603)         |
|                           | (321,684)     | (321,932)         |

# New Frontier Ventures Inc.

## Notes to the Unaudited Condensed Interim Consolidated Financial Statements

For the periods ended June 30, 2024 and 2023

(Presented in Canadian dollars unless otherwise noted)

### 13. 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 \$7,963 which will be used to cover its operating and investing activities. The expected timing of consolidated cash flows relating to financial liabilities as at June 30, 2024, are as follows:

|                          | Less than 1 year | 1-5 years | 6-10 years | Total          |
|--------------------------|------------------|-----------|------------|----------------|
|                          | \$               | \$        | \$         | \$             |
| Trade and other payables | 329,647          | -         | -          | 329,647        |
| Loan payable             | 61,016           | -         | -          | 61,016         |
| Advances payable         | 89,497           | -         | -          | 89,497         |
|                          | <b>480,160</b>   | -         | -          | <b>480,160</b> |

#### 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.