

**MABEL VENTURES INC. (formerly AARDVARK VENTURES INC.)**

**CONSOLIDATED FINANCIAL STATEMENTS**

**Years Ended August 31, 2023 and 2022**

**(Presented in Canadian Dollars)**

## INDEPENDENT AUDITOR’S REPORT

**To the Shareholders of Mabel Ventures Inc. (formerly Aardvark Ventures Inc.)**

### Report on the Audit of the Consolidated Financial Statements

#### Opinion

We have audited the consolidated financial statements of Mabel Ventures Inc. (formerly Aardvark Ventures Inc.) (the “Company”), which comprise the consolidated statements of financial position as at August 31, 2023 and 2022 and the consolidated statements of loss and comprehensive loss, changes in shareholders’ equity (deficiency) and 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 financial position of the Company as at August 31, 2023 and 2022 and its financial performance and its 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 financial statements in Canada, and we have fulfilled our 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 1 in the consolidated financial statements, which indicates that the Company’s ability to continue as a going concern is dependent upon its ability to obtain the necessary financing to achieve profitable operations. These matters, along with other matters as set forth in Note 1, indicate that a material uncertainty exists that may 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 judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

In addition to the matter described in the *Material Uncertainty Related to Going Concern* section, we have determined that there is the following key audit matter to communicate in our auditor’s report.

Key audit matter:	How our audit addressed the key audit matter:
Assessment of impairment indicators of Exploration and evaluation assets.	Our approach to addressing the matter included the following procedures, among others:
<i>Refer to note 3(a) – Accounting policy Exploration and evaluation assets, and note 4 – Exploration and evaluation assets</i>	Evaluated the reasonableness of management’s assessment of impairment indicators, which included the following:
Management assesses at each reporting period whether there is an indication that the carrying value of	<ul style="list-style-type: none"> <li>• Assessed the Company’s market capitalization in comparison to the Company’s net assets, which may be an indication of impairment.</li> </ul>

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exploration and evaluation assets may not be recoverable. Management applies significant judgment in assessing whether indicators of impairment exist that necessitate impairment testing. Internal and external factors, such as (i) a significant decline in the market value of the Company's share price; (ii) changes in the Company's assessment of whether commercially viable quantities of mineral resources exist within the properties; and (iii) changes in metal prices, capital and operating costs, are evaluated by management in determining whether there are any indicators of impairment.

We considered this a key audit matter due to (i) the significance of the exploration and evaluation asset balance and (ii) the significant audit effort and subjectivity in applying audit procedures to assess the factors evaluated by management in its assessment of impairment indicators, which required significant management judgment.

- Assessed the completeness of the factors that could be considered indicators of impairment, including consideration of evidence obtained in other areas of the audit.
- Confirmed that the Company's right to explore the properties had not expired.
- Obtained management's written representations regarding the Company's future plans for the exploration and evaluation assets.
- Assessed the reasonability of the Company's financial statement disclosure regarding their exploration and evaluation assets.

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### **Other Information**

Management is responsible for the other information. The other information comprises the information included in "Management's Discussion and Analysis" but does not include the consolidated financial statements and our auditor's report thereon.

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. 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 to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

### **Auditor's Responsibilities for the Audit of the 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 the 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 judgment

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 risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the 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.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Group as a basis for forming an opinion on the group financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

The engagement partner on the audit resulting in this independent auditor's report is G. Cameron Dong.

A handwritten signature in black ink that reads "De Visser Gray LLP". The signature is written in a cursive, flowing style.

**Chartered Professional Accountants**

Vancouver, BC, Canada  
December 21, 2023

# Mabel Ventures Inc. (formerly Aardvark Ventures Inc.)

## Consolidated Statements of Financial Position

(Presented in Canadian Dollars)

	August 31, 2023	August 31, 2022
<b>ASSETS</b>		
<b>Current</b>		
Cash	\$ 541,965	\$ 2,999
Sales tax recoverable	7,734	3,395
	<b>549,699</b>	<b>6,394</b>
Exploration and evaluation assets (Note 4)	<b>60,000</b>	-
	<b>\$ 609,699</b>	<b>\$ 6,394</b>
<b>LIABILITIES</b>		
<b>Current</b>		
Amounts payable and accrued liabilities	\$ 56,496	\$ 351,648
Due to related parties (Note 6)	-	61,890
	<b>56,496</b>	<b>413,538</b>
Amounts payable and accrued liabilities	<b>299,957</b>	-
	<b>\$ 356,453</b>	<b>\$ 413,538</b>
<b>SHAREHOLDERS' EQUITY (DEFICIENCY)</b>		
Share capital (Note 5)	57,698,350	56,862,888
Equity reserve	13,571,990	13,543,304
Deficit	(71,017,094)	(70,813,336)
	<b>253,246</b>	<b>(407,144)</b>
	<b>\$ 609,699</b>	<b>\$ 6,394</b>

Nature of operations and going concern (Note 1)

Subsequent events (Notes 1,4)

Approved on behalf of the Board of Directors:

/s/ Davis Kelly

Director

/s/ Bernadette D'Silva

Director

See accompanying notes to these consolidated financial statements

**Mabel Ventures Inc. (formerly Aardvark Ventures Inc.)****Consolidated Statements of Loss and Comprehensive Loss***(Presented in Canadian Dollars)*

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	Years ended August 31,	
	2023	2022
<b>Expenses</b>		
Accounting and audit (Note 6)	\$ 31,900	\$ 38,600
Consulting	75,000	60,000
Legal	38,284	22,051
Office and administration	4,249	451
Transfer agent and filing fees	32,742	68,916
Share-based compensation	28,686	-
	<b>(210,861)</b>	<b>(190,018)</b>
Finance income	7,103	-
<b>Loss and comprehensive loss</b>	<b>\$ (203,758)</b>	<b>\$ (190,018)</b>
<b>Basic and diluted loss per share</b>	<b>\$ (0.04)</b>	<b>\$ (3.07)</b>
<b>Weighted average number of common shares outstanding - basic and diluted</b>	<b>5,250,301</b>	<b>61,932</b>

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*See accompanying notes to these consolidated financial statements*

## Mabel Ventures Inc. (formerly Aardvark Ventures Inc.)

### Consolidated Statements of Changes in Shareholders' Equity (Deficiency)

(Presented in Canadian Dollars)

	Shares issued	Share capital	Equity reserve	Deficit	Shareholders' equity (deficiency)
Balance, August 31, 2021	61,932	\$ 56,862,888	\$ 13,543,304	\$ (70,623,318)	\$ (217,126)
Loss and comprehensive loss	-	-	-	(190,018)	(190,018)
<b>Balance as at August 31, 2022</b>	<b>61,932</b>	<b>\$ 56,862,888</b>	<b>\$ 13,543,304</b>	<b>\$ (70,813,336)</b>	<b>\$ (407,144)</b>
Balance, August 31, 2022	61,932	\$ 56,862,888	\$ 13,543,304	\$ (70,813,336)	\$ (407,144)
Amalgamation (Notes 1,5)	29,450,100	589,000	-	-	589,000
Private placement - flow-through (Note 5)	12,500,000	250,000	-	-	250,000
Share issuance costs (Note 5)	-	(13,538)	-	-	(13,538)
Property acquisition (Notes 4,5)	500,000	10,000	-	-	10,000
Share-based compensation	-	-	28,686	-	28,686
Loss and comprehensive loss	-	-	-	(203,758)	(203,758)
<b>Balance as at August 31, 2023</b>	<b>42,512,032</b>	<b>\$ 57,698,350</b>	<b>\$ 13,571,990</b>	<b>\$ (71,017,094)</b>	<b>\$ 253,246</b>

See accompanying notes to these consolidated financial statements

# Mabel Ventures Inc. (formerly Aardvark Ventures Inc.)

## Consolidated Statements of Cash Flows

(Presented in Canadian Dollars)

	Years ended August 31,	
	2023	2022
<b>Cash provided by (used in)</b>		
<b>Operating activities</b>		
Loss	\$ (203,758)	\$ (190,018)
Items not involving cash:		
Share-based compensation	28,686	-
Changes in non-cash working capital items:		
Sales tax recoverable	(4,339)	(600)
Amounts payable and accrued liabilities	4,805	234,347
Due to related parties	(61,890)	(40,515)
	<b>(236,496)</b>	<b>3,214</b>
<b>Investing activities</b>		
Exploration and evaluation assets (Note 4)	(50,000)	-
	<b>(50,000)</b>	<b>-</b>
<b>Financing activities</b>		
Proceeds from issuance of shares, net of share issuance costs (Note 5)	825,462	-
	<b>825,462</b>	<b>-</b>
<b>Change in cash</b>	<b>538,966</b>	<b>3,214</b>
<b>Cash (bank indebtedness), beginning</b>	<b>2,999</b>	<b>(215)</b>
<b>Cash, ending</b>	<b>\$ 541,965</b>	<b>\$ 2,999</b>
<b>Supplemental cash flow information</b>		
Non-cash acquisition costs (Note 4)	\$ 10,000	\$ -

There were no supplemental disclosures with respect to cash flows for the years ended August 31, 2023 and 2022.

*See accompanying notes to these consolidated financial statements*



# **Mabel Ventures Inc. (formerly Aardvark Ventures Inc.)**

## **Notes to the Consolidated Financial Statements**

**August 31, 2023**

*(Presented in Canadian Dollars)*

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### **1. Nature of Operations and Going Concern**

Mabel Ventures Inc. (formerly Aardvark Ventures Inc.) (the "Company") is a resource company which is listed on the Canadian Securities Exchange ("CSE") under the symbol "MBL". The Company's head office is located at Suite 3123 - 595 Burrard Street, Vancouver, British Columbia, V7X 1J1.

On October 11, 2012, trading in the shares of the Company was suspended by the TSX Venture Exchange ("TSX-V") for not meeting listing requirements for composition of the Board of Directors. On November 5, 2013, the Company's securities were delisted from the TSX-V for failure to pay its annual sustaining fee.

On February 16, 2022, the British Columbia Securities Commission and the Ontario Securities Commission (collectively, the "Commissions") revoked their cease trade orders issued against the Company. The Company's common shares were cease traded by the Commissions for failure to file annual financial statements and management's discussion and analysis for the fiscal year ended August 31, 2015. The annual financial statements and management's discussion and analysis for the fiscal years ended August 31, 2021, 2020, 2019 and 2018, along with the interim financial statements and management's discussion and analysis for the three months ended November 30, 2021, were filed by the Company effective January 10, 2022 and January 25, 2022.

On June 19, 2023, the Company changed its name to Mabel Ventures Inc. and implemented a share consolidation of the issued and outstanding common shares of the Company on the basis of one (1) post-consolidation common share for every two thousand (2,000) pre-consolidation common shares of the Company (the "Consolidation"). The financial statements reflect the Consolidation retroactively.

As a result of the Consolidation, the 123,864,898 common shares issued and outstanding prior to the Consolidation were reduced to approximately 61,932 common shares.

On July 14, 2023, the Company reconstituted its Board of Directors. The reconstitution of the Board of Directors and management of the Company follows the successful completion of the amalgamation of 1355638 B.C. Ltd., a privately-held company, with 1359787 B.C. Ltd., a wholly-owned subsidiary of the Company (the "Amalgamation"). Following completion of the Amalgamation, the combined entity became a wholly-owned subsidiary of the Company under the name Mabel Holdings Inc. and holds the assets previously held by 1355638 B.C. Ltd. The only asset in 1355638 B.C. Ltd. was \$589,000 in cash. As consideration for the Amalgamation, the Company issued 29,450,100 common shares to the former shareholders of 1355638 B.C. Ltd.

On November 30, 2023, the Company's common shares began trading on the CSE under the symbol "MBL".

The financial statements have been prepared assuming the Company will continue on a going-concern basis and be able to realize its assets and discharge its liabilities in the normal course of business for the foreseeable future. For the year ended August 31, 2023, the Company reported a loss of \$203,758 (2022 - \$190,018) and had an accumulated deficit of \$71,017,094 at that date (2022 - \$70,813,336). The Company had working capital of \$493,203 at August 31, 2023 (2022 - working capital deficiency of \$407,144). These circumstances lend significant doubt as to the ability of the Company to continue as a going concern.

Continuing operations as a going concern are dependent upon management's ability to raise adequate financing in the capital markets and to ultimately achieve profitable operations in the future. Although management has been successful in the past; there is no assurance that these initiatives will be successful in the future.

# **Mabel Ventures Inc. (formerly Aardvark Ventures Inc.)**

## **Notes to the Consolidated Financial Statements**

**August 31, 2023**

*(Presented in Canadian Dollars)*

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### **1. Nature of Operations and Going Concern (continued)**

The financial statements do not reflect the adjustments to the carrying values of assets and liabilities and the reported expenses and balance sheet classifications that would be necessary were the going concern assumption inappropriate, and these adjustments could be material.

### **2. Basis of Preparation**

The financial statements of the Company, including comparatives, have been prepared using accounting policies consistent with International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board.

The financial statements have been prepared on a historical cost basis, modified where applicable. In addition, the financial statements have been prepared using the accrual basis of accounting, except for cash flow information.

The financial statements are presented in Canadian Dollars, which is also the Company’s functional currency, unless otherwise indicated.

The Board of Directors approved the financial statements on December 21, 2023.

The preparation of the financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the reported amounts of assets, liabilities and contingent liabilities at the date of the financial statements and reported amounts of revenues and expenses during the reporting period. Estimates and assumptions are continuously evaluated and are based on management’s experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. However, actual outcomes can differ from these estimates.

#### **a) Significant judgments**

The most significant judgments in applying the Company’s accounting policies include the assessment of the Company’s ability to continue as a going concern and the classification/allocation of expenditures as exploration and evaluation expenditures or operating expenses.

#### **b) Significant estimates and assumptions**

The Company makes estimates and assumptions about the future that affect the reported amounts of assets and liabilities. Estimates and judgments are continually evaluated based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. In the future, actual experience may differ from these estimates and assumptions.

The effect of a change in an accounting estimate is recognized prospectively by including it in comprehensive income/loss in the period of the change, if the change affects that period only, or in the period of the change and future periods, if the change affects both.

Estimates and assumptions where there is significant risk of material adjustments to assets and liabilities in future accounting periods include the recoverability of the carrying value of exploration and evaluation assets and provisions for restoration and environmental obligations.

## **Mabel Ventures Inc. (formerly Aardvark Ventures Inc.)**

### **Notes to the Consolidated Financial Statements**

**August 31, 2023**

*(Presented in Canadian Dollars)*

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#### **2. Basis of Preparation (continued)**

##### c) Basis of consolidation

The financial statements include the accounts of the Company and its wholly-owned subsidiary Mabel Holdings Inc.

The financial statements of the subsidiary are included in the consolidated financial statements from the date that control commences until the date that control ceases. All intercompany transactions and balances have been eliminated.

#### **3. Significant Accounting Policies**

##### a) Exploration and Evaluation Assets

The Company's exploration and evaluation assets consist of mineral rights acquired and exploration and evaluation expenditures capitalized in respect of projects that are at the exploration and evaluation stage.

No amortization charge is recognized in respect of exploration and evaluation assets. These assets are transferred to mine development assets in property, plant and equipment upon the commencement of mine development.

Exploration and evaluation expenditures in the relevant area of interest are comprised of costs which are directly attributable to:

- Acquisition;
- Assays, Staking, and Mapping;
- Consulting & Professional;
- Drilling;
- Field Work;
- Geological & Geophysical; and
- Travel & Accommodation

Exploration and evaluation expenditures also includes the costs incurred in acquiring mineral rights, the entry premiums paid to gain access to areas of interest and amounts payable to third parties to acquire interests in existing projects. Capitalized costs, including general and administrative costs, are only allocated to the extent that those costs can be related directly to operational activities in the relevant area of interest.

Where the Company has entered into option agreements to acquire interests in mineral properties that require periodic share issuances, amounts un-issued are not recorded as liabilities since they are issuable entirely at the Company's option. Option payments are recorded as mineral property costs when the payments are made and share issuances are recorded as mineral property costs using the fair market value of the Company's common shares at the date of the issuance.

All capitalized exploration and evaluation expenditures are assessed for impairment if sufficient data exists to determine technical feasibility and commercial viability or facts and circumstances suggest that the carrying amount exceeds the recoverable amount. The following circumstances indicate that an entity should test exploration and evaluation assets for impairment:

## Mabel Ventures Inc. (formerly Aardvark Ventures Inc.)

### Notes to the Consolidated Financial Statements

August 31, 2023

(Presented in Canadian Dollars)

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#### 3. Significant Accounting Policies (continued)

- The period for which the entity has the right to explore in the specific area has expired during the period or will expire in the near future, and is not expected to be renewed;
- Substantive expenditures on further exploration and evaluation of mineral resources in the specific area is neither budgeted nor planned;
- Exploration and evaluation of mineral resources in the specific area have not led to the discovery of commercially viable quantities of mineral resources and the Company has decided to discontinue such activities in the specific area; and
- Sufficient data exist to indicate that, although a development in the specific area is likely to proceed, the carrying amount of the exploration and evaluation asset is unlikely to be recovered in full from successful development or by sale.

In circumstances where a property is abandoned, the cumulative capitalized costs relating to the property are written off in the period.

##### b) Financial Instruments

The Company recognizes financial assets and liabilities on the statement of financial position when it becomes a party to the contractual provisions of the instrument.

At initial recognition, financial assets are measured at fair value and classified as subsequently measured at amortized cost, fair value through other comprehensive income ("FVTOCI") or fair value through profit or loss ("FVTPL"). At initial recognition, financial liabilities are measured at fair value and classified as, subject to certain exceptions, subsequently measured at amortized cost. For financial assets and financial liabilities not at FVTPL, fair value is adjusted for transaction costs that are directly attributable to the acquisition or issue of the financial asset or financial liability.

A financial asset is measured at amortized cost if it meets both of the following conditions and is not designated as FVTPL:

- it is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

A debt investment is measured at FVTOCI if it meets both of the following conditions and is not designated as FVTPL:

- it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

An equity investment that is held for trading is measured at FVTPL. For other equity investments that are not held for trading, the Company may irrevocably elect to designate them as FVTOCI. This election is made on an investment-by-investment basis.

# Mabel Ventures Inc. (formerly Aardvark Ventures Inc.)

## Notes to the Consolidated Financial Statements

August 31, 2023

(Presented in Canadian Dollars)

### 3. Significant Accounting Policies (continued)

All financial assets not classified as measured at amortized cost or FVTOCI as described above are measured at FVTPL. This includes all derivative financial assets. On initial recognition, the Company may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortized cost or at FVTOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

Financial liabilities are measured at amortized cost, unless they are required to be measured at FVTPL (such as instruments held for trading or derivatives) or the Company has elected to measure them at FVTPL.

The Company classifies its financial instruments as follows:

<b>Financial Instrument</b>	<b>IFRS 9 Classification</b>
Cash	Amortized cost
Accounts payable and accrued liabilities	Amortized cost
Due to related parties	Amortized cost

#### Subsequent measurement

The following accounting policies apply to the subsequent measurement of financial instruments:

#### **Financial assets at FVTPL**

These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognized in profit or loss.

#### **Financial assets at amortized cost**

These assets are subsequently measured at amortized cost using the effective interest method. The amortized cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognized in profit or loss. Any gain or loss on derecognition is recognized in profit or loss.

#### **Equity investments at FVTOCI**

These assets are subsequently measured at fair value. Dividends are recognized as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognized in other comprehensive income and are never reclassified to profit or loss.

#### **Debt investments at FVTOCI**

These assets are subsequently measured at fair value. Interest income is calculated using the effective interest rate method, foreign exchange gains and losses and impairment are recognized in profit or loss. Other net gains and losses are recognized in other comprehensive income. On derecognition, gains and losses accumulated in other comprehensive income are reclassified to profit or loss.

#### Impairment of financial instruments

The Company assesses at each reporting date whether there is objective evidence that a financial asset or a group of financial assets is impaired.

## **Mabel Ventures Inc. (formerly Aardvark Ventures Inc.)**

### **Notes to the Consolidated Financial Statements**

**August 31, 2023**

*(Presented in Canadian Dollars)*

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#### **3. Significant Accounting Policies (continued)**

For financial assets measured at amortized cost the Company applies the expected credit loss impairment model.

##### **c) Provisions**

Provisions are recorded when a present legal or constructive obligation exists as a result of past events where it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate of the amount of the obligation can be made.

The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation estimated at the end of each reporting period, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows. When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, the receivable is recognized as an asset if it is virtually certain that reimbursement will be received and the amount receivable can be measured reliably.

##### **Income Taxes**

Income tax on the profit or loss for the periods presented comprises current and deferred tax. Income tax is recognized in profit or loss except to the extent that it relates to items recognized directly in equity, in which case it is recognized in equity.

Current tax expense is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at year end, adjusted for amendments to tax payable with regards to previous years.

Deferred tax is provided using the asset and 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.

The amount of deferred tax provided is based on the expected manner of realization or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the financial position reporting date applicable to the period of expected realization or settlement. A deferred tax asset is recognized only to the extent that it is probable that future taxable profits will be available against which the asset can be utilized.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Company intends to settle its current tax assets and liabilities on a net basis.

##### **d) Share Capital**

Common shares issued for non-monetary consideration are recorded at their fair market value based upon the date of share issuance. Costs incurred to issue common shares are deducted from share capital.

# Mabel Ventures Inc. (formerly Aardvark Ventures Inc.)

## Notes to the Consolidated Financial Statements

August 31, 2023

(Presented in Canadian Dollars)

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### 3. Significant Accounting Policies (continued)

The Company will from time to time, issue flow-through common shares to finance a significant portion of its exploration program. Pursuant to the terms of the flow-through share agreements, these shares transfer the tax deductibility of qualifying resource expenditures to investors. On issuance, the Company bifurcates the flow-through share into i) a flow-through premium, equal to the estimated premium, if any, investors pay for the flow-through feature, which is recognized as a liability, and ii) share capital. Where the flow-through common share is issued as part of a unit, the value is first allocated between the unit and the flow-through premium, and then bifurcated between the common share and the warrant on a residual value basis.

As qualified expenses are incurred the Company relieves the liability and recognizes the premium in profit or loss as other income.

The Company may also be subject to a Part XII.6 tax on flow-through proceeds, renounced under the look-back rule, in accordance with Government of Canada flow-through regulations.

#### e) Share-Based Payments

The Company's Stock Option Plan (Note 5 (c)) allows employees and consultants to acquire shares of the Company. The fair value of options granted is recognized as share-based compensation expense with a corresponding increase in reserves within equity. An individual is classified as an employee when the individual is an employee for legal or tax purposes (direct employee) or provides services similar to those performed by a direct employee.

The 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 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.

#### f) Loss Per Share

The Company presents basic and diluted loss per share data for its common shares, calculated by dividing the loss attributable to common shareholders of the Company by the weighted average number of common shares outstanding during the period. Diluted loss per share does not adjust the loss attributable to common shareholders or the weighted average number of common shares outstanding when the effect is anti-dilutive.

#### g) Related Party Transactions

Parties are considered to be related if one party has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operating decisions. Related parties may be individuals or corporate entities. A transaction is considered to be a related party transaction when there is a transfer of resources or obligations between related parties.

# Mabel Ventures Inc. (formerly Aardvark Ventures Inc.)

## Notes to the Consolidated Financial Statements

August 31, 2023

(Presented in Canadian Dollars)

### 4. Exploration and Evaluation Assets

	Bonanza Gold Property
	\$
<b>Acquisition costs:</b>	
Balance, August 31, 2022	-
Acquisition of Bonanza gold claims	10,000
Balance, August 31, 2023	10,000
<b>Exploration costs:</b>	
Balance, August 31, 2022	-
Consulting	50,000
Balance August 31, 2023	50,000
<b>Total costs:</b>	
Balance August 31, 2023	60,000

On June 6, 2023, the Company entered into a property option agreement with Abitibi Metals Corp. ("Abitibi Metals")(formerly Goldseek Resources Inc.), whereby the Company was granted the option to acquire a 51% interest in the Bonanza Gold Property (the "Property") located in Northwestern Quebec (the "Property Agreement").

Pursuant to the terms of the Property Agreement:

- The Company will acquire a 25% interest in the Property by incurring expenditures of \$100,000 and issuing 500,000 common shares of the Company on or before December 31, 2023; and
- The Company will acquire a further 26% interest in the Property, by incurring expenditures of \$150,000 on or before December 31, 2024.

During the year ended August 31, 2023, 500,000 common shares of the Company with a value of \$10,000 were issued to Abitibi Metals (Note 5 (b)) and \$50,000 in expenditures incurred on the Property. Subsequent to August 31, 2023, the Company fulfilled the requirements to acquire a 25% interest in the Property.

### 5. Share Capital

#### a) Authorized

The authorized share capital of the Company consists of an unlimited number of common shares without par value.

#### b) Shares Issued

During the year ended August 31, 2023, the Company issued 29,450,100 common shares of the Company to the former shareholders of 1355638 B.C. Ltd. in connection with the Amalgamation (Note 1).



# Mabel Ventures Inc. (formerly Aardvark Ventures Inc.)

## Notes to the Consolidated Financial Statements

August 31, 2023

(Presented in Canadian Dollars)

### 5. Share Capital (continued)

During the year ended August 31, 2023, the Company completed a non-brokered private placement and issued 12,500,000 common shares on a flow-through basis at a price of \$0.02 per flow-through share for gross proceeds of \$250,000. There was no flow-through premium liability recorded on issuance of the flow-through shares as there was no difference between the fair value and the issuance price of its flow-through shares (Note 3(d)).

As of August 31, 2023, \$200,000 of the flow-through funds raised remains to be spent.

During the year ended August 31, 2023, the Company issued 500,000 common shares with a value of \$10,000 in connection with the Property Agreement (Note 4).

Share issuance costs of \$13,538 were incurred during the year ended August 31, 2023.

There were no common shares issued during the year ended August 31, 2022.

#### c) Options

The Company has established a “rolling” Stock Option Plan (the “Plan”). Under the Plan, the number of shares reserved for issuance may not exceed 10% of the total number of issued and outstanding shares and, to any one optionee, may not exceed 5% of the issued shares on a yearly basis. The maximum term of each option shall not be greater than 10 years. The exercise price of each option shall not be less than the market price of the Company’s shares at the date of grant. Options granted to consultants performing Investor Relations Activities shall vest over a minimum of 12 months with no more than 1/4 of such options vesting in any 3 month period. All other options vest at the discretion of the Board of Directors.

During the year ended August 31, 2023, the Company granted 2,050,000 options to certain directors, officers and consultants of the Company. The options vested immediately and are exercisable at a price of \$0.05 per common share until July 17, 2033. Using the Black-Scholes valuation model, the grant date fair value was \$28,686, using the following weighted average assumptions: i) exercise price per share of \$0.05; ii) expected share price volatility of 75%; iii) risk-free interest rate of 4.09%; iv) expected life of 10 years; v) no dividend yield.

A summary of the changes in options follows:

	Number of Options	Weighted Average Exercise Price
Balance, August 31, 2021 and 2022	-	-
Granted	2,050,000	0.05
Balance, August 31, 2023	2,050,000	\$ 0.05

As of August 31, 2023, the following options were outstanding:

Outstanding and Exercisable	Exercise Price	Expiry Date
2,050,000	\$ 0.05	July 17, 2033

# Mabel Ventures Inc. (formerly Aardvark Ventures Inc.)

## Notes to the Consolidated Financial Statements

August 31, 2023

(Presented in Canadian Dollars)

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### 6. Related Party Transactions

Related party transactions were in the normal course of operations and measured at the exchange amount, which is the amount established and agreed to by the related parties. Key management personnel are the persons responsible for planning, directing and controlling the activities of the Company, and include both executive and non-executive directors, and entities controlled by such persons. The Company considers all directors and officers of the Company to be key management personnel.

During the year ended August 31, 2023, there was \$14,694 (2022 - \$nil) for vested options granted to directors and officers of the Company, and affiliated companies of directors and officers of the Company, included in share-based compensation.

During the year ended August 31, 2023, the Company incurred \$22,500 in accounting fees (2022 - \$30,000) to an accounting firm of which a former director of the Company is a partner. As of August 31, 2023, there was \$nil (2022 - \$39,375) due to this firm.

As of August 31, 2023, there was \$nil (2022 - \$22,515) due to a partner, who is a former director of the Company, of the above-noted accounting firm for expense reimbursements.

### 7. Financial Instruments and Risk Management

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

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

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

#### a) *Credit risk*

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. The Company's primary exposure to credit risk is on its cash held in bank accounts. The Company has deposited the cash with its bank from which management believes the risk of loss is remote.

#### b) *Liquidity risk*

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they become due. Accounts payable and accrued liabilities are due within the current operating period.

# Mabel Ventures Inc. (formerly Aardvark Ventures Inc.)

## Notes to the Consolidated Financial Statements

August 31, 2023

(Presented in Canadian Dollars)

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### 7. Financial Instruments and Risk Management (continued)

#### c) *Market risk*

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices will affect the Company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return.

#### d) *Interest rate risk*

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company is exposed to interest rate risk, from time to time, on its cash balances. Surplus cash, if any, is placed on call with financial institutions.

#### e) *Commodity price risk*

The ability of the Company to finance the exploration and development of its properties and the future profitability of the Company is directly related to the market price of the primary minerals identified in its mineral properties. Mineral prices fluctuate on a daily basis and are affected by a number of factors beyond the Company's control. A sustained, significant decline in the prices of the primary minerals or in the share prices of junior mineral exploration companies in general, could have a negative impact on the Company's ability to raise additional capital. Sensitivity to commodity price risk is remote since the Company has not established any reserves or production.

### 8. Capital Risk Management

The Company defines its capital as all components of shareholders' equity. The Company's objectives when managing capital are to safeguard its ability to continue as a going concern.

In order to maintain its capital structure, the Company is dependent on equity funding and when necessary, raises capital through the issuance of equity instruments, primarily comprised of common shares. The Company manages its capital structure and makes adjustments to it in light of economic conditions. The Company, upon approval from its Board of Directors, will make changes to its capital structure as deemed appropriate under the specific circumstances.

The Company is not subject to any externally imposed capital requirements or debt covenants, and does not presently utilize any quantitative measures to monitor its capital. There were no changes to the Company's approach to managing capital during the periods presented.

### 9. Income Tax

a) Income tax expense differs from the amount that would result from applying the Canadian federal and provincial income tax rates to earnings before income taxes. These differences result from the following items:

**Mabel Ventures Inc. (formerly Aardvark Ventures Inc.)****Notes to the Consolidated Financial Statements****August 31, 2023***(Presented in Canadian Dollars)***9. Income Tax (continued)**

For the years ended:	<b>August 31, 2023</b>	August 31, 2022
Loss before income taxes	\$ (203,758)	\$ (190,018)
Canadian federal and provincial income tax rates	<u>27.00%</u>	27.00%
Income tax expense	(55,015)	(51,305)
Deductible and non-deductible amounts	4,090	(4,359)
Unrecognized tax benefits arising from temporary differences	(17,115)	55,664
Other	<u>68,040</u>	-
Income tax expense (recovery)	<u>\$ -</u>	<u>\$ -</u>

b) Deferred income tax assets for which no tax benefit has been recognized are as follows:

For the years ended:	<b>August 31, 2023</b>	August 31, 2022
Non-capital losses	\$ 1,393,470	\$ 1,337,580
Exploration and evaluation asset costs	1,168,079	1,120,433
Equipment	33,815	33,815
Share issue costs	2,924	-
Total	<u>\$ 2,598,288</u>	<u>\$ 2,491,828</u>

c) The Company has non-capital losses for Canadian tax purposes of \$5,161,000 (2022 - \$4,954,000) that are available for deduction against future income and that begin to expire in 2028.

Year	Total
2028	323,000
2029	763,000
2030	804,000
2031	678,000
2032	72,000
2033	250,000
2035	148,000
2036	603,000
2037	570,000
2038	180,000
2039	133,000
2040	85,000
2041	139,000
2042	232,000
2043	181,000
	<u>\$ 5,161,000</u>

**Mabel Ventures Inc. (formerly Aardvark Ventures Inc.)**

**Notes to the Consolidated Financial Statements**

**August 31, 2023**

*(Presented in Canadian Dollars)*

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**9. Income Tax (continued)**

The Company also has tax pools with no expiry date totalling approximately \$4,386,000 (2022 - \$4,376,000) in respect of exploration and evaluation costs incurred by the Company. In addition, the Company has tax pools totalling approximately \$125,000 (2022 - \$125,000) in respect of property, plant and equipment.