



XPLORE RESOURCES CORP.

**CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
FOR THE THREE MONTHS ENDED SEPTEMBER 30, 2023 AND 2022**
(Stated in Canadian Dollars)
(Unaudited)

Notice to Reader

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 consolidated interim financial statements have been prepared by and are the responsibility of management.

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

Xplore Resources Corp.

Condensed Consolidated Interim Statements of Financial Position

(Stated in Canadian Dollars)

(Unaudited)

	Notes	September 30, 2023	June 30, 2023
ASSETS			
Current assets			
Cash		\$ 10,307	\$ 53,485
Other receivables		26,095	25,613
Prepaid expenses		8,137	51,800
Total current assets		44,539	130,898
Non-current assets			
Exploration and evaluation assets	5	886,644	814,981
TOTAL ASSETS		\$ 931,183	\$ 945,879
LIABILITIES AND EQUITY			
Current liabilities			
Accounts payable and accrued liabilities	6	\$ 62,979	\$ 60,114
Equity			
Common shares	8	2,386,810	2,386,810
Share-based payments reserve	9	10,081	10,081
Deficit		(1,528,687)	(1,511,126)
Total equity		868,204	885,765
TOTAL LIABILITIES AND EQUITY		\$ 931,183	\$ 945,879
Nature of business	1		
Going concern uncertainty	2		

Approved on behalf of the Board of Directors:

"Wesley C. Hanson"

Wesley C. Hanson, Director

"Charles Edgeworth"

Charles Edgeworth, Director

Xplore Resources Corp.

Condensed Consolidated Interim Statements of Loss and Comprehensive Loss

(Stated in Canadian Dollars)

(Unaudited)

		Three months ended September 30, 2023	Three months ended September 30, 2022
	Notes		
Expenses			
Consulting fees		\$ 7,000	\$ 9,000
Exploration & evaluation		-	8,446
Filing & listing fees		-	1,450
General & administrative		832	1,863
Professional fees		9,000	13,850
Promotion & marketing		350	10,300
Transfer agent fees		379	800
Loss and comprehensive loss for the period		\$ (17,561)	\$ (45,709)
Weighted average number of common shares outstanding			
Basic and diluted	9	15,681,505	15,559,592
Basic and diluted loss per common share		9 \$ (0.00)	\$ (0.00)

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

Xplore Resources Corp.

Condensed Consolidated Interim Statements of Changes in Equity

(Stated in Canadian Dollars)

(Unaudited)

	Common Shares		Share Subscriptions Received	Share-based Payments Reserve	Deficit	Total
	Number	Amount				
Balance at June 30, 2023	15,681,505	\$ 2,386,810	\$ -	\$ 10,081	\$ (1,511,126)	\$ 885,765
Shares issued for exploration and evaluation assets	-	-	-	-	-	-
Loss for the period	-	-	-	-	(17,561)	(17,561)
Balance at September 30, 2023	15,681,505	\$ 2,386,810	\$ -	\$ 10,081	\$ (1,528,687)	\$ 868,204

	Common Shares		Share Subscriptions Received	Share-based Payments Reserve	Deficit	Total
	Number	Amount				
Balance at June 30, 2022	15,533,505	\$ 2,369,560	\$ -	\$ 87,600	\$ (1,131,316)	\$ 1,325,844
Shares issued for exploration and evaluation assets	48,000	6,000	-	-	-	6,000
Share warrants expired	-	-	-	(10,600)	10,600	-
Loss for the period	-	-	-	-	(45,709)	(45,709)
Balance at September 30, 2022	15,581,505	\$ 2,375,560	\$ -	\$ 77,000	\$ (1,166,425)	\$ 1,286,135

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

Xplore Resources Corp.
Condensed Consolidated Interim Statements of Cash Flows
(Stated in Canadian Dollars)
(Unaudited)

	Three months ended September 30, 2023	Three months ended September 30, 2022
Operating activities		
Loss for the period	\$ (17,561)	\$ (45,709)
Changes in non-cash working capital items:		
Other receivables	(482)	(23,231)
Accounts payable and accrued liabilities	2,865	(14,690)
Net cash provided by (used in) operating activities	(15,178)	(83,630)
Investing activity		
Exploration and evaluation assets	(28,000)	(20,000)
Net cash used in investing activity	(28,000)	(20,000)
Financing activity		
Net cash provided by financing activity	-	-
Change in cash during the period	(43,178)	(103,630)
Cash, beginning of period	53,485	302,710
Cash, end of period	\$ 10,307	\$ 199,080
Supplemental Cash Flow Information		
Income taxes paid (recovered)	\$ -	\$ -
Interest paid (received)	\$ -	\$ -
Non-cash Financing and Investing Activities		
Shares issued for exploration and evaluation assets	\$ -	\$ 6,000

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

Xplore Resources Corp.

Notes to the Condensed Consolidated Interim Financial Statements

September 30, 2023

(Stated in Canadian Dollars)

(Unaudited)

1. Nature and Continuance of Operations

Xplore Resources Corp. (the "Company") was incorporated on February 24, 2017 pursuant to the Business Corporations Act of British Columbia and was classified as a Capital Pool Company as defined in the TSX Venture Exchange ("TSX-V") Policy 2.4. On October 30, 2017, the Company completed its Initial Public Offering ("IPO") and the Company's shares commenced trading on the TSX-V under the symbol XPLR.

The Company's principal business activities include the acquisition and exploration of mineral property assets prospective for gold and copper mineralization throughout the Americas (Note 4).

The head office, principal address, records office, and registered address of the Company is located at 1 King Street West, Suite 4800-300, Toronto, Ontario, Canada, M5H 1A1.

2. Going Concern Uncertainty

During the first quarter of calendar 2020, there was a global outbreak of a novel coronavirus identified as "COVID-19". On March 11, 2020, the World Health Organization declared a global pandemic. In order to combat the spread of COVID-19, governments worldwide have enacted emergency measures including travel bans, legally enforced or self-imposed quarantine periods, social distancing and business and organization closures. These measures have caused material disruptions to businesses, governments and other organizations resulting in an economic slowdown and increased volatility in national and global equity and commodity markets.

Central banks and governments, including Canadian federal and provincial governments, have reacted with significant monetary and fiscal interventions designed to stabilize economic conditions. The duration and impact of the COVID-19 outbreak is unknown at this time, as is the efficacy of any interventions. It is not possible to reliably estimate the length and severity of these developments and the impact on the financial results and condition of the Company and its operations in future periods.

These condensed consolidated interim financial statements have been prepared on the basis of accounting principles applicable to a going concern, which assumes that the Company will continue in operation for the foreseeable future and will be able to realize its assets and discharge its liabilities in the normal course of operations.

Although the Company has negative working capital of \$18,440 as at September 30, 2023, several adverse conditions cast significant doubt on the validity of the going concern assumption. Namely, the Company had not advanced its mineral properties to commercial production, and is not able to finance day to day activities through operations. The Company's continuation as a going concern is dependent upon the successful exercise of its mineral property option agreements (Note 5), results from its mineral property exploration activities, its ability to attain profitable operations, and its ability to raise equity capital or borrowings sufficient to meet current and future obligations and ongoing operating costs. These events and conditions create a material uncertainty that may cast significant doubt on the ability of the Company to continue operations as a going concern. These condensed consolidated interim financial statements do not give effect to any adjustments which would be necessary should the Company be unable to continue as a going concern and therefore be required to realize its assets and discharge its liabilities in other than the normal course of business and at amounts different from those reflected in condensed consolidated interim financial statements.

Xplore Resources Corp.

Notes to the Condensed Consolidated Interim Financial Statements

September 30, 2023

(Stated in Canadian Dollars)

(Unaudited)

3. Basis of Preparation

a) Statement of compliance

These condensed consolidated interim financial statements, including comparatives, are unaudited and have been prepared in accordance with International Accounting Standard 34, *Interim Financial Reporting* ("IAS 34") using accounting policies consistent with the International Financial Reporting Standards ("IFRS") issued by the International Accounting Standards Board ("IASB").

b) Basis of presentation

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

The preparation of interim financial statements in conformity with IAS 34 requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. Actual results may differ from these estimates. These interim condensed financial statements do not include all of the information required for full annual financial statements.

These condensed consolidated interim financial statements, including comparatives, have been prepared on the basis of IFRS standards that are published and effective at the time of preparation.

These condensed consolidated interim financial statements have been prepared on the historical cost basis except for certain financial instruments, which are measured at fair value. These condensed consolidated interim financial statements are presented in Canadian dollars and all values are rounded to the nearest dollar except where otherwise indicated.

These condensed consolidated interim financial statements include the accounts of the following entities:

	<u>Relationship</u>	<u>Percentage</u>
Xplore Resources Corp.	Parent	
Xplore Resources Holdings Corp. (formerly Xplore Resources Corp.)	Subsidiary	100%
Baru Exploração Mineral Ltda.	Subsidiary	100%

Inter-company balances and transactions have been eliminated on consolidation.

c) Approval of the condensed consolidated interim financial statements

The condensed consolidated financial statements of the Company for the three months ended September 30, 2023 were reviewed by the Board of Directors and approved and authorized for issue by the Board of Directors on November 27, 2022. The Board of Directors has the right to amend the consolidated financial statements after they are issued.

Xplore Resources Corp.

Notes to the Condensed Consolidated Interim Financial Statements

September 30, 2023

(Stated in Canadian Dollars)

(Unaudited)

3. Basis of Preparation (cont'd)

- d) Recent accounting pronouncements and changes to accounting policies

Certain accounting standards or amendments to existing accounting standards that have been issued but have future effective dates are either not applicable or are not expected to have a significant impact on the Company's consolidated financial statements.

4. Acquisition of Baru Exploração Mineral Ltda.

On July 28, 2023, the Company completed the acquisition of 100% of the share capital of Baru Exploração Mineral Ltda. ("Baru"), a Brazilian based exploration company for US\$10,000 and the issuance of 200,000 common shares of the Company, issued on January 17, 2022.

Management has concluded that the transaction will be accounted for as an asset acquisition and not as a business combination, as based on the stage of the properties, it does not meet the definition of a business in IFRS 3, Business Combinations.

The fair values of identifiable assets and liabilities as at the date of acquisition were:

Consideration

Cash	\$	13,663
Equity (200,000 common shares)		30,000
Total consideration transferred	\$	<u>43,663</u>

Fair value

Recognised amounts of identifiable assets acquired and liabilities assumed

Financial assets	\$	-
Financial liabilities		-
		<u>-</u>
Exploration and evaluation assets on acquisition		43,663
	\$	<u>43,663</u>

5. Exploration and Evaluation Assets

Valk Property

On September 30, 2019, the Company finalized an asset purchase agreement (the "Agreement") to acquire a 100% interest in the Valk property (the "Valk Property"). The Valk Property mineral claims are located at in the Nanaimo mining division in northeastern Vancouver Island, 27 KM northwest of Port Hardy in British Columbia.

The Agreement was amended on February 7, 2020 and again on November 2, 2020 (the "Amended Agreement"). Under the terms of the Amended Agreement, the Company acquired 100% interest in the Valk Property by making the following cash payments and share issuances:

Xplore Resources Corp.

Notes to the Condensed Consolidated Interim Financial Statements

September 30, 2023

(Stated in Canadian Dollars)

(Unaudited)

5. Exploration and Evaluation Assets (cont'd)

- a) a cash payment of \$50,000 (paid September 2019);
- b) a cash payment of \$100,000 (paid November 2020);
- c) issuance of 600,000 common shares (issued September 2019); and
- d) issuance of 400,000 common shares (issued November 2020).

After making the cash payments and completing the share issuances noted above, the Company has no further commitments of minimum exploration expenditures; no future cash payments, and no further share issuances per the Amended Agreement.

The Company entered into a finder's fee agreement on February 13, 2019 which was further amended on October 26, 2020 (the "Finder's Agreement"). Pursuant to this Finder's Agreement, the Company made a payment of \$5,000 cash, issued 60,000 common shares (issued September 2019), and made a final payment of \$5,000 cash (paid November 2020). There are no further payments owing under the Finder's Agreement.

The Company has granted a 2% Net Smelter Return ("NSR") Royalty which is effective on all future production from the Valk Property. The Company may buy back half (1%) of the Royalty, at any time, for a fixed cost of \$1,500,000.

Perrigo Lake Property

On August 13, 2021, the Company entered into an Option Agreement (the "Agreement") to earn a 100% ownership interest in the 166 contiguous cell claims (3,370 Ha) Perrigo Lake Property ("Perrigo Lake Property") located in the McNaughton Township, Red Lake Mining Division in Ontario.

Under the terms of the Agreement, the Company will acquire a 100% ownership interest in the Perrigo Lake Property by completing the following:

- a) the Company obtaining all necessary approvals from the TSX-V (received);
- b) making a cash payment of \$18,000 to the vendors on signing of the Agreement (paid);
- c) issuing to the vendors 48,000 shares within five (5) days of TSX-V approval of the Agreement (issued);
- d) making a cash payment of \$20,000 and issuing 48,000 shares or before September 9, 2022 (paid and issued);
- e) making a cash payment of \$28,000 on or before September 9, 2023 (paid); and
- f) making a final cash payment to the vendors of \$30,000 on or before September 9, 2024.

On completion of the above noted cash payments and share issuances, the Company will have earned a 100% interest in the Perrigo Lake Property and the vendors would retain a 1.75% NSR royalty on all future metal production. The Company may purchase 0.50% of the NSR for \$600,000. The remaining 1.25% NSR is subject to a pre-existing agreement with an arms-length third party.

Xplore Resources Corp.

Notes to the Condensed Consolidated Interim Financial Statements

September 30, 2023

(Stated in Canadian Dollars)

(Unaudited)

5. Exploration and Evaluation Assets (cont'd)

Surge Property

On February 18, 2022, the Company entered into an Option Agreement (the "Agreement") to earn a 100% ownership interest in eight (8) unpatented continuous mining claims (3,416 Ha) that make up the Surge property (the "Surge Property") located in the Patricia Mining District in Ontario.

Under the terms of the Agreement, the Company will acquire a 100% ownership interest in the Surge Property by completing the following:

- a) the Company obtaining all necessary approvals from the TSX-V (received);
- b) incurring exploration expenditures in an aggregate amount of \$60,000 on or before the first anniversary (incurred);
- c) issuing to the vendors 160,000 shares of the Company on signing of the Agreement (issued);
- d) making a cash payment of \$20,000 to the vendors on signing of the Agreement (paid);
- e) making a cash payment of \$25,000 on or before February 18, 2023, in exchange for a \$5,000 cash payment, this anniversary date was extended to May 15, 2023 (paid);
- f) making a cash payment of \$30,000 on or before February 18, 2024; and
- g) making a final cash payment to the vendors of \$35,000 on or before February 18, 2025.

On completion of the above noted cash payments and share issuances, the Company will have earned a 100% interest in the Surge Property and the vendors would retain a 1.5% NSR royalty on all future metal production. The Company may at any time, purchase 0.5% of the NSR for \$800,000.

Brazil Properties

On December 1, 2021, the Company agreed to acquire 100% of the issued and outstanding shares of Baru, a Brazilian based exploration company, for US\$10,000 and the issuance of 200,000 common shares of the Company (shares issued as at June 30, 2022). The transaction closed July 28, 2023, see Note 4.

Exploration – Pompeia East (Au)

On September 4, 2020, Baru, acquired through staking three (3) tenements, (3,435 hectares) within the Ouro Preto district, Minas Gerais, Brazil. The tenements are collectively known as the Pompeia East Properties.

Exploration – Energia (Li)

On September 22, 2022, Baru, acquired through staking four (4) tenements, (4,585 hectares) within the Eastern Brazilian Pegmatite Province ("EBPP"), Minas Gerais, Brazil. The tenements, are collectively known as the Energia Lithium Properties.

Xplore Resources Corp.

Notes to the Condensed Consolidated Interim Financial Statements

September 30, 2023

(Stated in Canadian Dollars)

(Unaudited)

5. Exploration and Evaluation Assets (cont'd)

Exploration – Borborema (Li)

On December 6, 2022, Baru, acquired through staking, seven (7) tenements (9,120 hectares) in the Borborema Pegmatite Province (“BPP”), Rio Grande do Norte, Brazil. The tenements, are collectively known as the Borborema Lithium Properties.

Exploration costs of \$45,385 incurred in fiscal 2023 relating to the Brazil Properties were expensed to pre-exploration and evaluation costs.

Environmental

The Company is subject to the laws and regulations relating to environmental matters in all jurisdictions in which it operates. The Company conducts its mineral exploration activities in compliance with applicable environmental protection legislation. The Company is not aware of any existing environmental problems related to any of its current or former properties that may result in material liability to the Company.

Environmental legislation is becoming increasingly stringent and the expenses of regulatory compliance are increasing. The impact of new and future environmental legislation on the Company’s operations may cause additional expenses and restrictions. If the restrictions adversely affect the scope of exploration and development on the mineral properties, the potential for production on the property may be diminished or negated.

The Company has incurred the following acquisition and exploration expenditures, which are classified as intangible assets, as at September 30, 2023 and June 30, 2023:

	<u>Brazil Properties</u>	<u>Surge Property</u>	<u>Perrigo Lake</u>	<u>Valk Project</u>	<u>Total</u>
Acquisition Costs					
Balance at June 30, 2023	\$ -	\$ 72,500	\$ 53,000	\$ 342,500	\$ 468,000
Cash payments	-	-	28,000	-	28,000
Acquisition of Baru	43,663	-	-	-	43,663
Balance at September 30, 2023	43,663	72,500	81,000	342,500	539,663
Exploration Costs					
Balance at June 30, 2023	-	88,027	48,238	210,716	346,981
Balance at September 30, 2023	-	88,027	48,238	210,716	346,981
Total E&E assets as at September 30, 2023	\$ 43,663	\$ 160,527	\$ 129,238	\$ 553,216	\$ 886,644
Total E&E assets as at June 30, 2023	\$ -	\$ 160,527	\$ 101,238	\$ 553,216	\$ 814,981

Xplore Resources Corp.

Notes to the Condensed Consolidated Interim Financial Statements

September 30, 2023

(Stated in Canadian Dollars)

(Unaudited)

6. Accounts Payable and Accrued Liabilities

	September 30, 2023	June 30, 2023
Trade payables	\$ 62,979	\$ 60,114
Due to related parties	-	-
	<u>\$ 62,979</u>	<u>\$ 60,114</u>

7. Related Party Balances

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.

Key management personnel include the Directors, the Chief Executive Officer and the Chief Financial Officer who have the authority and responsibility for planning, directing and controlling of the activities of the Company.

During the three months ended September 30, 2023, the Company paid \$nil (2022 - \$nil) to related parties.

8. Shareholders' Equity

a) Authorized:

An unlimited number of common shares without par value.

The Board of Directors of the Company has authorized a consolidation of the Company's outstanding common shares on the basis of two and one half (2.5) pre-consolidation common shares for one (1) post-consolidation common share (the "Share Consolidation"). The effective date of the share consolidation was October 24, 2023. All references and calculations to number of shares, options, and warrants and the values assigned thereon, have been reflected in these condensed consolidated interim financial statements.

b) During the three months ended September 30, 2023, the Company did not issue shares.

c) Warrants exercisable and outstanding as at September 30, 2023 were nil.

Xplore Resources Corp.

Notes to the Condensed Consolidated Interim Financial Statements

September 30, 2023

(Stated in Canadian Dollars)

(Unaudited)

8. Shareholders' Equity (cont'd)

The changes in warrants during the three months ended September 30, 2023:

	Three months ended September 30, 2023		
	Number of warrants	Weighted- average exercise price	Weighted- average remaining life in years
Balance, June 30, 2023	3,432,000	\$ 0.38	
Expired	(3,432,000)	\$ 0.38	
Balance, September 30, 2023	-	\$ -	-

d) Escrowed shares:

Pursuant to an escrow agreement dated August 30, 2017 (the "Escrow Agreement") between the Company and certain shareholders of the Company, 800,000 common shares (the "CPC Escrowed Shares"), being all of the issued and outstanding common shares prior to the completion of the initial public offering; and pursuant to an escrow agreement dated October 6, 2020, 4,440,000 common shares (the "VS Escrowed Shares"), were deposited in escrow.

Pursuant to the Escrow Agreements, the CPC Escrowed Shares and the VS Escrowed Shares shall be released pro-rata to the shareholders as to 10% upon issuance of notice of final acceptance of the QT and as to the remainder in six equal tranches of 15% every six months thereafter for a period of 36 months. As at June 30, 2023, there are 786,000 common shares remaining in escrow. These CPC Escrowed Shares may not be transferred, assigned or otherwise dealt without the consent of the regulatory authorities.

e) Loss per share:

Basic and diluted loss per share

	Three months ended September 30, 2023	Three months ended September 30, 2022
Numerator:		
Net (loss) income	\$ (17,562)	\$ (45,709)
Denominator:		
Weighted average number of common shares (basic)	15,681,505	15,559,592
Dilutive effect of share options	-	-
Dilutive effect of warrants	-	-
Weighted average number of common shares (diluted)	15,681,505	15,559,592
Basic and diluted (loss) income per common share	\$ (0.00)	\$ (0.00)

Xplore Resources Corp.

Notes to the Condensed Consolidated Interim Financial Statements

September 30, 2023

(Stated in Canadian Dollars)

(Unaudited)

9. Share-based Payments

Stock options:

The Company has adopted a rolling incentive stock option plan in accordance with the policies of the TSX-V (the “Stock Option Plan”) which provides that the Board of Directors of the Company may from time to time, in its discretion, grant to directors, officers, employees and consultants of the Company non-transferable options to purchase common shares, provided that the number of common shares reserved for issuance under the Stock Option Plan shall not exceed ten percent (10%) of the then issued and outstanding common shares. The options will be exercisable for a period of up to ten (10) years. In addition, the number of common shares reserved for issuance to any one person shall not exceed five percent (5%) of the issued and outstanding common shares and the number of common shares reserved for issuance to any one consultant will not exceed two percent (2%) of the issued and outstanding common shares. The Board of Directors will determine the price per common share and the number of common shares which may be allocated to each director, officer, employee and consultant and all other terms and conditions of the option, subject to the rules of TSX-V.

The changes in stock options issued during the three months ended September 30, 2023 are as follows:

	3 months ended September 30, 2023			Year ended June 30, 2023		
	Number of options	Weighted- average exercise price	Weighted- average remaining life in years	Number of options	Weighted- average exercise price	Weighted- average remaining life in years
Balance, beginning of year	720,000	\$ 0.25		920,000	\$ 0.30	
Granted	-	\$ -		-	\$ -	
Expired	-	\$ -		(200,000)	\$ 0.53	
Balance, end of year	720,000	\$ 0.25	0.68	720,000	\$ 0.25	0.93

Stock options exercisable and outstanding as at September 30, 2023 are as follows:

Expiry Date	Number of options	Exercise Price
May 18, 2024	680,000	\$0.25
March 16, 2025	40,000	\$0.25
	720,000	

10. Financial Risk Management

The Company has exposure to the following risks from its use of financial instruments:

- Credit risk;
- Liquidity risk; and
- Market risk.

Xplore Resources Corp.

Notes to the Condensed Consolidated Interim Financial Statements

September 30, 2023

(Stated in Canadian Dollars)

(Unaudited)

10. Financial Risk Management (cont'd)

There were no changes to the Company's risk exposure during the three months ended September 30, 2023.

a) Credit risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. The Company manages credit risk, in respect of cash, by placing cash at major Canadian financial institutions. The Company has minimal credit risk, has not experienced any losses related to these balances, and management believes the credit risk to be minimal.

b) Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquid funds to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation. The contractual financial liabilities of the Company as of September 30, 2023 equal \$62,979. All the liabilities presented as accounts payable and accrued liabilities are due on demand.

c) Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: currency risk, interest rate risk and other price risk. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return on capital. As at September 30, 2022, the Company is not exposed to significant market risk.

11. Subsequent Events

The Company has issued 320,000 non-transferable warrants on October 20, 2023 to 1077712 BC Ltd. (the "Lender") in connection with a bridge loan agreement between the Company and the Lender dated September 18, 2023. The warrants qualify as a loan bonus under the policies of the TSX Venture Exchange and each warrant entitles the holder to acquire one common share in the capital of the Company at a price of C\$0.125 per share until October 20, 2024. The warrants and any common shares issued upon exercise of the warrants are subject to a hold period and may not be traded until February 21, 2024, except as permitted by applicable securities legislation and the rules and policies of the TSX Venture Exchange.