

**FIDDLEHEAD RESOURCES CORP.  
(FORMERLY ALPHA PEAK CAPITAL INC.)**

Interim Condensed Financial Statements

For the three and nine months ended September 30, 2023 and 2022

(Expressed in Canadian dollars)  
(Unaudited)

FIDDELHEAD RESOURCES CORP. (FORMERLY ALPHA PEAK CAPITAL INC.)  
INTERIM CONDENSED FINANCIAL STATEMENTS  
FOR THE THREE AND NINE MONTHS ENDED SEPTEMBER 30, 2023, AND 2022 (UNAUDITED)

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**FIDDLEHEAD RESOURCES CORP. (FORMERLY ALPHA PEAK CAPITAL INC.)**

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

Under National Instrument 51-102, Part 4, subsection 4.3(3) (a), if an auditor has not performed a review of the interim condensed financial statements, the statements must be accompanied by a notice indicating that the financial statements have not been reviewed by an auditor. The Company's independent auditor has not performed a review of these financial statements in accordance with standards established by the Chartered Professional Accountants of Canada for a review of financial statements by an entity's auditor.

Management has prepared the information and representations in this interim report. The interim condensed financial statements have been prepared in accordance with International Accounting Standard 34 Interim Financial Reporting and, where appropriate, reflect management's best estimates and judgment. The financial information presented throughout this report is consistent with the data presented in the interim condensed financial statements. The Company maintains adequate systems of internal accounting and administrative controls, consistent with reasonable cost. Such systems are designed to provide reasonable assurance that relevant and reliable financial information is produced.

"Carlo Rigillo"

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Chief Financial Officer

October 31, 2023

FIDDLEHEAD RESOURCES CORP. (FORMERLY ALPHA PEAK CAPITAL INC.)  
INTERIM CONDENSED STATEMENTS OF FINANCIAL POSITION  
AT SEPTEMBER 30, 2023  
*(Expressed in Canadian Dollars)*

	Notes	September 30, 2023	December 31, 2022
		(unaudited)	(audited)
		\$	\$
<b>ASSETS</b>			
<b>CURRENT</b>			
Cash		540,658	29,828
Trade and other receivables		2,525	2,525
Total current assets		543,183	32,353
<b>TOTAL ASSETS</b>		<b>543,183</b>	<b>32,353</b>
<b>LIABILITIES</b>			
<b>CURRENT</b>			
Accounts payables and accrued liabilities		1,805	15,442
Total current liabilities		1,805	15,442
Total liabilities		1,805	15,442
<b>EQUITY</b>			
Share capital	4	64,713,817	64,132,017
Reserves		584,479	581,585
Deficit		(64,756,918)	(64,696,691)
Total equity		541,378	16,911
<b>TOTAL LIABILITIES AND EQUITY</b>		<b>543,183</b>	<b>32,353</b>

*Going concern (Note 1)*

**Approved on October 31, 2023, on behalf of the Board:**

*"Brent Osmond"*

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Brent Osmond, Director

*"Carlo Rigillo"*

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Carlo Rigillo, Director

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

FIDDLEHEAD RESOURCES CORP. (FORMERLY ALPHA PEAK CAPITAL INC.)  
INTERIM CONDENSED STATEMENTS OF COMPREHENSIVE INCOME (LOSS)  
FOR THE THREE AND NINE MONTHS ENDED SEPTEMBER 30, 2023 AND 2022  
*(Expressed in Canadian Dollars)*  
*(Unaudited)*

	Notes	For the three months ended September 30,		For the nine months ended September 30,	
		2023	2022	2023	2022
		\$	\$	\$	\$
Professional fees		55,554	922	55,554	7,270
Share-based payments	4,5	2,894	-	2,894	-
Administrative expenses		-	-	1,779	2,913
<b>TOTAL LOSS AND COMPREHENSIVE LOSS FOR THE PERIOD</b>		<b>58,448</b>	<b>922</b>	<b>60,227</b>	<b>10,183</b>
Weighted average number of common shares					
Outstanding - Basic and diluted		10,325,382	8,933,422	9,439,041	8,993,422
Basic and diluted loss per common share		\$ 0.01	\$ 0.00	\$ 0.01	\$ 0.00

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FIDDLEHEAD RESOURCES CORP. (FORMERLY ALPHA PEAK CAPITAL INC.)  
INTERIM CONDENSED STATEMENTS OF CHANGES IN EQUITY  
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2023 AND 2022  
(Expressed in Canadian Dollars)  
(Unaudited)

	Share Capital	Share Capital	Share option reserve	Deficit	Total
	# of shares	\$	\$	\$	\$
At December 31, 2021	8,993,422	64,132,017	581,585	(64,664,416)	49,186
Net loss and comprehensive loss for the period	-	-	-	(10,183)	(10,183)
<b>At September 30, 2022</b>	<b>8,993,422</b>	<b>64,132,017</b>	<b>581,585</b>	<b>(64,674,599)</b>	<b>39,003</b>
At December 31, 2022	8,993,422	64,132,017	581,585	(64,696,691)	16,911
Issuance of shares for cash	4,848,335	581,800	-	-	581,800
Share-based payments - vesting of options	-	-	2,894	-	2,894
Net loss and comprehensive loss for the period	-	-	-	(60,227)	(60,227)
<b>At September 30, 2023</b>	<b>13,841,757</b>	<b>64,713,817</b>	<b>584,479</b>	<b>(64,756,918)</b>	<b>541,378</b>

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

FIDDLEHEAD RESOURCES CORP. (FORMERLY ALPHA PEAK CAPITAL INC.)  
INTERIM CONDENSED STATEMENTS OF CASH FLOWS  
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2023 AND 2022  
*(Expressed in Canadian Dollars)*  
*(Unaudited)*

	Notes	For the nine months ended September 30,	
		2023	2022
		\$	\$
<b>OPERATING ACTIVITIES</b>			
Net Loss		(60,227)	(10,183)
Items not affecting cash:			
Stock based compensation		2,894	-
Changes in non-cash working capital balances			
Trade and other receivables		-	7,915
Accounts payable and accrued liabilities		(13,637)	(9,357)
Cash flow provided by (used in) operating activities		(70,970)	(11,625)
<b>FINANCING ACTIVITIES</b>			
Shares issued for cash		581,800	-
Cash flow provided by financing activities		581,800	-
Change in cash during the period		510,830	(11,625)
Cash, beginning of the period		29,828	56,054
Cash, End of the period		540,658	44,429

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

FIDDLEHEAD RESOURCES CORP. (FORMERLY ALPHA PEAK CAPITAL INC.)  
NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS  
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2023 AND 2022  
*Expressed (in Canadian Dollars)*  
*(unaudited)*

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**1. BACKGROUND AND NATURE OF OPERATIONS**

Fiddlehead Resources Corp. (formerly Alpha Peak Capital Inc.) (the "Company") was incorporated on June 24, 2011, under the British Columbia Business Corporation Act and commenced trading on the TSX Venture Exchange (the "TSXV") as a Capital Pool Company pursuant to TSXV Policy 2.4. The address of the Company's registered office is 1900 - 1040 West Georgia Street, Vancouver, BC V6E 4H3, Canada. On September 5, 2023, following a strategic review, the Company changed its name to Fiddlehead Resources Corp. and will focus on the oil and gas sector.

During the year ended December 31, 2019, the Company sold all of the shares of its wholly owned subsidiary Total Wonder Enterprises Limited ("TWEL") to certain shareholders of the Company (the "TWEL Sale") and completed a distribution of \$0.075 per common share (the "Distribution") by way of return of capital. After the completion of the TWEL Sale and the Distribution, the Company became a shell company with no active business and was transferred to the NEX board of the TSXV. On April 19, 2021, the Company's common shares were voluntarily delisted from trading on the TSXV and remains a reporting issuer in good standing in the Provinces of British Columbia and Alberta.

The financial statements are presented in Canadian Dollar ("CAD" or "\$"), which is the Company's functional currency and presentation currency.

The Company has incurred losses since inception and has a deficit of \$64,756,918 at September 30, 2023. The continuing operations of the Company are dependent upon obtaining necessary financing. Failure to continue as a going concern would require that assets and liabilities be recorded at their liquidation values, which might differ significantly from their carrying values. These factors, among others, could have a significant impact on the Company's operations. These material uncertainties may cast significant doubt upon the Company's ability to continue as a going concern.

**2. BASIS OF PREPARATION**

**Statement of compliance**

The interim condensed financial statements of the Company have been prepared in accordance with International Accounting Standard 34 Interim Financial Reporting.

The interim condensed financial statements of the Company should be read in conjunction with the Company's 2022 annual financial statements that have been prepared in accordance with International Financial Reporting Standards ("IFRS"), as issued by the International Accounting Standards Board.

**Basis of measurement**

These interim condensed financial statements have been prepared under the historical cost basis, except for certain financial instruments, which are measured at fair value, as explained in the significant accounting policies (note 3). These interim condensed financial statements have been prepared under the accrual basis of accounting, except for cash flow information.

**3. SIGNIFICANT ACCOUNTING POLICIES**

The interim condensed financial statements have been prepared, for all periods presented, following the same accounting policies and methods of computation as described in note 3 to the audited financial statements for the year ended December 31, 2022.

FIDDLEHEAD RESOURCES CORP. (FORMERLY ALPHA PEAK CAPITAL INC.)  
 NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS  
 FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2023 AND 2022  
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3. **SIGNIFICANT ACCOUNTING POLICIES - CONTINUED**

Critical accounting estimates and judgments

Significant accounting judgments that management has made in the process of applying accounting policies and that have the most significant effect on the amounts recognized in the financial statements include but are not limited to the going concern assumption (Note 1).

4. **SHARE CAPITAL**

(a) Authorised

Unlimited number of common shares without par value.

(b) Issued common shares

On September 5, 2023, the Company completed a financing of an aggregate of 4,848,335 common shares at a issued price of \$0.12 per common share for aggregate gross proceeds of \$581,800.

(c) Share options

The Company adopted a share option plan on December 21, 2011, under which it can grant options to directors, officers, employees, and consultants for up to 10% of the issued and outstanding common shares.

As at September 30, 2023, 1,260,000 (December 31, 2022 – 760,000) share options of the Company were outstanding at an average price of \$0.10 (December 31, 2022 - \$0.07) per underlying common share. Each share option will expire 5 years from the grant date. Upon the Company entering into binding, definitive agreement for the consummation of a reverse takeover, the stock options vest immediately.

On September 5, 2023, the Company granted 500,000 options to a director and officer, the fair value of those options has been estimated at the date of issue using the Black-Scholes option pricing model with the following assumptions: (i) dividend yield 0%; (ii) expected volatility of 100.00%; (iii) risk-free interest rate of 4.33%; (iv) expected life of 5 years; (v) share price of \$0.12; forfeiture rate of nil. Volatility was estimated based on historical volatility of comparable companies. The options will vest on the anniversary of the grant date. For the three-months ended September 30, 2023, \$2,894 was recorded to Stock-based compensation.

	Number of options	Weighted average exercise price
		\$
Balance December 31, 2022	760,000	0.07
Granted	500,000	0.12
Balance September 30, 2023	1,260,000	0.10

Details of options outstanding as at September 30, 2023 are as follows:

Exercise price	Weighted avg contractual life	Number of options outstanding	Number of options exercisable
\$ 0.07	2.61 years	760,000	760,000
\$ 0.12	4.94 years	500,000	41,667
\$ 0.10	3.53 years	1,260,000	801,667

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5. **RELATED PARTY TRANSACTION**

The Company's key management includes directors (executive and non-executive), the Chairman, the Chief Executive Officer and Chief Financial Officer. The remuneration of key management of the Company for the nine month-period ended September 2023, and 2022 was as follows:

	For the nine-month period ended September 30,	
	2023	2022
Share-based payments	\$ 2,894	\$ -

6. **CAPITAL RISK MANAGEMENT**

Management's objective is to manage its capital to ensure that there are adequate capital resources to safeguard the Company's ability to continue as a going concern through the optimization of its capital structure. The capital structure consists of share capital and working capital.

In order to achieve this objective, management makes adjustments to it in light of changes in economic conditions and risk characteristics of the underlying assets. To maintain or adjust capital structure, management may invest its excess cash in interest bearing accounts of Canadian chartered banks and/or raise additional funds externally as needed. The Company is not subject to externally imposed capital requirements. The Company's management of capital did not change during the three and nine months ended September 30, 2023.

7. **FINANCIAL INSTRUMENTS**

Financial instruments are agreements between two parties that result in promises to pay or receive cash or equity instruments. The Company classifies its financial instruments as follows: cash, receivables, accounts payable and accrued liabilities and promissory notes payable as amortized cost. The carrying values of these instruments approximate their fair values due to their short term to maturity.

The Company has exposure to the following risks from its use of financial instruments:

a) Credit risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. The Company manages credit risk, in respect of cash, by placing it at major Canadian financial institutions. The Company has minimal credit risk.

b) Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquid funds to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation. The contractual financial liabilities of the Company as of September 30, 2023, equal \$1,805 (December 31, 2022 - \$15,442). All of the liabilities presented as accounts payable and accrued liabilities are due within 30 days of September 30, 2023. The Company has sufficient cash to settle the liabilities at September 30, 2023. Management believes the liquidity risk is low.

7. **FINANCIAL INSTRUMENTS - CONTINUED**

c) Market risk

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

- i) Currency risk* – Currency risk is the risk that the fair value or future cash flows will fluctuate as a result of changes in foreign exchange rates. The Company does not hold substantial funds in a foreign currency and is not subject to significant currency risk.
- ii) Interest rate risk* – Interest rate risk is the risk that future cash flows will fluctuate as a result of changes in market interest rates. Interest earned on cash is at nominal interest rates, and therefore, the Company does not consider interest rate risk to be significant. The Company has no interest-bearing financial liabilities.
- iii) Other price risk* – Other price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in market prices, other than those arising from interest rate risk. The Company is not exposed to significant other price risk.