WSM VENTURES CORP.

CONSOLIDATED FINANCIAL STATEMENTS

(*Expressed in Canadian Dollars, unless otherwise noted*)

For the years ended December 31, 2024 and 2023

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INDEPENDENT AUDITORS' REPORT

To the Shareholders and Directors of WSM Ventures Corp.

Opinion

We have audited the consolidated financial statements of WSM Ventures Corp. and its subsidiary (together, "the Company") which comprise:

- the consolidated statements of financial position as at December 31, 2024 and December 31, 2023;
- the consolidated statements of loss and comprehensive loss for the years then ended;
- the consolidated statements of changes in equity (deficiency) for the years then ended;
- the consolidated statements of cash flows for the years then ended; and
- the notes to the consolidated financial statements, including material accounting policy information and other explanatory information.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Company as at December 31, 2024 and 2023, and its consolidated financial performance and its cash flows for the years then ended in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board.

Basis for Opinion

We conducted our audits in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Consolidated Financial Statements* section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

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

Material Uncertainty Related to Going Concern

We draw attention to Note 1 of the accompanying consolidated financial statements, which describes matters and conditions that indicate the existence of a material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements for the year ended December 31, 2024. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Except for the matter described in the *Material Uncertainty Related to Going Concern* section, we have determined that there are no other key audit matters to communicate in our report.

Other Information

Management is responsible for the other information. The other information comprises the Company's Management Discussion and Analysis to be filed with the relevant Canadian securities commissions.

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

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

If, based on the work we have performed on this other information, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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

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

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

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

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

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

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

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Company to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are, therefore, the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner on the audit resulting in this independent auditors' report is Paul J. Leedham.

Manning Elliott LLP

CHARTERED PROFESSIONAL ACCOUNTANTS
Vancouver, British Columbia
April 30, 2025

WSM Ventures Corp.
Consolidated Statements of Financial Position
(Expressed in Canadian Dollars)

As at	Notes		December 31, 2024		December 31, 2023
ASSETS					
Current					
Cash		$	34	$	-
Receivables			2,770		584
TOTAL ASSETS		**$**	**2,804**	**$**	**584**
LIABILITIES					
Current liabilities					
Bank indebtedness		$	-	$	454
Accounts payable and accrued liabilities	6		68,603		57,846
Due to related parties	6		43,680		-
TOTAL LIABILITES		**$**	**112,283**	**$**	**58,300**
EQUITY (DEFICIENCY)					
Share capital	5	$	2,442,656	$	2,442,656
Contributed surplus			112,956		112,956
Deficit			(2,665,091)		(2,613,328)
TOTAL EQUITY (DEFICIENCY)		**$**	**(109,479)**	**$**	**(57,716)**
TOTAL LIABILITIES AND EQUITY (DEFICIENCY)		**$**	**2,804**	**$**	**584**

Nature of operations and going concern (Note 1)

Approved on behalf of the Board on April 30, 2025:

"*Anthony Alvaro*" "*Morgan Tincher*"

Director Director

WSM Ventures Corp.
Consolidated Statements of Loss and Comprehensive Loss
(Expressed in Canadian Dollars)

	Notes		December 31, 2024		December 31, 2023
Operating expenses					
General and administration	8	$	50,782	$	83,805
Operating loss before other expenses		**$**	**(50,782)**	**$**	**(83,805)**
Other income			(842)		-
Interest expense			1,823		300
Net loss and comprehensive loss for the year		$	**(51,763)**	$	**(84,105)**
Loss per share attributable to common shareholders – basic and diluted		$	(0.00)	$	(0.00)
Weighted Average Number of Common Shares Outstanding			67,328,936		67,328,936

WSM Ventures Corp.
Consolidated Statements of Changes in Equity (Deficiency)
(Expressed in Canadian Dollars)

	Number of Shares		Share capital		Contributed Surplus		Deficit		Total
Balance at January 1, 2023	**67,328,936**	**$**	**2,442,656**	**$**	**112,956**	**$**	**(2,529,223)**	**$**	**26,389**
Net loss and comprehensive loss	-		-		-		(84,105)		(84,105)
Balance at December 31, 2023	**67,328,936**	**$**	**2,442,656**	**$**	**112,956**	**$**	**(2,613,328)**	**$**	**(57,716)**
Net loss and comprehensive loss	-		-		-		(51,763)		(51,763)
Balance at December 31, 2024	**67,328,936**	**$**	**2,442,656**	**$**	**112,956**	**$**	**(2,665,091)**	**$**	**(109,479)**

(Expressed in Canadian Dollars)

Year ended		December 31, 2024		December 31, 2023
Cash (used in) provided by:				
OPERATING ACTIVITIES				
Net loss for the year	$	(51,763)	$	(84,105)
Non-cash items:				
Interest expense		1,823		-
Other income		(842)		-
Changes in non-cash working capital items:				
Accounts payable and accrued liabilities		9,776		42,397
Receivables		(2,186)		(566)
Net cash used in operating activities	**$**	**(43,192)**	**$**	**(42,274)**
FINANCING ACTIVITIES				
Advances from related party		43,680		-
Net cash provided by financing activities	**$**	**43,680**	**$**	**-**
Net increase (decrease) in cash in the year	$	488	$	(42,274)
Cash (bank indebtedness) – beginning of the year	**$**	**(454)**	**$**	**41,820**
Cash (bank indebtedness) – end of the year	**$**	**34**	**$**	**(454)**

1. Nature of operations and going concern

WSM Ventures Corp. (the “Company") was incorporated in the Province of British Columbia on May 11, 1981. On April 15, 2020, the Company changed its name from Avalon Blockchain Inc. to WSM Ventures Corp. The head office and records office of the Company is located at 1240-1066 West Hastings Street, Vancouver, British Columbia, Canada, V6E 3X1. The Company’s common shares are listed on the Canadian Securities Exchange (“CSE”) under the symbol “WSM.X”. The Company has no current business or business assets and is currently in the process of exploring various business opportunities.

These consolidated financial statements (“Financial Statements”) have been prepared on a going concern basis in accordance with IFRS Accounting Standards (“IFRS”) as issued by the International Accounting Standards Board (“IASB”) with the assumption that the Company will be able to realize its assets and discharge its liabilities in the normal course of business. The Company has not yet achieved profitable operations and has a working capital deficiency of $109,479 as of December 31, 2024 (December 31, 2023 – $57,716), an accumulated deficit of $2,665,091 as of December 31, 2024 (December 31, 2023 – $2,613,328), and a net loss of $51,763 during the year ended December 31, 2024 (year ended December 31, 2023 – $84,105).

These factors indicate the existence of a material uncertainty that may cast significant doubt on the ability of the Company to continue as a going concern. The Company's ability to continue its operations and to realize its assets at their carrying values is dependent upon obtaining additional financing or maintaining continued support from its shareholders and creditors, identifying and commencing the operations of a suitable business and generating profitable operations in the future. These consolidated financial statements do not include any adjustments relating to the recoverability and classification of recorded assets and liabilities that might be necessary should the Company be unable to continue in existence.

Although the Company has been successful in the past in obtaining financing, there can be no assurances that the Company will continue to obtain the additional financial resources necessary and/or achieve profitability or positive cash flows from its future operations. These material uncertainties may cast significant doubt on the Company’s ability to continue as a going concern.

2. Basis of consolidation, presentation and statement of compliance

These Financial Statements have been prepared in accordance with IFRS as issued by the IASB.

These Financial Statements have been prepared on a historical cost basis. The material accounting policies, as disclosed, have been applied consistently to all periods presented in these Financial Statements.

These Financial Statements incorporate the financial statements of the Company and include the accounts of its direct wholly-owned subsidiary, 1158716 B.C. Ltd. Control exists when the Company has the power, directly or indirectly, to govern the financial and operating policies of an entity so as to obtain benefits from its activities. All significant intercompany transactions and balances have been eliminated.

These Financial Statements were approved and authorized for issuance by the Board of Directors on April 30, 2025.

3. Material accounting policies

a) Taxation

Income tax expense of the Company comprises current and deferred taxes.

3. Material accounting policies (continued)

a) Taxation

Current tax expense is the expected tax payable on taxable income for the year, using tax rates enacted or substantively enacted at the year end, adjusted for amendments to tax payable with regards to previous years.

Deferred tax is recorded using the asset-liability method, providing for temporary differences, between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred taxes are not provided for the initial recognition of assets and liabilities that affect neither accounting nor taxable loss, and do not give rise to equal taxable and deductible temporary differences. Differences relating to investments in subsidiary are also not recognized to the extent that they will probably not reverse in the foreseeable future. The amount of deferred tax is based on the expected manner of realization or settlement of carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the end of the reporting period.

Deferred tax assets are recognized to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilized. The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilized. Unrecognized deferred tax assets are re-assessed at each reporting date and are recognized to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

The Company offsets deferred tax assets and deferred tax liabilities if and only if it has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realize the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

b) Loss per share

The Company presents basic and diluted earnings loss per share data for its common shares, calculated by dividing the loss attributable to common shareholders of the Company by the weighted average number of shares outstanding during the period. Diluted loss per share does not adjust the loss attributable to common shareholders or the weighted average number of common shares outstanding when the effect is anti- dilutive.

Shares held in escrow, other than where their release is subject to the passage of time, are not included in the calculation of the weighted average number of common shares outstanding.

c) Financial instruments

Financial Assets

On initial recognition the Company uses a single approach to determine whether a financial asset is classified and measured at amortized cost or at fair value. The classification and measurement of financial assets is based on the Company's business models for managing its financial assets and whether the contractual cash flows represent solely payments of principal and interest ("SPPI"). Financial assets are initially measured at fair value and are subsequently measured at either (i) amortized cost; (ii) fair value through other comprehensive income ("FVTOCI"), or (iii) at fair value through profit and loss ("FVTPL").

The Company's financial assets include cash and receivables which are both classified at amortized cost.

3. Material accounting policies (continued)

c) Financial instruments (continued)

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

Derecognition of financial assets

The Company derecognizes a financial asset when, and only when, the contractual rights to the cash flows from the financial asset have expired or when contractual rights to the cash flows have been transferred. Any gain or loss on derecognition is recognized in profit or loss.

Financial Liabilities

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. The Company has classified accounts payable and accrued liabilities, and due to related parties as financial liabilities at amortized cost.

Financial Liabilities may also include derivative financial instruments that are entered into by the Company that are not designated as hedging instruments as defined by IFRS 9 *Financial Instruments*. Embedded derivatives, if accounted separately, are classified as FVTPL and any gains and losses are recognized through the consolidated statement of loss and comprehensive loss.

Derecognition of financial liabilities

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability at its fair value based on the modified term. Upon derecognition of a financial liability, the difference between the carrying amount extinguished and the consideration paid is recognized in the consolidated statement of loss and comprehensive loss.

d) Share capital

Financial instruments issued by the Company are classified as equity only to the extent that they do not meet the definition of a financial liability or financial asset. The Company's common shares are classified as equity instruments. Incremental costs directly attributable to financing transactions are recorded as deferred financing costs until the financing transactions are completed, if the completion of the transaction is considered likely; otherwise, they are expensed as incurred. Share issue costs are charged to share capital when the related shares are issued. Broker’s warrants associated with the share issuance is recorded as share issue costs.

Adoption of new and future accounting standards

The Company has performed an assessment of new standards issued by the IASB that are not yet effective. The Company has not yet completed its assessment on the potential impact of adopting these accounting standards on its financial statements.

These amendments are effective for reporting periods beginning on or after January 1, 2025.

3. Material accounting policies (continued)

Amendments to IAS 1 – Classification of Liabilities as Current or Non-current

The amendments to IAS 1 *Classification of Liabilities as Current or Non-current* provide a more general approach to the classification of liabilities based on the contractual arrangements in place at the reporting date.

These future amendments are effective for reporting periods beginning on or after January 1, 2027.

IFRS 18 - Presentation and Disclosure in Financial Statements.

In April 2024, the IASB issued IFRS 18 *Presentation and Disclosure in Financial Statements*. This standard aims to improve the consistency and clarity of financial statement presentation and disclosures by providing updated guidance on the structure and content of financial statements. Key changes include enhanced requirements for the presentation of financial performance, financial position, and cash flows, as well as additional disclosures to improve transparency and comparability. IFRS 18 is effective for annual reporting periods beginning on or after January 1, 2027. The Company is currently assessing the impact that the adoption of IFRS 18 will have on its Financial Statements.

4. Use of judgments and estimates

In the application of the Company's accounting policies, management is required to make judgments, estimates and assumptions that affect the carrying amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the Financial Statements, and the reported amounts of revenues and expenses for the periods presented. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant, the results of which form the basis of the valuation of assets and liabilities that are not readily apparent from other sources. Actual results may 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. There have been no significant estimates made by management in the application of IFRS that have a significant effect on these Financial Statements.

Significant accounting judgments
Management has made critical judgments in the process of applying accounting policies. The judgments with the most significant effect on the amounts recognized in the consolidated financial statements include:

i. Going Concern

The assessment of the Company's ability to continue as a going concern and its ability to execute its strategy by funding future working capital requirements requires judgment. Estimates and assumptions are continually evaluated and are based on historical experience and other factors, such as expectations of future events that are believed to be reasonable under the circumstances. The factors considered by management are disclosed in Note 1.

(Expressed in Canadian Dollars)

5. Share capital

Authorized share capital

a) Common Shares

As at December 31, 2024 the Company is authorized to issue an unlimited number of common shares without par value.

Issued and outstanding common shares	Number of shares	Amount
Balance, December 31, 2023 and December 31, 2024	**67,328,936**	**$ 2,442,656**

There were no share issuances during the year ended December 31, 2024, or 2023.

b) Escrowed Shares

As at December 31, 2024, the Company had 12,000,000 common shares held in escrow (December 31, 2023 – 12,000,000). The company has no current plans to release these commons shares from escrow.

6. Related party transactions

Key management personnel include persons having the 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 Board of Directors, corporate officers, the Chief Executive Officer, and the Chief Financial Officer. The following related party balances were observed in the year:

Key management compensation	December 31, 2024	December 31, 2023
Management fees (i)	$ -	$ 21,000
Total key management compensation	**$ -**	**$ 21,000**

(i) There were no management fees incurred during the year ended December 31, 2024. Included in accounts payable and accrued liabilities, as at December 31, 2024, is $10,500 (December 31, 2023 - $10,500) in management fees payable to an entity controlled by the former CFO of the Company.

As at December 31, 2024, there was $43,680 owing to a director of the Company (December 31, 2023 - $3,822) for advances to the Company to cover operating expenses. The advances are unsecured, non-interest bearing, and repayable on demand.

7. Financial instruments

Fair value hierarchy

The following table summarizes the fair value hierarchy under which the Company's financial instruments are valued.

Level 1 - Unadjusted quoted prices in active markets for identical assets or liabilities;
Level 2 - Inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly; and
Level 3 - Inputs for the asset or liability that are not based upon observable market data.

(Expressed in Canadian Dollars)

7. Financial instruments (continued)

Cash (bank indebtedness) is carried at fair value using a level 1 fair value measurement. The carrying value of accounts payable approximate their fair value because of the short-term nature of these instruments.

Fair value estimates of financial instruments are made at a specific point in time, based on relevant information about financial markets and specific financial instruments. As these estimates are subjective in nature, involving uncertainties and matters of significant judgment, they cannot be determined with precision. Changes in assumptions can significantly affect estimated fair values.

Capital and Risk Management

The Company's objective and polices for managing capital are to safeguard its ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital. The Company defines the components of its capital structure as being bank loans, net of cash, plus equity. The Company manages its capital structure and makes changes based on economic conditions, risks that impact the operations and future significant capital investment opportunities. In order to maintain or adjust its capital structure, the Company may raise additional debt financing.

The Company is exposed to a variety of financial risks by virtue of its activities: market risk, interest rate risk, liquidity risk and foreign currency risk. The Board of Directors has overall responsibility for the determination of the Company's capital and risk management objectives and policies while retaining ultimate responsibility for them. The Company's overall capital and risk management program has not changed throughout the period. It focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on financial performance. Risk management is carried out by the finance department under policies approved by the Board of Directors. The finance department identifies and evaluates financial risks in close cooperation with management.

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's primary exposure to credit risk is on its cash and cash equivalent balances. Cash accounts are held with major banks in Canada. The Company has deposited its cash with a bank from which management believes the risk of loss is low. The Company's cash equivalent is a guaranteed investment security held with a large Canadian financial institution; management believes the risk of loss is also low.

Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company generally relies on external financing or key management to provide sufficient liquidity to meet budgeted operating requirements. The following table sets forth details of the payment profile of financial liabilities based on their undiscounted cash flows:

	Total carrying amount	Contractual cash flows	Less than 1 year	1 to 5 years	More than 5 years
	$	$	$	$	$
Trade payables and accrued liabilities, December 31, 2024	68,603	68,603	68,603	-	-
Trade payables and accrued liabilities, December 31, 2023	57,846	57,846	57,846	-	-

Accounts payable are due within the next 12-month period.

(Expressed in Canadian Dollars)

7. Financial instruments (continued)

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 objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return. The Company is not exposed to market risk.

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 is not exposed to any significant interest rate risk.

8. Expenses by nature

Year ended		December 31, 2024		December 31, 2023
Audit and accounting	$	25,278	$	21,456
Bank charges		1,947		1,132
Communications		-		-
Consulting expenses		175		42,168
Dues and subscriptions		739		-
Legal and professional fees		4,127		2,400
Transfer agent and regulatory expenses		18,516		16,649
Total general and administration	**$**	**50,782**	**$**	**83,805**

9. Income taxes

The total income tax recovery (expense) recorded in the Financial Statements differs from the amount computed by applying the combined federal and provincial tax rates of 27% to income (loss) before tax as follows:

		2024		2023
Income (loss) before taxes	$	(51,763)	$	(84,105)
Statutory income tax rate		27%		27%
Expected tax expense (recovery) at statutory rate	**$**	**(14,000)**	**$**	**(23,000)**
Increase (decrease) in taxes resulting from:				
Permanent differences and others		-		-
Change in deferred income tax assets not recognized		14,000		23,000
Income tax (recovery)	**$**	**-**	**$**	**-**

9. Income taxes (continued)

Deferred income tax assets are recorded to the extent that the realization of the related tax benefit is probable based on estimated future earnings. Deferred income tax assets have not been recognized with respect to the following deductible temporary differences:

		2024		2023
Non-capital losses carried forward	$	982,000	$	968,000
Deferred tax assets not recognized		982,000		968,000
Total unrecognized deductible temporary differences and tax losses	**$**	**-**	**$**	**-**

The Company has non-capital losses of $3,637,000 which are available to reduce future years' taxable income. The non-capital losses will expire between 2041 – 2044 if not utilized. Management estimates future income using forecasts based on the available current information.