Columbus Energy Limited

Financial Statements

(Unaudited - Expressed in Canadian Dollars)

For the Nine-Month Period Ended September 30, 2024

NOTICE OF NO AUDITOR REVIEW OF
CONDENSED INTERIM FINANCIAL STATEMENTS

The Company’s independent auditor has not performed a review of these condensed interim financial statements. The accompanying condensed interim financial statements of the Company have been prepared by and are the responsibility of the Company’s management.

Columbus Energy Limited
Statements of Financial Position
(Unaudited - Expressed in Canadian Dollars)

As at	September 30, 2024	December 31, 2023
Assets		
Current		
Goods and services tax receivable	$ 1	$ 1
	$ 1	$ 1
Liabilities		
Current		
Accounts payable and accrued liabilities	$ 745,073	$ 706,221
Due to related parties (Note 4)	175	175
	745,248	706,396
Shareholders' Deficit		
Share capital (Note 5)	14,728,239	14,728,239
Contributed surplus	1,588,819	1,588,819
Accumulated deficit	(17,062,305)	(17,023,453)
	(745,247)	(706,395)
	$ 1	$ 1

Nature of Business and Operations (Note 1)
Going Concern (Note 2c)

Approved and authorized for issuance on behalf of the Board of Directors on November 29, 2024:

"Glen Macdonald" **Director**

"Glen Indra" **Director**

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

Columbus Energy Limited
Statements of Operations
(Unaudited - Expressed in Canadian Dollars)

	Three months ended		Nine months ended	
	30-Sep-24	**30-Sep-23**	**30-Sep-24**	**30-Sep-23**
Expenses				
Accounting and audit	$ 3,000	$ 5,000	$ 9,000	$ 15,000
Administrative consultants	2,500	2,500	7,500	10,000
Consulting	-	8,500	-	43,500
Office and miscellaneous	750	750	2,250	2,259
Rent	4,500	4,500	13,500	13,500
Transfer agent	2,000	1,500	6,602	6,829
Net loss for the period	$ 12,750	$ 22,750	$ 38,852	$ 91,088
Loss per share, basic and diluted	$ -	$ -	$ -	$ -
Weighted average common shares outstanding				
Basic and diluted	**22,410,185**	**22,410,185**	**22,410,185**	**22,410,185**

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

Columbus Energy Limited
Statements of Changes in Equity
(Unaudited - Expressed in Canadian Dollars)

	Number of Shares		Share Capital		Contributed Surplus		Deficit		Total
Balance, December 31, 2022	22,410,185	$	14,728,239	$	1,588,819	$	(16,904,629)	$	(587,571)
Net loss for the period	-		-		-		(91,088)		(91,088)
Balance, September 30, 2023	**22,410,185**	**$**	**14,728,239**	**$**	**1,588,819**	**$**	**(16,995,717)**	**$**	**(678,659)**
Balance, December 31, 2023	22,410,185	$	14,728,239	$	1,588,819	$	(17,023,453)	$	(706,395)
Net loss for the period	-		-		-		(38,852)		(38,852)
Balance, September 30, 2024	**22,410,185**	**$**	**14,728,239**	**$**	**1,588,819**	**$**	**(17,062,305)**	**$**	**(745,247)**

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

Columbus Energy Limited
Statements of Cash Flows
(Unaudited - Expressed in Canadian Dollars)

For the nine months ended September 30,		2024		2023
Cash flows from operating activities				
Net loss for the year	$	(38,852)	$	(91,088)
Change in non-cash working capital items:				
Goods and services tax receivable		-		-
Accounts payable and accrued liabilities		38,852		91,088
Net cash used in operating activities		-		-
Change in cash during the period		-		-
Cash, beginning and end of the period	**$**	**-**	**$**	**-**

The Company did not engage in any investing and financing activities during the period ended September 30, 2024 and 2023.

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

1. Nature of Business and Operations

Columbus Energy Limited (the "Company") is a junior mining company incorporated under the laws of British Columbia, Canada and is primarily engaged in the acquisition, exploration and development of natural resource properties. The Company is currently inactive and is in the process of seeking new projects. The financial statements of the Company for the period ended September 30, 2024 were authorized for issue in accordance with a resolution of the directors on November 29, 2024.

The head office, principal address and registered and records office of the Company are located at Suite 701, 595 Howe Street, Vancouver, British Columbia, V6C 2T5.

The financial statements of the Company are presented in Canadian dollars, which is the functional currency of the Company, unless otherwise noted.

The Company was transferred to NEX by the TSX Venture exchange effective at September 30, 2015 for failure to meet Tier 2 Continued Listing Requirements. The Company's common shares trade under the symbol CEL: H. NEX is a separate board of the exchange that is designed to provide a trading forum for publicly listed companies while they assess their business plans, operations, and formulate a strategy to reactivate their business for future growth.

2. Basis of Preparation

a) Statement of Compliance

The financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") which include interpretations of the International Financial Reporting Interpretations Committee ("IFRIC") adopted by the International Accounting Standards Board ("IASB").

b) Basis of Measurement

These financial statements have been prepared on a historical costs basis except for financial instruments classified as financial instruments at fair value through profit or loss, which are stated at their fair value. In addition, these financial statements have been prepared using the accrual basis of accounting, except for cash flow information.

c) Going Concern

For the period ended September 30, 2024, the Company reported a loss of $38,852 (2023 - $91,088) and an accumulated deficit of $17,062,305 (December 31, 2023 - $17,023,453). As at September 30, 2024, the Company had working capital deficiency of $745,247 (December 31, 2023 - $706,395) The Company is currently inactive and is in the process of seeking business opportunities and funding.

These financial statements have been prepared in accordance with accounting policies applicable to a going concern which contemplates that the Company will be able to realize its assets and settle its liabilities in the normal course as they come due for the foreseeable future. The Company's ability to continue as a going concern is dependent upon its ability to identify new business opportunities, generate future profitable operations, and obtain the necessary financing to meet its obligations, receive the continued financial support from its officers and directors and repay any liabilities arising from normal business operations as they come due. There can be no assurance that a viable business opportunity that can be adequately financed will be identified and available to the Company. Additional equity and/or debt financing is subject to the global financial markets and prevailing economic conditions, which have recently been volatile and distressed. These factors will likely make it more challenging to obtain financing for the Company going forward. These matters and conditions indicate the existence of a material uncertainty that may cast significant doubt about the Company's ability to continue as going concern.

3. Material Accounting Policies

a) Estimates, assumptions and measurement uncertainty

The preparation of these financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts of assets, liabilities and contingent liabilities at the date of the financial statements and reported amounts of revenues 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.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the year in which the estimate is revised if the revision affects only that year or in the year of the revision and future years if the revision affects both current and future years.

The critical judgments that the Company's management has made in the process of applying the Company's accounting policies from those involving estimations that have the most significant effect on the amounts recognized in the Company's financial statements include, but are not limited to those relating to the assessment of the Company's ability to continue as a going concern.

b) Share-based payment transactions

The Company has in place an incentive stock option plan which is described in Note 5.

The Company grants stock options to buy common shares of the Company to directors, officers and employees. The board of directors grants such options for periods of up to five years, which vest immediately and priced at the previous day's closing price.

The fair value of the options is measured at grant date, using the Black-Scholes option pricing model, and is recognized over the vesting period of the options. The fair value is recognized as an expense with a corresponding increase in equity. The amount recognized as expense is adjusted to reflect the number of share options expected to vest.

Where the terms of a stock option is modified, the minimum expense recognized is the expense as if the terms had not been modified. An additional expense is recognized for any modification which increases the total fair value of the stock-based compensation arrangement, or is otherwise beneficial to the employee as measured at the date of modification over the remaining vesting period.

Share-based payments to non-employees are measured at the fair value of the goods or services received or the fair value of the equity instruments issued, if it is determined the fair value of the goods or services cannot be reliably measured, and are recorded at the date the goods or services are received.

c) Share issue costs

Costs associated with the issuance of share capital are charged directly to share capital.

3. Material Accounting Policies (continued)

d) Loss per share

Basic loss per share is calculated by dividing the loss for the year by the weighted average number of shares outstanding during the year. Diluted loss per share is calculated using the treasury stock method. Under the treasury stock method, the weighted average number of shares outstanding used in the calculation of diluted loss per share assumes that the deemed proceeds received from the exercise of stock options, share purchase warrants and their equivalents would be used to repurchase common shares of the Company at the average market price during the year.

Existing stock options and share purchase warrants have not been included in the computation of diluted loss per share as to do so would be anti-dilutive. Accordingly, basic and diluted losses per share are the same.

e) Valuation of equity units issued in private placements

The Company has adopted a residual value method with respect to the measurement of shares and warrants issued as private placement units. The residual value method first allocates value to the more easily measurable component based on fair value and then the residual value, if any, to the less easily measurable component.

The fair value of the common shares issued in the private placements was determined to be the more easily measurable component and were valued at their fair value, as determined by the closing quoted bid price on the announcement date. The balance, if any, was allocated to the attached warrants. Any fair value attributed to the warrants is recorded as warrants.

f) Income taxes

Income tax expense comprises current and deferred tax. Current tax and deferred tax are recognized in profit or loss except to the extent that it relates to a business combination, or items recognized directly in equity or in other comprehensive income.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of 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. Deferred tax is not recognized for the following temporary differences: the initial recognition of assets or liabilities in a transaction that is not a business combination affects neither accounting nor taxable profit or loss, and does not give rise to equal taxable and deductible temporary differences. Deferred tax is not recognized for differences relating to investments in subsidiaries and jointly controlled entities to the extent that it is probable that they will not reverse in the foreseeable future. In addition, deferred tax is not recognized for taxable temporary differences arising on the initial recognition of goodwill. Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date.

3. Material Accounting Policies (continued)

f) Income taxes (continued)

A deferred tax asset is recognized for unused tax losses, tax credits and deductible temporary differences, to the extent that it is probable that future taxable profits will be available against which they can be utilized. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

g) Financial instruments

Financial assets and liabilities are recognized when the Company becomes a party to the contractual provisions of the financial instrument. Financial assets are derecognized when the contractual rights to the cash flows from the financial assets expire, or when the financial asset and its related risks and rewards are transferred. Financial liabilities are derecognized when they expire, are discharged or cancelled. The Company classifies its cash as financial assets measured at amortized costs, accounts payable and accrued liabilities and due to related parties as financial liabilities measured at amortized cost.

Financial assets classified at amortized cost are subsequently measured using the effective interest method and are subject to impairment. Interest income and foreign exchange gains and losses are recognized in profit or loss.

Financial liabilities are generally classified at measured at amortized cost or FVTPL. A financial liability is classified as at FVTPL if it meets the definition of held-for-trading or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense are recognized in profit or loss. Other financial liabilities are measured at fair value at initial recognition and subsequently measured at amortized cost using the effective interest method.

h) Recent accounting pronouncements

The Company has reviewed new and revised accounting pronouncements that have been issued but are not yet effective. The Company has not early adopted any of these standards and is currently evaluating the impact, if any, that these standards might have on its financial statements. Other 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 financial statements.

4. Related Party Transactions and Balances

Key management personnel include those persons having authority and responsibility for planning, directing and controlling the activities of the Company as a whole. The Company has determined that key management personnel consist of executive and non-executive members of the Company's Board of Directors and corporate officers. No post-employment benefits, other long-term benefits and termination benefits were made during the periods ended September 30, 2024 and 2023.During the periods ended September 30, 2024 and 2023, the Company incurred $nil transactions with related parties. As at September 30, 2024, the Company has an account payable of $175 to its related parties (2023: $175). Amounts due to related parties do not bear interest, are unsecured, and have no fixed terms of repayment. They are also uncollateralized and are repayable on demand.

5. Share Capital

The authorized share capital of the Company consists of unlimited common shares without par value. As at September 30, 2024, there are 22,410,185 (2023 – 22,410,185) issued and outstanding common shares.

Stock Options

The Company has adopted an incentive stock option plan (the “Plan”). The essential elements of the Plan provide that the aggregate number of common shares of the Company’s capital stock issuable pursuant to options granted under the Plan may not exceed 10% of the number of issued shares of the Company at the time of the granting of the options. Options granted under the Plan will have a maximum term of five years.

The exercise price of options granted under the Plan will not be less than the discounted market price of the common shares (defined as the last closing market price per share of the Company’s common shares on the trading day immediately preceding the day on which the Company announces the grant of the options, less the maximum discount permitted under TSX Venture Exchange policies), or such other price as may be agreed to by the Company and accepted by the TSX Venture Exchange.

Options granted under the plan vest immediately, except for consultants conducting investor relations activities which will become vested with the right to exercise one-fourth of the option upon the conclusion of each three-month period subsequent to the date of the grant of the option.

There are no stock option activities in the periods ended September 30, 2024 and 2023.

Warrants

There are no warrant activities in the periods ended September 30, 2024 and 2023.

6. Risk and Capital Management and Financial Instruments

The Company is a junior exploration company and considers items included in shareholders' equity as capital. The Company manages its capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of underlying assets. In order to maintain or adjust its capital structure, the Company may issue new shares, purchase shares for cancellation pursuant to normal course issuer bids or make special distributions to shareholders. The Company is not subject to any externally imposed capital requirements and does not presently utilize any quantitative measures to monitor its capital.

The Company is currently inactive with limited operations and is in the process of seeking business opportunities. In order to fund future projects and pay for administrative costs, the Company will spend its existing working capital and raise additional funds as needed.

As at September 30, 2024, the Company had working capital deficiency of $745,247 and shareholders’ deficiency of $17,062,305. The Company's ability to continue as a going concern on a long-term basis and realize its assets and discharge its liabilities in the normal course of business rather than through a process of forced liquidation is primarily dependent upon its ability to borrow or raise additional financing from equity or debt markets.

6. Risk and Capital Management and Financial Instruments (continued)

The Company's financial instruments are exposed to certain financial risks, including credit risk, interest rate risk, market risk, liquidity risk and currency risk.

a) Credit risk
Credit risk is the risk of a financial loss to the Company if a counterparty to a financial instrument fails to meet its contractual obligation. The Company is exposed to minimal credit risk of cash as it has a $nil cash balance in the current year. Future credit risk will be minimized by holding the investments in large Canadian financial institutions or with Canadian governments. Management believes that no concentration of credit risk exists with respect to investment of its cash.

b) Interest rate risk
Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company does not have cash balances. The Company believes it has no significant interest rate risk.

c) Market risk
Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices will affect the Company's income or the value of its holdings of financial instruments. The Company has no marketable financial instruments and is therefore not exposed to market risk.

d) Liquidity risk
Liquidity risk is the risk that the Company is unable to meet its financial obligations as they come due. The ability for the Company to settle its financial obligation relies on the Company raising equity financing in a timely manner and by maintaining sufficient cash in excess of anticipated needs. The Company is actively pursuing additional sources of financing to ensure that it can meet its ongoing operating requirements and planned expenditures. The Company's accounts payable are to be settled within the next 12 months.

e) Fair value hierarchy
The Company categorizes its financial assets and liabilities measured at the fair value into one of three different levels depending on the observability of the inputs used in the measurement.

The three levels are defined 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 valuation methodology include quoted prices for similar assets and liabilities in active markets, and inputs that are observable for the asset or liability, either directly or indirectly, for substantially the full term of the financial instrument.
- Level 3 – inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The fair values of accounts payable and due to related parties approximate their carrying value due to their short-term nature. The Company has not offset financial assets with financial liabilities.