

GENCAN CAPITAL INC.

Condensed Interim Financial Statements

Three and Six Months Ended March 31, 2024 and 2023

(Unaudited)

(Expressed in Canadian Dollars)

Notice of no auditor review

Under 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 the financial statements have not been reviewed by an auditor. The accompanying unaudited condensed 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 condensed interim financial statements (in accordance with standards established by the Chartered Professional Accountants of Canada for a review of interim financial statements by an entity's auditor).

Gencan Capital Inc.
Condensed Interim Statements of Financial Position
As at March 31, 2024 and September 30, 2023
(Unaudited)

	March 31 2024	September 30 2023
Assets		
Current assets		
Cash and cash equivalents	\$ 118,288	\$ 8,914
Receivables	3,365	30,591
Due from shareholders	-	34,977
Income taxes recoverable	-	30,081
Total assets	\$ 121,653	\$ 104,563
Liabilities and Shareholders' Equity		
Current liabilities		
Accounts payable and accrued liabilities	\$ 31,903	\$ 38,557
Shareholders' Equity		
Capital stock	92,010	10
Retained earnings	(2,260)	65,996
Total shareholders' equity	89,750	66,006
Total liabilities and shareholders' equity	\$ 121,653	\$ 104,563

See accompanying notes to the condensed interim financial statements

Gencan Capital Inc.

Condensed Interim Statements of Loss and Comprehensive Loss

For the three and six months ended March 31, 2024 and 2023

(Unaudited)

	Three Months Ended		Six Months Ended	
	2024	2023	2024	2023
Revenue				
Interest income	\$ 1,210	\$ -	\$ 1,210	\$ -
Expenses				
Administrative and general	32,092	19,739	34,489	24,159
Loss before other items	(30,882)	(19,739)	(33,279)	(24,159)
Debt Settlement	34,977	-	34,977	-
Loss for the period, also being comprehensive loss	\$ (65,859)	\$ (19,739)	\$ (68,256)	\$ (24,159)
Loss per share				
Basic and diluted	\$ (0.00)	\$ (0.00)	\$ (0.00)	\$ (0.00)
Weighted average number of common shares				
Basic and diluted	17,031,060	16,092,284	17,219,841	16,092,284

See accompanying notes to the condensed interim financial statements

Gencan Capital Inc.
Condensed Interim Statements of Changes in Equity
For the six months ended March 31, 2024 and 2023
(Unaudited)

	Capital Stock		Retained Earnings	Total Equity
	Common shares			
	Number of shares	Amount		
Balance at September 30, 2022	16,092,284	\$ 10	\$ 141,889	\$ 141,899
Net loss	-	-	(24,159)	(24,159)
Balance at March 31, 2023	16,092,284	\$ 10	\$ 117,730	\$ 117,740
Balance at September 30, 2023	16,092,284	\$ 10	\$ 65,996	\$ 66,006
Shares issued during the period	1,314,286	92,000	-	92,000
Net loss for the period	-	-	(68,256)	(68,256)
Balance at March 31, 2024	17,406,570	\$ 92,010	\$ (2,260)	\$ 89,750

See accompanying notes to the condensed interim financial statements

Gencan Capital Inc.
Condensed Interim Statements of Cash Flows
For the six months ended March 31, 2024 and 2023
(Unaudited)

	Six Months Ended March 31	
	2024	2023
Operating activities		
Net loss	\$ (68,256)	\$ (24,159)
Changes in non-cash components of working capital:		
Receivables	27,226	(4,643)
Due from shareholders	34,977	-
Income taxes recoverable	30,081	-
Accounts payable and accrued liabilities	(6,654)	(54,178)
Net cash flows used in operating activities	17,374	(82,980)
Financing activities		
Proceeds from Private Placement	92,000	-
Net decrease in cash	109,374	(82,980)
Cash and cash equivalents, beginning of period	8,914	110,194
Cash and cash equivalents, end of period	\$ 118,288	\$ 27,214

See accompanying notes to condensed interim financial statements

Gencan Capital Inc.

Notes to the Condensed Interim Financial Statements For the three months ended March 31, 2024 and 2023 (Unaudited)

1. NATURE OF OPERATIONS

Nature of operations

Gencan Capital Inc. (“the Company”) is a Canadian company and up until July 4, 2018 was the holder of a Solar Energy Feed-In Tariff Program Contract with an interest in solar energy generation equipment located in Ontario, Canada. The Company was incorporated on October 31, 2013 and has its registered office address at 87 Scollard Street, Suite 100, Toronto, Ontario, M5R 1G4.

On October 30, 2015, pursuant to a Plan of Arrangement between the Company and Genterra Capital Inc. (“GCI”), the Company was spun-off as a public company and its shares were listed on the Canadian Securities Exchange under the symbol “GCA”. GCI retained a 78% controlling interest in the Company. On November 30, 2021, GCI sold its controlling interest in the Company to un-related third parties.

On December 1, 2021, the CSE determined that the Company does not meet the continued listing requirements of the exchange. As a result, the Company was deemed to be an inactive issuer and its CSE trading symbol was changed to GCA.X.

Going Concern

These financial statements are prepared in accordance with IFRS applicable to a going concern, which contemplates the realization of assets and settlement of liabilities in the normal course of business as they come due, for the foreseeable future.

For the year ended September 30, 2023, the Company had a loss and comprehensive loss of \$75,893 (2022 - \$233,718) and negative net cash flows of \$101,280 (2022 - \$289,805). In addition, the Company does not currently earn any revenue other than interest income. These circumstances indicate that there is a material uncertainty related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern.

Management plans to secure funding from its shareholders while pursuing other financing alternatives to fund the Company's operations so it can continue as a going concern. Nevertheless, there can be no assurance that such actions will be sufficient or successful.

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

2. STATEMENT OF COMPLIANCE AND BASIS OF PREPARATION

(a) Statement of compliance

These condensed interim financial statements have been prepared in accordance with International Accounting Standards 34, Interim Financial Reporting, as issued by the International Accounting Standards Board (“IASB”). These statements do not include all of the information required for full annual financial statements and should be read in conjunction with the Company's annual audited financial statements for the fiscal year ended September 30, 2023, which have been prepared in accordance with International Financial Reporting Standards (“IFRS”) as issued by the IASB.

These condensed interim financial statements were authorized for issue by the Board of Directors on May 30, 2024.

The policies applied in these condensed interim financial statements are based on IFRS issued and outstanding as of the date of authorization.

Gencan Capital Inc.

Notes to the Condensed Interim Financial Statements

For the three months ended March 31, 2024 and 2023

(Unaudited)

(b) Basis of preparation

These condensed interim financial statements are presented in Canadian dollars. The financial statements are prepared on the historical cost basis.

These condensed interim financial statements follow the same significant accounting policies and critical judgments in the application of those policies as described in the Company's audited financial statements for the fiscal year ended September 30, 2023 and have been applied consistently in the preparation of these condensed interim financial statements.

3. SIGNIFICANT ACCOUNTING ESTIMATES

The preparation of these condensed interim financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and reported amounts of expenses during the reporting period. Actual outcomes could differ from these estimates. The condensed interim financial statements include estimates which, by their nature, are uncertain. The impacts of such estimates are pervasive throughout the condensed interim financial statements, and may require accounting adjustments based on future occurrences. Revisions to accounting estimates are recognized in the period in which the estimate is revised and the revision affects both current and future periods.

4. FAIR VALUE MEASUREMENTS AND DISCLOSURES

Fair Value Measurement

The Company does not have any financial assets or liabilities measured at fair value.

Fair Value Disclosures

Fair value represents management's estimates of the market value at a given point in time, which may not reflect fair value in the future. These calculations are subjective in nature, involve uncertainties and are a matter of judgement and therefore cannot be determined with precision.

The carrying values of the cash and cash equivalents, accounts receivable, income taxes recoverable, accounts payable and accrued liabilities approximate their respective fair values due to the short-term nature of these instruments.

5. RELATED PARTY TRANSACTIONS

Related parties include the Board of Directors, Officers of the Company, close family members and enterprises which are controlled by these individuals as well as certain persons performing similar functions.

The Company did not enter into transactions and had no outstanding balances with companies related by virtue of common ownership and management.

The Company did not pay any remuneration to key management for the six months ended March 31, 2024 or 2023.

6. CAPITAL STOCK

Authorized: An unlimited number of common shares without par value.

Issued:

On January 26, 2024, the Company closed on a non-brokered private placement issuing 1,314,286 units at a price of \$0.07 per Unit for gross proceeds of \$92,000. Each Unit consisted of one common share of the Company and one Common Share purchase warrant. Each warrant entitles the holder to acquire one additional Common Share for a period of 36-months

Gencan Capital Inc.

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(Unaudited)

expiring on January 24, 2027 at an exercise price of \$0.10. No Finder's fees or commissions were paid as part of this offering. All securities issued under the Private Placement are subject to a four month hold period in accordance with applicable securities laws.

Warrants

A summary of the changes in share-purchase warrants outstanding is as follows:

	Six months ended March 31, 2024		Year ended September 30, 2023	
	Warrants outstanding	Weighted average exercise price	Warrants outstanding	Weighted average exercise price
Outstanding, beginning	-	\$ -	-	\$ -
Warrants issued	1,314,286	0.10	1,314,286	\$ 0.10
Outstanding, ending	1,314,286	\$ 0.10	1,314,286	\$ 0.10

Share-purchase warrants at March 31, 2024, are as follows:

Outstanding and exercisable	Exercise price	Expiry date	Remaining life (years)
1,314,286	\$0.10	January 27, 2027	2.83

7. DEBT SETTLEMENT

On January 24, 2024, the Company's Board of Directors forgave the outstanding amount due from shareholders related to the acquisition of the Company.