

## **NOTICE TO READER**

The Audit Committee, in consultation with management of the Company, has determined that the Company's previously filed unaudited condensed consolidated interim financial statements and management's discussion and analysis for the three and nine months ended September 30, 2023, and for the period from incorporation (February 16, 2022) to September 30, 2022, needed to be amended to correct for various errors and disclosure deficiency.

Details of the changes are fully described in Note 9 and to the Amended and Restated Unaudited Condensed Consolidated Interim Financial Statements as filed on SEDAR+ on December 27, 2023.

The previously filed unaudited condensed consolidated financial statements for the financial periods were originally filed by the Company on SEDAR+ on November 29, 2023. Each of the Amended and Restated Unaudited Condensed Consolidated Interim Financial Statements and Revised Management's Discussion and Analysis ("**MD&A**") replaces and supersedes the respective previously filed original unaudited condensed consolidated financial statements and related MD&A. This notice supersedes the previously filed version.

**1348515 B.C. Ltd.**

AMENDED CONDENSED INTERIM FINANCIAL STATEMENTS  
FOR THE THREE AND NINE MONTHS ENDED SEPTEMBER 30, 2023  
(EXPRESSED IN CANADIAN DOLLARS)  
(UNAUDITED)

**Notice To Reader**

The accompanying unaudited amended condensed interim financial statements of 1348515 B.C. Ltd. (the "Company") have been prepared by and are the responsibility of management. The amended unaudited condensed interim financial statements have not been reviewed by the Company's auditors.

**1348515 B.C. Ltd.**Amended Condensed Interim Statements of Financial Position  
(Expressed in Canadian Dollars)

As at	Notes	September 30, 2023	December 31, 2022
		\$	\$
<b>ASSETS</b>			
<b>Current</b>			
Cash		99,412	38,614
Restricted cash	5	3,000,001	-
Deferred transaction costs	5	38,913	-
<b>TOTAL ASSETS</b>		<b>3,138,326</b>	<b>38,614</b>
<b>LIABILITIES AND SHAREHOLDER'S EQUITY</b>			
<b>Current</b>			
Accounts payable and accrued liabilities		92,533	9,506
Subscription receipts liability	5	3,000,001	50,000
<b>TOTAL LIABILITIES</b>		<b>3,092,534</b>	<b>59,506</b>
<b>SHAREHOLDER'S EQUITY</b>			
Share capital	5	140,000	-
Deficit		(94,208)	(20,892)
<b>Total shareholder's equity</b>		<b>45,792</b>	<b>(20,892)</b>
<b>TOTAL LIABILITIES AND SHAREHOLDER'S EQUITY</b>		<b>3,138,326</b>	<b>38,614</b>

**Nature of operations and going concern (Note 1)**

Approved on behalf of the Board on December 27, 2023:

"TJ Finch"  
TJ Finch – CEO / Director

"Kelly Jansen"  
Kelly Jansen - Director

**1348515 B.C. Ltd.****Amended Condensed Interim Statements of Net Loss and Comprehensive Loss  
(Expressed in Canadian Dollars)**

	<u>Three-Months Ending</u>		<u>Nine-Months Ending</u>	
	September 30, 2023	September 30, 2022	September 30, 2023	Period from the Date of Incorporation (February 16, 2022) to September 30, 2022
<b>EXPENSES</b>				
Professional fees	6,250	4,167	19,925	4,917
Legal expenses	46,143	25	47,960	1,408
Office and General	3,934	606	5,431	646
<b>Total Expenses</b>	<b>56,327</b>	<b>4,798</b>	<b>73,316</b>	<b>6,970</b>
<b>NET LOSS AND COMPREHENSIVE LOSS FOR THE PERIOD</b>	<b>(\$56,327)</b>	<b>(\$4,798)</b>	<b>(\$73,316)</b>	<b>(\$6,970)</b>
Weighted average number of shares outstanding – Basic and diluted (Note 6)	2,900,000	1,500,000	1,969,853	970,589
Basic and diluted loss per share	(\$0.02)	(\$0.00)	(\$0.04)	(\$0.01)

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

**1348515 B.C. Ltd.**Amended Condensed Interim Statements of Cash Flows  
(Expressed in Canadian Dollars)

<b>For the nine-month period ended</b>	<b>September 30, 2023</b>	<b>Period from the Date of Incorporation (February 16, 2022) to September 30, 2022</b>
	\$	\$
<b>CASH FLOWS USED IN OPERATING ACTIVITIES</b>		
Net loss for the period	(73,316)	(6,970)
Net change in non-cash working capital items:		
Deferred transaction costs	(38,913)	–
Accounts payable and accrued liabilities	83,027	6,404
Cash flows used in operating activities	(29,202)	(566)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Subscription receipts	3,000,001	–
Private Placement	140,000	–
Subscription receipts liability	(50,000)	50,000
Cash flows used in operating activities	3,090,001	50,000
Change in cash for the period	3,060,798	49,434
Cash, beginning of period	38,614	–
<b>Cash, end of period</b>	<b>3,099,413</b>	<b>49,434</b>
<b>Cash is comprised of the following:</b>		
Cash	99,412	49,434
Restricted cash	3,000,001	–
	<b>3,099,413</b>	<b>49,434</b>

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

**1348515 B.C. Ltd.**

Amended Condensed Interim Statement of Changes in Shareholders' Equity  
(Expressed in Canadian Dollars)

	Shares	Shares Amount	Accumulated Deficit	Total
	#	(\$)	(\$)	(\$)
Balance, February 16, 2022	–	–	–	0
Common Shares Issued during the period (Note 5)	1,500,000	0	–	0
Net Loss for the period	-	–	(20,892)	(20,892)
<b>Balance, December 31, 2022</b>	<b>1,500,000</b>	<b>0</b>	<b>(20,892)</b>	<b>(20,892)</b>
Private Placement	1,400,000	140,000	–	140,000
Net Loss for the period	–	–	(73,316)	(73,316)
<b>Balance, September 30, 2023</b>	<b>2,900,000</b>	<b>140,000</b>	<b>(94,208)</b>	<b>45,792</b>

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

## **1348515 B.C. Ltd.**

Notes to the Amended Financial Statements

(Expressed in Canadian Dollars)

For the period ended September 30, 2023

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### **1. NATURE OF BUSINESS AND GOING CONCERN**

1348515 B.C. Ltd. (the “Company”) was incorporated under the Business Corporations Act (British Columbia) (the “BCBCA”) on February 16, 2022. The head office and records and registered office is located at 1 Adelaide Street East, Suite 801, Toronto, Ontario M5C 2V9.

The Company is investigating and evaluating business opportunities to either acquire or in which to participate.

On April 7, 2022, Larose Ventures Ltd. (the “Company” or “Larose”) and 1348512 B.C. Ltd. (“512”), 1348514 B.C. Ltd. (“514”), 1348515 B.C. Ltd. (“515”) 1348517 B.C. Ltd. (“517”), 1348518 B.C. Ltd. (“518”), 1348520 B.C. Ltd. (“520”), 1348521 B.C. Ltd. (“521” and together with 512, 514, 515, 517, 518 and 520, the “Spinout Entities”) announced that the spin-out of the Spinout Entities by a plan of arrangement under the Business Corporations Act (British Columbia) (the “Arrangement”) has been completed.

The Arrangement was approved by the unanimous written consent of the shareholders of the Company. The Company obtained the final order approving the Arrangement from the Supreme Court of British Columbia on March 24, 2022 and the Arrangement closed and became effective on April 7, 2022.

Pursuant to the terms of the Arrangement, Larose distributed to each of its shareholders as of February 18, 2022, one half of one common share of each of 512, 514, 515, 517, 518, 520 and 521 for every common share in the capital of Larose held. There was no change in the shareholders’ holdings in Larose as a result of the Arrangement.

These interim amended condensed financial statements have been prepared on a going concern basis, which contemplates the realization of assets and the payment of liabilities in the ordinary course of business. At September 30, 2023, the Company had no sources of revenue and an accumulated deficit of \$94,208 (December 31 – 2022 - \$20,892). At September 30, 2023, the Company had cash of \$99,412 and restricted cash of 3,000,001 (December 31 – 2022 - \$38,614; restricted cash - \$nil) and working capital of \$45,792 (December 31 – 2022 – deficit of \$20,892). These conditions raise material uncertainties which may cast significant doubt on the Company’s ability to continue as a going concern.

The Company’s ability to continue as a going concern and the recoverability of past expenditures mainly in day-to-day operations are dependent upon the ability of the Company to obtain necessary financing and/or loans to successfully complete its future objectives. Management pursues relationships and alliances with diverse entities in order to attract additional sources of funds or other transactions that would assure the continuance of the Company’s operations.

Should the Company be unable to realize its assets or discharge its liabilities in the normal course of business, the net realizable value of its assets may be materially less than the amounts recorded in the financial statements. These financial statements do not include any adjustments that might be necessary should the Company be unable to continue as a going concern. Such adjustments could be material.

Continuing business as a going concern is dependent upon the ability of the Company to obtain additional debt or equity financing, both of which are uncertain. These material uncertainties may cast significant doubt on the Company’s ability to continue as a going concern.

### **2. BASIS OF PREPARATION**

#### **(a) Statement of compliance and basis of presentation**

These condensed interim financial statements have been prepared in accordance with International Financial Reporting Standards (“IFRS”) which include international accounting standards and interpretations (“IFRIC”) as issued by the International Accounting Standards Board (“IASB”).

## 1348515 B.C. Ltd.

Notes to the Amended Financial Statements

(Expressed in Canadian Dollars)

For the period ended September 30, 2023

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### 2. BASIS OF PREPARATION (CONTINUED)

These condensed interim financial statements are presented in Canadian dollars, which is the Company's functional currency. The condensed interim financial statements have been prepared on the historical cost basis except for certain financial instruments, which are measured at fair value, as explained in the accounting policies set out in Note 3. Historical cost is generally based upon the fair value of the consideration given in exchange for assets.

These condensed interim financial statements for the period ended September 30, 2023 was authorized by the Board of Directors for issuance on December 27, 2023.

#### (b) Basis of measurement

These condensed interim financial statements have been prepared on the going concern basis, under the historical cost convention, except for certain financial instruments that are measured at fair value, as explained in the accounting policies described herein.

#### (c) Adoption of new and revised standards and interpretations

*New standards not yet adopted and interpretations issued but not yet effective*

At the date of authorization of these Financial Statements, the IASB and the IFRS Interpretations Committee have issued certain new and revised Standards and Interpretations which are not yet effective. Many are not applicable or do not have a significant impact to the Company and have been excluded from the financial statements. The Company has not early adopted and is currently assessing what impact the application of these standards or amendments will have on the financial statements of the Company.

### 3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

#### Significant judgments, estimates and assumptions

The preparation of financial statements in conformity with IFRS requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the year. Estimates and assumptions are continually 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. Actual results could differ from these estimates.

The areas which require management to make significant judgments, estimates and assumptions in determining carrying values include, but are not limited to:

#### Significant Judgments

Critical judgments exercised in applying accounting policies that have the most significant effect on the amounts recognized in the financial statements are as follows:

##### a. Deferred income taxes

The Company recognizes the deferred tax benefit related to deferred income and resource tax assets to the extent recovery is probable. Assessing the recoverability of deferred tax assets requires management to make significant estimates of future taxable profit. In addition, future changes in tax laws could limit the ability of the Company to obtain tax deductions from deferred income and resource tax assets.

## 1348515 B.C. Ltd.

Notes to the Amended Financial Statements

(Expressed in Canadian Dollars)

For the period ended September 30, 2023

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### 3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### b. Shares issued for non- cash consideration

The Company is required to recognize these transactions at fair value which requires judgment in selecting valuation technique and other factors.

#### Significant Estimates

##### a. Share-based payments

Share-based payments are determined using the Black-Scholes option pricing model based on the estimated fair value of all share-based awards at the date of grant and is expensed to the statement of loss and comprehensive income (loss) over each award's vesting period. The Black-Scholes option pricing model utilizes subjective assumptions such as expected price volatility and expected life of the option. Changes in these input assumptions can significantly affect the fair value estimate.

##### (a) Cash

Cash is comprised of cash with a chartered bank.

##### (b) Loss per share

Basic earnings (loss) per share is computed by dividing net earnings (loss) available to common shareholders by the weighted average number of shares outstanding during the reported period. Diluted earnings (loss) per share is computed similar to basic earnings (loss) per share except that the weighted average shares outstanding are increased to include additional shares for the assumed exercise of stock options and warrants, if dilutive. The number of additional shares is calculated by assuming that outstanding stock options and warrants were exercised and that proceeds from such exercises were used to acquire common stock at the average market price during the reporting periods.

Basic loss per share is calculated using the weighted-average number of shares outstanding during the year.

##### (c) Income taxes

Income tax expense comprises current and deferred tax. Income tax is recognized in profit or loss except to the extent that it relates to items recognized directly in equity. Current tax expense is the expected tax payable on taxable income for the year, using tax rates enacted or substantively enacted at period end, adjusted for amendments to tax payable with regards to previous years.

#### *Deferred income tax*

Deferred tax is recognized in respect of temporary differences, between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Temporary differences are not provided for the initial recognition of assets and liabilities that affect neither accounting nor taxable loss to the extent that they will probably not reverse in the foreseeable future. The amount of deferred tax provided is based on the expected manner of realization or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the statement of financial position date.

A deferred tax asset is recognized only to the extent that it is probable that future taxable profits will be available against which the asset can be utilized.

## 1348515 B.C. Ltd.

### Notes to the Amended Financial Statements

(Expressed in Canadian Dollars)

For the period ended September 30, 2023

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### 3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

A deferred tax asset is recognized to the extent that it is probable that future taxable profits will be available against which the temporary difference can be utilized. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized. Deferred income tax is provided on temporary differences arising on investments in subsidiaries, associates and jointly controlled entities, except where the timing of the reversal of the temporary difference is controlled by the Company and it is probable that the temporary difference will not reverse in the foreseeable future.

#### (d) Financial instruments

The following table shows the classification of the Company's financial instruments under IFRS 9:

The Company classifies its financial assets in one of the following categories: (1) at fair value through profit or loss ("FVTPL"), (2) at amortized cost or (3) at fair value through other comprehensive income ("FVTOCI"). The classification depends on the purpose for which the financial assets were acquired, the business model in which they are managed and their cash flow characteristics. Management determines the classification of its financial assets at initial recognition.

##### *Financial assets and liabilities at FVTPL*

Financial assets and liabilities carried at FVTPL are initially recorded at fair value and transaction costs are expensed in the statements of profit or loss. Realized and unrealized gains and losses arising from changes in the fair value of the financial assets and liabilities held at FVTPL are included in the statements of profit or loss in the period in which they arise.

##### *Amortized cost*

Financial assets and liabilities at amortized cost are initially recognized at fair value and subsequently carried at amortized cost less any impairment. They are classified as current or non-current based on their maturity date.

##### *Financial assets at FVTOCI*

Investments in equity instruments at FVTOCI are initially recognized at fair value plus transaction costs. Subsequently, they are measured at fair value, with gains and losses arising from changes in fair value recognized in other comprehensive income. There is no subsequent reclassification of fair value gains and losses to profit or loss following the de-recognition of the investment.

##### *Impairment of financial assets at amortized cost*

The Company recognizes a loss allowance for expected credit losses on financial assets that are measured at amortized cost. At each reporting date, the Company measures the loss allowance for the financial asset at an amount equal to the lifetime expected credit losses if the credit risk on the financial asset has increased significantly since initial recognition. If at the reporting date, the financial asset has not increased significantly since initial recognition, the Company measures the loss allowance for the financial asset at an amount equal to the twelve month expected credit losses. The Company recognizes in the statements of profit or loss, as an impairment gain or loss, the amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date to the amount that is required to be recognized.

##### *Derecognition*

Financial assets

The Company derecognizes financial assets only when the contractual rights to cash flows from the financial assets expire, or when it transfers the financial assets and substantially all of the associated risks and rewards of ownership to another entity.

## 1348515 B.C. Ltd.

Notes to the Amended Financial Statements

(Expressed in Canadian Dollars)

For the period ended September 30, 2023

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### 3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### Financial liabilities

The Company derecognizes a financial liability when its contractual obligations are discharged or cancelled, or expire. The Company also derecognizes a financial liability when the terms of the liability are modified such that the terms and / or cash flows of the modified instrument are substantially different, in which case a new financial liability based on the modified terms is recognized at fair value.

Gains and losses on derecognition are generally recognized in profit or loss.

#### *Fair value hierarchy*

The Company uses the following hierarchy for determining and disclosing the fair value of the financial instruments by valuation technique:

Level 1 – Applies to assets or liabilities for which there are quoted prices in active markets for identical assets or liabilities.

Level 2 – Applies to assets or liabilities for which there are inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly such as quoted prices for similar assets or liabilities in active markets or indirectly such as quoted prices for identical assets or liabilities in markets with insufficient volume or infrequent transactions.

Level 3 – Applies to assets or liabilities for which there are unobservable market data.

Cash has been measured at fair value using Level 1 inputs. The carrying value of trade payables and accrued liabilities approximate their fair value because of the short-term nature of these instruments or their ability of prompt liquidation.

#### **(e) Related party transactions**

Parties are considered to be related if one party has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operating decisions. Parties are also considered to be related if they are subject to common control or common significant influence. Related parties may be individuals or corporate entities. A transaction is considered to be a related party transaction when there is a transfer of resources or obligations between related parties.

#### **(f) Share issuance costs**

Costs incurred in connection with the issuance of share capital are netted against the proceeds received. Costs related to the issuance of share capital and incurred prior to issuance are recorded as deferred share issuance costs and subsequently netted against proceeds when they are received.

### 4. RELATED PARTY TRANSACTIONS

Parties are considered to be related if one party has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operating decisions. Related parties may be individuals or corporate entities. A transaction is considered to be a related party transaction when there is a transfer of resources or obligations between related parties.

The Company has identified its directors and certain senior officers as its key management personnel and the compensation costs for key management personnel and companies related to them are recorded at their exchange amounts as agreed upon by transacting parties.

## 1348515 B.C. Ltd.

### Notes to the Amended Financial Statements

(Expressed in Canadian Dollars)

For the period ended September 30, 2023

#### 4. RELATED PARTY TRANSACTIONS (CONTINUED)

On April 7, 2022, as a result of the Arrangement, two shareholders each have ownership and control over 750,000 common shares of the Company.

On May 12, 2023, the Company completed a private placement for 1,400,000 common shares. The two shareholders holding 50% of each of the common shares prior to private placement acquired additional shares and after the close of the private placement each of the two shareholders now holds 966,667 shares each. In addition, a third shareholder also participated in the private placement, now holding the remaining shares of 966,666.

During the nine-month period ended September 30, 2023, the Company paid an aggregate of \$18,750 (September 30, 2022 - \$4,167) as professional fees to the directors of the Company.

#### 5. SHARE CAPITAL

##### (a) Authorized

Unlimited number of common and preferred shares without par value.

##### (b) Issued and outstanding

As at September 30, 2023, the Company had the following common shares issued and outstanding.

	Number of Shares	Amount
Shares issued – February 16, 2022	1	0
Shares issued – April 7, 2022 <sup>1</sup>	1,500,000	–
Shares cancelled – April 7, 2022 <sup>2</sup>	-1	(0)
Shares issued – May 12, 2023 <sup>3</sup>	1,400,000	\$140,000
<b>Balance at December 31, 2022 &amp; September 30, 2023</b>	<b>2,900,000</b>	<b>\$140,000</b>

<sup>1</sup>Effective April 7, 2022, the Larose Arrangement was completed. Pursuant to the Arrangement, shareholders of Larose as of the close of business on the record date of February 18, 2022 received one half of one common share of each of the Spinout Entities for every common share of Larose that they held as of February 18, 2022.

As a result of the Arrangement, two shareholders each have ownership and control over 750,000 common shares of the Company.

<sup>2</sup>On April 7, 2022, as part of the arrangement agreement, the Company also cancelled one share that was issued on incorporation.

<sup>3</sup>On May 12, 2023, the Company completed a private placement, for 1,400,000 common shares at a price of \$0.10 per share raising an aggregate amount of \$140,000.

On September 6, 2023, the Company completed a non-brokered private placement financing through the issuance of an aggregate of 5,882,356 subscription receipts of at a price of \$0.51 per Subscription Receipt for gross proceeds of \$3,000,001 of which 100% of the proceeds were classified as restricted cash as at September 30, 2023. Assuming the completion of the Proposed Transaction (Note 9), each Company Subscription Receipt will be automatically exchanged for one (1) freely tradeable common share of the Company. \$3,000,001 of the funds received are held in escrow and classified as restricted cash and are not available until the conversion of the Subscription Receipts. Share issue costs of \$38,913 were incurred for legal fees and recorded as deferred transaction costs on the statement of financial position.

## **1348515 B.C. Ltd.**

Notes to the Amended Financial Statements

(Expressed in Canadian Dollars)

For the period ended September 30, 2023

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### **5. SHARE CAPITAL (CONTINUED)**

#### **BASIC AND DILUTED LOSS PER SHARE**

The calculation of basic and diluted loss per share for the three and nine-month period ended September 30, 2023 was based on the loss attributable to common shareholders of \$56,327 and \$73,316 (September 30, 2022 - \$4,798 and \$6,970), and the weighted average number of common shares outstanding of 2,900,000 and 1,969,853 (September 30, 2022 – 1,500,000 and 970,589), respectively.

### **6. MANAGEMENT OF CAPITAL**

Capital is comprised of the Company's shareholders' equity (deficiency) and any debt that it may issue. The Company's objectives when managing capital are to maintain financial strength and to protect its ability to meet its ongoing liabilities, to continue as a going concern, to maintain creditworthiness and to maximize returns for shareholders over the long term. Protecting the ability to pay current and future liabilities includes maintaining capital above minimum regulatory levels, current financial strength rating requirements and internally determined capital guidelines and calculated risk management levels.

The Company manages its capital structure to maximize its financial flexibility making adjustments to it in response to changes in economic conditions and the risk characteristics of the underlying assets and business opportunities. The Company does not presently utilize any quantitative measures to monitor its capital, but rather relies on the expertise of the Company's management to sustain the future development of the business. Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company, is reasonable. As at September 30, 2023, the Company is not subject to any externally imposed capital requirements.

### **7. FINANCIAL INSTRUMENTS**

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. The type of risk exposure and the way in which such exposure is managed is provided as follows:

#### **Market Risk**

Market risk is the risk that the fair value or future cash flows from a financial instrument will fluctuate because of changes in market prices or prevailing conditions. Market risk comprises three types of risk: currency risk, interest rate risk and other price risk and are disclosed as follows:

##### **a. Currency risk**

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Company holds no financial instruments that are denominated in a currency other than Canadian dollars. As at September 30, 2023, the Company is not exposed to currency risk.

##### **b. Interest rate risk**

Interest rate risk is the risk that the fair value or future cash flows will fluctuate as a result of changes in market risk. The Company's sensitivity to interest rates relative to its cash balances is currently immaterial. The Company also has no long-term debt with variable interest rates, so it has no negative exposure to changes in the market interest rate.

## **1348515 B.C. Ltd.**

Notes to the Amended Financial Statements

(Expressed in Canadian Dollars)

For the period ended September 30, 2023

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### **7. FINANCIAL INSTRUMENTS (CONTINUED)**

#### **c. Price rate risk**

The Company is exposed to price risk with respect to equity prices. Equity price risk is defined as the potential adverse impact on the Company's earnings due to movements in individual equity prices or general movements in the level of the stock market. Management closely monitors individual equity movements and the stock market to determine the appropriate course of action to be taken by the Company. Given the Company's limited market exposure at this time it has assessed there to be a low level of price rate risk.

#### **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 credit risk is primarily attributable to its liquid financial assets including cash. The Company limits the exposure to credit risk by only investing its cash with high-credit quality financial institutions. Management believes that the credit risk related to its cash is negligible.

#### **Liquidity Risk**

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they become due. At September 30, 2023, the Company has limited sources of revenue and has a cash balance of \$99,412 and restricted cash of 3,000,001 (December 31, 2022 - \$38,614; restricted cash \$nil) to settle current liabilities of \$92,533 (December 31, 2022 - \$59,506). As such, the Company has sufficient cash to fund corporate overhead costs for the next year.

Until such time as the Company's investments increase in value or begin generating significant income, the Company will remain dependent upon the financial support of its shareholders and debt holders or the sale of investments. If the Company is unable to finance itself through these means, it is possible that the Company will be unable to continue as a going concern.

Additionally, the Company likely has insufficient funds from which to finance any identified business acquisition and as such will require additional financing to accomplish the Company's long-term strategic objectives. Future funding may be obtained by means of issuing share capital and/or debt financing. There can be no certainty of the Company's ability to raise additional financing through these means. If the Company is unable to continue to finance itself through these means, it is possible that the Company will be unable to continue as a going concern.

Consequently, the Company is exposed to liquidity risk as at September 30, 2023.

#### **Fair Value Risk**

When participating in investment activities, the Company may incur losses if it is unable to resell the securities it has purchased or if it is forced to liquidate its holdings at less than their respective carrying values. The Company is also exposed to fair value risk as a result of its trading activities in publicly traded securities. All of the Company's investments are carried on a FVTPL basis and are recorded at their fair value. As such, changes in fair value affect earnings as they occur.

The fair value of cash at September 30, 2023 approximates their carrying values due to their short term to maturity.

## **1348515 B.C. Ltd.**

Notes to the Amended Financial Statements

(Expressed in Canadian Dollars)

For the period ended September 30, 2023

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### **8. SIGNIFICANT AGREEMENTS**

On July 10, 2023 the Company announced that it had entered into a binding letter agreement dated as of July 10, 2023 (the "Letter Agreement") with Northern Superior Resources Inc. ("Northern Superior"). The Letter Agreement outlines the proposed terms and conditions upon which Northern Superior will sell all of its exploration properties located in the Province of Ontario, being the Ti-pa-haa-kaa-ning Project (the "TPK Project"), the October Gold Property ("October Gold"), as well as certain other exploration properties (collectively, the "SpinOut Assets") to the Company in consideration for common shares of the Company (the "Proposed Transaction").

#### **Terms of the Proposed Transaction**

The Proposed Transaction is anticipated to be carried out as a purchase and sale of the Spin-Out Assets to the Company. In consideration therefor, the Company shall issue 35,686,686 common shares of the Company, with a deemed value of approximately \$18.2 million based on the Subscription Receipt offering price of \$0.51 per share, to Northern Superior, which shall represent approximately 72.5% of the issued and outstanding common shares of the Company following completion of the Proposed Transaction and assuming the Concurrent Private Placements (as defined below) are completed for aggregate gross proceeds of \$5 million. Completion of the Proposed Transaction is subject to a number of conditions, including, without limitation, the completion of the Concurrent Private Placements, the completion of technical reports in respect of the TPK Project and the October Project in accordance with National Instrument 43-101 – Standards of Disclosure for Mineral Projects, receipt of all necessary third party and regulatory approvals, conditional listing approval to list the common shares of the Company (as it exists upon completion of the Proposed Transaction, the "Resulting Issuer") on the TSX Venture Exchange or Cboe Canada (such exchange, the "Exchange"), the Company changing its name to "Superior Minerals Inc." or such other name as may be acceptable to applicable regulatory authorities and if determined necessary according to applicable law or by Northern Superior, and replacing all directors and officers on closing of the Proposed Transaction as directed by Northern Superior at its sole discretion.

The Proposed Transaction is an arm's length transaction pursuant to the policies of the TSX Venture Exchange (the "TSXV").

#### **Concurrent Private Placements**

As a condition to the Proposed Transaction, The Company shall complete a non-brokered private placement of subscription receipts (each a "Subscription Receipt") at a price of \$0.51 per Subscription Receipt for minimum gross proceeds of \$3,000,000 (the "Subscription Receipt Private Placement"), which have already been committed. Each Subscription Receipt issued would be convertible, for no additional consideration, into one common share of The Company. The gross proceeds (the "Escrowed Proceeds") from the sale of the Subscription Receipts will be held in escrow pending the satisfaction of the escrow release conditions set out below (the "Escrow Release Conditions") immediately prior to the completion of the Proposed Transaction. The Escrow Release Conditions will provide for the following to occur on or prior to December 31, 2023, unless The Company or Northern Superior have provided an election notice extending such deadline to March 31, 2024 (the "Escrow Release Deadline"):

- a) the satisfaction or waiver of all conditions precedent to the completion of the Proposed Transaction, other than the release of the Escrowed Proceeds, including, without limitation, the conditional approval of the Exchange for the listing of the common shares of the Resulting Issuer;
- b) the receipt of all regulatory, shareholder and third-party approvals, if any, required by The Company and/or Northern Superior in connection with the Proposed Transaction; and
- c) The Company and Northern Superior having delivered a direction to the escrow agent confirming that the conditions set forth above have been met or waived.

**1348515 B.C. Ltd.**

Notes to the Amended Financial Statements

(Expressed in Canadian Dollars)

For the period ended September 30, 2023

**8. SIGNIFICANT AGREEMENT (CONTINUED)**

If (i) the Escrow Release Conditions are not satisfied on or before the Escrow Release Deadline, or (ii) prior to the Escrow Release Deadline The Company announces to the public that it does not intend to satisfy the Escrow Release Conditions, then (a) Escrowed Proceeds shall be returned to the holders of the Subscription Receipts on a pro rata basis and the Subscription Receipts will be cancelled without any further action on the part of the holders, and (b) the interest and other income earned on the Escrowed Proceeds shall be paid to Northern Superior.

In connection with the Proposed Transaction, a newly incorporated wholly-owned subsidiary of the Company (“SubCo”) may complete a private placement offering of common shares (“SubCo Shares”) at a price per share that is equal to or greater than \$0.51 (the “Share Private Placement; together with the Subscription Receipt Private Placement, the “Concurrent Private Placements”). Upon the completion of the Proposed Transaction, each SubCo Share will be exchanged for one common share of the Company.

The net proceeds from the Concurrent Private Placements will be used by the Resulting Issuer for exploration and development of the Spin-Out Assets as well as general corporate purposes. The Company and SubCo may pay cash finder’s fees in connection with, respectively, the Subscription Receipt Private Placement and the Share Private Placement.

**9. RESTATEMENT OF PREVIOUSLY REPORTED FINANCIAL STATEMENTS**

The Company is restating its statements of financial position as at September 30, 2023, statement of cash flow and statement of changes in equity for the period ended September 30, 2023. The restatement reflects a change in accounting for the subscription receipts for the period ended September 30, 2023.

Statement of Financial Position	As previously reported	Adjustments	As restated
	\$	\$	\$
<b>ASSETS</b>			
<b>Current</b>			
Cash	3,099,413	-3,000,001	99,412
Restricted Cash	-	3,000,001	3,000,001
Deferred transaction costs	-	38,913	38,913
<b>TOTAL ASSETS</b>	<b>3,099,413</b>	<b>38,913</b>	<b>3,138,326</b>
<b>LIABILITIES AND SHAREHOLDER’S EQUITY</b>			
<b>Current</b>			
Accounts payable and accrued liabilities	92,533	0	92,533
Subscription receipts liability	0	3,000,001	3,000,001
<b>TOTAL LIABILITIES</b>	<b>92,533</b>	<b>3,000,001</b>	<b>3,092,534</b>
<b>SHAREHOLDER’S EQUITY</b>			
Share capital	3,140,001	(3,000,001)	140,000
Deficit	(133,121)	38,919	(94,208)
<b>Total shareholder’s equity</b>	<b>3,006,880</b>	<b>(2,961,082)</b>	<b>45,792</b>
<b>TOTAL LIABILITIES AND SHAREHOLDER’S EQUITY</b>	<b>3,099,413</b>	<b>38,919</b>	<b>3,138,326</b>

**1348515 B.C. Ltd.**

Notes to the Amended Financial Statements

(Expressed in Canadian Dollars)

For the period ended September 30, 2023

**9. RESTATEMENT OF PREVIOUSLY REPORTED FINANCIAL STATEMENTS (CONTINUED)**

<b>Three-months ending Sept. 30, 2023</b>	<b>As previously reported</b>	<b>Adjustments</b>	<b>As restated</b>
<b>EXPENSES</b>			
Professional fees	6,250	–	<b>6,250</b>
Legal expenses	85,056	(38,913)	<b>46,143</b>
Office and General	3,934	–	<b>3,934</b>
<b>Total Expenses</b>	<b>95,239</b>	<b>-38,913</b>	<b>56,327</b>
<b>NET LOSS AND COMPREHENSIVE LOSS FOR THE PERIOD</b>	<b>(\$95,239)</b>	<b>\$38,913</b>	<b>(\$56,327)</b>

  

<b>Nine-months ending Sept. 30, 2023</b>	<b>As previously reported</b>	<b>Adjustments</b>	<b>As restated</b>
<b>EXPENSES</b>			
Professional fees	19,925	–	<b>19,925</b>
Legal expenses	86,872	(38,913)	<b>47,960</b>
Office and General	5,431	–	<b>5,431</b>
<b>Total Expenses</b>	<b>112,229</b>	<b>-38,913</b>	<b>73,316</b>
<b>NET LOSS AND COMPREHENSIVE LOSS FOR THE PERIOD</b>	<b>(\$112,229)</b>	<b>\$38,913</b>	<b>(\$73,316)</b>

**1348515 B.C. Ltd.**

Notes to the Amended Financial Statements

(Expressed in Canadian Dollars)

For the period ended September 30, 2023

<b>Statement of Cash Flow</b>	As previously reported	Adjustments	As restated \$
<b>CASH FLOWS USED IN OPERATING ACTIVITIES</b>			
Net loss for the period	(112,229)	–	(73,316)
Net change in non-cash working capital items:		–	
Deferred transaction costs		(38,913)	(38,913)
Accounts payable and accrued liabilities	83,027	38,913	121,940
Cash flows used in operating activities	(29,202)	–	9,711
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Subscription receipts	3,000,002	–	3,000,001
Private Placement	140,000	–	140,000
Subscription receipts liability	(50,000)	–	(50,000)
Cash flows used in operating activities	3,090,002	–	3,090,001
Change in cash for the period	3,060,800	–	3,099,711
Cash, beginning of period	–	–	38,614
<b>Cash, end of period</b>	<b>3,060,800</b>	–	<b>3,138,326</b>
<b>Cash is comprised of the following:</b>			
Cash	60,799	–	138,325
Restricted cash	3,000,001	–	3,000,001
Total	3,060,800	–	3,138,326

<b>Statement of Changes in Equity</b>	As previously reported	Adjustments	As restated
Private Placement	140,000	–	140,000
Subscription Receipts	3,000,001	(3,000,001)	
Net Loss for the period	(73,316)	–	(73,316)
<b>Total</b>	<b>3,066,685</b>	<b>(3,000,001)</b>	<b>66,684</b>