



**CARMANAH**  
MINERALS CORP

**CARMANAH MINERALS CORP.**

**CONDENSED INTERIM FINANCIAL STATEMENTS**

**FOR THE THREE MONTHS ENDED AUGUST 31, 2023 AND AUGUST 31, 2022**

**(EXPRESSED IN CANADIAN DOLLARS)**

**(UNAUDITED)**

**NOTICE OF NO AUDITOR REVIEW OF  
CONDENSED 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 these condensed interim financial statements they must be accompanied by a notice indicating that these 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.

CARMANAH MINERALS CORP.  
 STATEMENTS OF FINANCIAL POSITION  
 (Unaudited, Expressed in Canadian Dollars)

	Note	As at August 31, 2023 \$	As at May 31, 2023 \$
<b>ASSETS</b>			
<b>Current Assets</b>			
Cash		202,354	288,574
Prepaid		51,662	85,331
Receivables	5	92,628	27,629
		346,644	401,534
<b>Exploration and evaluation asset</b>	6	259,480	259,480
<b>TOTAL ASSETS</b>		606,124	661,014
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>			
<b>Current Liabilities</b>			
Trade payables and accrued liabilities	7, 11	42,409	44,739
<b>Liabilities</b>		42,409	44,739
<b>Shareholders' Equity</b>			
Share capital	8	1,086,158	1,071,158
Reserves	9, 10	279,032	279,032
Deficit		(801,475)	(733,915)
		563,715	616,725
<b>TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY</b>		606,124	661,014

**Nature of operations and going concern (note 1)**  
**Subsequent events (note 13)**

Approved on behalf of the Board of Directors

\_\_\_\_\_ "Fraser Rieche" \_\_\_\_\_  
 Director

\_\_\_\_\_ "Jordan Smith" \_\_\_\_\_  
 Director

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

CARMANAH MINERALS CORP.  
 STATEMENTS OF COMPREHENSIVE LOSS  
*(Unaudited, Expressed in Canadian Dollars)*

	Note	For the three months ended August 31, 2023	For the three months ended August 31, 2022
		\$	\$
<b>OPERATING EXPENSES</b>			
Consulting fees		32,900	109,000
Exploration and evaluation	6	19,200	10,909
Filing fees		2,795	12,512
Office and other		1,165	11,480
Management fees	11	6,500	14,500
Professional fees	11	5,000	10,518
Share based payments	9	-	71,600
Travel		-	1,840
		67,560	239,259
<b>NET COMPREHENSIVE LOSS</b>		(67,560)	(239,259)
<b>BASIC AND DILUTED LOSS PER SHARE</b>		(0.00)	(0.03)
<b>WEIGHTED AVERAGE COMMON SHARES</b>			
<b>OUTSTANDING – basic and diluted</b>		19,908,385	9,162,551

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

CARMANAH MINERALS CORP.  
STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY  
(Unaudited, Expressed in Canadian Dollars)

	Common Shares		Reserves	Accumulated Deficit	Total
	Number of shares	Amount			
		\$	\$	\$	\$
<b>Balance at August 31, 2022</b>	<b>10,850,051</b>	<b>511,084</b>	<b>112,800</b>	<b>(375,316)</b>	<b>248,568</b>
Shares issued for cash	8,333,334	500,000	-	-	500,000
Shares issued for property	1,125,000	96,000	-	-	96,000
Share issue costs-cash	-	(12,696)	-	-	(12,696)
Share issue costs-finders warrants	-	(23,230)	23,230	-	-
Share based payments	-	-	82,421	-	82,421
Warrants issued for mineral property	-	-	70,981	-	70,981
Options expired	-	-	(10,400)	10,400	-
Comprehensive loss	-	-	-	(368,999)	(368,999)
<b>Balance at May 31, 2023</b>	<b>20,308,385</b>	<b>1,071,158</b>	<b>279,032</b>	<b>(733,915)</b>	<b>616,275</b>
Shares issued-exercise of warrants	150,000	15,000	-	-	15,000
Comprehensive loss	-	-	-	(67,560)	(67,560)
<b>Balance at August 31, 2023</b>	<b>20,458,385</b>	<b>1,086,158</b>	<b>279,032</b>	<b>(801,475)</b>	<b>563,725</b>

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

CARMANAH MINERALS CORP.  
STATEMENTS OF CASH FLOWS  
(Unaudited, Expressed in Canadian Dollars)

	For the three months ended August 31, 2023	For the three months ended August 31, 2022
	\$	\$
<b>OPERATING ACTIVITIES</b>		
Net loss	(67,560)	(239,259)
Adjustments for items not affecting cash		
Share based payment	-	71,600
Change in non-cash working capital items		
Prepaid expenses	33,669	(750)
Receivables	(64,999)	(9,773)
Trade payables and accrued liabilities	(2,330)	(79,050)
<b>Cash used in operating activities</b>	<b>(101,220)</b>	<b>(257,232)</b>
<b>INVESTING ACTIVITIES</b>		
Investment in exploration and evaluation assets	-	(32,500)
<b>Cash used in financing activities</b>	<b>-</b>	<b>(32,500)</b>
<b>FINANCING ACTIVITIES</b>		
Proceeds from issuance of shares	-	451,882
Proceeds from exercise of warrants	15,000	-
<b>Cash provided by financing activities</b>	<b>15,000</b>	<b>451,882</b>
Change in cash	(86,220)	162,150
Cash – beginning	288,574	17,425
Cash – ending	202,354	179,575

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

## 1. NATURE OF OPERATIONS AND GOING CONCERN

Carmanah Minerals Corp. (“Carmanah” or the “Company”) was incorporated on October 30, 2020 under the British Columbia Corporations Act of the Province of British Columbia. On June 27, 2022, the Company’s shares began trading on the Canadian Securities Exchange (the “CSE”) under the symbol “CARM”.

The address of the Company and the registered office is 1100 - 1111 Melville Street, Vancouver, British Columbia V6E 3V6. The address of the records office is 200-3310 South Service Road, Burlington, Ontario L7N 3M6.

The Company is in the exploration stage and its principal business activity is the exploration and evaluation of mineral properties in Canada. The Company is in the process of exploring and evaluating its mineral properties and has not yet determined whether these properties contain reserves that are economically recoverable. As at August 31, 2023, the Company has not yet determined whether its interest in the mineral property contains ore reserves that are economically recoverable. The recoverability of amounts shown for exploration and evaluation assets 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 future profitable production from the properties or realizing proceeds from their disposition.

The Company’s financial statements for the three months ended August 31, 2023 has been prepared on a going concern basis, which contemplates the realization of assets and settlement of liabilities and commitments in the normal course of business. For the three months ended August 31, 2023, the Company incurred a net comprehensive loss of \$67,560 (2022-\$239,259). As at August 31, 2023, it had an accumulated deficit of \$801,475 (May 31, 2023-\$733,915) 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 values are dependent upon obtaining additional financing sufficient to cover its operating costs.

Although management is currently seeking additional sources of equity or debt financing, there is no assurance these activities will be successful. If the Company is unable to raise additional capital in the future, management expects that the Company will need to curtail operations, liquidate assets, seek additional capital on less favorable terms and/or pursue other remedial measures. Management is aware, in making its assessment, of material uncertainties related to events or conditions that may cast significant doubt upon the Company’s ability to continue as a going concern. 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 the accompanying financial statements.

## **1. NATURE OF OPERATIONS AND GOING CONCERN (continued)**

### **Statement of Compliance and Basis of Presentation**

The financial statements of the Company have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and interpretations of the International Financial Reporting Interpretations Committee ("IFRIC").

The financial statements were approved and authorized for issuance by the Board of Directors on October 23, 2023.

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

The functional and presentation currency of the Company is the Canadian dollar.

## **2. ACCOUNTING POLICIES**

The Company's accounting policies are the same as those applied in the Company consolidated financial statements for the year ended May 31, 2023.

## **3. SIGNIFICANT ACCOUNTING JUDGMENTS AND ESTIMATES**

The preparation of the Company's 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 income 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.

Significant assumptions about the future and other sources of estimation uncertainty that management has made at the financial position reporting date, that could result in a material adjustment to the carrying amounts of assets and liabilities, in the event that actual results differ from assumptions made, relate to, but are not limited to, the following:

Significant accounting estimates

- i. The determination of fair values of share-based payments and finder's warrants; and the measurement of deferred income tax assets and liabilities.
- ii. The determination of the fair value of amounts receivable.

Significant accounting judgments

- i. The evaluation of the Company's ability to continue as a going concern.
- ii. The determination whether there have been any events or changes in circumstances that indicate the impairment of its exploration and evaluation assets.



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**4. ACCOUNTING PRONOUNCEMENTS ISSUED BUT NOT YET EFFECTIVE**

Accounting standard or amendments to existing accounting standards that have been issued but have future effective dates are either not applicable or are not expected to have a significant impact on the Company's condensed interim financial statements.

**5. RECEIVABLES**

	August 31, 2022	May 31, 2023
	\$	\$
Due from related party	63,000	-
GST receivables	29,628	27,629
	<b>92,628</b>	<b>27,629</b>

**6. EXPLORATION AND EVALUATION ASSET**

Property acquisition costs

	Loljuh Property \$	Walker Property \$	Hare Hill Pluton Property \$	Total \$
Balance, August 31, 2022	80,000	-	-	80,000
Additions	-	143,771	115,709	299,480
Impairment	(80,000)			(80,000)
Balance, May 31, 2023	-	143,771	115,709	259,480
Additions	-	-	-	-
Balance, August 31, 2023	-	143,771	115,709	259,480

Mineral exploration costs

	Period ended August 31, 2023 \$	Period ended August 31, 2022 \$
Consulting	-	10,909
Geology	19,200	-
	<b>19,200</b>	<b>10,909</b>

**6. EXPLORATION AND EVALUATION ASSET (continued)**

**Loljuh Project**

On February 16, 2021, the Company entered into a property option agreement to acquire 100% of the interest of the Loljuh Property from Fred Antonio Tejada (the "Optionor"). The property is located in Northern British Columbia.

As part of the agreement, the Company is required to make cash payments and make exploration expenditures as follows:

Payment period	Expenditures	Cash Payments
On execution of the Option Agreement ("Closing Date")	Nil	\$40,000 (paid)
On or before 18 months following the Closing Date	Nil	\$40,000 (paid)
On or before 30 months following the Closing Date	\$100,000	\$40,000
On or before 42 months following the Closing Date	\$200,000	\$60,000
On or before 54 months following the Closing Date	\$300,000	\$60,000
On or before 66 months following the Closing Date	\$400,000	\$60,000
<b>TOTAL</b>	<b>\$1,000,000</b>	<b>\$300,000</b>

Upon the Company delivering the Optionor a notice confirming the satisfaction of \$1,000,000 of expenditures and \$300,000 payment, the Company has 90 days to pay the Optionor a further \$1,500,000 to acquire 100% of the earned interest of the Loljuh Property. The Company may elect to satisfy up to 50% (\$750,000) of the option exercised in the issuance of common shares.

The Loljuh Property has a 2% Net Smelter Royalty that can be acquired for \$2,000,000.

During the year ended May 31, 2023, the Company tested the property for impairment and recognized an impairment charge of \$80,000, reducing the carrying amount to \$nil. On August 26, 2023, the Company terminated the Loljuh property option agreement.

**Walker Project**

On October 5, 2022, the Company entered into a property option agreement to acquire 50% interest of the Walker Creek Claims from Marvel Discovery Corp. ("Marvel"). The property is located in the Athabasca Basin, Saskatchewan.

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**6. EXPLORATION AND EVALUATION ASSET (continued)**

As part of the agreement, the Company is required to make cash payments and make exploration expenditures as follows:

<b>Payment period</b>	<b>Expenditures</b>	<b>Cash Payments</b>
On execution of the Option Agreement ("Closing Date")	Nil	\$10,000 (Paid)
On or before 90 days following the Closing Date	Nil	\$40,000 (Paid)
On or before the first anniversary of the Closing Date	\$187,500	\$75,000
On or before the second anniversary of the Closing Date	\$375,000	\$75,000
On or before the third anniversary of the Closing Date	\$937,500	\$100,000
On or before the fourth anniversary of the Closing Date	Nil	\$100,000
<b>TOTAL</b>	<b>\$1,500,000</b>	<b>\$400,000</b>

In addition, the company is required to issue common shares and share purchase warrants as follows:

<b>Payment period</b>	<b>Shares</b>	<b>Warrants</b>	<b>Exercise price per Warrant</b>
On execution of the Option Agreement ("Closing Date")	500,000 (Issued)	500,000 (Issued)	\$0.13
On or before the first anniversary of the Closing Date	750,000	750,000	30% premium of Market Value at the date of issuance
On or before the second anniversary of the Closing Date	750,000	750,000	30% premium of Market Value at the date of issuance
On or before the third anniversary of the Closing Date	1,000,000	1,000,000	30% premium of Market Value at the date of issuance
On or before the fourth anniversary of the Closing Date	500,000	500,000	30% premium of Market Value at the date of issuance
<b>TOTAL</b>	<b>3,500,000</b>	<b>3,500,000</b>	

The Walker Creek Property is subject to a 2% Net Smelter Royalty..

## 6. EXPLORATION AND EVALUATION ASSET (continued)

### Hare Hill Project

On February 15, 2023, the Company entered into a property acquisition agreement to acquire a 100% interest in the Hare Hill Pluton claims from 1254883 B.C. Ltd. The property is located in Newfoundland.

Pursuant to the agreement, the Company is required to make cash payments as follows:

Payment period	Cash Payments
On execution of the Agreement Date	\$5,000 (paid)
On or before 45 days following the Agreement Date	\$45,000 (paid)
On or before the second anniversary of the Agreement Date	\$50,000
On or before the third anniversary of the Agreement Date	\$80,000
<b>TOTAL</b>	<b>\$180,000</b>

In addition, the Company is required to issue common shares and share purchase warrants as follows:

Payment period	Shares	Warrants	Exercise price per Warrant
On or before 15 days of the Agreement Date	550,000 (Issued)	550,000 (Issued)	\$0.075
On or before the second anniversary of the Closing Date	650,000	650,000	25% premium of Market Value at the date of issuance
On or before the third anniversary of the Closing Date	800,000	800,000	25% premium of Market Value at the date of issuance
<b>TOTAL</b>	<b>2,000,000</b>	<b>2,000,000</b>	

The Hare Hill Pluton Property is subject to a 2.5% Net Smelter Royalty of which 1% can be acquired for \$1,000,000.

### Baie Verte Brompton Project

On June 8, 2023, the Company entered into an option agreement to acquire the Baie Verte Brompton projects from Marvel Discovery Corp. (Marvel), and Falcon Gold Corp. (Falcon). Falcon and Marvel jointly hold 1402 claims covering 35,050 hectares located along the Baie Verte Brompton Line in Central Newfoundland. The Company will make cash payments totaling \$155,000 over a 4-year period and issue 5 million common shares, and 5 million share purchase warrants exercisable at 10 cents per share for a period of 3 years from the date of issue. (3,000,000 shares to Marvel and cash

## 6. EXPLORATION AND EVALUATION ASSET (continued)

of \$93,000), (2,000,000 shares to Falcon and cash of \$62,000). The properties will be subject to a 2.5% NSR (Net Smelter Royalty) of which Carmanah can purchase 1% for \$1,000,000. The transaction is a related party transaction as a result of common directors and officers among the three entities. The transaction is subject to TSXV approval as both Marvel and Falcon are listed on the TSXV.

## 7. TRADE PAYABLES AND ACCRUED LIABILITIES

	August 31, 2023	May 31, 2023
	\$	\$
Trade payables	17,409	24,740
Accrued liabilities	25,000	20,000
	<b>42,409</b>	<b>44,740</b>

## 8. SHARE CAPITAL

### Authorized Share Capital

The Company is authorized to issue an unlimited number of common shares without par value.

### Issued Share Capital

During the period ended August 31, 2023

On July 27, 2023, the Company issued 150,000 common shares pursuant to the exercise of 150,000 share purchase options for cash proceeds of \$15,000.

During the period ended August 31, 2022

On June 27, 2022, the Company issued 5,750,000 common shares at a price of \$0.10 for gross proceeds of \$575,000. In connection with the issuance of the shares, the Company incurred share issuance costs of \$123,118 in cash and 575,000 share purchase warrants valued at \$30,800 has been issued as financing fees.

## 9. STOCK OPTIONS

The Corporation adopted a stock option plan (the "Plan") whereby it can grant stock options to directors, officers, employees, and consultants of the Corporation. The maximum number of shares that may be reserved for issuance under the Plan is limited to 10% of the issued common shares of the Corporation at any time.

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**9. STOCK OPTIONS (continued)**

The changes in incentive share options outstanding are summarized as follows:

	Weighted average exercise price \$	Number of shares issued or issuable on exercise
Balance – May 31, 2022	0.10	140,000
Stock options issued	0.09	1,845,000
Stock options expired	0.10	(140,000)
Balance – May 31, 2023	0.09	1,845,000
Stock options issued	0.00	-
Balance – August 31, 2023	0.09	1,845,000

On July 22, 2022, the Corporation issued 945,000 stock options. The options have an exercise price of \$0.10 and expire 5 years from the grant date. The fair value of options at the date of grant was estimated using the Black-Scholes Option Pricing Model, assuming a risk-free interest rate of 3.24 % per annum, an expected life of options of 5 years, an expected volatility of 100%, and no expected dividends. The fair value of the options of \$71,600 was recorded as a share-based payment expense.

On May 19, 2023, the Company issued 900,000 stock options to directors and officers of the Company. The options have an exercise price of \$0.075 and expire 5 years from the grant date. The fair value of options at the date of grant was estimated using the Black-Scholes Option Pricing Model, assuming a risk-free interest rate of 3.29% per annum, an expected life of options of 5 years, an expected volatility of 148.99%, and no expected dividends. The fair value of the options of \$51,100 was recorded as a share-based payment expense.

Exercise Price	Options Outstanding			Options Exercisable	
	Number of Shares Issuable on Exercise	Weighted Average Remaining Life (Years)	Weighted Average Exercise Price	Number of Shares Issuable on Exercise	Weighted Average Exercise Price
\$0.10	945,000	3.89	\$0.10	945,000	\$0.10
\$0.07	900,000	4.72	\$0.075	900,000	\$0.075
	1,845,000	4.29	\$0.09	1,845,000	\$0.09

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## 10. WARRANTS

Details regarding warrants issued and outstanding are summarized as follows:

	Weighted Average exercise price	Number of shares issued or issuable on exercise
	\$	
Balance – May 31, 2022	-	-
Share purchase warrants issued	0.10	9,383,334
Balance – May 31, 2023	0.10	9,383,334
Share purchase warrants exercised	0.10	(150,000)
Balance - August 31, 2023	0.10	9,233,334

The expiry of the warrants are as follows:

Number of warrants outstanding	Exercise price \$	Expiry date
500,000	0.13	November 22, 2027
8,183,334	0.10	April 25, 2024
550,000	0.09	May 9, 2025
<u>9,233,334</u>		

In addition, there are 787,000 broker warrants outstanding with 575,000 broker warrants exercisable at \$0.10 expiring on June 27, 2024 and 212,000 broker warrants exercisable at \$0.10 expiring on April 21, 2025.

The fair values for broker warrants issued during 2023 have been estimated using the Black-Scholes option pricing model assuming the following weighted average assumptions.

	2023	2023
	575,000 warrants	212,000 warrants
Risk-free interest rate	3.16%	3.80%
Expected life (in years)	2	2
Expected volatility	134%	159%
Expected dividend yield	0%	0%
Exercise price	\$0.10	\$0.10
Share price at date of grant	\$0.10	\$0.085

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**10. WARRANTS (continued)**

Fair values for share purchase warrants issued with respect to mineral property options have been estimated using the Black-Scholes option pricing model assuming the following weighted average assumptions:

	2023	2023
	550,000	500,000
	warrants	warrants
Risk-free interest rate	3.80%	3.42%
Expected life (in years)	2	2
Expected volatility	161%	139%
Expected dividend yield	0%	0%
Exercise price	\$0.09	\$0.13
Share price at date of grant	\$0.07	\$0.07

**11. RELATED PARTY TRANSACTIONS**

Key management personnel include the Company's Board of Directors and members of senior management. The Company's related parties include key management personnel, and companies related by way of directors or shareholders in common. Transactions with related parties for goods and services are made on normal commercial terms.

The remuneration of directors and key management personnel during the three months ended August 31, 2023 and 2022.

	August 31, 2023	August 31, 2022
	\$	\$
Management	10,500	15,000
Directors	-	2,750
	<b>10,500</b>	<b>17,750</b>

As at August 31, 2023, \$nil (May 31, 2023 - \$2,260) in accounts payable was due to related parties. At August 31, 2023, \$63,000 (May 31, 2023-\$nil) in receivables was due from a related party.



## 12. FINANCIAL INSTRUMENTS

### Financial Assets and Liabilities

Information regarding the Company's financial assets and liabilities as at August 31, 2023 and May 31, 2023 is summarized as follows:

	August 31, 2022	May 31, 2023
	\$	\$
<b>Financial Assets</b>		
At FVTPL		
Cash	202,354	258,574
<b>Financial Liabilities</b>		
At amortized cost		
Trade payable and accrued liabilities	42,409	44,739

### Financial Instrument Risk Exposure

The fair value of financial assets and financial liabilities at amortized cost is determined in accordance with generally accepted pricing models based on discounted cash flow analysis or using prices from observable current market transactions. The Company considers that the carrying amount of all its financial assets and financial liabilities recognized at amortized cost in the financial statements approximates their fair value due to the demand nature or short-term maturity of these instruments.

The following table provides an analysis of the Company's financial instruments that are measured subsequent to initial recognition at fair value, grouped into Level 1 to 3 based on the degree to which the inputs used to determine the fair value are observable.

Level 1	fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
Level 2	fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly;
Level 3	fair value measurements are those derived from inputs that are unobservable inputs for the asset or liability.

Cash is classified as Level 1. The carrying balance of trade payables approximate their fair value due to their short-term nature.

The Company's financial instruments expose it to a variety of financial risk: market risk (including price risk and interest rate risk), credit risk and liquidity risk. These risks arise from the normal course of operations and all transactions are undertaken to support those operations. Risk management is carried out by management under policies approved by the Board of Directors. Management identifies and evaluates the financial risks in co-operation with the Company's operating units.

## **12. FINANCIAL INSTRUMENTS (Continued)**

### 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 in its cash. The Company manages credit risk on liquid financial assets through maintaining its cash with high quality financial institutions.

### Liquidity Risk

Liquidity risk is the risk that the Company will not be able to meet its obligations associated with financial liabilities. The Company has a planning and budgeting process in place by which it anticipates and determines the funds required to support its normal operating requirements.

The Company's ongoing liquidity is impacted by various external events and conditions. The Company expects to repay its financial liabilities in the normal course of operations and to fund future operations and capital requirements through operating cash flows, as well as future equity and debt financing. As at August 31, 2023, the Company had a cash balance of \$203,354 to settle current liabilities of \$42,409. The Company's financial liabilities include trade payables which have contractual maturities of 30 days or are due on demand.

### 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 on its cash. The interest rate risk on cash is not considered significant due to its short-term nature and maturity.

## **13. SUBSEQUENT EVENTS**

On September 28, 2023, the Company received the amount of \$63,000 due from a related party.

On October 18, 2023, Falcon Gold Corp. received approval from the TSX Venture Exchange to transfer their portion of the Baie Verte Brompton property to the Company pursuant to the option agreement disclosed in Note 6.