GREENRISE GLOBAL BRANDS INC.

CONDENSED CONSOLIDATED FINANCIAL STATEMENTS MARCH 31, 2024

(Unaudited – Prepared by Management)

NOTICE OF NO AUDITOR REVIEW OF CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

In accordance with National Instrument 51-102, Part 4, subsection 4.3 (3) (a), if an auditor has not performed a review of the interim financial statements, they must be accompanied by a notice indicating that an auditor has not reviewed the financial statements. The accompanying unaudited condensed consolidated interim financial statements of the Company have been prepared by and are the responsibility of the Company's management. The Company's independent auditor has not performed a review of these financial statements in accordance with standards established by the Canadian Institute of Chartered Accountants for a review of interim financial statements by an entity's auditor.

GREENRISE GLOBAL BRANDS INC.
CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
MARCH 31, 2024, AND DECEMBER 31, 2023
(Expressed in Euros)

		As at March 31, 2024		As at December 31, 2023
Assets				
Current assets				
Cash	€	**7,616**	€	31,527
Accounts receivable and prepaid expenses		**-**		-
Loans receivable (Note 4)		**431,887**		410,296
		439,503		441,823
Total assets	€	**439,503**	€	441,823
Liabilities and shareholders' equity				
Current liabilities				
Trade and other payable (Note 8)	€	**226,970**	€	254,694
Loans payable (Note 5)		**2,402,281**		179,911
Convertible debenture (Note 6)		**453,805**		
Derivative liability (Note 7)		**-**		1,886
		3,083,057		436,491
Non-current liabilities				
Loans payable (Note 5)		**-**		2,166,440
Convertible debenture (Note 6)		**-**		453,805
Total liabilities		**3,083,057**		3,056,736
Shareholders' equity				
Share capital (Note 7)		**5,678,306**		5,678,306
Share based payment reserve (Note 7)		**2,648,925**		2,648,925
Subscriptions received in advance		**87,246**		87,246
Foreign currency translation reserve		**22,787**		22,787
Deficit		**(11,080,817)**		(11,052,177)
Total shareholders' deficiency		**(2,643,553)**		(2,614,913)
Total liabilities and shareholders' equity	€	**439,503**	€	441,823

Nature and Continuance of Operations (Note 1)

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

GREENRISE GLOBAL BRANDS INC.
CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE LOSS
THREE MONTHS ENDED MARCH 31,
(Expressed in Euros)

		2024		2023
Expenses				
General and administrative (Note 10)	€	(8,467)	€	(35,461)
Interest expense (Note 5)		(42,325)		(47,242)
Share based compensation (Notes 7)		-		-
Transfer agent, filing fees and shareholder communication		(1,325)		(362)
		(52,117)		(83,065)
Other income (expense)				
Interest income and accretion		21,591		17,528
Foreign exchange gain (loss)		-		(15,700)
Unrealized gain on derivative liability (Note 7)		1,886		66,451
Net and comprehensive loss for the period	€	(28,640)	€	(14,786)
Basic and diluted loss per share	€	(0.00)	€	(0.00)
Weighted average number of common shares outstanding - basic and diluted		47,236,039		47,236,039

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

GREENRISE GLOBAL BRANDS INC.
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (DEFICIT)
THREE MONTHS ENDED MARCH 31,
(Expressed in Euros)

	Capital Stock												
	Shares		Amount		Share-based payment reserve		Subscriptions received in advance		Foreign currency translation reserve		Deficit		Total equity
At December 31, 2022	47,236,039	€	5,678,306	€	2,648,925	€	87,246	€	22,787	€	(10,752,879)	€	(2,315,615)
Loss for the period	-		-		-		-		-		(14,786)		(14,786)
At March 31, 2023	47,236,039		5,678,306		2,648,925		87,246		22,787		(10,767,665)		(2,330,401)
Loss for the period	-		-		-		-		-		(284,512)		(284,512)
At December 31, 2023	47,236,039		5,678,306		2,648,925		87,246		22,787		(11,052,177)		(2,614,913)
Loss for the period	-		-		-		-		-		(28,640)		(28,640)
At March 31, 2024	47,236,039	€	5,678,306	€	2,648,925	€	87,246	€	22,787	€	(11,080,817)	€	(2,643,553)

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

GREENRISE GLOBAL BRANDS INC.
CONSOLIDATED STATEMENTS OF CASH FLOWS
THREE MONTHS ENDED MARCH 31,
(Expressed in Euros)

		2024		2023
Operating activities				
Loss for the period from continuing operations	€	**(28,640)**	€	(14,786)
Items not affecting cash:				
Non-cash loan interest		**34,038**		47,242
Non-cash foreign exchange		**-**		(140)
Gain on derivative liability		**(1,886)**		(66,451)
Impairment of loans and inestment		**-**		-
Gain in change in fair value of convertible debenture		**-**		-
Accretion of loans receivable		**(13,304)**		(17,528)
Share based compensation		**-**		-
		(9,792)	-	(51,663)
Changes in non-cash working capital items:				
Amounts receivable and prepaid expenses		**-**		586,832
Trade and other payables		**(27,724)**		(193,608)
Net cash provided by / (used in) operating activities		**(37,516)**		341,561
Investing activities				
Proceeds from the sale of CannaCare		**-**		387,500
Net cash provided by / (used in) investing activities		**-**		387,500
Financing activities				
Net increase / (decrease) in loans		**13,605**		(432,950)
Net cash provided by / (used in) financing activities		**13,605**		(432,950)
Change in cash during the period		(23,911)		296,111
Cash, beginning of period		**31,527**		-
Cash (overdraft), end of period	€	**7,616**	€	296,111

No cash was paid for interest or income taxes during the periods presented.

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

1. NATURE OF OPERATIONS AND GOING CONCERN

Nature of Operations

Greenrise Global Brands Inc. ("the Company" or "Greenrise") is an investment holding company which holds investments in Germany.

Greenrise is incorporated in the Province of British Columbia in Canada, with its registered office located at Suite 1000, 925 West Georgia Street, Vancouver, British Columbia, Canada V6C 3L2. The Company's common shares trade on the Canadian Securities Exchange ("CSE") under the trading symbol "XCX" and on the Frankfurt Stock Exchange under the trading symbol "C4T."

The reporting currency of Greenrise's consolidated financial statements is the Euro ("€").

Going Concern

These consolidated financial statements have been prepared on the assumption that the Company will continue as a going concern, meaning that it will continue in operation for the foreseeable future and will be able to realize assets and discharge liabilities in the ordinary course of operations. Different bases of measurement may be appropriate if the Company is not expected to continue operations for the foreseeable future. As at March 31, 2024, the Company had an accumulated deficit of €11,080,817 and a working capital deficit of €2,643,553. To date, the Company has not generated sufficient revenues to meet its operating and administrative expenses or its other obligations. The Company's continuation as a going concern is dependent upon its ability to raise equity capital or borrowings sufficient to meet current and future obligations and ultimately attain profitable operations. These factors indicate a material uncertainly exists that may cast significant doubt on the ability of the Company to continue operations as a going concern. Management intends to finance operating costs over the next twelve months with private placements of the Company's common shares and loans from related parties.

2. BASIS OF PRESENTATION

These consolidated financial statements have been prepared on an accrual basis in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB"), interpretations of the International Financial Reporting Interpretations Committee ("IFRIC") and with the accounting policies and selected annual disclosures disclosed in Note 3.

The consolidated financial statements were authorized for issue by the Board of Directors on May 23, 2024.

These consolidated financial statements have been prepared on the historical cost basis. In addition, these consolidated financial statements have been prepared using the accrual basis of accounting, except for cash flow information.

Basis of consolidation

These consolidated financial statements have been prepared on a going concern basis, under the historical cost convention, except for investments in associates and jointly controlled entities that are accounted for using the equity method and certain financial instruments and investments which are measured at fair value.

2. BASIS OF PRESENTATION (cont'd)

The Company consolidates subsidiaries over which it has control, where control is the power, directly or indirectly, to govern the financial and operating policies of an entity to obtain benefits from its activities. These consolidated financial statements include the accounts of the Company.

Use of estimates and assumptions

The preparation of consolidated financial statements in accordance with IFRS requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the consolidated financial statements, the reported amounts of revenues and expenses during the reporting period and contingent assets and liabilities. Significant estimates include the fair value measurements and assumptions relating to consolidated financial instruments, changes in equity accounted investments, deferred income taxes and the recoverability of receivables and loans receivable.

The Company's management reviews these estimates and underlying assumptions on an ongoing basis, based on experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Revisions to estimates are adjusted prospectively in the period in which the estimates are revised. Actual results could significantly differ from those estimates.

Significant judgments

The preparation of consolidated 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 applying to the Company's consolidated financial statements include the assessment of the Company's influence on associates, the fair value of financial assets and liabilities, the Company's ability to continue as a going concern and the determination of functional currency.

3. SIGNIFICANT ACCOUNTING POLICIES

Foreign currency translation

Items included in the financial statements of each of the Company's entities are measured using the currency of the primary economic environment in which the entity operates (the "functional currency"). The functional currency of the Company and its subsidiaries is the Euro. These consolidated financial statements are presented in EUROS.

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 were determined.

Exchange differences arising in the translation of monetary items or on settlement of monetary items are recognized in profit or loss in the statement of comprehensive income (loss) in the period in which they arise.

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

Exchange differences arising from the translation of non-monetary items are recognized in other comprehensive income in the statement of comprehensive income (loss) to the extent that gains and losses arising on those non-monetary items are also recognized in other comprehensive income. Where the non-monetary gain or loss is recognized in profit or loss, the exchange component is also recognized in profit or loss.

Financial instruments

Classification
The Company classifies its financial instruments in the following categories: at fair value through profit and loss ("FVTPL"), at fair value through other comprehensive loss ("FVTOCI") or at amortized cost. The Company determines the classification of financial assets at initial recognition. The classification of debt instruments is driven by the Company's business model for managing the financial assets and their contractual cash flow characteristics. Equity instruments that are held for trading are classified as FVTPL. For other equity instruments, on the day of acquisition, the Company can make an irrevocable election (on an instrument-by-instrument basis) to designate them as FVTOCI. Financial liabilities are measured at amortized cost unless they are required to be measured at FVTPL or if the Company has opted to measure them at FVTPL.

The following table shows the classification of the Company's financial instruments under IFRS 9:

Financial assets / liabilities	
Cash	FVTPL
Accounts receivable	Amortized cost
Loans receivable	Amortized cost
Derivative liability	FVTPL
Trade and other payables	Amortized cost
Loans payable	Amortized cost
Convertible debenture	FVTPL

Impairment of financial assets at amortized cost
The Company recognizes a loss allowance for expected credit losses on financial assets that are measured at amortized cost. At each reporting date, the Company measures the loss allowance for the financial asset at an amount equal to the lifetime expected credit losses if the credit risk on the financial asset has increased. significantly since initial recognition. If at the reporting date, the credit risk on the financial asset has not increased significantly since initial recognition, the Company measures the loss allowance for the financial asset at an amount equal to the twelve-month expected credit losses. The Company shall recognize in the consolidated statements of comprehensive loss, as an impairment gain or loss, the amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date to the amount that is required to be recognized.

Derecognition
Financial assets:
The Company derecognizes financial assets only when the contractual rights to cash flows from the financial

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

assets expire or when it transfers the financial assets and substantially all of the associated risks and rewards of ownership to another entity. Gains and losses on derecognition are generally recognized in the statements of comprehensive loss.

Financial liabilities:
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 comprehensive loss.

Income taxes

Income tax expense comprises current and deferred tax. Current and deferred tax is recognized in profit and loss except to the extent that it relates to items recognized directly in equity or in reserves as part of shareholders' equity.

Current tax is the expected tax payable or receivable on the taxable income or loss for the period using tax rates enacted or substantively enacted at the reporting date and any adjustment to tax payable in respect of previous years.

Deferred tax is recognized in respect of temporary differences between carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. 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. A deferred tax asset is recognized only to the extent that it is probable that future taxable income will be available against which the asset can be realized.

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

Earnings (loss) per share

Basic earnings (loss) per share is computed by dividing net income (loss) attributable to the equity owners of the Company by the weighted average number of common shares outstanding during the reporting period.

Diluted earnings (loss) per share is determined by dividing the net income (loss) attributable to the equity owners of the Company by the weighted average number of common shares outstanding, adjusted for the dilutive effect of all potential common shares issuances upon exercise of options, warrants and similar instruments. For the periods presented, the Company had no dilutive instruments.

Reserves

Share-based payments

The Company's share option plan allows employees, directors, officers and consultants to acquire shares of the Company. The fair value of options granted is recognized as share-based compensation expense with a

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

corresponding increase in share-based payment reserve in equity. Fair value is measured at grant date, and each tranche is recognized using the graded vesting method over the period during which the options vest. The fair value of the options granted is measured using the Black-Scholes option pricing model, taking into account the terms and conditions upon which the options were granted. At each financial position reporting date, the amount recognized as an expense is adjusted to reflect the actual number of share options that are expected to vest. In situations where equity instruments are issued to non-employees and some or all of the goods or services received by the entity as consideration cannot be specifically identified, they are measured at the fair value of the share-based payment. Otherwise, share-based payments are measured at the fair value of goods or services received.

When options are exercised, the proceeds received, together with any related amount in share-based payments reserve, are credited to share capital.

<u>Foreign currency translation reserve</u>

The foreign currency translation reserve records exchange differences arising on translation of the financial statements of subsidiaries and equity accounted investments of the Company that have a functional currency other than the Euro.

4. LOANS RECEIVABLE

As at March 31, 2024, the Company has two unsecured loans receivable from CannaCare with total face value of €1,131,000 (December 31, 2023 - €1,131,000) and accrued interest totalling €73,006 (2023 - €64,791).

One loan receivable has a principal amount of €608,920, bears interest at 2% per annum and was acquired in fiscal 2022 from a CannaCare shareholder in exchange for a convertible debenture in the same amount (Note 7). The other loan receivable has principal amount of €531,000 and bears interest at 4% per annum.

During the year ending December 31, 2023, the Company and CannaCare amended both loan receivable agreements where the Company will discount the principal amounts owning by half if repaid before December 31, 2024.

The combined fair value at inception was determined to be €1,026,384 based on a discount rate of 10% per annum. During the three months ended March 31, 2024, interest and accretion of €21,581 (2023 - €8,348) was recorded. At March 31, 2024, the recoverable value of the loans including accrued interest was determined to be €431,887 (2023 - €410,296).

5. LOANS PAYABLE

a) The Company has an unsecured revolving drawdown loan payable for €2-million, bearing an interest rate of 10% per annum and maturing on December 31, 2024. As at March 31, 2024, €1,620,627 (December 31, 2023 - €1,620,627) had been drawn down against the credit facility and accrued interest totalling €586,218 is owed (December 31, 2023 - €545,813). During the three months March 31, 2024, interest of €40,405 (2023 - €43,706) was accrued on this loan. A director of the lender is an executive officer of the Company.

5. LOANS PAYABLE (cont'd)

b) The Company has a drawdown loan of €181,781 (December 31, 2023 - €179,911) which includes accrued interest with a lender bearing an interest rate of 5% per annum, and due on December 31, 2024.

c) During the three months ended March 31, 2024, the Company accrued interest of €1,870 (2023 - €4,582) on the loan. During the year ended December 31, 2023, the Company repaid €450,000 towards the drawdown loan payable; and

d) In the first quarter of 2024 the Company entered into a credit facility for up to CAD$150,000 bearing an interest rate of 15% per annum and maturing on December 31, 2024. The loan is secured by the CannaCare Loan receivable (Note 4) and a director of the lender is an executive office of the Company. As at March 31, 2024, €13,605 (December 31, 2023 - €nil) has been drawn down against the credit facility and accrued interest totaling €51 is owed (December 31, 2023 - €nil). During the three months ended March 31, 2024, the Company accrued interest of €50 (2023 - €nil) on the loan.

6. CONVERTIBLE DEBENTURE

On June 14, 2022, the Company issued a convertible debenture in the amount of €608,920 in exchange for a loan receivable (see Note 4). The convertible debenture is unsecured, matures on December 31, 2024, bears interest at 2% per annum and is convertible into 4,201,552 Units. Each Unit is comprised of one Greenrise common share ("Common Share") and two share purchase warrants ("Warrant"), exercisable for one Common Share at an exercise price of CAD$0.35 which expired on April 30, 2023, and one Common Share at CAD$0.50 at any time up to April 30, 2024.

The Company has elected to account for the entire convertible debentures at FVTPL under IFRS 9. The fair value at inception was determined by using a 10% discount rate, a risk-free rate of 3.46%-4.06%, a conversion option price of $0.20 and volatility of 100%. The Company determined the fair value of the convertible debenture to be €541,778 on grant, and €453,805 at March 31, 2024 (2024 - €453,805).

7. CAPITAL AND OTHER COMPONENTS OF EQUITY

Authorized and issued shares

The authorized share capital of the Company is an unlimited number of Class A Voting Common Shares (the "common shares"). As at March 31, 2024, there were 47,236,039 common shares outstanding.

Stock options and warrants

The Option Plan adopted by the Board of Directors (the "Board") is a "rolling" stock option plan, pursuant to which the Board may, from time to time, in its discretion, and in accordance with CSE and regulatory requirements, grant to directors, officers, employees and consultants, non-assignable and non-transferable options to purchase common shares of the Company, provided that the number of common shares reserved for issuance will not exceed 10% of the then issued and outstanding common shares of the Company.

The Company uses a fair value method of accounting for all stock-based payments, with a corresponding credit to reserves. During the three months year ended March 31, 2024, the Company granted no options (2023 – nil) with a fair value of €nil (2023 - €nil),

7. CAPITAL AND OTHER COMPONENTS OF EQUITY (cont'd)

The continuity of incentive stock options issued outstanding is as follows:

	Stock options	
	Number	**Weighted Average Exercise Price (CAD$)**
Balance, December 31, 2022	870,500	$ 0.18
Cancelled	(720,000)	0.18
Balance, December 31, 2023, and March 31, 2024	150,000	$ 0.18

The following stock options were outstanding as at March 31, 2024:

	Options outstanding and exercisable		
Exercise price	**Number**	**Weighted average remaining contractual life (years)**	**Weighted average exercise price (CAD$)**
CAD$0.18	150,000	0.08	$ 0.18

A continuity of warrants issued and outstanding is as follows:

	Warrants	
	Number	**Weighted Average Exercise Price (CAD$)**
Balance, December 31, 2022	10,634,000	$ 0.43
Expired	(5,317,000)	0.35
Balance, December 31, 2023 and March 31, 2024	5,317,000	$ 0.50

Derivative liability

The Black-Scholes valuation model is used to estimate the fair value of the derivate liability when warrants are issued in Canadian dollars. The warrants are fair valued again at each period end and the difference in fair value between the fair value at the period end and the previous valuation is recognized as an unrealized gain or loss on derivative liability. During the three months ended March 31, 2024, the Company recognized an unrealized gain on derivative liability of €1,886 (2023 - €66,451).

8. RELATED PARTY TRANSACTIONS

The Company considers the executive officers as key management.

Included in accounts payable at March 31, 2024, is €35,232 (December 31, 2023 – €33,351) owing to officers of the Company for expenses incurred on behalf of the Company.

9. CAPITAL MANAGEMENT

The Company's capital is comprised of shareholders' equity, less reserves, and liabilities. Cash and loans receivable are managed for liquidity and operational requirements in conjunction with budgeted or expected capital needs. The Company's objective when managing capital is to maintain its ability to retain sufficient liquidity to make investments as opportunities arise and to continue to meet ongoing expenditure and operational needs.

The Company manages the capital structure and makes adjustments to its capital management strategies when economic conditions or risk characteristics of its capital change. To maintain or adjust the capital structure, the Company may consider the issuance of shares, acquire or dispose of assets or adjust the amount of cash held.

Currently, the Company's strategy is to monitor economic conditions and capital markets and allocate operating capital for investment opportunities arising from market conditions.

The Company is not subject to externally imposed capital requirements. The Company's overall capital management strategy remains unchanged from the prior year.

10. FINANCIAL INSTRUMENTS

The Company's financial instruments consist of cash, accounts receivable, loans receivable, accounts payable, derivative liability, loans payable and convertible debenture.

Fair value
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:

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

Cash deposits have been measured at fair value using Level 1 inputs. The carrying value of receivables, loans receivable, trade payables, loans payable and convertible debenture approximate their fair value. The derivative liability is measured using level 3 inputs.

The Company is exposed in varying degrees to financial instrument related risks. The Board of Directors approves and monitors the risk management processes, inclusive of investment policies, counterparty credit limits and liquidity concerns. The more significant risk exposure and the way in which such exposure is managed is described below.

10. FINANCIAL INSTRUMENTS (cont'd)

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 exposure to credit risk is on its cash held in bank accounts and on its loans receivable. The majority of cash is deposited in bank accounts held with major banks in Canada and Germany. As most of the Company's cash is held by two banks, there is a concentration of credit risk. This risk is managed by using major banks that are high credit quality financial institutions as determined by rating agencies. Loan receivables are owed from one lender and as a result a high concentration of credit risk
exists. The Company manages its credit risk on loans receivable by closely monitoring amounts loaned and by maintaining regular communication with the note holder to keep apprised of the lenders operational and financial situation and to ensure a repayment plan is in place.

Currency risk

Foreign 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 Company's functional currency. The Company's reporting currency is the Euro and major purchases are transacted in the Euro and Canadian dollars. The Company maintains Euro's and Canadian dollar in bank accounts in Germany and Canada. The Company is subject to gains and losses from fluctuations in the Canadian dollar against the Euro. The Company held a net monetary liability position of $150,000 in Canadian dollars as of March 31, 2024, with the effect on profit or loss before tax of a 10% fluctuation to the CAD dollar being approximately €10,000.

The Company's investments are subject to foreign currency risk, which may adversely affect the Company's financial position, results of operations and cash flows. The following table summarizes the geographical distribution of the Company's financial instruments in Euros at March 31, 2024:

	Euro	CAD Dollar	Total
Cash and accounts receivable	100%	0%	100%
Loans receivable	100%	0%	100%
Trade and other payables	68%	32%	100%
Loans payable	100%	0%	100%
Convertible debenture	99%	1%	100%

Interest rate risk

Interest rate risk is the risk that the fair value of future cash flows from a financial instrument will fluctuate because of changes in market interest rates. The risk that the Company will realize a loss as a result of a decline in the fair value of its investment in money market funds included in cash is limited as the money market funds may be redeemed at any time without penalty. The Company's loan receivable and loans payable have fixed interest rates and are not affected by changes in interest rates.

Liquidity risk

Liquidity risk is the risk that the Company will not have sufficient cash resources to meet financial obligations as they fall due. The Company manages liquidity risk through the management of its capital structure as outlined in Note 9. Liquidity risk is assessed as high.