

1348515 B.C. Ltd.

Financial Statements

(Expressed in Canadian Dollars)

**For the Period from Incorporation
(February 16, 2022) to December 31, 2022**

INDEPENDENT AUDITOR'S REPORT

To the Shareholders of 1348515 B.C. Ltd.

Opinion

We have audited the financial statements of 1348515 B.C. Ltd. (the “Company”), which comprise the statements of financial position as at December 31, 2022, and the statements of loss and comprehensive loss, changes in shareholders equity (deficiency) and cash flows for the period from incorporation (February 16, 2022) to December 31, 2022, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at December 31, 2022, and its financial performance and its cash flows for the period from incorporation (February 16, 2022) to December 31, 2022 in accordance with International Financial Reporting Standards (IFRS).

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the “Auditor’s Responsibilities for the Audit of the Financial Statements” section of our report.

We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matter

Without qualifying our opinion, we draw attention to Note 1 in the financial statements which describes certain conditions that indicate the existence of a material uncertainty that may cast significant doubt about the Company’s ability to continue as a going concern.

Other Information

Management is responsible for the other information. The other information comprises the Management Discussion and Analysis.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

We obtained Management's Discussion and Analysis prior to the date of this auditor's report. If, based on the work we have performed on this other information, we conclude that there is a material misstatement of this other information, we are required to report that fact in this auditor's report. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRS, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit. We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

The engagement partner on the audit resulting in this independent auditor's report is George G. Lovrics.

Toronto, Ontario
April 10, 2023

Atera & Lovrics LLP

Chartered Professional Accountants
Licensed Public Accountants

1348515 B.C. Ltd
Statement of Financial Position
(Expressed in Canadian Dollars)

As at	Notes	December 31, 2022
		\$
ASSETS		
Current		
Cash		38,615
TOTAL ASSETS		38,615
LIABILITIES AND SHAREHOLDER'S EQUITY		
Current		
Accounts payable and accrued liabilities		9,321
Subscription receipts liability		50,000
TOTAL LIABILITIES		59,321
SHAREHOLDER'S EQUITY		
Share capital	5	1
Deficit		(20,707)
Total shareholder's equity		(20,706)
TOTAL LIABILITIES AND SHAREHOLDER'S EQUITY		38,615

Nature of operations and going concern (Note 1)

Approved on behalf of the Board on April 10, 2023:

"TJ Finch"
TJ Finch – CEO / Director

"Kelly Jansen"
Kelly Jansen - Director

1348515 B.C. Ltd.**Statement of Loss and Comprehensive Loss
(Expressed in Canadian Dollars)**

For the period ended	Period from the Date of Incorporation (February 16, 2022) to December 31, 2022
EXPENSES	
Professional fees	16,416
Legal expenses	2,487
Office and General	1,804
Total Expenses	20,707
NET LOSS AND COMPREHENSIVE LOSS FOR THE PERIOD	(\$20,707)

Weighted average number of shares outstanding – Basic and diluted (Note 6)	1,264,151
Basic and diluted loss per share	(\$0.02)

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

1348515 B.C. Ltd.
Statements of Cash Flows
(Expressed in Canadian Dollars)

	Period from the Date of Incorporation (February 16, 2022) to December 31, 2022
	\$
CASH FLOWS USED IN OPERATING ACTIVITIES	
Net loss for the period	(20,707)
Net change in non-cash working capital items:	
Accounts payable and accrued liabilities	9,321
Cash flows used in operating activities	(11,386)
CASH FLOWS FROM FINANCING ACTIVITIES	
Issuance of common Shares	1
Subscription receipts liability	50,000
Cash flows from financing activities	50,001
Change in cash for the period	38,615
Cash, beginning of period	–
Cash, end of period	38,615

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

1348515 B.C. Ltd.Statement of Changes in Shareholders Equity (Deficiency)
(Expressed in Canadian Dollars)

	Shares	Shares	Accumulated	Total
	#	Amount	Deficit	
		(\$)	(\$)	(\$)
Balance, February 16, 2022	-	-	-	-
Common Shares Issued during the period (Note 5)	1,500,000	1	-	1
Net Loss for the period	-	-	(20,707)	(20,707)
Balance, December 31, 2022	1,500,000	1	(20,707)	(20,706)

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

1348515 B.C. Ltd.

Notes to the Financial Statements

For the Period from Incorporation (February 16, 2022) to December 31, 2022

(Expressed in Canadian Dollars)

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 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 December 31, 2022, the Company had no sources of revenue and an accumulated deficit of \$20,707. At December 31, 2022, the Company had cash of \$38,615 and working capital deficit of \$20,706. 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

These 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”).

These financial statements have been prepared on a historical cost basis, except for cash which is classified at fair value through profit and loss. In addition, these financial statements are presented in Canadian dollars, which is also the Company’s functional currency.

1348515 B.C. Ltd.

Notes to the Financial Statements

For the Period from Incorporation (February 16, 2022) to December 31, 2022

(Expressed in Canadian Dollars)

2. BASIS OF PREPARATION (Continued)

These financial statements for the year ended December 31, 2022 was authorized by the Board of Directors for issuance on April 10, 2023.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Cash

Cash is comprised of cash with a chartered bank.

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.

Financial instruments

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

Financial assets	
Cash	FVTPL
Financial liabilities	
Accounts payables and accrued liabilities	Amortized cost
Subscription receipts	Amortized cost

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.

1348515 B.C. Ltd.

Notes to the Financial Statements

For the Period from Incorporation (February 16, 2022) to December 31, 2022

(Expressed in Canadian Dollars)

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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.

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 and subscription receipts approximate their fair value because of the short-term nature of these instruments or their ability of prompt liquidation.

1348515 B.C. Ltd.

Notes to the Financial Statements

For the Period from Incorporation (February 16, 2022) to December 31, 2022

(Expressed in Canadian Dollars)

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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.

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.

b. Going concern

Management assessment of going concern and uncertainties of the Company's ability to raise additional capital and/or obtain financing to meet its commitments.

Share-based payments

The Company grants stock options to buy common shares of the Company to directors, officers, employees and consultants. An individual is classified as an employee when the individual is an employee for legal or tax purposes, or provides services similar to those performed by an employee.

1348515 B.C. Ltd.

Notes to the Financial Statements

For the Period from Incorporation (February 16, 2022) to December 31, 2022

(Expressed in Canadian Dollars)

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

The fair value of stock options is measured on the date of grant, using the Black-Scholes option pricing model and is recognized over the vesting period. Consideration paid for the shares on the exercise of stock options is credited to share capital. When vested options are forfeited or are not exercised at the expiry date the amount previously recognized in reserves is transferred to accumulated losses (deficit).

In situations where equity instruments are issued to non-employees and some or all of the goods or services received by the entity as consideration cannot be specifically identified, they are measured at fair value of the share-based payment. Otherwise, share-based payments are measured at the fair value of goods and services rendered.

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 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.

IFRS pronouncements not yet implemented

Certain new IFRS standards and interpretations have been issued but are not shown as they are not expected to have a material impact on the Company's financial statements.

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.

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.

During the period from incorporation (February 16, 2022) to December 31, 2022, the Company incurred the following charges with key management personnel:

- Included in professional fees is \$8,333 paid to a company controlled by a current director and officer of the Company.

1348515 B.C. Ltd.

Notes to the Financial Statements

For the Period from Incorporation (February 16, 2022) to December 31, 2022

(Expressed in Canadian Dollars)

- Included in professional fees is \$2,083 paid to two current directors of the Company and also included in accrued liabilities is \$2,083 payable to the same directors.

5. SHARE CAPITAL

(a) Authorized

Unlimited number of common and preferred shares without par value.

(b) Issued and outstanding

As at December 31, 2022, the Company had the following common shares issued and outstanding.

	Number of Shares	Amount
Shares issued – February 16, 2022	1	1
Shares issued – April 7, 2022 ¹	1,500,000	-
Shares cancelled – April 7, 2022 ²	-1	-
Balance, December 31, 2022	1,500,000	1

¹Effective 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.

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

6. BASIC AND DILUTED LOSS PER SHARE

The calculation of basic and diluted loss per share for the period from incorporation (February 16, 2022) to December 31, 2022 was based on the loss attributable to common shareholders of \$20,707 and the weighted average number of common shares outstanding of 1,264,151.

7. 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 December 31, 2022, the Company is not subject to any externally imposed capital requirements.

1348515 B.C. Ltd.

Notes to the Financial Statements

For the Period from Incorporation (February 16, 2022) to December 31, 2022

(Expressed in Canadian Dollars)

8. 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 December 31, 2022, 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.

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 December 31, 2022, the Company has limited sources of revenue and has a cash balance of \$38,615 to settle current liabilities of \$59,321. As such, the Company has insufficient 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.

1348515 B.C. Ltd.

Notes to the Financial Statements

For the Period from Incorporation (February 16, 2022) to December 31, 2022

(Expressed in Canadian Dollars)

8. FINANCIAL INSTRUMENTS (continued)

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 December 31, 2022.

Fair Value Risk

The fair value of cash at December 31, 2022 approximates their carrying values due to their short term to maturity.

9. INCOME TAXES

The following table reconciles the amount of income tax recoverable on application of the combined statutory Canadian federal and provincial income tax rate of 26.5%:

	2022
Net loss before income taxes	20,707
Expected income tax recovery at statutory rates	5,487
Change in unrecognized deferred tax assets	(5,487)
Income tax expense (recovery)	–

Significant components of the Company's deferred tax assets not recognized are shown below:

	2022
Non capital losses carried forward	5,487

Deferred tax assets have not been recognized in respect of the non-capital losses carried forward as it is not probable that future taxable profit will be available against which the Company can use the benefits.

The Company has approximately \$20,707 of non-capital losses carried forward which expire 2042.