
Railtown Capital Corp.
(a capital pool company)

Condensed Interim Financial Statements

For the Three and Nine Months Ended August 31, 2023 and 2022
(Unaudited - expressed in Canadian Dollars)

**NOTICE OF NO AUDITOR REVIEW OF
CONDENSED 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 condensed 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 the Company have been prepared by management and reviewed by the Audit Committee and Board of Directors of the Company.

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

Railtown Capital Corp.
Condensed Interim Statements of Financial Position
(Unaudited - expressed in Canadian dollars)

	August 31 2023	November 30 2022
	\$	\$
Assets		
Current		
Cash	651,107	709,970
Prepaid expenses	3,094	4,034
Total assets	654,201	714,004
Liabilities		
Current		
Accounts payable and accrued liabilities	11,470	12,407
Shareholders' equity		
Share capital (Note 4)	924,733	924,733
Contributed surplus (Note 4)	133,045	133,045
Deficit	(415,047)	(356,181)
	642,731	701,597
Total liabilities and shareholders' equity	654,201	714,004

Nature of and continuance of operations-- Note 1

APPROVED BY THE DIRECTORS

"Cam White" Director

"Claudia Tornquist" Director

Railtown Capital Corp.

Condensed Interim Statements of Loss and Comprehensive Loss

For the Three and Nine Months Ended August 31, 2023 and 2022

(Unaudited - expressed in Canadian dollars)

	Three months ended		Nine months ended	
	August 31,		August 31,	
	2023	2022	2023	2022
	\$	\$	\$	\$
Expenses				
Consulting fees	-	-	-	1,021
Filing fees	4,276	2,286	13,341	15,374
Foreign exchange loss	-	1	-	11
Interest and bank charges	239	201	707	672
Professional fees	8,646	6,139	44,818	41,236
Loss and comprehensive loss for the period	(13,161)	(8,627)	(58,866)	(58,314)
Loss per share				
Basic and diluted	(0.00)	(0.00)	(0.00)	(0.00)
Weighted average number of shares outstanding				
Basic and diluted	13,000,000	13,000,000	13,000,000	13,000,000

Railtown Capital Corp.
Condensed Interim Statements of Cash Flows
For the Nine Months Ended August 31, 2023 and 2022
(Unaudited - expressed in Canadian dollars)

	Nine months ended August 31,	
	2023	2022
	\$	\$
Cash (used in) provided by:		
Operating activities		
Loss for the period	(58,866)	(58,314)
Change in non-cash working capital items:		
Accounts payable and accrued liabilities	(937)	3,946
Prepaid expenses	940	(5,817)
Net cash used in operating activities	(58,863)	(60,185)
Investing activity		
Deferred transaction costs	-	(27,890)
Net cash used in investing activity	-	(27,890)
Decrease in cash	(58,863)	(88,075)
Cash - beginning of period	709,970	800,499
Cash - end of period	651,107	712,424

Railtown Capital Corp.
Condensed Interim Statements of Changes in Equity
For the Nine Months Ended August 31, 2023 and 2022
(Unaudited - expressed in Canadian dollars)

	Number of common shares	Share capital	Contributed surplus	Accumulated deficit	Total
	#	\$	\$	\$	\$
Balance, November 30, 2021	13,000,000	924,733	133,045	(263,007)	794,771
Loss for the period	-	-	-	(58,314)	(58,314)
Balance, August 31, 2022	13,000,000	924,733	133,045	(321,321)	736,457
Loss for the period	-	-	-	(34,860)	(34,860)
Balance, November 30, 2022	13,000,000	924,733	133,045	(356,181)	701,597
Loss for the period	-	-	-	(58,866)	(58,866)
Balance, August 31, 2023	13,000,000	924,733	133,045	(415,047)	642,731

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

Railtown Capital Corp.

Notes to the Condensed Interim Financial Statements

For the Nine Months Ended August 31, 2023 and 2022
(Unaudited - expressed in Canadian dollars)

1. Nature of and continuance of operations

Railtown Capital Corp. (the "Company") was incorporated pursuant to the provisions of the Business Corporations Act of British Columbia on June 22, 2020. The Company listed on the TSX Venture Exchange ("TSXV") and classified as a capital pool company as defined by TSXV Policy 2.4 ("Policy 2.4"). The Company's objective is to complete a Qualifying Transaction ("QT") as defined under Policy 2.4 by identifying and evaluating potential business acquisitions and to subsequently negotiate acquisition or participation agreements subject to regulatory and shareholder approvals. The shares in the Company were listed on the TSXV on February 1, 2021 under the trading symbol "RLT.P".

On March 17, 2022, the Company signed a non-binding letter of intent (the "LOI") with Selten Metal Corp. ("Selten Metal"), an arm's length private company incorporated under the laws of British Columbia, to effect a transaction that would result in a reverse takeover of the Company by Selten Metal. On September 15, 2022, the LOI with Selten Metal expired and the parties have decided not to renew the LOI. As a result, the Company will be continuing its efforts to identify and evaluate alternative potential business acquisitions.

These condensed interim financial statements have been prepared on a going concern basis, which assumes that the Company will be able to meet its obligations and continue its operations for the next twelve months. As at August 31, 2023, the Company had a deficit of \$415,047 (November 30, 2022 - \$356,181) and working capital of \$642,731 (November 30, 2022 - \$701,597). The Company estimates it has sufficient funds to continue operations for the next twelve months.

The Company's corporate office is located at Suite 2200 - 885 West Georgia Street, Vancouver, BC V6C 3E8.

2. Basis of preparation

Statement of compliance

These condensed interim financial statements have been presented in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and interpretations of the IFRS Interpretations Committee ("IFRIC"), effective for the Company's reporting for the period ended August 31, 2023 including IAS 34, *Interim Financial Reporting*.

Basis of measurement and functional currency

These condensed interim financial statements have been prepared on a historical cost basis, except for any financial assets and liabilities held at fair value, as explained in the accounting policies set out below. These condensed interim financial statements are presented in Canadian dollars, which is also the functional currency of the Company.

The preparation of financial statements requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expenses. Actual results may differ from these estimates.

These condensed interim financial statements were approved by the Board of Directors on October 19, 2023.

3. Accounting policies and judgements

These condensed interim financial statements have been prepared on a basis consistent with the significant accounting policies disclosed in the annual financial statements for the year ended November 30, 2022.

Railtown Capital Corp.
Notes to the Condensed Interim Financial Statements
For the Nine Months Ended August 31, 2023 and 2022
(Unaudited - expressed in Canadian dollars)

4. Share capital

a) Authorized: Unlimited common shares without par value.

b) Shares issued

Common shares: 13,000,000 (November 30, 2022 – 13,000,000).

During the nine months ended August 31, 2023, the Company did not issue any shares.

During the year ended November 30, 2022, the Company did not issue any shares.

c) Stock options

The Company adopted a stock option plan whereby the Company may grant options with a maximum term of ten years, for up to 10% of the Company's issued and outstanding common shares, to directors, officers, employees and consultants at exercise prices to be determined by the market value on the date of grant. The number of common shares reserved for issuance to any individual director or officer will not exceed 5% of the issued and outstanding common shares, and the number of common shares reserved for issuance to all technical consultants will not exceed 2% of the issued and outstanding common shares. Incentive stock options issued have an immediate vesting term, unless vesting is imposed by the Company's board of directors.

The Company's share options outstanding as at August 31, 2023 and November 30, 2022 and the changes for the periods then ended are as follows:

	Number of options	Weighted average exercise price
	#	\$
Balance as at November 30, 2021	1,300,000	0.10
Granted	-	-
Balance as at August 31, 2023 and November 30, 2022	1,300,000	0.10

The following table summarizes information about the share options as at August 31, 2023:

Exercise price per share of options outstanding	Number of options outstanding	Weighted average remaining life (years)	Number of options exercisable	Expiry date
\$0.10	1,300,000	7.42	1,300,000	January 28, 2031

d) Warrants

The Company's warrants outstanding as at August 31, 2023 and November 30, 2022 and the changes for the periods then ended are as follows:

	Number	Weighted average exercise price
		\$
Balance as at November 30, 2021	500,000	0.10
Granted	-	-
Balance as at August 31, 2023 and November 30, 2022	500,000	0.10

Railtown Capital Corp.

Notes to the Condensed Interim Financial Statements

For the Nine Months Ended August 31, 2023 and 2022

(Unaudited - expressed in Canadian dollars)

The following table summarizes information about the warrants as at August 31, 2023:

Exercise price per share of warrants outstanding	Number of warrants outstanding	Weighted average remaining life (years)	Expiry date
\$0.10	500,000	2.42	January 28, 2026

5. Related party transactions

The Company's related parties consist of key management, which includes the Company's directors and officers, and any companies associated with them.

During the three and nine months ended August 31, 2023 and 2022, the Company did not enter into any transactions with related parties.

During the three and nine months ended August 31, 2023 and 2022, no compensation was paid or payable to key management for employee services.

6. Financial instruments and risk management

Classification of financial instruments

The Company's financial instruments consist of cash and accounts payable and accrued liabilities. These financial instruments are classified as financial assets and liabilities at amortized cost and are reported at amortized cost.

The classification of the financial instruments as well as their carrying values as at August 31, 2023 is shown in the table below.

At August 31, 2023	Assets – Amortized cost	Liabilities – Amortized cost	Total
	\$	\$	\$
Financial assets			
Cash	651,107	-	651,107
Total financial assets	651,107	-	651,107
Financial liabilities			
Accounts payable and accrued liabilities	-	11,470	11,470
Total financial liabilities	-	11,470	11,470

The classification of the financial instruments as well as their carrying values as at November 30, 2022 is shown in the table below.

At November 30, 2022	Assets – Amortized cost	Liabilities – Amortized cost	Total
	\$	\$	\$
Financial assets			
Cash	709,970	-	709,970
Total financial assets	709,970	-	709,970
Financial liabilities			
Accounts payable and accrued liabilities	-	12,407	12,407
Total financial liabilities	-	12,407	12,407

Note that the fair values approximate the carrying values due to their short-term nature.

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For the Nine Months Ended August 31, 2023 and 2022
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Financial and capital risk management

The Company examines the various financial instruments and risks to which it is exposed and assesses the impact and likelihood of those risks. These risks include foreign currency risk, interest rate risk, credit risk, and liquidity risk. Where material, these risks are reviewed and monitored by the Board of Directors.

The Board of Directors has overall responsibility for the determination of the Company's risk management objectives and policies. The overall objective of the Board is to set policies that seek to reduce risk as far as possible without unduly affecting the Company's competitiveness and flexibility.

Discussions of risks associated with financial assets and liabilities are detailed below:

a) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The risk that the Company will realize a cash loss is limited as the Company's liabilities are non-interest bearing. As at August 31, 2023, the Company is not exposed to any significant interest rate risk.

b) 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. Credit risk arises from cash held with banks and financial institutions. The maximum exposure to credit risk is equal to the carrying value of the financial assets. The Company considers credit risk with respect to its cash to be immaterial as cash is held through large Canadian financial institutions.

c) Liquidity risk

Liquidity risk is the risk that the Company is not able to meet its financial obligations as they become due. The Company manages its liquidity risk by continuously monitoring forecasted and actual cash flows, as well as anticipated investing and financing activities. Accounts payable and accrued liabilities have contractual maturities of 30 days or are due on demand and are subject to normal trade terms. As at August 31, 2023, the Company has working capital of \$642,731.

7. Management of capital

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern. In the management of capital, the Company includes its components of shareholders' equity.

The capital structure of the Company consists of equity attributable to common shareholders, comprised of issued capital and deficit. The Company maintains and adjusts its capital structure based on changes in economic conditions and the Company's planned requirements. The Company may adjust its capital structure by issuing new equity, issuing new debt, or acquiring or disposing of assets, and controlling the capital expenditures program. The Company does not have a source of revenue. As such, the Company is dependent on external financing to fund its activities. In order to pay for administrative costs, the Company will spend its existing working capital and raise additional amounts as needed.

Management reviews its capital management policies on an ongoing basis. The Company is not subject to any externally imposed capital requirements.