



Hanna Capital Corp.

Condensed Interim Consolidated Financial Statements

For the Three Months Ended September 30, 2023 and 2022

(Unaudited - Expressed in Canadian Dollars)

Notice to Reader Issued by Management

Under National Instrument 51-102, Part 4, Subsection 4.3(3)(a), if an auditor has not performed a review of the condensed interim consolidated financial statements, they must be accompanied by a notice to this effect.

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

November 29, 2023

Hanna Capital Corp.

Condensed Interim Consolidated Statements of Financial Position

As at September 30, 2023 and June 30, 2023

(Unaudited - Expressed in Canadian Dollars)

	September 30, 2023 \$	June 30, 2023 \$
ASSETS		
Current		
Cash	3,648	15,375
Investment (Note 11)	22,500	27,000
Sales tax receivable	92,529	90,027
	118,677	132,402
Reclamation bond	5,000	5,000
Notes receivable (Note 4)	1	1
Due from related party (Note 9)	74,389	74,389
Exploration and evaluation assets (Note 5)	304,391	300,691
Total assets	502,458	512,483
LIABILITIES		
Current		
Accounts payable and accrued liabilities (Note 11)	160,019	143,960
Loans payable (Note 10)	260,511	250,650
Total liabilities	420,530	394,610
SHAREHOLDERS' EQUITY		
Share capital (Note 6)	10,013,880	10,013,880
Reserves	1,610,878	1,610,878
Accumulated deficit	(11,542,830)	(11,506,885)
Total shareholders' equity	81,928	117,873
Total liabilities and shareholders' equity	502,458	512,483

Nature of operations and going concern (Note 1)

Approved on behalf of the Board:

"Victor Cantore", Director
(signed)

"Herbert Brugh", Director
(signed)

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

Hanna Capital Corp.

Condensed Interim Consolidated Statements of Operations and Comprehensive Loss
For the Three Months Ended September 30, 2023 and 2022
(Unaudited - Expressed in Canadian Dollars)

	2023	2022
	\$	\$
Expenses		
Consulting fees	16,593	15,000
Professional fees and transfer agent fees	4,137	8,707
Interest expense (<i>Note 10</i>)	5,302	6,361
Office and administration	854	13,574
	26,886	43,642
Net loss before undernoted	(26,886)	(43,642)
Unrealized loss on investment (<i>Note 11</i>)	(4,500)	(40,500)
Foreign exchange loss	(4,559)	(8,366)
Net income (loss) and comprehensive income (loss)	(35,945)	(92,508)
Net income (loss) per share - basic/diluted	(0.00)	(0.00)
Weighted average number of outstanding common shares - basic/diluted	56,772,817	56,772,817

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

Hanna Capital Corp.

Condensed Interim Consolidated Statements of Changes in Shareholders' Equity

For the Three Months Ended September 30, 2023 and 2022

(Unaudited - Expressed in Canadian Dollars)

	Number of Common Shares #	Share Capital \$	Reserve \$	Accumulated Deficit \$	Total \$
Balance, June 30, 2022	56,772,817	10,013,880	1,610,878	(10,550,965)	1,073,793
Net income for the period	-	-	-	(92,508)	(92,508)
Balance, September 30, 2022	56,772,817	10,013,880	1,610,878	(10,643,473)	981,285
Balance, June 30, 2023	56,772,817	10,013,880	1,610,878	(11,506,885)	117,873
Net income for the period	-	-	-	(35,945)	(35,945)
Balance, September 30, 2023	56,772,817	10,013,880	1,610,878	(11,542,830)	81,928

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

Hanna Capital Corp.

Condensed Interim Consolidated Statements of Cash Flows
For the Three Months Ended September 30, 2023 and 2022
(Unaudited - Expressed in Canadian Dollars)

	2023 \$	2022 \$
Operating activities		
Net income (loss) for the period	(35,945)	(92,508)
Items not involving cash:		
Unrealized loss on investment	4,500	40,500
Interest expense	5,302	6,361
Foreign exchange	4,559	8,520
Changes in non-cash working capital items:		
Sales tax receivable	(2,502)	(2,704)
Accounts payable and accrued liabilities	16,059	16,382
Cash used in operating activities	(8,027)	(23,449)
Investing activities		
Expenditures on exploration and evaluation assets	(3,700)	-
Net cash used in investing activities	(3,700)	-
Net increase in cash	(11,727)	(23,449)
Cash, beginning of period	15,375	25,360
Cash, end of period	3,648	1,911

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

Hanna Capital Corp.

Notes to the Condensed Interim Consolidated Financial Statements
For the Three Months Ended September 30, 2023 and 2022
(Unaudited - Expressed in Canadian Dollars)

1. NATURE OF OPERATIONS AND GOING CONCERN

Hanna Capital Corp. (the “Company” or “Corporation”) was incorporated under the laws of the State of Nevada on June 1, 2004. The Company is in the business of acquiring and exploring mineral properties in Canada. The primary office of the Company is located at 1800-130 King Street West, Toronto, ON, M5X 1E3. The Company’s shares are traded on the TSX Venture Exchange (“TSX-V”) under the stock symbol HCC.

These condensed interim consolidated financial statements were prepared on a going concern basis of presentation, which assumes that the Company will continue operations for the foreseeable future and be able to realize the carrying value of its assets and discharge its liabilities and commitments in the normal course of business. The Company has not earned significant revenue and as at September 30, 2023 had an accumulated deficit of \$11,542,830 (June 30, 2023 – \$11,506,885). The Company’s ability to continue as a going concern is dependent upon its ability to obtain additional financing and or achieve profitable operations in the future. These condensed interim consolidated financial statements do not reflect adjustments that would be necessary if the going concern assumption was not appropriate. These adjustments could be material.

As at September 30, 2023, the Company had a working capital deficiency of \$301,853 (June 30, 2023 – \$262,208). As the Company is in the exploration and evaluation stage, the Company has not identified a known body of commercial grade mineral on any of its properties. The ability of the Company to realize the costs it has incurred to date on these properties is dependent upon the Company identifying a commercial mineral body, to finance its exploration and evaluation costs and to resolve any environmental, regulatory or other constraints, which may hinder the successful exploration and evaluation of the property. The Company has financed its activities through the issuance of equity securities and debt financing. The Company expects to use similar financing techniques in the future and is pursuing such additional sources of financing as estimated to be required to sufficiently support its operations until such time that its operations become self-sustaining. To date, the Company has not earned any revenues. These material uncertainties may cast significant doubt on the Company’s ability to continue as a going concern.

2. BASIS OF PREPARATION

(a) Statement of Compliance

These condensed interim consolidated financial statements of the Company and its subsidiaries were prepared using accounting policies in accordance with IFRS and in accordance with International Accounting Standards (“IAS”) 34, *Interim Financial Reporting*.

These condensed interim consolidated financial statements do not contain all disclosures required by IFRS and accordingly should be read in conjunction with the Company’s annual consolidated financial statements for the year ended June 30, 2023.

These condensed interim consolidated financial statements have been reviewed and approved by the Company’s Audit Committee and its Board of Directors on November 29, 2023.

Hanna Capital Corp.

Notes to the Condensed Interim Consolidated Financial Statements
For the Three Months Ended September 30, 2023 and 2022
(Unaudited - Expressed in Canadian Dollars)

2. BASIS OF PREPARATION (continued)

(b) Basis of Presentation

These condensed interim consolidated financial statements have been prepared on a historical cost basis, except where otherwise disclosed. Historical cost is based on the fair value of the consideration given in exchange for assets. In addition, these condensed interim consolidated financial statements have been prepared using the accrual basis of accounting, except for cash flow information.

(c) Functional and Presentation Currency

These condensed interim consolidated financial statements are presented in Canadian dollars (“\$”). The functional currency of the Company, as determined by management, is Canadian dollars.

(d) Use of Estimates and Judgements

The preparation of financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Although these estimates are based on management’s best knowledge of the amount, event or actions, actual results ultimately may differ from those estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected.

(i) Critical accounting estimates

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 year and are, but are not limited to, the following:

The carrying value and the recoverability of exploration and evaluation assets - Management has determined that exploration and evaluation costs incurred which were capitalized may have future economic benefits and may be economically recoverable. Management uses several criteria in its assessments of economic recoverability and probability of future economic benefits including geologic and other technical information, scoping and feasibility studies, accessibility of facilities and existing permits.

Share-based compensation - The fair value of stock options and warrants issued are subject to the limitation of the Black-Scholes option pricing model which incorporates market data and which involves uncertainty and subjectivity in estimates used by management in the assumptions. Changes in the input assumptions can materially affect the fair value estimate of stock options and warrants.

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2. BASIS OF PREPARATION (continued)

Recovery of deferred tax assets - The estimation of income taxes includes evaluating the recoverability of deferred tax assets and liabilities based on an assessment of the Company's ability to utilize the underlying future tax deductions against future taxable income prior to expiry of those deductions. Management assesses whether it is probable that some or all of the deferred income tax assets and liabilities will not be realized. The ultimate realization of deferred tax assets and liabilities is dependent upon the generation of future taxable income, which in turn is dependent upon the successful execution of the Company's business plan. To the extent that management's assessment of the Company's ability to utilize future tax deductions changes, the Company would be required to recognize more or fewer deferred tax assets or liabilities, and deferred income tax provisions or recoveries could be affected.

(ii) Critical accounting judgments

Information about critical judgments in applying accounting policies that have the most significant effect on the amounts recognized in the condensed interim consolidated financial statements are, but are not limited to, the following:

Determination of functional currency - In accordance with IAS 21, "The Effects of Changes in Foreign Exchange Rates" management determined that the functional currency of the Company and its wholly-owned subsidiary, Taman, is the Canadian dollar.

Going Concern – The preparation of these condensed interim consolidated financial statements requires management to make judgements regarding the going concern of the Company, as disclosed in Note 1.

(e) Basis of Consolidation

The condensed interim consolidated financial statements incorporate the financial statements of the Company and its wholly owned subsidiary, Taman Petroleum Corporation ("Taman") which is inactive. All intercompany transactions, balances, income and expenses are eliminated upon consolidation.

Subsidiaries are those entities which the Company controls by having the power to govern the financial and operating policies. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Company controls another entity. Subsidiaries are fully condensed interim consolidated from the date on which control is obtained by the Company and are deconsolidated interim consolidated from the date that control ceases.

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3. SIGNIFICANT ACCOUNTING POLICIES

These condensed interim consolidated financial statements have been prepared using the same accounting policies, significant accounting judgments and estimates, and methods of computation as the annual consolidated financial statements of the Company as at and for the year ended June 30, 2023, as described in Note 2 and Note 3 of those annual consolidated financial statements.

4. NOTE RECEIVABLE

During the years ended June 30, 2013, the Company acquired 100% of the issued and outstanding shares of Taman Petroleum Corporation ("Taman"). Taman has an 8% interest in a Russian private company, Techniton LLC ("Techniton"). Techniton has a 100% interest in the South Temryuk Oil & Gas Exploration-Exploitation License located in Russia. During the three months ended September 30, 2013, the Company wrote-down its investment in Techniton to \$Nil.

During the three months ended September 30, 2014, the Company loaned Techniton \$300,000 for development purposes (the "Note Receivable"). As at June 30, 2014, the Note Receivable was deemed impaired and the Company wrote-down the Note Receivable from Techniton to \$1 based on uncertainty of collection.

As at September 30, 2023, the Note Receivable amounted to \$1 (June 30, 2023 – \$1).

5. EXPLORATION AND EVALUATION ASSETS

Title to mineral property of interests involves certain inherent risks due to the difficulties of determining the validity of certain claims as well as the potential for problems arising from the frequently ambiguous conveyancing history characteristic of many mineral claims. The Company has investigated title to all of its mineral property interests capitalized and, to the best of its knowledge, title to all of its interests are in good standing. The mineral property interests in which the Company has committed to earn an interest in are located in Canada.

	Jasper Property	Carscallen Property	Total
	\$	\$	\$
Balance, June 30, 2022	765,540	300,691	1,066,231
Impairment	(765,540)	-	(765,540)
Balance, June 30, 2023	-	300,691	300,691
Data analysis	-	3,700	3,700
Survey and assessment	-	-	-
Balance, June 30, 2022	-	304,391	304,391

Carscallen Property, Ontario

In October 2016, the Company signed an assignment agreement (the "Agreement") with Silk Energy Limited ("Silk"), a company previously related by a common director, to acquire a 100% interest in certain mining claims west of the City of Timmins known as the Carscallen Property (the "Property"). Pursuant to the terms and conditions of the Agreement, the Company will earn the 100% interest by:

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5. EXPLORATION AND EVALUATION ASSETS (continued)

- Cash payment of \$40,000 on execution of this agreement (paid);
- Share payment of 2,200,000 common shares of the Company (issued with a value of \$193,500);
- Cash payment of \$20,000 on October 19, 2017 (paid); and
- Cash payment of \$40,000 on October 19, 2018 (paid).

The acquisition of the Property is subject to underlying conditions:

- In the event that the Company is able to obtain an intersection of at least 3 grams of gold per ton over one meter, the Company will be required to issue an additional 2,400,000 common shares to Silk;
- In the event that the Company is able to establish a commercial mine of at least a 250,000 ton ore body having a minimum grade of 2 grams of gold per ton, the Company will be required to issue an additional 2,400,000 common shares to Silk; and
- Upon the payment of the option payments of October 19, 2017 and 2018, the Company will have an undivided 100% interest in the Property subject to a 2% net smelter royalty ("NSR") in favour of the original optionors. The Company shall have the right to purchase 1% of the 2% NSR royalty for an aggregate cash payment of \$1,000,000. In addition, the Company also assumes the obligation from Silk whereby the Company will grant a 1% NSR in favour of the individual who assigned the original option agreement to Inspiration. Under the assignment agreement between Silk and this individual, this 1% NSR can be purchased for \$2,000,000;

During the three months ended September 30, 2018, the Company entered into an option agreement with two arm's length parties to acquire an 100% interest in claims adjacent to the Property.

Pursuant to the terms of the agreement, the Company is required to pay the following as considerations:

- Cash payment of \$65,000 on or before January 10, 2020 (\$15,000 paid); and
- Share payment of 1,000,000 common shares of the Company on or before January 10, 2020 (400,000 shares issued of \$160,000).

During the three months ended September 30, 2020, the Company did not make the required option payments under the agreement and had no intention to continue work on the claims. Accordingly, the Company has written off related costs totaling \$198,000 with respect to these claims.

Jasper Property, British Columbia

The Company had a 100% interest in another property located on West-Central Vancouver Island, British Columbia (the "Jasper Property"). During the three months ended September 30, 2023, and as a result of the unfavorably political environment and difficulty in the access of the environment area, the Company allowed its interest in the Jasper Property to lapse. Accordingly, the entire amount of the Jasper Property was deemed to be impaired and an impairment charge in the amount \$765,540 was recorded during the three months ended September 30, 2023 (June 30, 2022 – \$nil).

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(Unaudited - Expressed in Canadian Dollars)

6. SHARE CAPITAL

(a) Authorized and issued share capital

The authorized share capital consists of an unlimited number of common shares, without par value and an unlimited number of preferred shares, without par value. All issued shares are fully paid.

The Company did not have any share based transactions during the three months ended September 30, 2023 and year ended June 30, 2023.

7. WARRANTS

<i>Share Purchase Warrants</i>	Number of Warrants	Weighted Exercise Price
Balance, June 30, 2022	27,320,392	\$ 0.08
Granted (Expired)	(17,320,392)	0.08
Balance, June 30, 2023	10,000,000	\$ 0.08
Granted (Expired)	-	-
Balance, September 30, 2023	10,000,000	\$ 0.08

On October 23, 2022, the Company extended the expiry date of 10,000,000 share purchase warrants that were previously issued at an exercise price of \$0.08 per common share by two years to October 23, 2024. As the share purchase warrants were initially valued using the residual method, there was no subsequent change in the valuation on the extension of the share purchase warrants.

The following are the share purchase warrants outstanding as at September 30, 2023:

Number of Warrants	Exercise Price (\$)	Remaining Contractual Life (years)	Expiry Date
10,000,000	0.08	1.07	23-Oct-24

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8. STOCK OPTIONS

The Company has an incentive stock option plan in place with the TSX Venture Exchange ("TSXV"), under which it is authorized to grant options to executive officers, directors, employees and consultants. The Company has implemented a fixed plan, whereby it may not exceed a total of 7,930,000 options under the plan. The exercise price of the options is fixed by the Board of Directors of the Company at the time of grant, subject to all applicable regulatory requirements. The options can be granted for a maximum term of five years and vest as determined by the Board of Directors.

The Company did not have any stock options grants during the three months ended September 30, 2023 and year ended June 30, 2023. Share-based compensation expense during the three months ended September 30, 2023 and 2022 amounted to \$nil.

The following stock options were outstanding as at September 30, 2023:

Number of Options	Exercise Price (\$)	Remaining Contractual Life (years)	Expiry Date
4,500,000	0.05	1.63	17-May-25

9. RELATED PARTY TRANSACTIONS

In accordance with IAS 24, key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Company directly or indirectly, including any directors (executive and non-executive) of the Company.

- i) During the three months ended September 30, 2023 and 2022, the Company expensed \$nil to Herb Brugh for Chief Executive Officer fees and for administration fees. As at September 30, 2023 and June 30, 2023, the Company owed \$nil to Herb Brugh which is included in accounts payable and accrued liabilities;
- ii) During the three months ended September 30, 2023 and 2022, the Company expensed \$nil to Victor Cantore, a director of the Company, for consulting fees. Consulting fees are included in office and miscellaneous. Included in the September 30, 2023 and June 30, 2023 accounts payable and accrued liabilities is \$nil due to Victor Cantore.
- iii) During the three months ended September 30, 2023 and 2022, the Company expensed \$nil to John Gould, a director of the Company, for management fees. Included in the September 30, 2023 and June 30, 2023 accounts payable and accrued liabilities is \$nil due to John Gould;
- iv) During the three months ended September 30, 2023 and 2022, the Company expensed \$nil to Jim Davis, the Chief Financial Officer of the Company, for management fees. Included in September 30, 2023 and June 30, 2023 accounts payable and accrued liabilities is \$nil due to Jim;
- v) As at September 30, 2023 and June 30, 2023, Vern Bock, a former director of the Company, was owed \$Nil; and

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Notes to the Condensed Interim Consolidated Financial Statements
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(Unaudited - Expressed in Canadian Dollars)

9. RELATED PARTY TRANSACTIONS (continued)

- vi) As at September 30, 2023, Martina Minerals Corp., a corporation related by way of a common director, owed the Company \$74,389 (June 30, 2023 – \$74,389) which is included in due from related party and the amount is unsecured, non-interest bearing and due on demand.

Balances due to related parties are unsecured, non-interest bearing (unless otherwise stated), and have no fixed terms of repayment.

10. LOAN PAYABLE

JB Consolidated Estates Ltd.

As at September 30, 2023, the Company owed JB Consolidated Estates Ltd. \$37,066 (June 30, 2023 - \$37,066). The loan payable is unsecured, non-interest bearing and due on demand.

James Pietsch.

On April 4, 2022, the Company issued a promissory note in the principal amount of US \$100,000 to James Pietsch (the “Note”). The Note bears interest at 8% per annum and matures on April 4, 2023. Further, the Company issued 500,000 bonus shares for the Note. These bonus shares were valued at \$0.03 per common share based on the share price on the date of issuance for an aggregate value of \$15,000 (the “Bonus Shares”). The Bonus Shares were treated as a debt issuance cost and was amortized over the term of the Note. On April 25, 2023, the Company entered into a new note for the outstanding amount including accrued interest, in the amount of US \$108,000, bearing interest at 10% per annum, maturing on April 25, 2024 (the “Revised Note”). As this was a new note post maturity, there was no gain or loss recorded.

Interest expense on the Note and the Revised Note amounted to \$3,612 (September 30, 2022 - \$6,361) during the three months ended September 30, 2023.

The outstanding balance and accrued interest for this promissory note as at September 30, 2023 amounted to \$152,919 (June 30, 2023 - \$146,187).

On April 25, 2023, the Company issued a promissory note in the principal amount of US \$50,000 to James Pietsch. The promissory note bears interest at 10% per annum and matures on August 25, 2023. On August 25, 2023, the Company entered into an extension agreement with the lender to extend maturity of the promissory note to November 30, 2023.

Interest expense in relation to this during the three months ended September 30, 2023 amounted to \$1,691 (September 30, 2022 – \$nil).

The outstanding balance and accrued interest as at September 30, 2023 amounted to \$70,526 (June 30, 2023 - \$67,397).

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11. INVESTMENT IN RELATED PARTY

The Company holds 900,000 common shares of Martina Minerals Corp. (the “Martina Shares”), a related corporation by virtue of common officers and directors.

During the three months ended September 30, 2023, the Company recorded an unrealized loss on Martina Shares in the amount of \$4,500 (September 30, 2022 – \$40,500). As at September 30, 2023, the investment in related party amounted to \$22,500 (June 30, 2023 – \$27,000).

12. CONVERTIBLE DEBENTURES

During the year ended June 30, 2022, the Company advanced US \$10,000 towards a secured convertible debenture (the “Debenture”). The Debenture was secured, interest bearing at 5% per annum, and matures on August 31, 2022. In addition, the Debenture were convertible into 26% of the issued and outstanding shares of the holder of the Debenture. As the Debenture did not meet the solely payments of principal and interest under IFRS 9, the Company was required to measure the Debenture at FVTPL. The Company’s fair value measurement for the Debenture amounted to \$nil during the three months ended September 30, 2023 and year ended June 30, 2023.

13. FINANCIAL INSTRUMENTS AND RISK FACTORS

Financial risk management

The Company’s financial risk management policies are established to identify and analyse the risks faced by the Company, to set acceptable risk tolerance limits and controls, and to monitor risks and adherence to limits. The financial risk management policies and systems are reviewed regularly to ensure they remain consistent with the objectives and risk tolerance acceptable to the Company and current market trends and conditions. The Company, through its training and management standards and procedures, aims to upload a disciplined and constructive control environment in which all employees understand their roles and obligation.

Measurement and classification of financial instruments

Financial instruments measured at fair value are classified into one of three levels in the fair value hierarchy according to the relative reliability of the inputs used to estimate the fair values. The three levels of the fair value hierarchy are:

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

The Company’s financial instruments are cash, investment, due from related party, accounts payable and loans payable. The fair value of the Company’s accounts payable and loans payable approximate their carrying value, due to their short terms to maturity.

The Company’s risk exposures and the impact on the Company’s financial instruments are summarized below. The Company is exposed to credit risk, currency risk, liquidity risk and interest rate risk.

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13. FINANCIAL INSTRUMENTS AND RISK FACTORS (continued)

Risk management policies

The Company, through its financial assets and liabilities, is exposed to various risks. The Company has established policies and procedures to manage these risks, with the objective of minimizing any adverse effect that changes in these variables could have on these condensed interim consolidated financial statements. The following analysis provides a measurement of risks as at September 30, 2023:

Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations. The Company is not exposed to any significant credit risk. Sales receivable are sales tax refunds due from the Canadian government.

Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due within one year. The Company's approach to managing liquidity risk is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation. As at September 30, 2023, there is substantial doubt about the Company's ability to continue as a going concern primarily due to its history of losses. Liquidity risk continues to be a key concern in the development of future operations.

Market risk

(i) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The interest rates on all of the Company's existing debt are fixed, and therefore it is not currently subject to any significant cash flow interest rate risk.

(ii) Foreign currency risk

The Company is exposed to foreign currency risk from fluctuations in foreign exchange rates and the degree of volatility in these rates due to the timing of their accounts payable balances. The risk is mitigated by timely payment of creditors and monitoring of foreign exchange fluctuations by management. As at September 30, 2023, the Company did not use derivative instruments to hedge its exposure to foreign currency risk.

(iii) Price risk

The Company's operations do not involve the direct input or output of any commodities and therefore it is not subject to any significant commodity price risk. The Company has equity investments in another listed public company, as noted per Note 11 and is subject to any significant stock market price risk.

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15. CAPITAL MANAGEMENT

The Company's objectives when managing its capital are to safeguard its ability to continue as a going concern, to meet its capital expenditures for its continued operations, and to maintain a flexible capital structure which optimizes the cost of capital within a framework of acceptable risk.

The Company manages its capital structure and adjusts it in light of changes in economic conditions and the risk characteristics of the underlying assets. To maintain or adjust its capital structure, the Company may issue new shares, issue new debt, or acquire or dispose of assets. The Company is not subject to externally imposed capital requirements.

Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company, is reasonable. There have been no changes to the Company's capital management approach during the period ended September 30, 2023. The Company considers its cash and items within shareholders' equity as capital.