

Condensed Interim Financial Statements
(Expressed in Canadian dollars)

AUSTON CAPITAL CORP.

For the three months ended October 31, 2024 and 2023

(Unaudited)

Management Report

To the Shareholders of Auston Capital Corp.

Notice of No Audit Review

The unaudited condensed interim financial statements of the Company were prepared by management in accordance with appropriately selected International Financial Reporting Standards and have been approved by the Board of Directors. Management has used estimates and careful judgment, particularly in those circumstances where transactions affecting current periods are dependent on information not known until a future period.

Management is responsible for the integrity of the financial and operational information contained in these condensed interim financial statements. The Company has designed and maintains internal controls to provide reasonable assurance that assets are properly safeguarded and that the financial records are well maintained and provide relevant, timely and reliable information to management. The condensed interim financial statements have been prepared within reasonable limits of materiality and within the framework of the significant accounting policies summarized in the notes to these financial statements.

Auditor involvement

In accordance with National Instrument 51-102, the Company discloses that its independent auditor has not performed a review of these unaudited condensed interim financial statements.

Auston Capital Corp.
Statement of Financial Position
As at October 31, 2024 and July 31, 2024
(Expressed in Canadian dollars)
(Unaudited)

	Notes	October 31, 2024	July 31, 2024 (audited)
ASSETS			
Current assets			
Cash and cash equivalents		\$ 47,360	\$ 52,378
Receivables		563	125
TOTAL ASSETS		\$ 47,925	\$ 52,503
LIABILITIES			
Current liabilities			
Trade payables and accrued liabilities		\$ 8,634	\$ 2,057
SHAREHOLDERS' EQUITY			
Share capital	5	373,884	373,884
Contributed surplus	6	62,500	62,500
Deficit		(397,095)	(385,938)
TOTAL SHAREHOLDERS' EQUITY		39,289	50,446
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		\$ 47,925	\$ 52,503

Nature and continuance of operations (Note 1)

Approved by the Board of Directors.

"Mark Fekete"

Director

"Steve Smith"

Director

Auston Capital Corp.
Statement of Comprehensive Loss
For the Three months ended October 31, 2024 and 2023
(Expressed in Canadian dollars)
(Unaudited)

	Three Months ended October 31, 2024		Three Months ended October 31, 2023	
Expenses				
Office and miscellaneous	\$	78	\$	72
Professional fees		5,595		6,000
Transfer agent and filing fees		5,913		3,342
		11,586		9,414
Other Items				
Interest income		(429)		(605)
Net loss and comprehensive loss for the year	\$	11,157	\$	8,809
Weighted average number of common shares outstanding				
Basic and diluted		3,000,000		3,000,000
Loss per common share – basic and diluted	\$	0.00	\$	0.00

See accompanying notes to the financial statements

Auston Capital Corp.
Statement of Cash Flows
For the Three months ended October 31, 2024 and 2023
(Expressed in Canadian dollars)
(Unaudited)

	Common Shares		Reserves	Deficit	Total
	Number of shares	Amount			
Balance at July 31, 2024	6,200,000	\$ 373,884	\$ 62,500	\$ (385,938)	\$ 50,446
Comprehensive loss for the period	-	-	-	(11,157)	(11,157)
Balance at October 31, 2024	6,200,000	\$ 373,884	\$ 62,500	\$ (397,095)	\$ 39,289

	Common Shares		Reserves	Deficit	Total
	Number of shares	Amount			
Balance at July 31, 2023	6,200,000	\$ 373,884	\$ 62,500	\$ (366,267)	\$ 70,117
Comprehensive loss for the period	-	-	-	(8,809)	(8,809)
Balance at October 31, 2023	6,200,000	\$ 373,884	\$ 62,500	\$ (375,076)	\$ 61,30811

Auston Capital Corp.
Notes to the Condensed Interim Financial Statements
For the Three months ended October 31, 2024 and 2023
(Unaudited – Expressed in Canadian dollars)

	For the Three Months ended October 31, 2024	For Three Months Ended October 31, 2023
Operating activities		
Net loss for the period	\$ (11,157)	\$ (8,809)
Changes in non-cash working capital items:		
Receivables	(438)	625
Trade payables and accrued liabilities	6,577	(1,242)
Net cash flows used in operating activities	(5,018)	(9,426)
Financing activity		
Net proceeds on issuance of common shares	-	-
Net cash flows from financing activity	-	-
Increase in cash and cash equivalents	(5,018)	(9,426)
Cash and cash equivalents, beginning of period	52,378	77,787
Cash and cash equivalents, end of period	\$ 47,360	\$ 68,361

The Company did not incur any interest or tax expenditures for three months ended October 31, 2024.

1. Nature and continuance of operations

Auston Capital Corp. (the “Company”) was incorporated on December 5, 2017 pursuant to the Business Corporations Act of British Columbia as a Capital Pool Company as defined in the TSX Venture Exchange (“TSX-V”) Policy 2.4.

The Company was formed for the primary purpose of completing an Initial Public Offering (“IPO”) on the TSX Venture Exchange (“Exchange”) as a Capital Pool Company (“CPC”) as defined in Policy 2.4 of the Exchange. As a CPC, the Company’s principal business is to identify, evaluate and acquire assets, properties or businesses which would constitute a qualifying transaction (“Qualifying Transaction”). Until the 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. The proposed business of the Company, and the completion of a Qualifying Transaction, involves a high degree of risk. There is no assurance that the Company will identify an appropriate business for acquisition or investment, and even if so identified and warranted, it may not be able to finance such an acquisition or investment. Additional funds may be required to enable the Company to pursue such an initiative, and the Company may be unable to obtain such financing on terms which are satisfactory to it. Furthermore, there is no assurance that the business will be profitable. These factors indicate the existence of a material uncertainty that may cast significant doubt about the Company’s ability to continue as a going concern. Should the Company be unable to continue as a going concern, the net realizable value of its assets may be materially less than the amounts on its statement of financial position.

These unaudited condensed 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.

The Company does not have revenues and has incurred operating losses since incorporation. As at October 31, 2024, the Company had working capital of \$39,289. Management has assessed that this working capital is sufficient for the Company to continue as a going concern beyond one year. The continuation of the Company is dependent upon the continuing financial support of shareholders and the completion of a Qualifying Transaction. If the going concern assumption were not appropriate for these financial statements, it would be necessary to restate the Company’s assets and liabilities on a liquidation basis.

2. Significant accounting policies and basis of preparation

Basis of preparation

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

These unaudited condensed interim financial statements have been prepared on a historical cost basis except for certain financial assets measured at fair value. These unaudited condensed interim financial statements do not include all of the information required of a full annual financial report and is intended to provide users with an update in relation to events and transactions that are significant to an understanding of the changes in financial position and performance of the Company since the end of the last annual reporting period. It is therefore recommended that this financial report be read in conjunction with the audited annual financial statements of the Company for the year ended July 31, 2024.

2. Significant accounting policies and basis of preparation (continued)

Basis of preparation (continued)

The unaudited condensed interim financial statements of the Company for the three months ended October 31, 2024 were reviewed, approved and authorized for issue by the Board of Directors on December 13, 2024.

3. Critical Accounting Estimates and Judgments

The Company makes estimates and assumptions about the future that affect the reported amounts of assets and liabilities. Estimates and judgments are continually evaluated based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. In the future, actual experience may differ from these estimates and assumptions.

The effect of a change in an accounting estimate is recognized prospectively by including it in comprehensive loss in the periods of change, if the change affects that period only, or in the period of the change of future periods, if the change affects both.

The determination of the Company's ability to continue as a going concern requires significant judgment. Material adjustments to the financial statements would be required if the going concern assumption was not used.

Going Concern

The determination of the Company's ability to continue as a going concern requires significant judgment. Material adjustments to the financial statements would be required if the going concern assumption was not used.

4. Share capital

a. Authorized share capital

Unlimited number of common shares without par value.

b. Issued and outstanding

As of October 31, 2024, the Company issued 6,200,000 common shares as follows:

c. Escrowed shares

As at October 31, 2024, the Company has 3,200,000 shares subject to escrow restrictions. The escrowed shares will be released from escrow in tranches over 18 months following the completion of a QT and TSX-V approval.

5. Reserve

The reserve records items recognized as share-based compensation expense and other share-based payments until such a time that the stock options or warrants are exercised, at which time the corresponding amount will be transferred to share capital. Any fair value attributed to the warrants is recorded in the reserve.

(i) Stock option plan

The Company has a stock option plan ("the Plan") whereby it can grant options to directors, officers, employees, and technical consultants of the Company. The maximum number of shares that may be reserved for issuance under the Plan is limited to 10% of the issued common shares of the Company. Vesting and term of the option is determined by the board of directors in accordance with the Plan

As of July 31, 2024, there were no stock options outstanding.

6. Related party payables and transactions

The Company's related parties include key management personnel and Directors and companies in which they have control or significant influence over the financial or operating policies. There were no loans to management personnel or Directors, or entities over which they have control or significant influence, during the quarter ended October 31, 2024. Key management personnel and Directors receive no salaries, non-cash benefits (other than incentive stock options), or other remuneration directly from the Company, other than noted below, and there are no employment contracts with them that cannot be terminated without penalty on a thirty-day advance notice.

7. Financial instruments

a) Classification of financial instruments

As at October 31, 2024, the Company's financial instruments are comprised of cash and account payable. The fair value of these financial instruments approximates their carrying value due to their short-term maturity. Fair values of financial instruments are classified in a fair value hierarchy based on the inputs used to determine fair values. The levels of the fair value hierarchy are as follows:

Level 1 – quoted prices (unadjusted) 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 (i.e. as prices) or indirectly (i.e. derived from prices); and

Level 3 – inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The Company's financial instruments are measured using level 1 inputs.

b) Financial risk management

The Company's risk exposures 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. Financial instruments that potentially subject the Company to credit risk consist primarily of cash. The Company limits its exposure to credit risk by placing its cash with a high credit quality financial institution in Canada. The Company believes it has no significant credit risk.

Liquidity risk

Liquidity risk is the risk that the Company cannot meet its financial liabilities as they become due. As at October 31, 2024, the Company had a cash balance of \$100,113 to settle future liabilities and as such, is not exposed to significant liquidity risk.

Market risk

Market risk is the risk of loss that may arise from changes in market factors such as interest rates, foreign exchange rates, and commodity and equity prices.

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 the market interest rates. The Company's cash is held in an account with a major Canadian financial institution. The funds may be withdrawn at any time without penalty

7. Financial instruments (continued)

Financial risk management (continued)

Foreign currency risk

The Company does not have assets or liabilities in a foreign currency and therefore is not exposed to foreign currency risk.

Price risk

The Company is exposed to price risk with respect to equity prices. Equity price risk is defined as the potentially adverse impact on the Company's ability to obtain equity financing due to movements in individual equity prices or general movements in the level of the stock market. The Company closely monitors individual equity movements and the stock market to determine the appropriate course of action to be taken by the Company.

c) Capital risk management

The Company manages its capital to ensure that it will be able to continue as a going concern while maximizing the return to stakeholders through a suitable debt and equity balance appropriate for an entity of the Company's size and status. The Company's overall strategy remains unchanged from last year.

The capital structure of the Company consists of equity attributable to common shareholders. The availability of new capital will depend on many factors including positive stock market conditions, and the experience of management. The Company is not subject to any external covenants on its capital.

Cash from proceeds of share issuance are restricted pursuant to section 8.4 of TSX-V policy 2.4 (the "Policy") as follows:

- (a) Until the completion of the QT, no more than the lesser of 30% of the gross proceeds from the sale of securities issued by the Company and \$210,000 may be used for purposes other than as provided in section 8.3.
- (b) Until the completion of the QT, no proceeds from the sale of securities of the Company may be used to acquire or lease a vehicle.
- (c) The restrictions in this Policy on expenditures and the use of proceeds continue to apply until completion of the QT.
- (d) If the Company completes a QT before spending the entire proceeds on identifying and evaluating properties or businesses, the Company may use the remaining funds to finance or partly finance the acquisition of, or participation in the significant assets.

8. Proposed qualifying transaction

On October 2, 2024, the Company announced that non-binding letter of intent dated September 1, 2022 with Eastport Ventures Inc. ("Eastport") in respect of a proposed business combination was terminated following various extensions.