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**LEOPARD LAKE GOLD CORP.**  
**CONDENSED INTERIM FINANCIAL STATEMENTS**  
**FOR THE THREE AND NINE MONTHS ENDED SEPTEMBER 30, 2023**  
**AND SEPTEMBER 30, 2022**  
**(EXPRESSED IN CANADIAN DOLLARS)**

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## **NOTICE OF NO AUDITOR REVIEW OF INTERIM FINANCIAL STATEMENTS**

Under National Instrument 51-102, Part 4, subsection 4.3(3)(a), if an auditor has not performed a review of the condensed interim financial statements, they must be accompanied by a notice indicating that the condensed interim 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 unaudited condensed interim financial statements have been prepared using accounting policies in compliance with International Financial Reporting Standards for the preparation of unaudited condensed interim financial statements and are in accordance with International Accounting Standard 34 - Interim Financial Reporting.

The Company's independent auditor has not performed a review of these unaudited 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.

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**LEOPARD LAKE GOLD CORP.**

CONDENSED INTERIM STATEMENTS OF FINANCIAL POSITION (Unaudited)  
AS AT SEPTEMBER 30, 2023 AND DECEMBER 31, 2022  
(Expressed in Canadian dollars)

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	September 30, 2023	December 31, 2022
<b>ASSETS</b>		
CURRENT		
Cash	\$ 9,462	174,779
Amounts receivable	6,566	12,239
Prepaid expenses	5,675	28,920
	21,703	215,938
EXPLORATION AND EVALUATION ASSET (Note 4)	1,790,578	1,565,998
	<b>\$ 1,812,281</b>	<b>\$ 1,781,936</b>

**LIABILITIES**

CURRENT		
Accounts payable	\$ 208,681	87,292
Flow-through premium liability (Note 5)	-	55,842
Advances from related parties	85,000	-
	293,681	143,134

**SHAREHOLDERS' EQUITY**

SHARE CAPITAL (Note 5)	2,243,552	2,131,052
CONTRIBUTED SURPLUS	287,657	287,657
DEFICIT	(1,012,609)	(779,907)
	1,518,600	1,638,802
	<b>\$ 1,812,281</b>	<b>\$ 1,781,936</b>

NATURE OF BUSINESS AND CONTINUING OPERATIONS (Note 1)  
COMMITMENTS (Note 9)  
SUBSEQUENT EVENTS (Note 10)

Approved on behalf of the Board:

"Norman Ross"  
Director

"Mark Lotz "  
Director

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

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**LEOPARD LAKE GOLD CORP.**

CONDENSED STATEMENTS OF LOSS AND COMPREHENSIVE LOSS (Unaudited)  
FOR THE THREE AND NINE MONTHS ENDED SEPTEMBER 30, 2023 AND 2022  
(Expressed in Canadian dollars)

	<b>Three months ended September 30, 2023</b>	Three months ended September 30, 2022	<b>Nine months ended September 30, 2023</b>	Nine months ended September 30, 2022
<b>EXPENSES</b>				
Advertising and promotion	\$ -	\$ -	\$ -	\$ 2,500
Professional fees	55,447	40,169	146,385	94,267
Management fees (Note 6)	19,800	20,091	97,750	109,204
Office and miscellaneous expense	4,055	5,932	22,969	15,542
Listing fees	3,150	7,250	14,691	18,753
Rent (Note 6)	2,250	2,250	6,750	6,750
Share-based payment (Note 5)	-	-	-	71,875
Loss before other items	84,702	75,692	288,544	318,891
Fair value adjustment of flow-through premium liability	-	-	55,842	-
<hr/>				
<b>NET LOSS AND COMPREHENSIVE LOSS</b>	<b>\$ 84,702</b>	<b>\$ 75,692</b>	<b>\$ 232,702</b>	<b>\$ 318,891</b>
<hr/>				
<b>LOSS PER SHARE – BASIC AND DILUTED</b>	<b>\$ (0.01)</b>	<b>\$ (0.01)</b>	<b>\$ (0.01)</b>	<b>\$ (0.01)</b>
<hr/>				
<b>WEIGHTED AVERAGE NUMBER OF COMMON SHARES OUTSTANDING – BASIC AND DILUTED</b>	<b>30,477,930</b>	22,561,430	<b>30,143,681</b>	22,037,620

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

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**LEOPARD LAKE GOLD CORP.**

CONDENSED INTERIM STATEMENTS OF CASH FLOWS (Unaudited)  
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2023 AND SEPTEMBER 30, 2022  
(Expressed in Canadian dollars)

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	<b>2023</b>	<b>2022</b>
<b>OPERATING ACTIVITIES</b>		
Net loss for the period	\$ (232,702)	\$ (318,891)
Non-cash expense:		
Fair value adjustment of flow-through premium liability	(55,842)	-
Share-based payment	-	71,875
Changes in non-cash working capital balances:		
Amounts receivable	5,673	19,631
Prepaid expenses	23,245	(39,418)
Accounts payable	166,389	80,799
Cash used in operating activities	(93,237)	(186,004)
<b>INVESTING ACTIVITIES</b>		
Exploration and evaluation assets	(162,080)	(338,311)
<b>FINANCING ACTIVITIES</b>		
Shares issued for cash, net of share issuance costs	-	124,083
Obligation to issue shares	-	59,570
Cash receipts from the exercise of warrants	5,000	-
Advances from related party	85,000	-
Cash from (used in) financing activities	90,000	183,653
CHANGE IN CASH	(165,317)	(340,662)
CASH, BEGINNING OF PERIOD	174,779	351,357
CASH, END OF PERIOD	\$ 9,462	\$ 10,695

The Company did not pay any interest or income taxes in cash during the periods.

Supplemental Disclosure of Non-Cash Transactions:

Accounts payable settled with shares	\$ 45,000
Shares issued for property payments	\$ 62,500

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

**LEOPARD LAKE GOLD CORP.**

CONDENSED INTERIM STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY(Unaudited)  
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2023 AND SEPTEMBER 30, 2022  
(Expressed in Canadian dollars)

	Common shares		Contributed surplus	Obligation to issue units	Deficit	Total equity
	Number of shares	Amount				
		\$	\$	\$	\$	\$
Balance December 31, 2021	21,490,001	1,162,598	125,907	(143,873)	(304,219)	840,413
Shares issued for property	1,071,429	150,000	-	-	-	150,000
Share issuance costs	-	(19,789)	-	-	-	(19,789)
Subscriptions received	-	-	-	203,443	-	203,443
Share based payments	-	-	71,875	-	-	71,875
Net loss for the period	-	-	-	-	(318,891)	(318,891)
Balance September 30, 2022	22,561,430	1,292,809	197,782	59,570	(623,110)	927,051
Shares issued for cash	4,004,000	487,743	-	(59,570)	-	428,173
Share issuance costs	-	-	-	-	-	-
Shares issued for property	2,800,000	350,500	-	-	-	350,500
Share based payments	-	-	89,875	-	-	89,875
Net loss for the period	-	-	-	-	(156,797)	(156,797)
Balance December 31, 2022	29,365,430	2,131,052	287,657	-	(779,907)	1,638,802
Shares issued for property	500,000	62,500	-	-	-	62,500
Shares issued for debt	562,500	45,000	-	-	-	45,000
Shares issued upon exercise of warrants	50,000	5,000	-	-	-	5,000
Net loss for the period	-	-	-	-	(232,702)	(232,702)
Balance September 30, 2023	30,477,930	2,243,552	287,657	-	(1,012,609)	1,518,600

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

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**LEOPARD LAKE GOLD CORP.**

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (Unaudited)  
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2023 AND SEPTEMBER 30, 2022  
(Expressed in Canadian dollars)

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## 1. NATURE OF BUSINESS AND CONTINUING OPERATIONS

Leopard Lake Gold Corp. (“the Company”) was incorporated on July 9, 2020 under the laws of British Columbia. The address of the Company’s corporate office and its principal place of business is 9285 – 203B Street, Langley, British Columbia, Canada. The common shares of the Company trade on the Canadian Stock Exchange under the symbol CSE:LP.

The Company’s principal business activities include the acquisition and exploration of mineral properties. As at September 30, 2023, the Company has not yet determined whether its mineral property assets contain ore reserves that are economically recoverable. The recoverability of amounts shown for exploration and evaluation asset is dependent upon the discovery of economically recoverable reserves, confirmation of the Company’s interest in the underlying mineral claims, the ability of the Company to obtain the necessary financing to complete the development of and the future profitable production from the property or realizing proceeds from its disposition. The outcome of these matters cannot be predicted at this time and the uncertainties cast significant doubt upon the Company’s ability to continue as a going concern.

The Company had a deficit of \$954,325 as at September 30, 2023, which has been funded by the issuance of equity. The Company’s ability to continue its operations and to realize its assets at their carrying value is dependent upon obtaining additional financing and generating revenues sufficient to cover its operating costs.

These financial statements do not give effect to any adjustments which would be necessary should the Company be unable to continue as a going concern and therefore be required to realize its assets and discharge its liabilities in other than the normal course of business and at amounts different from those reflected in these financial statements.

## 2. BASIS OF PREPARATION

### Statement of Compliance

These unaudited condensed interim financial statements have been prepared in accordance with International Accounting Standard 34, “Interim Financial Reporting” (“IAS 34”) and International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board (“IASB”) and Interpretations of the Financial Reporting Interpretations Committee (“IFRIC”). These unaudited condensed interim financial statements do not include all the information required for full annual financial statements and should be read in conjunction with the audited financial statements and notes thereto as of and for the year ended December 31, 2022. These unaudited condensed interim financial statements were authorized for issue in accordance with a resolution from the Board of Directors on November 28, 2023.

### Basis of Measurement

These unaudited condensed interim financial statements have been prepared on the historical cost basis except for certain financial instruments which are measured at fair value. In addition, these financial statements have been prepared using the accrual basis of accounting, except for cash flow information. These unaudited condensed interim financial statements follow the same accounting policies and methods of application as the annual audited financial statements for the year ended December 31, 2022. The adoption of new accounting standards has had no material impact on the financial statements. The functional and presentation currency of the Company is the Canadian dollar.

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**LEOPARD LAKE GOLD CORP.**

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (Unaudited)  
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2023 AND SEPTEMBER 30, 2022  
(Expressed in Canadian dollars)

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**3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The Company's significant accounting policies and critical accounting estimates applied in the unaudited condensed interim financial statements are the same as those applied on the Company's annual financial statements for the period ended December 31, 2022.

**4. EXPLORATION AND EVALUATION ASSET**

	Stella Property	St. Robert Property	Leduc Property	Total
<i>Acquisition costs</i>				
Balance December 31, 2021	230,000	145,000	46,000	<b>421,000</b>
Cash	-	131,325	20,000	<b>151,325</b>
Common shares issued	143,000	337,500	20,000	<b>500,500</b>
Reclassification	145,000	(145,000)	-	-
Balance December 31, 2022	518,000	468,825	86,000	<b>1,072,825</b>
<hr/>				
Cash	-	-	-	-
Shares	-	62,500	35,000	<b>97,500</b>
<b>Balance, September 30, 2023</b>	<b>\$ 518,000</b>	<b>\$ 531,325</b>	<b>\$ 121,000</b>	<b>\$ 1,170,325</b>
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Balance, December 31, 2021	-	-	103,657	<b>103,657</b>
<i>Exploration expenses</i>				
Assay	-	6,217	-	<b>6,217</b>
Exploration expenses	-	10,520	10,143	<b>20,663</b>
Geological services	-	204,044	-	<b>204,044</b>
Line cutting	-	131,313	6,834	<b>138,147</b>
Permitting	-	9,862	-	<b>9,862</b>
Road construction	-	10,583	-	<b>10,583</b>
Balance, December, 31, 2022	-	372,539	120,634	<b>493,173</b>
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Claims renewal	2,857	-	-	<b>2,857</b>
Supplies	-	-	113	<b>113</b>
Geological services	-	72,211	43,625	<b>115,836</b>
Permitting and regulatory fees	-	220	-	<b>220</b>
Exploration expenses	-	-	4,800	<b>4,800</b>
Assay	-	3,254	-	<b>3,254</b>
<b>Balance, September 30, 2023</b>	<b>2,857</b>	<b>448,224</b>	<b>169,172</b>	<b>620,253</b>
<hr/>				
Total exploration and evaluation assets at December 31, 2022	518,000	841,364	206,634	<b>1,565,998</b>
<b>Total mineral property costs at September 30, 2023</b>	<b>\$ 520,857</b>	<b>\$ 979,549</b>	<b>\$ 290,172</b>	<b>\$ 1,790,578</b>



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**LEOPARD LAKE GOLD CORP.**

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FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2023 AND SEPTEMBER 30, 2022  
(Expressed in Canadian dollars)

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**4. EXPLORATION AND EVALUATION ASSET (continued)****Leduc Gold Project Property**

On August 17, 2020, the Company (“Optionee”) entered into a mineral property option agreement with Gravel Ridge Resources Ltd. (“Optionor”) to acquire a 100% interest, subject to a 1.5% royalty, in the mineral claims known Leduc Gold Project Property located in the Thunder Bay Mining Division of Ontario. Pursuant to the agreement, the Company was obligated to make cash payments totaling \$81,000 and issue 400,000 common shares as follows:

- i. \$12,000 on signing of this Agreement – paid,
- ii. issue 200,000 common shares of the Optionee upon listing on a Canadian Exchange – issued,
- iii. \$14,000 on or before August 17, 2021 – paid,
- iv. \$20,000 on or before August 17, 2022, - paid,
- v. issue 200,000 common shares on or before October 5, 2022, - issued,
- vi. final payment of \$35,000 on or before August 17, 2023. - paid.

The Company has the option to purchase 33.33%, being 1.5% of the optionor’s NSR for further cash consideration of \$500,000.

**St. Robert Property**

On December 9, 2021, the Company entered into mineral property option agreement to acquire a 50% interest in 106 mining claims proximal to the above claims in the Marlow and Riseborough Townships in St.-Robert-Bellarmin. This agreement requires that the Company make the following payments:

- i. \$25,000 and issue \$150,000 worth of common shares prior to January 31, 2022 – paid,
- ii. \$50,000 and issue \$350,000 of common shares prior to May 31, 2022 – cash paid; \$187,500 common shares issued,
- iii. Issue \$200,000 of common shares prior to October 3, 2022, - not issued,
- iv. \$25,000 and issue \$300,000 of common prior to March 31, 2023, - cash paid,
- v. \$450,000 of common shares prior to October 31, 2023,
- vi. \$450,000 of common prior to March 31, 2024.

Shares to be issued under the agreement are to be valued on a 10-day volume weighted average trading price.

On January 23, 2023 the Company amended the terms of acquisition agreement of the St. Robert property, permitting the Company to refrain from issuing any shares if to do so would cause the Vendor to become an insider of the Company as defined under the Securities Act (British Columbia).

The claims will be subject to a 2% net smelter return royalty, which the Company may reduce by 50% for cash consideration of \$1,200,000. The remaining 50% may be purchased for an additional \$2,400,000.

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NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (Unaudited)  
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2023 AND SEPTEMBER 30, 2022  
(Expressed in Canadian dollars)

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**4. EXPLORATION AND EVALUATION ASSET (continued)****Stella Property**

On November 15, 2021, the Company entered into a mineral property option agreement to acquire a 100% interest in two groups of claims together identified as the Stella Mining Claims in the province of Quebec. The agreement required the Company to make the following payments to acquire the interest:

- i. On or before November 15, 2021, issue 1,500,000 common shares – issued,
- ii. \$35,000 cash on or before November 15, 2021 – paid,
- iii. No later than May 15, 2022, issue an additional 2,500,000 common shares - 1,100,000 shares issued.

On November 15, 2021 the Company entered into a Mineral property option agreement with Denis Bouchard to acquire a 100% interest in Property claims. Under the agreement the Company will make the following payments to acquire the interest:

- i. 1,000,000 common shares, - issued,
- ii. \$15,000 cash – paid.

**5. SHARE CAPITAL**

- a) Authorized: Unlimited number of common shares without par value.
- b) Escrow shares:

As at September 30, 2023, there were 1,901,250 common shares held in escrow.

- c) Common shares Issued and outstanding as at September 30, 2023: 30,477,930

During the period ended September 30, 2023 the Company had the following share capital transactions:

On February 9, 2023, the Company issued 50,000 shares pursuant to an exercise of warrants.

On March 25, 2023, the Company issued 500,000 shares related to additional claims acquired on the St. Robert property. The fair value of the common shares issued was \$62,500.

On March 25, 2023, the Company issued 562,500 shares to settle debts. The fair value of the shares issued was \$45,000.

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**LEOPARD LAKE GOLD CORP.**

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (Unaudited)  
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2023 AND SEPTEMBER 30, 2022  
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5. SHARE CAPITAL (*continued*)

d) Common shares Issued and outstanding as at December 31, 2022: 29,365,430

During the year ended December 31, 2022, the Company had the following share capital transactions:

On December 15, 2022 the Company issued 1,500,000 common shares for a property pursuant to a property option agreement. The shares issued had a fair market value of \$187,500 based on the trading price of \$0.125 per share at the time of issue.

On November 13, 2022 the Company issued 1,100,000 common shares for a property pursuant to a property option agreement. The fair market value of the shares at the time of issue was \$143,000 based on a trading price of \$0.13 per share at the time of issue.

On November 9, 2022 the Company issued closed the second and final tranche of a non-brokered private placement. The Company sold 356 units at a subscription price of \$805 for a total of \$286,580. Each unit consisted of 4,500 flow-through common shares, 1,000 non flow-through common shares and 1,000 common share purchase warrants entitling the holder to purchase one 'non-flow-through' share. The flow-through share premium recognized upon issuance was \$47,986. There was no value allocated to the warrants using the residual method. The Company issued a total of 1,958,000 common shares and 356,000 purchase warrants.

On October 26, 2022 the Company closed the first tranche of a non-brokered private placement. The Company sold 372 units at a subscription price of \$805 per unit for total proceeds of \$299,460. Each unit consisted of 4,500 flow-through common shares, 1,000 non flow-through common shares and 1,000 common share purchase warrants entitling the holder to purchase one 'non flow-through' share. The flow-through share premium recognized upon issuance was \$50,310. There was no value allocated to the warrants using the residual method. The Company issued a total of 2,046,000 common shares and 372,000 purchase warrants.

On October 26, 2022 the Company issued 200,000 common shares for a property pursuant to a property option agreement. The shares issued had a fair market value of \$20,000 based on a trading price of \$0.10 per share at the time of issue.

On March 30, 2022 the Company issued 1,071,429 shares pursuant to a property purchase in Quebec as described in Note 4. The fair value of the common shares issued was \$150,000.

e) Stock options

During the period ended September 30, 2023, the Company did not grant any stock options.

During the period ended December 31, 2022,

On March 30, 2022 the Company granted 800,000 stock options to the directors and officers. The options vested on the grant date and are exercisable at \$0.14 per share for a period of five years. Share-based payments for options granted was measured using the Black-Scholes option pricing model with the following assumptions

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**LEOPARD LAKE GOLD CORP.**

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (Unaudited)  
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2023 AND SEPTEMBER 30, 2022  
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5. SHARE CAPITAL (*continued*)e) Stock options (*continued*)

	November 2022	March 2022
Exercise price per option	\$0.12	\$0.14
Share price	\$0.12	\$0.14
Expected life	3 years	5 years
Dividend yield	Nil	NIL
Expected Volatility	183%	133%
Risk free interest rate	3.60%	2.42%

Information regarding the Company's stock options activity is summarized below:

	Number of Options	Weighted average exercise price \$
Balance December 31, 2021	750,000	0.10
Granted	1,400,000	0.13
<b>Balance, December 31, 2022 and September 30, 2023</b>	<b>2,150,000</b>	<b>0.12</b>

The following table summarizes stock options outstanding at June 30, 2023:

Expiry Date	Exercise price \$	Number of options Outstanding
March 30, 2027	0.14	800,000
April 6, 2026	0.10	750,000

## f) Warrants

During the period ended September 30, 2023, the Company did not issue any new warrants.

During the period ended September 30, 2022, the Company issued 369,000 finders' warrants and 400,000 warrants that were attached to units described above.

The 369,000 finders' warrants were valued at \$32,603; using the Black-Scholes option pricing model and assuming the following:

	Compensation Options
Exercise price per option	\$0.10
Expected life	5 years
Dividend yield	Nil
Expected Volatility	125%
Estimated fair value per warrant	\$0.08

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## f) Warrants (continued)

Information regarding the Company's warrant activity is summarized below:

	Number of warrants	Weighted average exercise price
		\$
Balance, December 31, 2021	769,000	0.18
Issued	725,000	0.25
Balance December 31, 2022	1,497,000	-
Exercised	(50,000)	0.10
<b>Balance, September 30, 2023</b>	<b>1,447,000</b>	<b>\$ 0.18</b>

The following table summarizes warrants outstanding at September 30, 2023:

Expiry Date	Exercise price	Number of warrants outstanding
	\$	
December 31, 2023	0.25	400,000
October 27, 2024	0.25	372,000
November 10, 2024	0.25	356,000
October 5, 2026	0.10	319,000
		<b>1,447,000</b>

**6. RELATED PARTY BALANCES AND 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.

Key management includes directors and key officers of the Company, including the President, Chief Executive Officer ("CEO") and Chief Financial Officer ("CFO").

Legal fees are incurred with a firm controlled by a close family member of the CFO.

The Company had incurred the following key management personnel cost from related parties:

	September 30, 2023	September 30, 2022
Accounting fees	\$ 43,750	\$ 55,204
Legal fees	105,827	62,488
Management fees	54,000	54,000
Rent	6,750	6,750
Share-based payment	-	71,875

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**6. RELATED PARTY BALANCES AND TRANSACTIONS (continued)**

During the period ended September 30, 2023, the Company paid management fees of \$54,000 (2022 – \$54,000) and rent of \$6,750 (2022- \$6,750) to a company controlled by the CEO and President of the Company.

During the period ended September 30, 2023, the Company accrued and paid professional fees totaling \$43,750 (2022 - \$55,204) to a company controlled by the CFO.

During the period ended September 30, 2023, the Company accrued and paid professional fees totaling \$105,827 (2022 - \$62,488) in legal fees to a company controlled by a direct family member of the CFO.

During the period ended September 30, 2023, the Company issued NIL (2022- 800,000 stock options with an estimated fair value of \$71,875).

On June 22, 2023, the Company entered into a term loan agreement in the amount of \$85,000 with a director. The loan matures one year and one day following the advancement and carries no interest. If the Company completes an equity finance for gross proceeds of at least \$200,000 the Company has agreed to repay the loan with ten business days of the closing date of such equity financing.

**7. MANAGEMENT OF CAPITAL**

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to pursue the identification, evaluation and acquisition of a Qualified Transaction. The Company does not have any externally imposed capital requirements to which it is subject.

The Company's capital structure consists of equity and share subscriptions. As at June 30, 2023, the Company had capital resources consisting of cash. The Company manages the capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. To maintain or adjust the capital structure, the Company may attempt to issue common shares or dispose of assets or adjust the amount of cash.

**8. FINANCIAL INSTRUMENTS AND FINANCIAL RISK**

International Financial Reporting Standards 7, Financial Instruments: Disclosures, establishes a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

Level 1 - quoted prices (unadjusted) in active markets for identical assets or liabilities;

Level 2 - inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and

Level 3 - inputs for the asset or liability that are not based on observable market data (unobservable inputs).

Fair value of financial instruments

The Company's financial assets include cash and are classified as Level 1. The carrying value of these instruments approximates their fair values due to the relatively short periods of maturity of these instruments.

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**8. FINANCIAL INSTRUMENTS AND FINANCIAL RISK (continued)**

Assets measured at fair value on a recurring basis were presented on the Company's statements of financial position as at September 30, 2023 were as follows:

	Carrying amount	Fair value measurement using		
		Level 1	Level 2	Level 3
Cash and cash equivalents	\$ 9,298	\$ 9,298	\$ -	\$ -

**Financial risk management objectives and policies**

The Company's financial instruments include cash and accounts payable. The risks associated with these financial instruments and the policies on how to mitigate these risks are set out below. Management manages and monitors these exposures to ensure appropriate measures are implemented on a timely and effective manner.

*Currency risk*

The Company's expenses are denominated in Canadian dollars. The Company's corporate office is based in Canada and current exposure to exchange rate fluctuations is minimal.

The Company does not have any significant foreign currency denominated monetary liabilities. The principal business of the Company is the identification and evaluation of assets or a business and once identified or evaluated, to negotiate an acquisition or participation in a business subject to receipt of shareholder approval and acceptance by regulatory authorities.

*Credit Risk*

Credit risk is the risk of loss associated with the counterparty's inability to fulfill its payment obligations. Financial instruments that potentially subject the Company to concentrations of credit risks consist principally of cash. To minimize the credit risk, the Company places these instruments with a high-quality financial institution.

*Interest Rate Risk*

The Company is exposed to interest rate risk on the variable rate of interest earned on bank deposits. The fair value interest rate risk on bank deposits is insignificant as the deposits are short-term.

The Company has not entered into any derivative instruments to manage interest rate fluctuations.

*Liquidity risk*

In the management of liquidity risk of the Company, the Company maintains a balance between continuity of funding and the flexibility through the use of borrowings. Management closely monitors the liquidity position and expects to have adequate sources of funding to finance the Company's projects and operations.

**9. COMMITMENTS**

The Company is committed to certain cash payments, common share issuances and exploration expenditures as described in Note 4.