

ZIDANE CAPITAL CORP.

FINANCIAL STATEMENTS

YEARS ENDED JANUARY 31, 2023 AND 2022

(Expressed in Canadian Dollars)

INDEPENDENT AUDITOR'S REPORT

To the Shareholders of Zidane Capital Corp.

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Zidane Capital Corp. (the "Company"), which comprise the statement of financial position as at January 31, 2023 and 2022, and the statements of loss and comprehensive loss, changes in equity and cash flows for the years then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at January 31, 2023 and 2022 and its financial performance and its cash flows for the years then ended in accordance with International Financial Reporting Standards ("IFRS").

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material Uncertainty Related to Going Concern

We draw attention to Note 1 in the financial statements, which indicates that the Company has no recurring source of revenue and has an accumulated deficit of \$752,390 as at January 31, 2023. As stated in Note 1, these events or conditions, along with other matters as set forth in Note 1, indicate that a material uncertainty exists that may cast significant doubt on 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 financial statements of the current period. These matters were addressed in the context of our audit of the 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 auditor's report.

Other Information

Management is responsible for the other information. The other information comprises the information included in "Management's Discussion and Analysis" but does not include the financial statements and our auditor's report thereon.

Our opinion on the 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 financial statements, our responsibility is to read the other information, and in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, 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 Financial Statements

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

In preparing the 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.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's 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 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 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 auditor's report to the related disclosures in the 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 auditor's 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 financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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 financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's 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 auditor's report is James Roxburgh.

A handwritten signature in black ink that reads "De Visser Gray LLP". The signature is written in a cursive, flowing style.

Chartered Professional Accountants

Vancouver, BC, Canada
May 30, 2023

Zidane Capital Corp.

Statements of Financial Position

As of January 31

(Expressed in Canadian dollars)

	Notes	2023	2022
Assets			
Current assets			
Cash and cash equivalents	4	\$ 2,983	\$ 3,099
Prepaid expenses		875	875
Total assets		\$ 3,858	\$ 3,974
Liabilities			
Current liabilities			
Accounts payable and accrued liabilities		\$ 24,311	\$ 12,945
Due to related party	5	18,596	4,644
Total Liabilities		42,907	17,589
Equity			
Share capital	6	707,511	707,511
Reserves		5,830	5,830
Deficit		(752,390)	(726,956)
		(39,049)	(13,615)
Total liabilities and equity		\$ 3,858	\$ 3,974

These financial statements were authorized for issue by the Board of Directors on May 30, 2023.

On behalf of the board:

<u>"Casper Bych"</u>	Director	<u>"David Salmon"</u>	Director
Casper Bych		David Salmon	

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

Zidane Capital Corp.

Statements of Loss and Comprehensive Loss

For the years ended January 31

(Expressed in Canadian dollars)

	2023	2022
Expenses		
Accounting and audit	\$ 11,550	\$ 8,500
Legal	514	4,011
Filing fees	13,254	12,840
Office and administration	116	145
Net loss and comprehensive loss for the year	\$ (25,434)	\$ (25,496)
Loss per share - basic and diluted	\$ (0.00)	\$ (0.00)
Weighted average number of common shares outstanding	5,225,276	5,225,276

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

Zidane Capital Corp.

Statements of Changes in Equity
For the years ended January 31
(Expressed in Canadian dollars)

	Share Capital		Reserves	Deficit	Total Equity
	Number of Shares	Amount			
		\$	\$	\$	\$
Balance at January 31, 2021	5,225,276	707,511	5,830	(701,460)	11,881
Net loss and comprehensive loss for the year	-	-	-	(25,496)	(25,496)
Balance at January 31, 2022	5,225,276	707,511	5,830	(726,956)	(13,615)
Net loss and comprehensive loss for the year	-	-	-	(25,434)	(25,434)
Balance at January 31, 2023	5,225,276	707,511	5,830	(752,390)	(39,049)

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

Zidane Capital Corp.

Statements of Cash Flows

For the years ended January 31

(Expressed in Canadian dollars)

	2023	2022
Cash flows from (used in) operating activities		
Net loss for the year	\$ (25,434)	\$ (25,496)
Adjustments to reconcile net loss to net cash used in operating activities:		
Changes in non-cash working capital balances		
Accounts payable and accrued liabilities	11,366	5,445
Due to related party	13,952	4,644
Total cash used in operating activities	(116)	(15,407)
Changes in non-cash working capital balances		
Share issuance costs	-	(614)
Total cash used in financing activities	-	(614)
Change in cash and cash equivalents during the year	(116)	(16,021)
Cash and cash equivalents, beginning of year	3,099	19,120
Cash and cash equivalents, end of year	\$ 2,983	\$ 3,099

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

Zidane Capital Corp.

Notes to Financial Statements

For the year ended January 31, 2023

(Expressed in Canadian dollars)

1. NATURE AND CONTINUANCE OF OPERATIONS

The Company was incorporated pursuant to the provisions of the Business Corporations Act (British Columbia) on February 12, 2010. Its registered office is Suite 605 – 889 West Pender Street, Vancouver, BC, Canada, V6C 3B2. The Company is a Capital Pool Company (“CPC”) as defined in Policy 2.4 of the TSX Venture Exchange Inc. (the “TSX-V”).

As the Company did not complete a Qualifying Transaction (“QT”) within the period required by the TSX-V Policy 2.4, effective October 24, 2013, the Company’s listing was transferred from the TSX-V to the NEX Board of the TSX-V, and began trading under the Symbol ZZE.H.

These financial statements have been prepared on the basis that the Company will continue as a going concern, which assumes that the Company will be able to meet its commitments, continue operations and realize its assets and discharge its liabilities in the normal course of business for the foreseeable future. As at January 31, 2023, the Company had limited working capital, no recurring source of revenue and an accumulated deficit of \$752,390 (2022 - \$726,956). Such material uncertainties raise substantial doubt as to the Company’s ability to continue as a going concern.

The continued operations of the Company are dependent upon its ability to raise sufficient cash flows in order to finance operating and administrative expenses. 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 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 acquired will be profitable.

2. MATERIAL ACCOUNTING POLICY INFORMATION

(a) *Statement of compliance*

These financial statements have been prepared in accordance with International Financial Reporting Standards (“IFRS”) and its interpretations adopted by the International Accounting Standards Board (“IASB”) that are effective for the year ended January 31, 2023.

(b) *Basis of preparation*

These financial statements have been prepared on an accrual basis and are based on historical costs.

Zidane Capital Corp.

Notes to Financial Statements

For the year ended January 31, 2023

(Expressed in Canadian dollars)

2. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

(c) Foreign currencies

The functional and presentation currency of the Company is the Canadian dollar. Transactions in currencies other than the functional currency are recorded at the rates of exchange prevailing on dates of transactions. At the end of each reporting period, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

(d) Financial instruments

We have assessed the classification and measurement of our financial assets and financial liabilities as follows:

Financial Assets

Cash and cash equivalents	Amortized cost
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Financial Liabilities

Accounts payables and accrued liabilities	Amortized cost
Due to related party	Amortized cost

The classification of financial assets is based on how the entity manages its financial instruments and contractual cash flow characteristics of the financial asset. Transactions costs with respect to financial instruments classified as fair value through profit or loss are recognized in the statements of loss and comprehensive loss.

Impairment of financial assets

Financial assets are assessed for indicators of impairment at the end of each reporting period. Financial assets are considered to be impaired when there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the investment have been impacted.

For all financial assets, objective evidence of impairment could include:

- significant financial difficulty of the issuer or counterparty; or
- default or delinquency in interest or principal payments; or
- it becoming probable that the borrower will enter bankruptcy or financial re-organization.

Zidane Capital Corp.

Notes to Financial Statements

For the year ended January 31, 2023

(Expressed in Canadian dollars)

2. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

(d) *Financial instruments (continued)*

For certain categories of financial assets, such as amounts receivable and prepayments, assets that are assessed not to be impaired individually are subsequently assessed for impairment on a collective basis. The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets with the exception of amounts receivable, where the carrying amount is reduced through the use of an allowance account. When an amount receivable is considered uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against the allowance account. Changes in the carrying amount of the allowance account are recognized in profit or loss.

In a subsequent period, if the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognized, the previously recognized impairment loss is reversed through profit or loss to the extent that the carrying amount of the investment at the date the impairment is reversed does not exceed what the amortized cost would have been had the impairment not been recognized.

Derivative financial instruments

The Company does not have any derivative financial instruments.

(e) *Cash and cash equivalents*

Cash and cash equivalents is comprised of cash held at banks.

(f) *Share capital*

Common shares are classified as equity. Transaction costs directly attributable to the issue of common shares and share options are recognized as a deduction from equity, net of any tax effects.

(g) *Share-based payments*

The Company operates an employee stock option plan as described in note 6. Share-based payments to employees are measured at the fair value of the instruments issued and amortized over the vesting periods. Share-based payments to non-employees are measured at the fair value of goods or services received or the fair value of the equity instruments issued, if it is determined the fair value of the goods or services cannot be reliably measured, and are recorded at the date the goods or services are received. The corresponding amount is recorded to the share option reserve.

The fair value of options is determined using a Black-Scholes pricing model which incorporates all market vesting conditions. The number of shares and options expected to vest is reviewed and adjusted at the end of each reporting period such that the amount recognized for services received as consideration for the equity instruments granted shall be based on the number of equity instruments that eventually vest.

Zidane Capital Corp.

Notes to Financial Statements

For the year ended January 31, 2023

(Expressed in Canadian dollars)

2. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

(h) *Income taxes*

Any income tax on profit or loss for the periods presented comprises current and deferred tax. Income tax is recognized in profit or loss in the statements of loss and comprehensive loss except to the extent that it relates to items recognized directly in equity, in which case it is recognized in equity.

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

Deferred tax is provided using the balance sheet 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. The following temporary differences are not provided for: goodwill not deductible for tax purposes; the initial recognition of assets or liabilities that affect neither accounting nor taxable profit; and differences relating to investments in subsidiaries to the extent that they will probably not reverse in the foreseeable future. The amount of deferred tax provided is based on the expected manner of realization or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the end of the reporting period.

A deferred tax asset is recognized only to the extent that it is probable that future taxable profits will be available against which the asset can be utilized. To the extent that the Company does not consider it probable that a future tax asset will be recovered, it provides a valuation allowance against that excess.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and they relate to income taxes levied by the same taxation authority on the same taxable entity, or on different taxable entities, and the Company intends to settle its current tax assets and liabilities on a net basis or their tax assets and liabilities will be realized simultaneously.

(i) *Loss per share*

The Company presents basic and diluted 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 common shares outstanding during the period. Diluted loss per share is determined by adjusting the loss attributable to common shareholders and the weighted average number of common shares outstanding for the effects of all dilutive potential common shares.

Zidane Capital Corp.

Notes to Financial Statements

For the year ended January 31, 2023

(Expressed in Canadian dollars)

2. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

(j) *Significant accounting judgments, estimates and assumptions*

The preparation of the Company's financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities and contingent liabilities at the date of the financial statements and reported amounts of revenues and expenses during the reporting period. Estimates and assumptions are continuously evaluated and are based on management's experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. However, actual outcomes can differ from these estimates. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected.

Significant assumptions about the future and other sources of estimation uncertainty that management has made at the statement of financial position date, that could result in a material adjustment to the carrying amounts of assets and liabilities, in the event that actual results differ from assumptions made, relate to, but are not limited to, the following:

- The determination that the Company will continue as a going concern for the next year.

(k) *Accounting standards issued but not yet effective*

There are no accounting standards issued but not yet effective that will have a material impact on the Company's financial statements.

3. FINANCIAL RISK MANAGEMENT

(a) *Overview*

The Company has exposure to credit risk, liquidity risk and market risk from its use of financial instruments.

This note presents information about the Company's exposure to each of these risks, the Company's objectives, policies and processes for measuring and managing risk, and the Company's management of capital.

The Board of Directors has overall responsibility for the establishment and oversight of the Company's risk management framework.

(b) *Credit risk*

Credit risk is the risk of potential loss to the Company if the counterparty to a financial instrument fails to meet its contractual obligations. The Company's credit risk is attributable to its financial assets which are comprised of cash and cash equivalents. The Company limits its exposure to credit risk on financial assets through maintaining its cash and cash equivalents with high credit quality financial institutions.

Zidane Capital Corp.

Notes to Financial Statements

For the year ended January 31, 2023

(Expressed in Canadian dollars)

3. FINANCIAL RISK MANAGEMENT (continued)

(b) Credit risk (continued)

The carrying value of the Company's cash and cash equivalents represent the maximum exposure to credit risk.

(c) 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 cash and cash equivalents are invested in business accounts with high credit quality financial institutions in Canada, all of which are available on demand by the Company and are not invested in any asset-backed deposits or investments.

(d) 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 any market risks.

(e) Capital management

The Company's policy is to maintain a strong capital base so as to maintain investor and creditor confidence and to sustain future development of the business.

There were no changes in the Company's approach to capital management during the year.

The Company is not subject to any externally imposed capital requirements.

(f) Financial instruments measured at fair value

Financial assets and liabilities are measured at fair value in the statements of financial position in accordance with the fair value hierarchy. The hierarchy groups financial assets and liabilities into three levels based on the significance of inputs used in measuring the fair value of the financial assets and liabilities. The fair value hierarchy has the following levels:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The Company does not have any financial instruments measured at fair value.

Zidane Capital Corp.

Notes to Financial Statements

For the year ended January 31, 2023

(Expressed in Canadian dollars)

4. CASH AND CASH EQUIVALENTS

	January 31, 2023	January 31, 2022
Bank demand deposits	\$ 2,983	\$ 3,099
Cash and cash equivalents	\$ 2,983	\$ 3,099

5. RELATED PARTY TRANSACTIONS

(a) Transactions with key management personnel

During the year, there were related party transactions as described below:

- Legal fees of \$514 (2022 - \$4,011), filing fees of \$13,438 (2022 - \$9,595) and prior years' accounts payable of \$nil (2022 - \$614) were paid on behalf of the Company by the President/CEO.
- A total of \$18,596 (2022 - \$4,644) was payable to the President/CEO as at January 31, 2023. All amounts owing to the President/CEO are non-interest bearing and due on demand.

6. SHARE CAPITAL

(a) Authorized share capital

At January 31, 2023, the authorized share capital consisted of an unlimited number of common shares without par value.

(b) Shares issued and outstanding

At January 31, 2023, there were 5,225,276 common shares issued and outstanding.

As at January 31, 2023, a total of 1,025,000 shares are being held in escrow pursuant to CPC Policy.

(c) Share purchase warrants

There were no common share purchase warrants outstanding as at January 31, 2023 and 2022.

(d) Share purchase options

There were no common share options outstanding as at January 31, 2023 and 2022.

Zidane Capital Corp.

Notes to Financial Statements

For the year ended January 31, 2023

(Expressed in Canadian dollars)

6. SHARE CAPITAL (continued)

(e) Basic and diluted loss per share

The calculation of basic and diluted loss per share for the year ended January 31, 2023 was based on the loss attributable to common shareholders of \$25,434 (2022 - \$25,496) and the weighted average number of shares outstanding of 5,225,276 (2022 - 5,225,276).

7. TAXATION

(a) A reconciliation of income taxes at statutory rates is as follows:

	2023	2022
Net loss for the year before income tax recovery	\$ (25,434)	\$ (25,496)
Effective statutory income tax rate	27.00%	27.00%
Expected income tax recovery	(6,894)	(6,894)
Unrecognized benefit of non-capital losses	6,894	6,894
	<u>\$ -</u>	<u>\$ -</u>

No provision has been made for current income taxes, as the Company has no taxable income.

(b) The significant components of the Company's deferred income tax assets are as follows:

	2023	2022
Non-capital loss carry-forward pools	\$ 203,310	\$ 196,290
Share issue costs	251	377
Valuation allowance	(203,561)	(196,667)
	<u>\$ -</u>	<u>\$ -</u>

(c) The Company's unrecognized deductible temporary differences and unused tax losses consist of the following:

	2023	2022
Non-capital loss carry-forward pools	\$ 753,000	\$ 727,000
Share issue costs	931	1,396
	<u>\$ 753,931</u>	<u>\$ 728,396</u>

Zidane Capital Corp.

Notes to Financial Statements

For the year ended January 31, 2023

(Expressed in Canadian dollars)

7. TAXATION (continued)

(d) *Non-capital loss carry-forwards*

The Company has non-capital losses available for deduction against future years' taxable income totaling approximately \$753,000. The Company has not recognized any future benefit for these tax losses, as it is not considered likely that they will be utilized. If unused, these tax losses will expire as follows:

Year	Amount
2031	\$ 1,000
2032	130,000
2033	41,000
2034	47,000
2035	33,000
2036	44,000
2037	95,000
2038	123,000
2039	69,000
2040	66,000
2041	52,000
2042	26,000
2043	26,000
	<u>\$ 753,000</u>