

CARIBOO ROSE RESOURCES LTD.

Condensed Interim Financial Statements

For the three and six months ended August 31, 2022 and 2021

Unaudited

(Expressed in Canadian dollars)

110-325 Howe Street,
Vancouver, B.C. V6C 1Z7
Tel: (604) 681-7913
Fax: (604) 681-9855

NOTICE TO READER:

These condensed interim financial statements have not been reviewed by the Company's external auditors. These statements have been prepared by and are the responsibility of the Company's management.

Cariboo Rose Resources Ltd.
Condensed Interim Statements of Financial Position
(Unaudited – Expressed in Canadian dollars)

	August 31, 2022	February 28, 2022
ASSETS		
Current		
Cash and cash equivalents	\$ 770,208	\$ 956,902
Accounts receivable	123,616	116,131
Prepaid Expenses	40,000	-
	933,824	1,073,033
Investments (Note 4)	3,484	5,226
Exploration and evaluation assets (Note 3)	1,151,899	1,078,692
Project deposits (Note 3)	45,370	45,370
Equipment	10,335	10,335
Right-of-use asset (Note 5)	90,936	106,926
Receivable from Eastfield Resources Ltd. (Note 9)	12,000	12,000
	\$ 2,247,848	\$ 2,331,582
LIABILITIES		
Current		
Accounts payable and accrued liabilities	\$ 51,274	\$ 48,879
Lease obligations - current (Note 5)	28,500	32,819
Payable to related parties (Note 9)	14,647	18,514
	94,421	100,212
Lease obligations – long term (Note 5)	80,791	91,401
	175,212	191,613
SHAREHOLDERS' EQUITY		
Share capital (Note 6)	2,452,640	2,452,640
Warrant reserve (Note 6)	510,937	510,937
Options reserve (Note 6)	476,420	476,420
Accumulated other comprehensive loss	(15,994)	(14,252)
Deficit	(1,351,367)	(1,285,776)
	2,072,636	2,139,969
	\$ 2,247,848	\$ 2,331,582

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

Cariboo Rose Resources Ltd.

Condensed Interim Statements of Loss and Comprehensive Loss For the Three and Six Months Ended August 31, 2022 and 2021

(Unaudited – Expressed in Canadian dollars)

	Three Months Ending		Six Months Ending	
	August 31, 2022	August 31, 2021	August 31, 2022	August 31, 2021
Expenses				
Consulting	\$ 7,000	\$ 10,000	\$ 16,000	\$ 18,000
Depreciation (Note 5)	7,995	7,700	15,990	15,400
Interest and bank charges	50	75	50	120
Investor relations	5,386	2,333	5,590	3,456
Legal and audit	352	2,077	352	2,077
Office	2,371	1,909	3,910	3,148
Salaries and benefits	6,778	6,409	13,592	12,808
Transfer and filing fees	2,927	1,127	4,899	2,599
Loss before the following	32,859	31,630	60,383	57,608
Other (income) / expense				
Interest income	(98)	(86)	(118)	(95)
Interest expense on lease obligations (Note 5)	2,663	2,530	5,326	5,670
NET LOSS	35,424	34,074	65,591	63,183
OTHER COMPREHENSIVE LOSS				
Items that will not be reclassified to net income or loss				
Change in fair value of equity investments (Note 4)	1,991	2,737	1,742	1,245
COMPREHENSIVE LOSS	\$ 37,415	\$ 36,811	\$ 67,333	\$ 64,428
BASIC AND DILUTED LOSS PER SHARE	\$ 0.001	\$ 0.001	\$ 0.001	\$ 0.001
WEIGHTED AVERAGE NUMBER OF SHARES OUTSTANDING – basic and diluted	47,461,888	47,461,888	47,461,888	47,461,888

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

Cariboo Rose Resources Ltd.

Condensed Interim Statements of Changes in Shareholders' Equity

For the Three and Six Months Ended August 31, 2022 and 2021

(Unaudited – Expressed in Canadian dollars)

	Number of Common Shares	Share Capital (Note 6)	Warrant Reserve (Note 6)	Options Reserve (Note 6)	Accumulated Other Comprehensive (Loss)/Income	Deficit	Total Shareholders' Equity
Balances, February 28, 2021	47,461,888	\$ 2,452,640	\$ 510,937	\$ 364,928	\$ (11,514)	\$ (993,771)	\$ 2,323,220
Change in fair value of investments (Note 4)	-	-	-	-	(1,245)	-	(1,245)
Net loss for the period	-	-	-	-	-	(63,183)	(63,183)
Balances, August 31, 2021	47,461,888	\$ 2,452,640	\$ 510,937	\$ 364,928	\$ (12,759)	\$ (1,056,954)	\$ 2,258,792
Balances, February 28, 2022	47,461,888	\$ 2,452,640	\$ 510,937	\$ 476,420	\$ (14,252)	\$ (1,285,776)	\$ 2,139,969
Change in fair value of investments (Note 4)	-	-	-	-	(1,742)	-	(1,742)
Net loss for the period	-	-	-	-	-	(65,591)	(65,591)
Balances, August 31, 2022	47,461,888	\$ 2,452,640	\$ 510,937	\$ 476,420	\$ (15,994)	\$ (1,351,367)	\$ 2,072,636

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

Cariboo Rose Resources Ltd.
Condensed Interim Statements of Cash Flows
For the Three and Six Months Ended August 31, 2022 and 2021
(Unaudited – Expressed in Canadian dollars)

	2022	2021
Cash provided by (used in)		
Operating activities		
Net (loss)	\$ (65,591)	\$ (63,183)
Adjustments to reconcile net loss from operating activities:		
Depreciation	15,990	15,400
Interest expense on lease obligations	5,326	5,670
	(44,275)	(42,113)
Changes in non-cash working capital components		
Accounts receivable	(7,485)	56
Accounts payable and accrued liabilities	2,395	(20)
Prepaid Expenses	(40,000)	-
Option proceeds receivable	-	20,000
Payable to related parties	(3,867)	8,167
	(93,232)	(13,910)
Investing activities		
Mineral property acquisition costs	(660)	(974)
Mineral property exploration expenditures	(72,547)	(210,742)
Project deposits	-	(14,620)
	(73,207)	(226,336)
Financing activities		
Lease payments	(20,255)	(19,072)
DECREASE IN CASH AND CASH EQUIVALENTS	(186,694)	(259,318)
CASH AND CASH EQUIVALENTS, BEGINNING OF PERIOD	956,902	1,505,082
CASH AND CASH EQUIVALENTS, END OF PERIOD	\$ 770,208	\$ 1,245,764
Supplemental cash flow information		
Interest received	\$ 118	\$ 95
Interest paid	5,326	5,670

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

Cariboo Rose Resources Ltd.

Notes to the Condensed Interim Financial Statements

For the Three and Six Months Ended August 31, 2022 and 2021

(Expressed in Canadian dollars)

1. NATURE AND CONTINUANCE OF OPERATIONS

Cariboo Rose Resources Ltd. (the “Company”) is incorporated in the Province of British Columbia. Its principal business activities are the acquisition and exploration of gold, copper and other precious and base metal properties in Canada. The Company is in the process of actively exploring its mineral properties and has not yet determined whether these properties contain ore reserves that are economically recoverable. The Company is considered to be in the exploration stage and does not have operating cash flows.

The Company’s shares are listed for trading on the TSX-Venture Exchange (the “Exchange”) under the symbol CRB. Its registered office is located at 110-325 Howe Street, Vancouver, British Columbia V6C 1Z7.

These financial statements have been prepared on the basis of accounting principles applicable to a going concern which assumes that the Company will be able to realize its assets and discharge its liabilities in the normal course of operations. The ability of the Company to fund its potential future operations and commitments is dependent upon the ability of the Company to obtain additional financing. There is a risk that additional financing will not be available on a timely basis or on terms acceptable to the Company. These financial statements do not reflect the adjustments or reclassifications that would be necessary if the Company were unable to continue operations. Such adjustments and reclassifications could be material.

2. BASIS OF PREPARATION

Statement of Compliance

These condensed interim financial statements have been prepared in accordance with International Accounting Standard 34 - Interim Financial Reporting of International Financial Reporting Standards as issued by the International Accounting Standards Board (“IFRS”). The condensed interim financial statements should be read in conjunction with the Company’s annual financial statements for the year ended February 28, 2022, which have been prepared in accordance with IFRS.

These financial statements were approved for issue by the Company’s board of directors on October 28, 2022

Accounting estimates and judgments

The preparation of these interim condensed financial statements required management to make estimates, judgments and assumptions that affect the reported amounts and other disclosures in these financial statements. Estimates and the underlying assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgments about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates under different assumptions and conditions.

Estimates and the underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and further periods if the review affects both current and future periods.

Critical estimates are estimates and assumptions made by management that may result in material adjustments to the carrying amount of assets and liabilities within the next financial year. Critical estimates used in the preparation of these financial statements include, among others, the impairment of carrying values of equipment and exploration and evaluation assets, the determination of realizable amounts of deferred tax assets and liabilities, and the initial measurement at fair value for equity instruments and share-based compensation.

Critical accounting judgments are accounting policies that have been identified as being complex or involving subjective judgments or assessments. Critical accounting judgments include the expected economic lives of and the estimated future operating results and net cash flows from equipment and the identification of potential indicators of impairment for exploration and evaluation assets.

Cariboo Rose Resources Ltd.

Notes to the Condensed Interim Financial Statements

For the Three and Six Months Ended August 31, 2022 and 2021

(Expressed in Canadian dollars)

3. EXPLORATION AND EVALUATION ASSETS

Acquisition and exploration expenditures incurred on mineral properties for the six months ended August 31, 2022 and August 31, 2021 are as follows:

	<u>2022</u>	<u>2021</u>
ACQUISITION COSTS		
Balance, beginning of period	\$ 150,627	\$ 145,451
Incurred during period	<u>660</u>	<u>974</u>
Balance, end of period	<u>151,287</u>	<u>146,425</u>
EXPLORATION EXPENDITURES		
Expenditures for the year:		
Administration	-	74
Assaying	2,801	-
Communications	401	-
Drilling	-	30,000
Equipment and vehicle rentals	3,639	6,881
Field equipment	2,866	3,565
Food and accommodations	2,783	11,713
Freight	95	398
Geological	2,608	338
Geophysical	-	61,438
Professional fees and field crews	48,906	75,660
Road Building	6,418	4,515
Transportation and fuel	790	1,599
Trenching	-	12,773
Other	<u>1,240</u>	<u>1,788</u>
	72,547	210,742
Balance, beginning of period	<u>1,241,753</u>	<u>886,439</u>
Balance, end of period	<u>1,314,300</u>	<u>1,097,181</u>
OPTION PROCEEDS		
Balance, beginning of period	(313,688)	(243,688)
Disposal of mineral property	-	-
Balance, end of period	<u>(313,688)</u>	<u>(243,688)</u>
TOTAL	<u>\$ 1,151,899</u>	<u>\$ 999,918</u>

Carbonate Hosted Gold Project, Clinton Mining Division, British Columbia (8 claims covering 4,194 hectares)

On March 23, 2020 the company entered into an agreement with Basin Uranium Corp. ("Basin" formally Black Shield Metals Corp.) whereby Basin Uranium Corp. may earn a 60% interest in the Carbonate Hosted Gold Project by expending \$1,500,000 in exploration and making option payments of \$300,000 over a 66 month term. Upon earning a 60% interest, Basin may increase its interest to 70% by making further payments totaling \$500,000 and completing a feasibility study within a further 24 months.

Cariboo Rose Resources Ltd.
Notes to the Condensed Interim Financial Statements
For the Three and Six Months Ended August 31, 2022 and 2021
(Expressed in Canadian dollars)

3. EXPLORATION AND EVALUATION ASSETS (continued)

***Coquigold Project, Nicola Mining Division, British Columbia,
(15 claims covering 2,661 hectares)***

The company has staked three claim blocks, subsequently consolidated into two blocks, adjacent to the Coquihalla Highway in response to the recent success being achieved at the Shovelnose gold project owned and operated by Westhaven Ventures Inc. The claims have attributes identified by the BC Geological survey which suggest they are targets for epithermal precious metal mineralization.

On December 22, 2021 the company entered into an agreement with CMP Mining Inc. (formally Vanadium 23 Capital Corp.) whereby CMP Mining Inc. may earn a 70% interest in the Coquigold Project by expending \$2,500,000 in exploration and making option payments of \$250,000 over a four-year term.

***Cowtrail Property, Cariboo Mining Division, British Columbia
(32 claims covering 4,400 hectares)***

The 100% owned Cowtrail Property is located in southcentral British Columbia and lies contiguous with the Woodjam copper-gold porphyry project owned by Consolidated Woodjam Copper. On May 31, 2022 the Company entered into an agreement with BRS Resources Ltd. Whereby may earn a 60% interest in the property by making payments totalling \$400,000 and completing \$2,000,000 in exploration over a four year period.

***Carruthers Pass Project, Omineca Mining Division, British Columbia
(9 claims covering 3,895 hectares)***

The Company acquired a 100% interest in the 3,250-hectare Carruthers Pass property from Freeport McMoRan Explorations ("Freeport") by completing \$750,000 in exploration expenditures and issuing \$120,000 in shares and cash. Freeport retains a 2.5% net smelter royalty interest, which may be reduced to 1% with a cash payment by the Company of \$1,500,000.

In March 2021 the Company entered into an option agreement with Vizsla Copper Corp. that grants Vizsla Copper the right to earn a 60-per-cent interest in the Carruthers Pass project. To complete the option, Vizsla Copper is required to complete \$3-million in exploration and make \$650,000 in option payments over a five-year term.

***Koster Dam Project, Clinton Mining Division, British Columbia
(9 claims covering 4,535 hectares)***

In October 2020 Ameriwest Lithium Inc. (formally Oakley Ventures) exercised their option to acquire a 45% interest in the Koster Dam project upon completion of certain required qualifying expenditures pursuant to a restated and amended option and joint venture agreement dated October 26, 2018. In 2022 Ameriwest Lithium transferred its interest in the Koster Dam Project to ISM Resources Corp.

***Pat Claims, Cariboo Mining Division, British Columbia
(2 claims covering 1,087 hectares)***

The Company owns an undivided 100% interest in the Pat claims located in southcentral BC.

***Lightning Strike Project, Clinton Mining Division, British Columbia
(14 claims covering 3,735 hectares)***

The Company has staked 14 claims covering 3,735 hectares, 60 kilometres northeast of the community of 100 mile house, BC.

Cariboo Rose Resources Ltd.

Notes to the Condensed Interim Financial Statements

For the Three and Six Months Ended August 31, 2022 and 2021

(Expressed in Canadian dollars)

3. EXPLORATION AND EVALUATION ASSETS (continued)

Project Deposits

\$45,370 in term deposits, bearing interest at rates ranging from 0.20% to 0.75% and maturing between June 6, 2022 and March 16, 2023, are provided as reclamation bonds for the above mineral properties. The term deposits will continue to be renewed to comply with the requirements of the BC Ministry of Energy, Mines and Petroleum Resources (the “Ministry”). As these reclamation bonds are required to be in place while the Company has ownership of these mineral properties, they are recorded as non-current assets.

4. INVESTMENTS

The Company has the following investments in equity instruments:

	August 31, 2022			February 28, 2022		
	Number of Shares	Cost	Fair Value	Number of Shares	Cost	Fair Value
Consolidated Woodjam Copper Corp.	49,772	\$ 19,478	\$ 3,484	49,772	\$ 19,478	\$ 5,226
Less: non-current portion		(19,478)	(3,484)		(19,478)	(5,226)
Current portion		\$ -	\$ -		\$ -	\$ -

The Company has irrevocably designated these investments in equity instruments as measured at FVOCI rather than FVTPL as they are not held for trading and the FVOCI classification is considered more appropriate for these strategic investments. The fair value of these equity investments is based on quoted market prices at the reporting dates. The current portion relates to those investments which the Company is reasonably likely to sell within the next 12 months.

5. RIGHT-OF-USE ASSET AND LEASE OBLIGATIONS

The Company leases office space under a lease agreement which expires on June 30, 2025. The Company’s right-of-use asset and estimated future lease payments over the remaining term of the lease are:

Right-of-use Asset	Cost	Accumulated Depreciation	Carrying Amount
Balance February 28, 2022	\$ 198,922	\$ (91,996)	\$ 106,926
Additions	-	(15,990)	(15,990)
Balance August 31, 2022	\$ 198,922	\$ (107,986)	\$ 90,936

Lease Obligations

2022	\$ 21,455
2023 to 2025	100,336
Total future payments	121,791
Less: interest	(12,500)
Lease obligations	109,291
Less: current portion	(28,500)
Lease obligation – long term	\$ 80,791

Cariboo Rose Resources Ltd.

Notes to the Condensed Interim Financial Statements

For the Three and Six Months Ended August 31, 2022 and 2021

(Expressed in Canadian dollars)

6. SHARE CAPITAL

Authorized

Unlimited common shares without par value

Unlimited preferred shares without par value

Share Purchase Options

The Company issues options to directors, officers, and employees of the Company, and persons who provide ongoing services to the Company, under an incentive stock option plan. Share option terms issued under this stock option plan are at the discretion of the Board of Directors and generally include contractual lives of five years and exercise prices based on the fair market value of the common shares at the grant date. Options will normally vest entirely on the date of grant for directors, officers and employees and at the rate of 25% on the date of the grant and 25% every three months thereafter for consultants.

A summary of changes in common share purchase options for the six months ended August 31, 2022 and 2021 is:

	Six months ended August 31, 2022		Six months ended August 31, 2021	
	Number of Shares	Weighted Average Exercise Price	Number of Shares	Weighted Average Exercise Price
Balance, beginning of the period	4,520,000	\$ 0.07	3,875,000	\$ 0.09
Changes	250,000	0.12	-	-
Options exercisable, end of the period	4,270,000	\$ 0.07	3,875,000	\$ 0.09

The following common share purchase options are outstanding at August 31, 2022:

Expiry Date	Options Outstanding		Weighted Average Remaining Life (Years)	Options Exercisable	
	Number of shares	Exercise price		Number of shares	Exercise price
September 26, 2023	300,000	\$ 0.05	1.07	300,000	\$ 0.05
December 19, 2024	650,000	0.05	2.30	650,000	0.05
August 29, 2026	500,000	0.11	4.00	500,000	0.11
September 15, 2026	770,000	0.06	4.04	770,000	0.06
February 23, 2027	1,550,000	0.06	4.49	1,550,000	0.06
October 5, 2027	500,000	0.11	5.11	500,000	0.11
	4,270,000	\$ 0.07	3.85	4,270,000	\$ 0.07

Share Purchase Warrants

There were no common share purchase warrants outstanding at August 31, 2022

7. SEGMENTED DISCLOSURES

The Company operates in one industry segment, the acquisition and exploration of mineral properties, within Canada. Mineral properties and other capital assets are located in Canada.

Cariboo Rose Resources Ltd.

Notes to the Condensed Interim Financial Statements

For the Three and Six Months Ended August 31, 2022 and 2021

(Expressed in Canadian dollars)

8. DILUTED INCOME OR LOSS PER SHARE

The Company's diluted loss per share is equal to its basic loss per share. Outstanding share purchase options and warrants could potentially dilute basic loss per share in the future but were not included in the calculation of diluted loss per share because they are antidilutive for the three and six months ended August 31, 2022.

9. RELATED PARTY DISCLOSURES

Related party transactions are recorded at the exchange amount as agreed to by the parties.

In the normal course of business, the Company will enter into transactions with a related company, Eastfield Resources Ltd. ("Eastfield"), for the use of equipment, services and rental of office space. The Company is related to Eastfield through common key management personnel. During the six months ended August 31, 2022, amounts payable for rent, salaries, telephone, office, consulting, convention and travel costs to Eastfield amounted to \$57,542 (six months ended August 31, 2021 - \$54,763). At August 31, 2022, payable to related parties included \$9,722 (February 28, 2022 - \$10,460) payable to Eastfield.

During the six months ended August 31, 2022, geological services totaling \$51,568 (six months ended August 31, 2021 - \$151,824) were provided to the Company by Mincord Exploration Consultants Ltd. ("Mincord"), a geological service company owned by two directors of the Company. Mincord's relationship with the Company is non-exclusive and without retainer, and Mincord is used on a project by project basis. Services provided include the hiring of field and professional personnel, rental of vehicular, camp and technical equipment, and transportation and mobilization costs. The amounts for geological and exploration services also include payments for services on properties managed by the Company on behalf of joint venturers. At August 31, 2022, payable to related parties included \$4,924 (February 28, 2022 - \$8,054) payable to Mincord.

During the year ended February 29, 2012, the Company transferred reclamation bonds totaling \$12,000, which had been released by the Ministry of Energy, Mines and Petroleum Resources, to Eastfield. This amount remains a receivable from Eastfield at August 31, 2022.

10. RISK MANAGEMENT AND FINANCIAL INSTRUMENTS

The Company's financial instruments are exposed to certain risks, which include credit, liquidity, and market risk. The risks related to financial instruments are managed by the senior management of the Company under policies and directions approved by the Board of Directors.

Liquidity Risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. Accounts payable and accrued liabilities and payable to related parties are due within the current operating period. The Company's lease obligations are due as set out in Note 5. The Company manages liquidity risk through the management of its capital structure (Note 11) and financial leverage.

Credit Risk

Credit risk is the risk of an unexpected loss if a customer or third party to a financial instrument fails to meet its contractual obligations. The Company's cash is held at large Canadian financial institutions. The Company's receivables consist mostly of Goods and Services Tax due from the federal government of Canada and mineral exploration project deposits and tax credit receivable from the Government of British Columbia. As such, the Company considers this risk to be minimal and has not recognized an expected credit loss allowance in these financial instruments. As at August 31, 2022 and 2021 none of the Company's financial instruments subject to credit risk were past due or impaired.

The Company has determined that the expected credit losses on its accounts receivable and project deposits are not significant and accordingly has not recognized an allowance for expected credit losses as at August 31, 2022 and 2021.

Cariboo Rose Resources Ltd.

Notes to the Condensed Interim Financial Statements

For the Three and Six Months Ended August 31, 2022 and 2021

(Expressed in Canadian dollars)

10. RISK MANAGEMENT AND FINANCIAL INSTRUMENTS (continued)

Market Risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. The Company's market risk is comprised of two types of risk: interest rate risk, and equity price risk.

(i) Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

The Company is exposed to interest rate risk when holding fixed rate short term deposits of varying maturities. The risk that the Company will realize a loss as a result of a decline in the fair value of the cash equivalents investments is limited because these investments are generally highly liquid securities with short-term maturities. As at August 31, 2022 and 2021, the Company considers its exposure to interest rate risk to be minimal.

(ii) Equity Price Risk

Equity risk is the uncertainty associated with the valuation of assets arising from changes in equity markets. The Company is exposed to this risk through its investment in equity instruments. All of the Company's listed equity investments (Note 4) are common shares of companies listed on the Toronto Stock Exchange and the Toronto Stock Exchange's Venture Exchange and are monitored by management with decisions on sale taken at the board level.

11. 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 exploration and development of its mineral property interests, and to maintain a flexible capital structure which optimizes the costs of capital at an acceptable risk. The Company considers its capital for this purpose to be its shareholders' equity.

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 issue new shares or debt, acquire or dispose of assets or adjust the amount of cash and investments.

In order to facilitate the management of its capital requirements, the Company prepares annual expenditure budgets that are updated as necessary depending on various factors, including successful capital deployment and general industry conditions. The annual and updated budgets are approved by the Board of Directors.

In order to maximize ongoing development efforts, the Company does not pay out dividends.

The Company's investment policy is to invest its surplus cash in highly liquid short-term interest-bearing investments with maturities 90 days or less from the original date of acquisition, selected with regards to the expected timing of expenditures from continuing operations.

The Company currently has sufficient capital resources to meet its administrative overhead expenses through its current operating period and it is confident it can raise additional funds to undertake all of its planned business activities. Actual funding requirements may vary from those planned due to a number of factors. Management believes it will be able to raise capital as required in the long term, but recognizes that there will be risks involved that may be beyond their control.