

PENDER STREET CAPITAL CORP.

CONDENSED INTERIM FINANCIAL STATEMENTS

DECEMBER 31, 2024

(Expressed in Canadian Dollars)

(Unaudited)

**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 an auditor has not reviewed the financial statements.

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

The accompanying condensed interim financial statements of the Company have been prepared by and are the responsibility of the Company's management.

PENDER STREET CAPITAL CORP.**CONDENSED INTERIM STATEMENTS OF FINANCIAL POSITION**

(Expressed in Canadian Dollars)

(Unaudited)

As at

	December 31, 2024	September 30, 2024
ASSETS		
Current		
Cash	\$ 192,705	\$ 193,111
Prepays	206	2,308
	\$ 192,911	\$ 195,419
LIABILITIES		
Current		
Accounts payable and accrued liabilities (Note 4)	\$ 15,115	\$ 14,715
	15,115	14,715
SHAREHOLDERS' EQUITY		
Share capital (Note 5)	348,770	348,770
Deficit	(170,974)	(168,066)
	177,796	180,704
	\$ 192,911	\$ 195,419

Nature of operations and going concern (Note 1)

Approved on behalf of the Board of Directors by:

/s/ "Mark Vanry"
Mark Vanry, Director

/s/ "Steve Vanry"
Steve Vanry, Director

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

PENDER STREET CAPITAL CORP.**CONDENSED INTERIM STATEMENTS OF LOSS AND COMPREHENSIVE LOSS**

(Expressed in Canadian Dollars)

(Unaudited)

	Three months ended December 31, 2024		Three months ended December 31, 2023	
Expenses				
Filing and regulatory	\$	2,102	\$	2,559
Office and miscellaneous		191		160
Professional fees		-		28
Transfer agent		615		504
Loss and comprehensive loss for the period	\$	(2,908)	\$	(3,251)
Loss per common share – basic and diluted	\$	(0.00)	\$	(0.00)
Weighted average number of common shares outstanding – basic and diluted		6,000,001		6,000,001

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

PENDER STREET CAPITAL CORP.**CONDENSED INTERIM STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY**

(Expressed in Canadian Dollars)

(Unaudited)

	Share Capital								
	Number of shares		Amount		Reserves		Deficit		Total
September 30, 2023	6,000,001	\$	338,161	\$	10,609	\$	(139,806)	\$	208,964
Loss for the period	-		-		-		(3,251)		(3,251)
December 31, 2023	6,000,001	\$	338,161	\$	10,609	\$	(143,057)	\$	205,713
September 30, 2024	6,000,001	\$	348,770	\$	-	\$	(168,066)	\$	180,704
Loss for the period	-		-		-		(2,908)		(2,908)
December 31, 2024	6,000,001	\$	348,770	\$	-	\$	(170,974)	\$	177,796

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

PENDER STREET CAPITAL CORP.**CONDENSED INTERIM STATEMENTS OF CASH FLOWS**

(Expressed in Canadian Dollars)

(Unaudited)

	Three months ended December 31, 2024		Three months ended December 31, 2023	
CASH FLOWS FROM OPERATING ACTIVITIES				
Loss for the period	\$	(2,908)	\$	(3,251)
Change in non-cash working capital items:				
Prepays		2,102		2,559
Accounts payable and accrued liabilities		400		364
Net cash used in operating activities		(406)		(328)
Change in cash		(406)		(328)
Cash, beginning of period		193,111		220,308
Cash, end of period	\$	192,705	\$	219,980

Supplemental cash flow information (Note 7)

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

PENDER STREET CAPITAL CORP.

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS

(Expressed in Canadian Dollars)

(Unaudited)

DECEMBER 31, 2024

1. NATURE OF OPERATIONS AND GOING CONCERN

Pender Street Capital Corp. (the “Company”) was incorporated on September 2, 2021 under the Business Corporations Act of British Columbia. The Company’s head office and registered and records office address is 40440 Thunderbird Ridge B1831, Garibaldi Highlands, BC, V0N 1T0.

The Company is a Capital Pool Company (“CPC”), defined in Policy 2.4 of the TSX Venture Exchange (“TSX-V”). As a CPC, the Company’s principal business is to identify, evaluate and acquire assets, properties or businesses which would constitute a qualifying transaction in accordance with Policy 2.4 of the TSX-V (“Qualifying Transaction”). Such a transaction will be subject to shareholder and regulatory approval. Until completion of the Qualifying Transaction, the Company will not carry on any business other than the identification and evaluation of businesses or assets with a view to completing a potential Qualifying Transaction. Upon the Company completing a Qualifying Transaction, the TSX-V will issue a bulletin announcing the final acceptance and 25% of the common shares held pursuant to the escrow agreement shall immediately be released.

Under Policy 2.4 of the TSX-V, proceeds raised from the sale of common shares may only be used to identify and evaluate assets or businesses for future investment, with the exception that not more than the lesser of 30% of the gross proceeds from the sale of common shares and \$210,000 may be used to fund prescribed costs of selling the common shares and administrative and general expenses not related to the identification and evaluation of a Qualifying Transaction. No more than \$3,000 per month may be used to cover general and administrative expenditures of the Company. These restrictions apply until the completion of a Qualifying Transaction by the Company as defined under the policies of the TSX-V.

These condensed interim financial statements have been prepared on the assumption that the Company will continue as a going concern, meaning it will continue in operation for the foreseeable future and will be able to realize assets and discharge liabilities in the ordinary course of operations. Different bases of measurement may be appropriate if the Company is not expected to continue operations for the foreseeable future. These condensed interim financial statements do not include any adjustments relating to the recoverability and classification of recorded asset amounts and classification of liabilities that might be necessary should the Company be unable to continue in existence. The Company’s continuation as a going concern is dependent upon the successful results from its business activities, its ability to obtain profitable operations and generate funds, and/or complete financings sufficient to meet current and future obligations. These material uncertainties may cast significant doubt on the Company’s ability to continue as a going concern.

There are many external factors that can adversely affect general workforces, economies and financial markets globally. Examples include, but are not limited to, political conflicts in other regions. It is not possible for the Company to predict the duration or magnitude of the adverse results of these factors and their effects on the Company’s business or results of operations or its ability to raise funds.

2. BASIS OF PRESENTATION

Statement of compliance

These condensed interim financial statements have been prepared in accordance with IFRS as issued by the International Accounting Standards Board ("IASB") applicable to interim financial reports, including International Accounting Standard 34, Interim Financial Reporting. They do not include all the information and note disclosures required by IFRS for annual financial statements and, therefore, should be read in conjunction with the Company's financial statements for the year ended September 30, 2024, prepared in accordance with IFRS.

Approval of the financial statements

These condensed interim financial statements were authorized by the Board of Directors of the Company on March 3, 2025.

Basis of presentation

These condensed interim financial statements have been prepared on a historical cost basis, using the accrual basis of accounting, except for cash flow information and certain financial assets that are measured at fair value.

Functional and presentation currency

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

Significant estimates

The preparation of these condensed interim financial statements requires the Company to make estimates and assumptions concerning the future. The Company's management reviews these estimates and underlying assumptions on an ongoing basis, based on experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Revisions to estimates are adjusted for prospectively in the period in which the estimates are revised.

Critical accounting estimates are estimates and assumptions made by management that may result in a material adjustment to the carrying amount of assets and liabilities within the next financial period and are, but are not limited to, the following:

2. BASIS OF PRESENTATION (cont'd...)

Significant estimates (cont'd...)

Recovery of deferred tax assets

Judgment is required in determining whether deferred tax assets are recognized in the condensed interim statements of financial position. Deferred tax assets, including those arising from unutilized tax losses, require management to assess the likelihood that the Company will generate taxable earnings in future periods in order to utilize recognized deferred tax assets. Estimates of future taxable income are based on forecast cash flows from operations and the application of existing tax laws in each jurisdiction. To the extent that future cash flows and taxable income differ significantly from estimates, the ability of the Company to realize the net deferred tax assets recorded at the date of the condensed interim statement of financial position could be impacted. Additionally, future changes in tax laws in the jurisdictions in which the Company operates could limit the ability of the Company to obtain tax deductions in future periods. The Company has not recorded any deferred tax assets.

Significant judgments

Going concern

The Company has exercised judgment in determining whether its available funds are sufficient to continue operations for 12 months from the end of the reporting period.

3. MATERIAL ACCOUNTING POLICIES

These condensed interim financial statements were prepared using the same accounting policies and methods of computation as in the Company's financial statements for the year ended September 30, 2024, except as noted below.

Changes to accounting policies

The following amendments to existing standards have been adopted by the Company commencing October 1, 2024:

IAS 1, Presentation of Financial Statements

The amendments clarify the requirements for classifying liabilities as current or non-current. The amendments provide a more general approach to the classification of liabilities based on the contractual arrangements in place at the reporting date. The adoption of these amendments did not materially impact the condensed interim financial statements of the Company.

3. MATERIAL ACCOUNTING POLICIES (cont'd...)

New standards, interpretations and amendments to existing standards not yet effective

A number of new standards and amendments to standards and interpretations have been issued by the IASB and are effective for annual periods beginning on or after October 1, 2024. These have not been applied in preparing these condensed interim financial statements. The standards and amendments to standards that would be applicable to the financial statements of the Company are the following:

IFRS 18, Presentation and Disclosure in Financial Statements

IFRS 18 will replace IAS 1; many of the existing principles in IAS 1 are retained, with limited changes. IFRS 18 will not impact the recognition or measurement of items in the financial statements, but it might change what an entity reports as its operating profit or loss. This amendment is effective for financial statements beginning on or after January 1, 2025. The Company is currently assessing the impact of this new accounting standard on its financial statements.

4. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	December 31, 2024		September 30, 2024	
Accounts payable	\$	615	\$	215
Accrued liabilities		14,500		14,500
	\$	15,115	\$	14,715

5. SHARE CAPITAL

Authorized share capital

The Company's authorized share capital consists of an unlimited number of common shares without par value.

Issued share capital

During the three months ended December 31, 2023 and 2024, the Company did not issue any shares.

Escrow shares

Pursuant to the policies of the TSX-V for CPCs, 4,000,001 common shares were deposited in escrow. Upon the Company completing a Qualifying Transaction, the TSX-V will issue a bulletin announcing the final acceptance and 25% of the common shares held pursuant to the escrow agreement shall immediately be released. Every six months following the initial release an additional 25% will be released.

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5. SHARE CAPITAL (cont'd...)**Stock options**

The Company has a rolling stock option plan under which the Board of Directors ("Board") may, from time to time in its discretion, grant options to acquire common shares of the Company to its directors, officers, employees, consultants, and advisors. The number of shares reserved for issuance under the plan may not exceed 10% of the number of issued and outstanding common shares of the Company. The exercise price of each option is determined by the Board but shall not be less than the market price of the Company's shares on the date prior to the date of grant less any discounts permitted by the TSX-V under its policies. The options may be granted for a maximum term of 10 years and are subject to such vesting provisions as may be determined by the Board.

As at September 30, 2024 and December 31, 2024, the Company had not issued any stock options and no stock options are outstanding as at September 30, 2024 and December 31, 2024.

Warrants

Warrant transactions are summarized as follows:

	Number of warrants	Weighted average exercise price
Balance as at September 30, 2023	200,000	\$ 0.10
Expired	(200,000)	(0.10)
Balance as at September 30, 2024 and December 31, 2024	-	\$ -

As at December 31, 2024, no warrants are outstanding.

6. RELATED PARTY DISCLOSURES

The Company considers key management personnel to consist of its directors and officers.

During the three months ended December 31, 2023 and 2024, there were no related party transactions. As at December 31, 2024, included in accounts payable and accrued liabilities was \$nil (September 30, 2024 - \$nil) owing to related parties.

7. SUPPLEMENTAL CASH FLOW INFORMATION

During the three months ended December 31, 2023 and 2024, there were no significant non-cash financing or investing activities.

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8. FINANCIAL INSTRUMENT RISK

The Company's Board of Directors has overall responsibility for the establishment and oversight of the Company's risk management framework. As at December 31, 2024, the Company's risk exposure and the impact on the Company's financial instruments are summarized below:

Credit risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. The Company's credit risk is primarily attributable to its liquid financial assets, being cash. The bank account is held with a major Canadian bank and this minimizes the risk to the Company.

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's approach to managing liquidity is through regular monitoring of cash requirements. When necessary, the Company obtains financing from various investors to ensure all future obligations are fulfilled. The Company has sufficient cash as at December 31, 2024 to settle its current liabilities as they come due.

The contractual maturity dates of each of cash and accounts payable and accrued liabilities is less than three months as at December 31, 2024.

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 is comprised of three types of market price changes:

Foreign currency exchange risk

This risk relates to any changes in foreign currencies in which the Company transacts. The Company is currently not exposed to foreign currency exchange rate fluctuations as the Company only conducts business in Canada and in Canadian dollars.

Interest rate risk

This risk relates to the change in the borrowing rates of the Company. The Company is not exposed to interest rate risk as it does not have any significant financial instruments with interest rates.

Price risk

This risk relates to fluctuations in commodity and equity prices. The Company closely monitors commodity prices of precious and base metals, individual equity movements, and the stock market to determine the appropriate course of action to be taken by the Company. Fluctuations in pricing may be significant.

8. FINANCIAL INSTRUMENT RISK (cont'd...)

Market risk (cont'd...)

The Company does not currently use financial instruments designed to hedge these market risks.

Fair value hierarchy

The Company's financial instruments recorded at fair value require disclosure about how the fair value was determined based on significant levels of inputs described in the following hierarchy:

Level 1

Quoted prices are available in active markets for identical assets or liabilities as of the reporting date. Active markets are those in which transactions occur in sufficient frequency and value to provide pricing information on an ongoing basis.

Level 2

Pricing inputs are other than quoted prices in active markets included in level 1. Prices in level 2 are either directly or indirectly observable as of the reporting date. Level 2 valuations are based on inputs including quoted forward prices for commodities, time value and volatility factors, which can be substantially observed or corroborated in the marketplace.

Level 3

Valuations in this level are those with inputs for the asset or liability that are not based on observable market data.

The fair value of cash and accounts payable and accrued liabilities approximates their carrying values because of the short-term nature of these instruments.

9. CAPITAL MANAGEMENT

The Company defines capital as cash, debt, and the components of shareholders' equity. The Company's objectives when managing capital are to identify, pursue, and complete the exploration and development of its exploration and evaluation assets, to maintain financial strength, to meet its on-going liabilities, to continue as a going concern, to maintain creditworthiness, and to maximize returns for shareholders over the long term. The Company manages its capital in a manner consistent with the risk characteristics of the assets it holds. All financings, including equity and debt, are analyzed by management and approved by the Board of Directors. The Company does not have any externally imposed capital requirements. There have been no significant changes in the Company's objectives, policies, and processes for managing its capital during the three months ended December 31, 2024.