

**TRANS CANADA GOLD CORP.**  
**CONDENSED INTERIM FINANCIAL STATEMENTS**  
(Expressed in Canadian Dollars)  
**SEPTEMBER 30, 2023 AND 2022**

**MANAGEMENT'S COMMENTS ON  
UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS**

**NOTICE OF NO AUDITOR REVIEW OF INTERIM 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 unaudited condensed interim financial statements of Trans Canada Gold Corp. (the "Company") have been prepared by and are the responsibility of the Company's management. The unaudited condensed interim financial statements are prepared in accordance with International Financial Reporting Standards and reflect management's best estimates and judgements based on information currently available.

The Company's independent auditor has not performed a review of these condensed interim financial statements in accordance with standards established by the Canadian Chartered Professional Accountants for a review of interim financial statements by an entity's auditor.

**TRANS CANADA GOLD CORP.**  
**CONDENSED INTERIM STATEMENTS OF FINANCIAL POSITION**  
(Expressed in Canadian Dollars)

|   | <b>September 30,<br/>2023</b> | <b>June 30,<br/>2023</b> |
|---|-------------------------------|--------------------------|
| <b>ASSETS</b>                                     |                               |                          |
| <b>Current</b>                                    |                               |                          |
| Cash  | \$ 30,554                     | \$ 432,235               |
| Amounts receivable (Note 3)                       | 6,420                         | 4,210                    |
| Prepaid expenses (Note 5)                         | 351,935                       | 11,191                   |
|   | 388,909                       | 447,636                  |
| <b>Exploration and evaluation assets</b> (Note 5) | 556,410                       | 556,410                  |
|   | \$ 945,319                    | \$ 1,004,046             |
| <b>LIABILITIES AND EQUITY</b>                     |                               |                          |
| <b>Current</b>                                    |                               |                          |
| Trade payables and accrued liabilities (Notes 6)  | \$ 121,494                    | \$ 134,243               |
| Due to related parties (Note 7)                   | 35,392                        | 36,914                   |
|   | 156,886                       | 171,157                  |
| <b>Decommissioning liabilities</b> (Note 4)       | 44,628                        | 44,136                   |
|   | 201,514                       | 215,293                  |
| <b>Equity</b>                                     |                               |                          |
| Share capital (Note 8)                            | 4,253,996                     | 4,253,996                |
| Reserves (Note 8)                                 | 2,411,046                     | 2,411,046                |
| Deficit   | (5,921,237)                   | (5,876,289)              |
|   | 743,805                       | 788,753                  |
|   | \$ 945,319                    | \$ 1,004,046             |

**Nature and continuance of operations** (Note 1)

**Contingencies** (Note 13)

**Approved and authorized for issue by the Board on November 22, 2023**

**On behalf of the Board:**

"Tim Coupland" Director

"Lawrence Ilich" Director

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

**TRANS CANADA GOLD CORP.**  
**CONDENSED INTERIM STATEMENTS OF LOSS AND COMPREHENSIVE LOSS**  
(Expressed in Canadian Dollars)

|   | <b>Three Months<br/>Period Ended<br/>September 30,<br/>2023</b> | <b>Three Months<br/>Period Ended<br/>September 30,<br/>2022</b> |
|---|---|---|
| <b>PETROLEUM REVENUE</b>  | \$ -  | \$ 71,928   |
| <b>OPERATING EXPENSES</b>                                       |   |   |
| Petroleum royalties   | -   | 1,359   |
| Petroleum production and transportation                         | 438   | 45,568  |
| Depletion and depreciation (Note 4)                             | -   | 1,249   |
|   | (438)   | (48,176)  |
| <b>NET PETROLEUM PRODUCTION REVENUE (LOSS)</b>                  | (438)   | 23,752  |
| <b>ADMINISTRATIVE EXPENSES</b>                                  |   |   |
| Consulting fees   | 1,395   | 276   |
| Filing fees   | 4,552   | 4,721   |
| General and administration                                      | 11,587  | 10,455  |
| Management fees (Note 7)  | 25,500  | 17,000  |
| Professional fees (Note 7)                                      | 8,922   | 10,578  |
| Shareholder relations   | -   | 500   |
|   | (51,956)  | (43,530)  |
| <b>LOSS BEFORE OTHER ITEMS</b>                                  | (52,394)  | (19,778)  |
| <b>OTHER ITEMS</b>  |   |   |
| Financing costs (Note 9)  | (492)   | (470)   |
| Foreign exchange gain   | 7,938   | 5   |
| <b>NET AND COMPREHENSIVE LOSS</b>                               | \$ (44,948)   | \$ (20,243)   |
| <b>NET LOSS PER SHARE</b>                                       |   |   |
| Basic   | \$ (0.00)   | \$ (0.00)   |
| Diluted   | \$ (0.00)   | \$ (0.00)   |
| <b>WEIGHTED AVERAGE NUMBER OF<br/>COMMON SHARES OUTSTANDING</b> |   |   |
| Basic   | 44,315,337  | 34,315,337  |
| Diluted   | 44,315,337  | 34,315,337  |

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

**TRANS CANADA GOLD CORP.**  
**CONDENSED INTERIM STATEMENTS OF CHANGES IN EQUITY**  
(Expressed in Canadian Dollars)

|   | Common<br>Shares<br>(Number) | Common<br>Shares<br>(Amount) | Stock<br>option<br>reserve | Warrants<br>reserve | Deficit        | Total        |
|---|------------------------------|------------------------------|----------------------------|---------------------|----------------|--------------|
| <b>Balance – June 30, 2022</b>            | 34,315,337                   | \$ 3,970,000                 | \$ 585,911                 | \$ 1,609,131        | \$ (4,845,539) | \$ 1,319,503 |
| Net and comprehensive loss for the period | -                            | -                            | -                          | -                   | (20,243)       | (20,243)     |
| <b>Balance – September 30, 2022</b>       | 34,315,337                   | \$ 3,970,000                 | \$ 585,911                 | \$ 1,609,131        | \$ (4,865,782) | \$ 1,299,260 |
| <b>Balance – June 30, 2023</b>            | 44,315,337                   | \$ 4,253,996                 | \$ 585,911                 | \$ 1,825,135        | \$ (5,876,289) | \$ 788,753   |
| Net and comprehensive loss for the period | -                            | -                            | -                          | -                   | (44,948)       | (44,948)     |
| <b>Balance – September 30, 2023</b>       | 44,315,337                   | \$ 4,253,996                 | \$ 585,911                 | \$ 1,825,135        | \$ (5,921,237) | \$ 743,805   |

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

**TRANS CANADA GOLD CORP.**  
**CONDENSED INTERIM STATEMENTS OF CASH FLOWS**  
(Expressed in Canadian Dollars)

|  | <b>Three Months<br/>Period Ended<br/>September 30,<br/>2023</b> | <b>Three Months<br/>Period Ended<br/>September 30,<br/>2022</b> |
|--|---|---|
| <b>CASH FLOWS USED IN OPERATING ACTIVITIES</b> |   |   |
| Net loss                                       | \$ (44,948)   | \$ (20,243)   |
| Non-cash items:                                |   |   |
| Depletion and depreciation                     | -   | 1,249   |
| Financing costs                                | 492   | 470   |
| Changes in non-cash working capital items:     |   |   |
| Amounts receivable                             | (2,210)   | (26,680)  |
| Prepaid expenses                               | (340,744)   | 3,210   |
| Trade payables and accrued liabilities         | (12,749)  | (14,471)  |
| Due to related parties                         | (1,522)   | (8,500)   |
| Net cash used in operating activities          | (401,681)   | (64,965)  |
| <b>DECREASE IN CASH</b>                        | (401,681)   | (64,965)  |
| <b>CASH, BEGINNING</b>                         | 432,235   | 95,172  |
| <b>CASH, ENDING</b>                            | \$ 30,554   | \$ 30,207   |

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

## **1. NATURE AND CONTINUANCE OF OPERATIONS**

Trans Canada Gold Corp. (the “Company”) was incorporated under the Business Corporations Act of British Columbia on February 21, 2006. The Company is listed on the TSX Venture Exchange (“TSX-V”) under the trading symbol “TTG” and OTCQB Exchange under the trading symbol “RCTRF”. The Company is a Canadian resource exploration and development company that is involved in the acquisition, exploration and development of oil and gas and mineral resource properties in Western Canada and the United States.

The head office, principal address and registered and records office of the Company is #1200 – 750 West Pender Street, Vancouver, British Columbia, Canada V6C 2T8.

### **Going Concern**

These condensed interim financial statements have been prepared on a going concern basis which assumes the Company will realize its assets and discharge its liabilities in the normal course of business. As at September 30, 2023, the Company had a working capital of \$232,023 and has accumulated losses since inception of \$5,921,237. Should the Company be unable to continue as a going concern, significant adjustments to asset values may be necessary. The ability of the Company to continue as a going concern is dependent upon the Company raising sufficient financing to complete exploration and development activities, the discovery of economically recoverable oil and gas and mineral reserves, and upon future profitable operations or proceeds from disposition of resource property interests. These factors indicate the existence of a material uncertainty that may cast significant doubt about the Company’s ability to continue as a going concern. These financial statements do not include the adjustments that would be necessary should the Company be unable to continue as a going concern. Such adjustments could be material.

## **2. SIGNIFICANT ACCOUNTING POLICIES**

### **a) Statement of Compliance**

The financial statements of the Company have been prepared in accordance with and using accounting policies in compliance with International Financial Reporting Standards (“IFRS”) issued by the International Accounting Standards Board (“IASB”) and interpretations of the International Financial Reporting Interpretations Committee (“IFRIC”).

These condensed interim financial statements have been prepared on the basis of accounting policies and methods of computation consistent with those applied in the Company’s annual financial statements for the year ended June 30, 2023.

### **b) Basis of Preparation**

These condensed interim financial statements have been prepared on a historical cost basis except for certain financial instruments, which are measured at fair value. These condensed interim financial statements are presented in Canadian dollars.

### **c) Significant Accounting Estimates and Assumptions**

The preparation of the Company’s condensed interim financial statements in conformity with IFRS requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, and contingent liabilities at the date of the interim financial statements and reported amounts of income and expenses during the reporting period. Estimates and assumptions are continuously 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. However, actual outcomes can differ from these estimates.

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**2. SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**c) Significant Accounting Estimates and Assumptions (Continued)**

Estimates and assumptions where there is significant risk of material adjustments to assets and liabilities in future accounting periods include the recoverability of the carrying value of exploration and evaluation assets, property, plant and equipment, long-term investment, the recoverability and measurement of deferred tax assets, and provisions for decommissioning liabilities.

**d) Significant judgments**

The preparation of financial statements in accordance with IFRS requires the Company to make judgments, apart from those involving estimates, in applying accounting policies. The most significant judgment in applying the Company's financial statements is the assessment of the Company's ability to continue as a going concern and whether there are events or conditions that may give rise to significant uncertainty.

**3. AMOUNTS RECEIVABLE**

|                          | <b>September 30,<br/>2023</b> | <b>June 30,<br/>2023</b> |
|--------------------------|-------------------------------|--------------------------|
| GST receivable           | \$ 6,420                      | \$ 4,210                 |
| Total amounts receivable | \$ 6,420                      | \$ 4,210                 |

**4. PROPERTY, PLANT AND EQUIPMENT**

**Petroleum and natural gas properties**

**COST**

|   |            |
|---|------------|
| Balance, June 30, 2023 and September 30, 2023 | \$ 737,878 |
|---|------------|

**ACCUMULATED DEPLETION, DEPRECIATION, AND IMPAIRMENT**

|                            |            |
|----------------------------|------------|
| Balance, June 30, 2022     | \$ 709,034 |
| Depletion and depreciation | 12,683     |
| Impairment                 | 16,161     |

|   |            |
|---|------------|
| Balance, June 30, 2023 and September 30, 2023 | \$ 737,878 |
|---|------------|

**NET BOOK VALUES**

|                       |      |
|-----------------------|------|
| At June 30, 2023      | \$ - |
| At September 30, 2023 | \$ - |

**4. PROPERTY, PLANT AND EQUIPMENT (Continued)**

**Trans Canada Gold (60%) / Revitalize Energy (40%) C-12 Well Landrose, Saskatchewan**

Pursuant to an agreement dated July 5, 2010, the Company entered into a farm-out agreement with Western Plains Petroleum Ltd. (“Western Plains”). Under the agreement, the Company agreed to spud one test well in the Lloydminster area of western Saskatchewan, Canada. The Company paid 100% of the costs to drill, complete and equip or abandon the test well to earn a 100% working interest before payout subject to a 10% convertible overriding royalty and a 50% working interest after payout, upon conversion of the overriding royalty. The Company had no option to drill post-earning wells under the farm-out agreement. Western Plains was the operator of the test well. The well reached payout at the end of April 2011. Effective July 1, 2018, the Company increased its working interest ownership in the well by 10% for a total ownership interest of 60%. Revitalize Energy Inc. (“Revitalize”) is the current operator of the oil well.

On June 12, 2019, Petrocapita Oil and Gas L.P. (“Petrocapita”) announced that as of June 11, 2019, the Court of Queens Bench of Alberta has appointed Hudson and Company Insolvency Trustees Inc. (the “Receiver”) as Receiver and Manager of Petrocapita. The Receivership Order was granted upon the application of Safeway Holdings Ltd., one of the secured creditors of Petrocapita. The Receiver will accordingly manage the affairs of Petrocapita. During the prior year, Petrocapita’s assets were assigned to Revitalize Energy Inc. of Calgary Alberta.

During the year ended June 30, 2023, the well at the end of its production life was shut-in resulting in the Company recognizing an impairment of \$16,161.

**Decommissioning Liabilities**

The total decommissioning liabilities was estimated by management based on the Company’s net ownership interest in all wells and facilities and estimated costs to reclaim and abandon the wells and facilities. The total undiscounted amount of the estimated cash flows required settling the decommissioning liabilities including inflation is estimated to be \$44,960 (June 30, 2023 - \$44,960) and is expected to be incurred between 2021 and 2026.

The following table presents the reconciliation of the beginning and ending aggregate carrying amount of the decommissioning liabilities related to the Company’s petroleum and natural gas properties:

|  | <b>September 30,<br/>2023</b> |    | <b>June 30,<br/>2023</b> |
|--|-------------------------------|----|--------------------------|
| Decommissioning liabilities, beginning | \$ 44,136                     | \$ | 42,256                   |
| Accretion (Note 9)                     | 492                           |    | 1,880                    |
| Decommissioning liabilities, ending    | \$ 44,628                     | \$ | 44,136                   |

**5. EXPLORATION AND EVALUATION ASSETS**

**Trans Canada Gold Project / Dinorwic Gold Property, Ontario**

On September 29, 2020, the Company entered into an agreement to purchase a 100% interest, subject to a 2% net smelter returns royalty in the Dinorwic Gold Property in the Dryden area of Ontario by paying \$60,000 (paid) and issuing 4,000,000 shares of the Company (issued and valued at \$640,000).

In October 2020, the Company completed a comprehensive technical report (NI 43-101) on the Dinorwic Gold Property. The Trans Canada Gold Project is located to the northwest of Dryden, Ontario. These areas collectively comprise the Trans Canada Gold Project and encompass a contiguous area of approximately 14,880 hectares.

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**5. EXPLORATION AND EVALUATION ASSETS (Continued)**

|   |           |
|---|-----------|
| Balance, June 30, 2022                        | 728,903   |
| Impairment                                    | (728,903) |
| <hr/>   |           |
| Balance, June 30, 2023 and September 30, 2023 | \$ -      |

In July 2023, after a lengthy permit process and being granted extensions, the Company allowed the claims on the Dinorwic Gold Property to lapse resulting in an impairment of \$728,903 during the year ended June 30, 2023.

**Trans Canada Gold Project / Gold Crow Gold Property, Ontario**

On April 29, 2021, the Company entered into an agreement to purchase a 100% interest, subject to a 3% net smelter returns royalty in the Gold Crow Gold Property in the Pickle Lake area of Ontario by paying \$75,000 (paid) and issuing 4,000,000 shares of the Company (issued and valued at \$480,000).

|   |            |
|---|------------|
| Balance, June 30, 2023 and September 30, 2023 | \$ 556,410 |
|---|------------|

**Alberta Oil Farmout Agreement – Croverro Energy Ltd.**

In November 2022, the Company entered into a one-well Farmout Agreement with Croverro Energy Ltd, of Calgary, Alberta, (“Croverro”) to drill a Multi-Lateral Horizontal oil well. The well is in close proximity to Lloydminster, Alberta. The lands for the well are currently controlled by Croverro. Under the terms of the negotiated agreement, the Company must pay 25% of Croverro’s share of the cost to drill, complete and fully equip or abandon the well to earn an 18.75% net interest. Croverro is the operator of the oil well.

The Company, after successfully drilling and equipping the first Multilateral Horizontal Well, will have the first right of refusal on an Area of Mutual Interest (“AMI”) of approximately one mile in each direction from the test well. Additional wells within the AMI will, if the Company elects to participate, be drilled on a non-promoted basis with the Company paying 18.75% to earn 18.75%.

Drilling and equipping costs are expected to be approximately \$1.7 million (\$425,000 to be incurred by the Company). As at September 30, 2023, the Company has made advance payments of \$344,474 to Croverro.

|                     | <b>September 30,<br/>2023</b> | <b>June 30,<br/>2023</b> |
|---------------------|-------------------------------|--------------------------|
| Trade payables      | \$ 99,798                     | \$ 112,547               |
| Accrued liabilities | 21,696                        | 21,696                   |
|                     | <b>\$ 121,494</b>             | <b>\$ 134,243</b>        |

Trade payables and accrued liabilities are non-interest bearing, unsecured and have settlement dates within one year.

**6. RELATED PARTY BALANCES AND TRANSACTIONS**

The Company's related parties consist of its key management personnel, including its directors and officers.

At September 30, 2023, the Company had an amount payable of \$269 (June 30, 2023 - \$269) due to a director of the Company for management fees and expenses. The amount is unsecured, non-interest bearing and has no fixed term of repayments.

**Key management personnel compensation**

On April 1, 2006, the Company entered into a management agreement with the Chief Executive Officer of the Company. Effective August 1, 2019, the Company increased the monthly remuneration from \$7,000 per month to \$8,500 per month. Management fees of \$25,500 (2022 - \$17,000) have been recorded for the period ended September 30, 2023. The amount owing as of September 30, 2023 is \$31,343 (June 30, 2023 - \$32,865).

During the period ended September 30, 2023, the Company recorded \$5,400 (2022 - \$5,400) in professional fees to the Chief Financial Officer for accounting services. The amount owing as of September 30, 2023 is \$3,780 (June 30, 2023 - \$3,780).

Amounts owing to key management are non-interest bearing, unsecured and due on demand unless otherwise noted.

**7. SHARE CAPITAL**

**a. Authorized**

The Company has authorized an unlimited number of common shares with no par value.

**b. Issued and outstanding**

At September 30, 2023, the Company had 44,315,337 common shares outstanding (June 30, 2023 – 44,315,337).

On May 17, 2023, the Company closed a private placement and issued an aggregate of 10,000,000 units at a price of \$0.05 per unit for gross proceeds of \$500,000. Each unit consists of one common share and one common share purchase warrant. Each warrant entitles the holder to purchase one common share in the capital of the Company at a price of \$0.15 per share for a period of three years from the date of issuance.

**c. Stock options**

Under the Company's stock option plan, the Company may grant options to employees, consultants, officers, and directors when the number of shares that may be purchased under that option and all previously granted options, does not exceed 10% of the Company's issued shares at the time of grant. The exercise price of the options granted will be no less than the fair market value per share of common shares on the option grant date; and the maximum term of the options will be five years measured from the option grant date.

A summary of the Company's stock options at September 30, 2023 and June 30, 2023 is presented below:

|   | Number of shares |    | Weighted average<br>exercise price |
|---|------------------|----|------------------------------------|
| Balance, June 30, 2022                        | 2,740,000        | \$ | 0.14                               |
| Expired                                       | (1,440,000)      |    | 0.10                               |
| Balance, June 30, 2023 and September 30, 2023 | 1,300,000        | \$ | 0.18                               |

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**7. SHARE CAPITAL (Continued)**

Additional information regarding stock options outstanding as at September 30, 2023 is as follows:

| <b>Options<br/>outstanding<br/>- number -</b> | <b>Options<br/>exercisable<br/>- number -</b> | <b>Weighted average<br/>exercise<br/>contractual life<br/>- years -</b> | <b>Expiry date</b> | <b>Exercise<br/>price</b> |
|---|---|---|--------------------|---------------------------|
| 450,000                                       | 450,000                                       | 2.14  | August 19, 2025    | \$ 0.14                   |
| 850,000                                       | 850,000                                       | 2.68  | March 5, 2026      | \$ 0.20                   |
| 1,300,000                                     | 1,300,000                                     | 2.49  |                    | \$ 0.18                   |

**d. Warrants**

The following table summarizes the continuity of the Company's share purchase warrants:

|                             | <b>Number of shares</b> | <b>Weighted average<br/>exercise price</b> |
|-----------------------------|-------------------------|--|
| Balance, June 30, 2022      | 7,840,987               | \$ 0.23                                    |
| Issued                      | 10,000,000              | 0.15                                       |
| Balance, June 30, 2023      | 17,840,987              | \$ 0.18                                    |
| Expired                     | (1,000,000)             | 0.10                                       |
| Balance, September 30, 2023 | 16,840,987              | \$ 0.19                                    |

Additional information regarding warrants outstanding as at September 30, 2023 is as follows:

| <b>Number of shares<br/>- # -</b> | <b>Weighted average<br/>exercise price</b> | <b>Expiry date</b> | <b>Remaining<br/>contractual life<br/>- years -</b> |
|-----------------------------------|--|--------------------|---|
| 3,050,000                         | \$ 0.25                                    | October 26, 2023   | 0.32  |
| 126,000                           | \$ 0.15                                    | October 26, 2023   | 0.32  |
| 1,498,321                         | \$ 0.25                                    | November 13, 2023  | 0.37  |
| 2,166,666                         | \$ 0.25                                    | May 21, 2024       | 0.89  |
| 10,000,000                        | \$ 0.15                                    | May 17, 2026       | 2.88  |
| 16,840,987                        | \$ 0.19                                    |                    | 1.82  |

On May 17, 2023, 10,000,000 share purchase warrants having a relative fair value of \$216,004 were issued relating to a private placement. Each warrant entitles the holder to purchase one additional common share at a price of \$0.15 per share exercisable until May 17, 2026. The fair value was calculated using the Black-Scholes Option Pricing Model with an expected life of three years, interest rate of 3.57%, a dividend yield of 0% and expected volatility of 166%.

**e. Reserves**

***Stock option reserve***

The stock option reserve records items recognized as stock-based compensation expense and other share-based payments including warrants issued for services until such time that the stock options are exercised, at which time the corresponding amount will be transferred to share capital.

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**8. SHARE CAPITAL (Continued)**

*Warrant reserve*

The warrant reserve records the relative fair value of attachable warrants issued as part of units in conjunction with private placements of common shares by allocating the gross proceeds of private placements between share capital and the warrant reserve using the relative fair value method which allocates a pro-rata amount based on the fair value of the common shares and the warrants issued. Amounts are recorded until such time that the warrants are exercised, at which time the corresponding amount will be transferred to share capital.

**9. FINANCING COSTS**

|   |    | <b>September 30,<br/>2023</b> | <b>September 30,<br/>2022</b> |
|---|----|-------------------------------|-------------------------------|
| Accretion of decommissioning liability (Note 4) | \$ | (492)                         | \$ (470)                      |
| Total financing costs for the period            | \$ | (492)                         | \$ (470)                      |

**10. CAPITAL MANAGEMENT**

The Company manages its capital structure, which is substantially represented by its cash resources and share capital and makes adjustments to it depending on the funds available to the Company for acquisition, exploration and development of resource properties. The Board of Directors does not establish quantitative return on capital criteria for management, but rather relies on the expertise of the Company's management to sustain future development of the business.

The Company is dependent on external financing to fund its activities. In order to carry out its planned exploration, production activities and pay for on-going general and administrative expenses, the Company will use existing working capital and expects to raise additional amounts through related party loans or private placements of its common shares as needed. The Company will continue to assess new properties and seek to acquire interests in additional properties if sufficient geologic or economic potential is established and adequate financial resources are available.

Management reviews its capital management approach on an on-going basis and believes that this approach, given the small size of the Company, is reasonable. The Company is not subject to externally imposed capital requirements and there were no significant changes in its approach to capital management during the period ended September 30, 2023.

**11. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT**

**a) Fair values**

As at September 30, 2023 and June 30, 2023, the Company's carrying values of cash, trade payables and due to related parties approximate their fair values due to their short term maturity.

|                                 | <b>Fair value<br/>hierarchy</b> | <b>FVTPL,<br/>at fair value</b> | <b>Financial<br/>assets,<br/>at amortized<br/>cost</b> | <b>Financial<br/>liabilities,<br/>at amortized<br/>cost</b> |
|---------------------------------|---------------------------------|---------------------------------|--|---|
| <b>As at September 30, 2023</b> |                                 |                                 |  |   |
| Cash                            | Level 1                         | \$ 30,554                       | \$ -   | -   |
| Trade payables                  | N/A                             | -                               | -  | 99,798  |
| Due to related parties          | N/A                             | -                               | -  | 35,392  |

**11. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (Continued)**

|                            | <b>Fair value hierarchy</b> | <b>FVTPL, at fair value</b> | <b>Financial assets, at amortized cost</b> | <b>Financial liabilities, at amortized cost</b> |
|----------------------------|-----------------------------|-----------------------------|--|---|
| <b>As at June 30, 2023</b> |                             |                             |  |   |
| Cash                       | Level 1                     | \$ 432,235                  | \$ -                                       | \$ -  |
| Trade payables             | N/A                         | -                           | -  | 112,547   |
| Due to related parties     | N/A                         | -                           | -  | 36,914  |

Disclosure of a three-level hierarchy for fair value measurements based upon transparency of inputs to the valuation of financial instruments carried on the statement of financial position at fair values is as follows:

- Level 1: inputs to the valuation methodology are quoted prices (unadjusted) for identical assets or liabilities in active markets.
- Level 2: inputs to the valuation methodology include quoted prices for similar assets and liabilities in active markets, and inputs that are observable for the asset or liability.
- Level 3: inputs to the valuation methodology are unobservable and significant to the fair value measurement.

**b) Management of financial risks**

The Company is engaged in resource exploration and development business and manages related industry risk directly. The Company is potentially at risk for environmental reclamation and fluctuations in commodity-based market prices associated with resource property interests. Management is of the opinion that the Company addresses environmental risk and compliance in accordance with industry standards and specific project environmental requirements. There is no certainty that all environmental risks and contingencies have been addressed.

The Company is exposed in varying degrees to a variety of financial instrument related risks 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 in its cash accounts and amounts receivable. This risk is managed through the use of a major financial institution which has high credit quality as determined by the rating agencies. Management believes that the credit risk concentration with respect to its amounts receivables is minimal.

***Foreign Exchange Risk***

Foreign exchange risk is the risk that the Company will be subject to foreign currency fluctuations in satisfying obligations related to its foreign activities. The Company operates in Canada and is consequently not exposed to foreign exchange risk arising from transactions denominated in foreign currency.

***Interest Rate Risk***

Interest rate risk is the risk that the fair value of future cash flow of a financial instrument will fluctuate because of changes in market interest rate. The Company's exposure to interest rate risk relates to its ability to earn interest income on cash balances at variable rates. The fair value of the Company's cash account affected by changes in short-term interest rates is minimal.

***Liquidity Risk***

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they become due. The Company's objective in managing liquidity risk is to maintain sufficient readily available capital in order to meet its liquidity requirements at any point in time. The Company achieves this by maintaining sufficient cash and raising capital through debt and equity financing. Liquidity risk is assessed as high.

## **12. SEGMENTED INFORMATION**

The Company operates in two reportable segments, being exploration of mineral assets and petroleum production. The Company does not distinguish its general and administrative expenses between the two segments. All operations are located in Canada, in the provinces of Saskatchewan, Ontario and Alberta, and Newfoundland as disclosed in Notes 4 and 5.

## **13. CONTINGENCIES**

In May 2023 and October 2023, the Company completed mediation for civil claims in relation to a total outstanding balance of \$79,320 included in trade payable and accrued liabilities. Pursuant to the mediation agreement, the Company must pay \$26,562 by monthly payments at a minimum of \$2,500 per month beginning on June 2, 2023 and \$52,758 by monthly payments at a minimum of \$2,500 per month beginning on December 15, 2023 until the total balance is paid in full. As at September 30, 2023, the Company had a remaining balance outstanding of \$71,378, which was included in trade payables.