

# **SMOOTH ROCK VENTURES CORP.**

**INTERIM CONDENSED CONSOLIDATED**

**FINANCIAL STATEMENTS**

**FOR THE THREE AND NINE MONTHS ENDED**

**SEPTEMBER 30, 2024 AND 2023**

**(Expressed in Canadian dollars)**

NOTICE OF NO AUDITOR REVIEW OF CONDENSED INTERIM CONSOLIDATED  
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 financial statements, they must be accompanied by a notice indicating that the financial statements have not been reviewed by an auditor.

The accompanying condensed interim consolidated financial statements of the Company have been prepared by management and approved by the Board of Directors of the Company.

The Company's independent auditor has not performed a review of these condensed interim consolidated 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.

November 25, 2024

**SMOOTH ROCK VENTURES CORP.**  
**INTERIM CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION**  
**(Unaudited; Expressed in Canadian Dollars)**

As at	Note	September 30, 2024	December 31, 2023
<b>Assets</b>			
<b>Current Assets:</b>			
Cash		\$ 341,865	\$ 458,372
Sales taxes receivable		427	416
Deposits	5	13,980	30,364
Prepaid expense		675	1,281
		356,947	490,433
<b>Non-current Assets:</b>			
Exploration and evaluation assets	5,8	1,463,490	1,391,331
		\$ 1,820,437	\$ 1,881,764
<b>Liabilities and Shareholders' Equity</b>			
<b>Liabilities</b>			
<b>Current Liabilities:</b>			
Accounts payable and accrued liabilities	7	\$ 217,247	\$ 237,335
Due to related parties	8	698,719	690,119
		915,966	927,454
<b>Shareholders' Equity</b>			
Share capital	6	22,102,042	22,102,042
Reserves	6	4,937,702	4,937,702
Deficit		(26,135,273)	(26,085,434)
		904,471	954,310
		\$ 1,820,437	\$ 1,881,764

Nature and continuance of operations (Note 1)

Approved on behalf of the Board of Directors on November 25, 2024

“Christos Doulis”  
Director

“Christopher Hobbs”  
Director

**SMOOTH ROCK VENTURES CORP.**  
**INTERIM CONDENSED CONSOLIDATED STATEMENTS OF LOSS AND COMPREHENSIVE LOSS**  
(Unaudited; Expressed in Canadian Dollars)

	Note	For the three months ended September 30,		For the nine months ended September 30,	
		2024	2023	2024	2023
<b>Operating expenses:</b>					
Advertising and promotion		\$ -	\$ -	\$ 2,100	\$ 129
Audit and accounting		-	-	4,093	1,194
Consulting	8	-	34,500	-	103,500
Management fees	8	-	45,108	-	135,347
Office and administration		9,864	12,969	30,488	34,660
Share-based payment	8	-	-	-	92,173
Transfer agent and filing fees		850	5,933	12,652	16,739
Travel		279	3,696	279	3,696
<b>Loss before other items</b>		(10,993)	(102,206)	(49,612)	(387,438)
Foreign exchange gain (loss)		2,185	651	(227)	(2,322)
<b>Net loss and comprehensive loss</b>		\$ (8,808)	\$ (101,555)	\$ (49,839)	\$ (389,760)
<b>Loss per share – basic and diluted</b>		\$ (0.00)	\$ (0.00)	\$ (0.00)	\$ (0.02)
<b>Weighted average number of common shares outstanding – basic and diluted</b>		24,674,794	24,674,794	24,674,794	24,674,794

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

**SMOOTH ROCK VENTURES CORP.**  
**INTERIM CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS**  
(Unaudited; Expressed in Canadian Dollars)

	Nine months ended September 30,	
	2024	2023
<b>Cash flows used in operating activities</b>		
Net loss for the period	\$ (49,839)	\$ (389,760)
Non-cash items:		
Foreign exchange	(15,744)	139
Share-based payment	-	92,173
Changes in working capital items:		
Sales taxes receivable	(11)	4,989
Prepaid expense	606	(670)
Deposits	17,116	-
Accounts payable and accrued liabilities	(20,088)	27,853
Due to related parties	121	187,334
	(67,839)	(77,942)
<b>Cash flows used in investing activities</b>		
Exploration and evaluation assets	(72,159)	(66,277)
	(72,159)	(66,277)
Foreign exchange impact on cash	23,491	-
<b>Change in cash</b>	(116,507)	(144,219)
<b>Cash, beginning of the period</b>	458,372	661,705
<b>Cash, end of the period</b>	\$ 341,865	\$ 517,486

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**SMOOTH ROCK VENTURES CORP.**  
**INTERIM CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY**  
(Unaudited; Expressed in Canadian Dollars)

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	Number of shares	Amount	Reserves	Deficit	Total
<b>Balance, December 31, 2022</b>	<b>24,674,794</b>	<b>\$ 22,102,042</b>	<b>\$ 4,845,529</b>	<b>\$ (25,584,297)</b>	<b>\$ 1,363,274</b>
Share-based payment	-	-	92,173	-	92,173
Loss for the period	-	-	-	(389,760)	(389,760)
<b>Balance, September 30, 2023</b>	<b>24,674,794</b>	<b>\$ 22,102,042</b>	<b>\$ 4,937,702</b>	<b>\$ (25,974,057)</b>	<b>\$ 1,065,687</b>
<b>Balance, December 31, 2023</b>	<b>24,674,794</b>	<b>\$ 22,102,042</b>	<b>\$ 4,937,702</b>	<b>\$ (26,085,434)</b>	<b>\$ 954,310</b>
Loss for the period	-	-	-	(49,839)	(49,839)
<b>Balance, September 30, 2024</b>	<b>24,674,794</b>	<b>\$ 22,102,042</b>	<b>\$ 4,937,702</b>	<b>\$ (26,135,273)</b>	<b>\$ 904,471</b>

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

## **SMOOTH ROCK VENTURES CORP.**

### **NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**

#### **FOR THE THREE AND NINE MONTHS ENDED SEPTEMBER 30, 2024 AND 2023**

**(Unaudited; Expressed in Canadian Dollars)**

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#### **1. Nature and Continuance of Operations**

Smooth Rock Ventures Corp. (the “Company”) was incorporated on May 17, 1966, under the laws of the province of British Columbia. The Company’s principal activity is the acquisition and exploration of exploration and evaluation assets. The head office, principal address and the registered and records office of the Company are located at Suite 820 - 1130 West Pender Street, Vancouver, BC V6E 4A4. The Company’s shares are traded on the TSX Venture Exchange (“TSX-V”) under ticker symbol “SMRV”.

The Company incurred a net loss of \$49,839 for the nine months ended September 30, 2024, and has a deficit of \$26,135,273 as at September 30, 2024. These interim condensed consolidated financial statements have been prepared using International Financial Reporting Standards (“IFRS”) applicable to a going concern, which assume that the Company will continue in operation for the foreseeable future and will be able to realize its assets and discharge its liabilities in the normal course of operations. Different basis of measurement may be appropriate if the Company is not expected to continue operations for the foreseeable future. As at September 30, 2024, the Company had not advanced its exploration and evaluation assets to commercial production and is not able to finance its day-to-day activities through its operations. The Company’s continuation as a going concern is dependent upon the successful results from its exploration activities on its exploration and evaluation properties and its ability to attain profitable operations and generate funds from there and/or raise equity capital to meet current and future obligations. These matters indicate the existence of a material uncertainty that may cast significant doubt about the Company’s ability to continue as a going concern. These consolidated financial statements do not include any adjustments to the recoverability and classification of recorded asset amounts and classification of liabilities that might be necessary should the Company be unable to continue as a going concern. Such adjustments could be material.

#### **2. Statement of Compliance and Basis of Preparation**

These interim condensed consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board (“IASB”) applicable to the preparation of interim financial statements, including IAS 34, Interim Financial Reporting. The interim condensed consolidated financial statements should be read in conjunction with the annual consolidated financial statements for the year ended December 31, 2023, which have been prepared in accordance with IFRS as issued by the IASB.

The Company uses the same accounting policies and methods of computation as in the annual consolidated financial statements for the year ended December 31, 2023. The preparation of interim financial statements requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

These interim condensed consolidated financial statements were approved by the board of directors for issue on November 25, 2024.

#### ***Basis of measurement***

The interim condensed consolidated financial statements have been prepared on an accrual basis, except for cash flow information, and are based on historical costs, except for certain financial instruments that are measured at fair value.

#### ***Principles of consolidation***

These interim condensed consolidated financial statements consolidate the accounts of the Company and its wholly owned subsidiary, Smooth Rock Ventures LLC. All inter-company balances and transactions are eliminated on consolidation.

## SMOOTH ROCK VENTURES CORP.

### NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

#### FOR THE THREE AND NINE MONTHS ENDED SEPTEMBER 30, 2024 AND 2023

(Unaudited; Expressed in Canadian Dollars)

### 3. Financial Instruments and Financial Risk Management

The Company is exposed in varying degrees to a variety of financial instrument-related risks. The Board of Directors approves and monitors the risk management processes, inclusive of documented investment policies, counterparty limits, and controlling and reporting structures. The type of risk exposure and the way in which such exposure is managed is provided as follows:

#### *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 on its cash held in bank accounts. The majority of cash is deposited in bank accounts held with major banks in Canada and the United States. As most of the Company's cash is held by two banks there is a concentration of credit risk. This risk is managed by using major banks that are rated high credit quality financial institutions.

#### *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 has a planning and budgeting process in place to help determine the funds required to support the Company's normal operating requirements on an ongoing basis. The Company ensures that there are sufficient funds to meet its short-term business requirements, considering its anticipated cash flows from operations and its holdings of cash. Historically, the Company's sole source of funding has been the issuance of equity securities for cash, primarily through private placements. The Company's access to financing is always uncertain. There can be no assurance of continued access to significant equity funding.

#### *Currency risk*

Currency risk is the risk that the fair values of future cash flows of a financial instrument will fluctuate because they are denominated in currencies that differ from the respective functional currency. The Company is exposed to foreign currency risk on fluctuations related to cash, prepaid expenses, deposits, accounts payable and related party payables that are denominated in US dollars.

The following table illustrates the impact of a 10% increase and a 10% decrease in foreign exchange rate on the fair value of the financial assets and liabilities as at September 30, 2024:

	Currency	Balance at September 30, 2024	10% increase in FX rate	10% decrease in FX rate
Cash	US\$	\$ 259,302	\$ 285,232	\$ 233,371
Prepays and other current assets	US\$	13,980	15,378	12,582
Related party payables	US\$	(425,219)	(467,740)	(382,697)
Total		\$ (151,937)	\$ (167,131)	\$ (136,744)

#### *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 not exposed to significant interest rate risk.

# SMOOTH ROCK VENTURES CORP.

## NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

### FOR THE THREE AND NINE MONTHS ENDED SEPTEMBER 30, 2024 AND 2023

(Unaudited; Expressed in Canadian Dollars)

#### *Fair value*

The fair value of the Company's financial assets and liabilities approximates their carrying amount due to their short terms of maturity. Financial instruments measured at fair value are classified into one of three levels in the fair value hierarchy according to the relative reliability of the inputs used to estimate the fair values. The three levels of the fair value hierarchy are:

Level 1 – Unadjusted quoted prices in active markets for identical assets or liabilities;

Level 2 – Inputs other than quoted prices that are observable for the asset or liability either directly or indirectly; and

Level 3 – Inputs that are not based on observable market data.

The Company's financial instruments classified as level 1 include cash.

#### 4. Capital Management

The Company manages its capital, consisting of share and working capital, in a manner consistent with the risk characteristic of the assets it holds. All sources of financing are analyzed by management and approved by the Board of Directors. The Company's objectives when managing capital is to safeguard the Company's ability to continue as a going concern and to support the exploration and development of its exploration and evaluation assets and to sustain future development of its business. The Company is meeting its objective of managing capital through preparing short-term and long-term cash flow analysis to ensure an adequate amount of liquidity. The Company is not subject to any externally imposed capital restrictions. There were no changes in the Company's approach to capital management during the period.

#### 5. Exploration and Evaluation Assets

	<b>Palmetto Property</b>	<b>Giroux Property</b>	<b>Total</b>
Acquisition costs, December 31, 2023	\$ 225,270	\$ 329,968	\$ 555,238
Cash lease payment	-	27,496	27,496
	225,270	357,464	582,734
Deferred exploration costs, December 31, 2023	784,561	51,532	836,093
Additions:			
BLM Fees	33,822	10,841	44,663
	818,383	62,373	880,756
<b>Total exploration and evaluation assets, September 30, 2024</b>	<b>\$ 1,043,653</b>	<b>\$ 419,837</b>	<b>\$ 1,463,490</b>

	<b>Palmetto Property</b>	<b>Giroux Property</b>	<b>Total</b>
Acquisition costs, December 31, 2022	\$ 225,270	\$ 303,488	\$ 528,758
Cash lease payment	-	26,480	26,480
	225,270	329,968	555,238
Deferred exploration costs, December 31, 2022	723,740	31,792	755,532
Additions:			
Geologist fees, expenses and assays	33,338	10,870	44,208
BLM Fees	27,483	8,870	36,353
	784,561	51,532	836,093
<b>Total exploration and evaluation assets, December 31, 2023</b>	<b>\$ 1,009,831</b>	<b>\$ 381,500</b>	<b>\$ 1,391,331</b>

## **SMOOTH ROCK VENTURES CORP.**

### **NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**

#### **FOR THE THREE AND NINE MONTHS ENDED SEPTEMBER 30, 2024 AND 2023**

**(Unaudited; Expressed in Canadian Dollars)**

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#### **Palmetto Property**

The Company holds an undivided interest in 79 unpatented mining claims known as the Palmetto Property, located in Esmeralda County, Nevada, within the southern portion of the Walker Lane gold trend.

On January 27, 2022, the Company, through its subsidiary Smooth Rock Ventures, LLC, entered into a binding Purchase Agreement with Nevada Canyon, LLC, a wholly owned subsidiary of Nevada Canyon Gold Corp. ("Nevada Canyon") to sell a 2% net smelter returns royalty ("NSR") on the Palmetto Project for total cash proceeds of \$444,080 (US\$350,000). The cash payment was received in full on February 7, 2022. The Vice President and director of the Company is a director, CEO, and President of Nevada Canyon.

As at September 30, 2024, the Company had \$13,980 (US\$10,356) (2023 - \$13,697) bond posted with US Federal Bureau of Land Management ("BLM") to cover future decommissioning costs on the Palmetto Property.

#### **Giroux Property**

On April 20, 2020, the Company entered into an exploration lease with option to purchase agreement (the "Agreement") with MSM Resources, LLC ("MSM") on the Giroux Property, located in Mineral County, Nevada, within the Walker Lane shear zone.

Full consideration of the Agreement consisted of the following:

- (i) 1,000,000 common shares, which were issued on April 22, 2020 with a value of \$225,000;
- (ii) \$27,956 (US\$20,000) paid at the time of the execution of the Agreement; and
- (iii) annual fee equivalent to US\$20,000 payable on every subsequent anniversary date until the option is exercised.

To exercise its option to purchase the Giroux Property, the Company will be required to pay US\$200,000. The Giroux Property is subject to a 1.5% Gross Production Royalty payable to the property vendor, of which one-half of a percent (0.5%) may be purchased from the vendor at any time prior to commencement of commercial production for a cash payment of US\$200,000. The term of the Agreement is for 10 years, subject to the right to extend for two additional terms of 10 years each, and subject to the option to purchase 100% of the Giroux Property.

Subsequent to the execution of the Agreement, the individual controlling MSM was appointed as the Vice President and director of the Company.

#### **Garfield Flats Property**

On June 3, 2019, the Company entered into an agreement with an option to form a joint venture on the Garfield Flats Property with Walker River Resources Corp. ("Walker"). Pursuant to the agreement, the Company had a right to earn an undivided 50% interest in the Garfield Flats Property by funding \$600,000 in exploration expenditures as follows:

- i) for an initial 25% interest of the Garfield Flats project, complete \$300,000 in exploration expenditures within a one-year period, extended on June 2, 2021 to June 3, 2022; and
- ii) for an additional 25% interest, incur an additional \$300,000 in exploration expenditures within a two-year period, extended on June 2, 2021 to June 3, 2023.

On June 7, 2022, Walker decided not to renew its annual lease on the Garfield Flats Property and the Garfield Flats project was dropped. As a result, the Company lost its right to the 50% interest in Garfield Flats Property and wrote off the balance of the Garfield Flats Property in full.

## SMOOTH ROCK VENTURES CORP.

### NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

#### FOR THE THREE AND NINE MONTHS ENDED SEPTEMBER 30, 2024 AND 2023

(Unaudited; Expressed in Canadian Dollars)

#### Chucker Property

During the nine-month period ended September 30, 2024, the US Federal Bureau of Land Management reimbursed the Company \$17,116 (US\$12,602) bond the Company was required to put up on the Chucker Property to cover any future decommissioning costs on the property. During the year ended December 31, 2020, the Company decided not to move forward with the project and fully impaired the balance of the Chucker Property.

#### 6. Share Capital

Authorized: An unlimited number of common shares without par value; and  
An unlimited number of non-voting preferred shares without par value.

Issued and Outstanding:

As at September 30, 2024 and December 31, 2023, the Company had 24,674,794 issued and outstanding common shares.

No shares were issued during the nine-month period ended September 30, 2024, and during the year ended December 31, 2023.

#### Stock Options

The Company has a rolling stock option plan whereby it can issue stock options up to 10% of the issued and outstanding common shares.

A continuity of stock options is as follows:

	Nine months ended September 30, 2024		Year ended December 31, 2023	
	Number of Options	Weighted average exercise price	Number of Options	Weighted average exercise price
Options outstanding, beginning	2,333,333	\$ 0.12	1,333,333	\$ 0.15
Granted	-	\$ -	1,000,000	\$ 0.07
Expired	(166,667)	\$ 0.23	-	\$ -
Options outstanding, ending	2,166,666	\$ 0.11	2,333,333	\$ 0.12

A summary of stock options outstanding and exercisable as at September 30, 2024, is as follows:

Outstanding and exercisable	Exercise Price	Expiry Date
166,666	\$ 0.21	May 7, 2025
1,000,000	\$ 0.13	April 4, 2027
1,000,000	\$ 0.07	February 6, 2028
2,166,666		

As at September 30, 2024, the average remaining contractual life of the outstanding stock options was 2.74 years.

**SMOOTH ROCK VENTURES CORP.**  
**NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE THREE AND NINE MONTHS ENDED SEPTEMBER 30, 2024 AND 2023**  
**(Unaudited; Expressed in Canadian Dollars)**

**Share Purchase Warrants**

As at September 30, 2024 and December 31, 2023, the Company had no share purchase warrants issued and outstanding.

**Reserves**

The reserve records items recognized as share-based compensation expense and other share-based payments until such time that the equity instrument is exercised, at which time the corresponding amount is transferred to share capital.

**7. Accounts payable and accrued liabilities**

	<b>September 30, 2024</b>	<b>December 31, 2023</b>
Accounts payable	\$ 47,247	\$ 44,335
Accrued liabilities	170,000	193,000
	<b>\$ 217,247</b>	<b>\$ 237,335</b>

**8. Related Party Transactions**

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly. Key management personnel includes the Company's executive officers and members of the Board of Directors.

The following balances are due to related parties:

	<b>September 30, 2024</b>	<b>December 31, 2023</b>
Company controlled by a director and officer of the Company	\$ 425,219	\$ 416,619
Company controlled by a director and officer of the Company	97,500	97,500
Director and officer of the Company	176,000	176,000
	<b>\$ 698,719</b>	<b>\$ 690,119</b>

Below is a summary of compensation to key management personnel:

	<b>September 30, 2024</b>	<b>September 30, 2023</b>
Consulting fees	\$ -	\$ 58,500
Management fees	-	135,347
Annual exploration lease for Giroux Property	27,496	26,480
Deferred exploration costs	44,663	39,797
Share-based payments	-	32,260
	<b>\$ 72,159</b>	<b>\$ 292,384</b>

During the nine-month period ended September 30, 2023, the Company granted stock options to its director to purchase up to 350,000 common shares of the Company at a price of \$0.07 per common share for a period of five years. The fair value of the options was estimated to be \$32,260. The Company did not grant any options during the nine-month period ended September 30, 2024.

**SMOOTH ROCK VENTURES CORP.**

**NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**

**FOR THE THREE AND NINE MONTHS ENDED SEPTEMBER 30, 2024 AND 2023**

**(Unaudited; Expressed in Canadian Dollars)**

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During the nine-month period ended September 30, 2024, the Company paid or accrued \$Nil (2023 - \$90,347) in management fees to an entity controlled by a director and officer of the Company and \$Nil (2023 - \$45,000) in management fees to another director and officer of the Company.

During the nine-month period ended September 30, 2024, the Company incurred \$44,663 (September 30, 2023 - \$39,797) in deferred exploration expenses for the Palmetto and Giroux Projects. Additionally, the annual exploration lease payment of \$27,496 for the Giroux Project, due on April 20, 2024, to MSM Resources, LLC (controlled by the same director and officer of the Company) was paid on July 20, 2024 (2023 - \$26,480) (Note 5).

During the nine-month period ended September 30, 2024, the Company paid or accrued \$Nil (2023 - \$58,500) in consulting fees to a company controlled by a director and officer of the Company.