Sanibel Ventures Corp.
(A Capital Pool Company)

Financial Statements
For the years ended March 31, 2024 and 2023
(Expressed in Canadian Dollars)

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INDEPENDENT AUDITOR'S REPORT

To the Shareholders of Sanibel Ventures Corp.

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Sanibel Ventures Corp. (the "Company"), which comprise the statements of financial position as at March 31, 2024 and 2023, and the statements of comprehensive loss, changes in shareholders' equity and cash flows for the years then ended, and notes to the financial statements, including a summary of material accounting policy information.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at March 31, 2024 and 2023, 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 accumulated net losses since inception, has no source of operating revenue and negative working capital. As stated in Note 1, the Company's ability to continue as a going concern is dependent upon its ability to raise adequate financing and to identify and complete a qualifying transaction. These matters, along with other matters as set forth in Note 1, indicate that material uncertainties exist 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 D. Gray.

De Visser Gray LLP

Vancouver, BC, Canada
July 29, 2024

SANIBEL VENTURES CORP.
(A Capital Pool Company)
Statements of Financial Position
(Expressed in Canadian Dollars)

	As at March 31, 2024	As at March 31, 2023
	$	$
ASSETS		
Current		
Cash	2,046	7,078
TOTAL ASSETS	2,046	7,078
LIABILITIES		
Current		
Accounts payable and accrued liabilities (Note 3)	40,430	30,168
Loan payable (Note 10)	40,000	-
	80,430	30,168
SHAREHOLDERS' EQUITY		
Share capital (Note 4)	267,455	267,455
Reserves (Note 5)	-	30,040
Deficit	(345,839)	(320,585)
	(78,384)	(23,090)
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY(DEFICIENCY)	2,046	7,078

Nature of operations (Note 1)

Subsequent event (Note 11)

These financial statements are authorized for issuance by the Board of Directors on July 29, 2024.

On behalf of the Board of Directors:

"Richard Silas"	"Jeffrey O'Neill"
Director	Director

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

SANIBEL VENTURES CORP.
(A Capital Pool Company)
Statements of Comprehensive Loss
(Expressed in Canadian Dollars)

	For the years ended March 31, 2024	2023
	$	$
Expenses		
Bank charges	111	464
Office and related	1	502
Professional fees	42,098	32,650
Transfer and filing fees	13,084	15,274
	(55,294)	(48,890)
Loss and comprehensive loss for the year	(55,294)	(48,890)
Basic and diluted loss per share	(0.03)	(0.02)
Weighted average number of common shares outstanding	2,040,000	2,040,000

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

SANIBEL VENTURES CORP.
(A Capital Pool Company)
Statements of Cash Flows
(Expressed in Canadian Dollars)

	For the years ended March 31, 2024	2023
	$	$
Cash flows used in operating activities		
Net loss for the year	(55,294)	(48,890)
Changes in non-cash working capital items:		
Accounts payable and accrued liabilities	10,262	7,288
	(45,032)	(41,602)
Cash flows from financing activities		
Loan payable	40,000	-
	40,000	-
Net decrease in cash	(5,032)	(41,602)
Cash, beginning of the year	7,078	48,680
Cash, end of the year	2,046	7,078

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

SANIBEL VENTURES CORP.
(A Capital Pool Company)
Statements of Changes in Shareholders' Equity
(Expressed in Canadian Dollars)

			Reserves			
	Number of Shares Issued	Share Capital	Share Options	Total	Deficit	Total Shareholders' Equity
		$	$	$	$	$
Balance at March 31, 2022	**4,040,000**	**267,455**	**30,040**	**30,040**	**(271,695)**	**25,800**
Net loss for the year	-	-	-	-	(48,890)	(48,890)
Balance at March 31, 2023	**4,040,000**	**267,455**	**30,040**	**30,040**	**(320,585)**	**(23,090)**
Options expired	-	-	(30,040)	(30,040)	30,040	-
Net loss for the year	-	-	-	-	(55,294)	(55,294)
Balance at March 31, 2024	**4,040,000**	**267,455**	**-**	**-**	**(345,839)**	**(78,384)**

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

1. NATURE OF OPERATIONS AND GOING CONCERN

Sanibel Ventures Corp. (the "Company") was incorporated under the Business Corporations Act (British Columbia) on October 24, 2017. On July 27, 2018, the Company completed its Initial Public Offering (the "Offering") to be classified as a Capital Pool Company ("CPC") as defined in the TSX Venture Exchange ("TSX-V") Policy 2.4. On August 1, 2018, the Company began trading its shares on the TSX-V under the trading symbol "SBEL.P". The principal business of the Company is the identification and evaluation of assets or a business (collectively, a "QT") and, once identified or evaluated, to negotiate an acquisition or participation in a business subject to receipt of shareholder approval, if required, and acceptance by regulatory authorities.

The Company's head office and principal address is located at 67 East 5th Avenue, Vancouver, British Columbia, Canada, V5T 1G7 and its registered and records office is located at 2080 – 777 Hornby Street, Vancouver, British Columbia, Canada, V6Z 1S4.

The Company's continuing operations, as intended, were dependent upon its ability to identify, evaluate and negotiate a QT within 24 months of closing of its Offering on July 27, 2018. In the absence of completing a QT, the Company's shares were halted from trading by the TSX-V on July 28, 2020. Effective January 1, 2021 TSX-V Policy 2.4 was amended and the Company has sought to align certain of its policies with those applicable to the above-noted amendments. Accordingly, at its AGM on June 25, 2021, the Company obtained disinterested shareholder approval to, in summary, i) amend the Company's Stock Option Plan to become a '10% rolling' plan prior to completion of a QT, ii) remove the consequences of failing to complete a QT within 24 months of the Company's date of listing on the TSX-V, and iii) amend the escrow release conditions and other provisions of the Company's escrow agreement. Certain other changes, technically not requiring shareholder approval, have also been adopted in accordance with the revised TSX-V Policy 2.4, including restrictions on the use of proceeds related to the sale of securities by the Company.

The Company has not generated revenues from its operations to date. As at March 31, 2024, the Company has accumulated net losses of $345,839 since inception, no source of operating revenue and negative net working capital of approximately $78,000. Its continued existence will likely be dependent on the receipt of equity financing on terms which are acceptable to the Company, and its ability to identify and complete a QT. These material uncertainties cast a significant doubt as to the Company's ability to continue as a going concern.

Refer to note 10.

2. MATERIAL ACCOUNTING POLICY INFORMATION

The following is a summary of material accounting policies used in the preparation of these financial statements.

Statement of compliance

These financial statements, including comparatives, have been prepared in accordance with International Financial Reporting Standards ("IFRS"), as issued by the International Accounting Standards Board ("IASB").

The Company's Board of Directors approved these financial statements for issuance on July 29, 2024.

Basis of presentation

These financial statements of the Company have been prepared on an accrual basis and are based on historical costs, modified where applicable. The financial statements are presented in Canadian dollars unless otherwise noted.

2. MATERIAL ACCOUNTING POLICY INFORMATION - (continued)

Significant estimates and assumptions

The preparation of the financial statements in accordance with IFRS 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.

Significant judgments

The preparation of the financial statements in accordance with IFRS requires the Company to make judgments, apart from those involving estimates, in applying accounting policies. The most significant judgment applying to the Company's financial statements was in respect to the assessment of the Company's ability to continue as a going concern and whether there are events or conditions that may give rise to significant uncertainty.

Financial instruments

Financial assets

On initial recognition, financial assets are recognized at fair value and are subsequently classified and measured at: (i) amortized cost; (ii) fair value through other comprehensive income ("FVOCI"); or (iii) fair value through profit or loss ("FVTPL"). The classification of financial assets is generally based on the business model in which a financial asset is managed and its contractual cash flow characteristics. A financial asset is measured at fair value net of transaction costs that are directly attributable to its acquisition except for financial assets at FVTPL where transaction costs are expensed. All financial assets not classified and measured at amortized cost or FVOCI are measured at FVTPL. On initial recognition of an equity instrument that is not held for trading, the Company may irrevocably elect to present subsequent changes in the investment's fair value in other comprehensive income.

The classification determines the method by which the financial assets are carried on the statement of financial position subsequent to inception and how changes in value are recorded.

Impairment

An 'expected credit loss' impairment model applies which requires a loss allowance to be recognized based on expected credit losses. The estimated present value of future cash flows associated with the asset is determined and an impairment loss is recognized for the difference between this amount and the carrying amount as follows: the carrying amount of the asset is reduced to estimated present value of the future cash flows associated with the asset, discounted at the financial asset's original effective interest rate, either directly or through the use of an allowance account and the resulting loss is recognized in profit or loss for the period.

In a subsequent period, if the amount of the impairment loss related to financial assets measured at amortized cost decreases, 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.

Financial liabilities

Financial liabilities are designated as either: (i) fair value through profit or loss; or (ii) amortized cost. All financial liabilities are classified and subsequently measured at amortized cost except for financial liabilities at FVTPL. The classification determines the method by which the financial liabilities are carried on the statement of financial position

2. MATERIAL ACCOUNTING POLICY INFORMATION - (continued)

subsequent to inception and how changes in value are recorded. Accounts payable and accrued liabilities are classified and carried on the statement of financial position at amortized cost.

As at March 31, 2024 and 2023, the Company did not have any derivative financial liabilities.

Income taxes

Current income tax:
Current income tax assets and liabilities for the current period are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date, in the country where the Company operates and generates taxable income.

Current income tax relating to items recognized directly in other comprehensive income or equity is recognized in other comprehensive income or equity and not in profit or loss. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred income tax:
Deferred income tax is provided using the balance sheet method on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

The carrying amount of deferred income tax assets is reviewed at the end of each reporting period and recognized only to the extent that it is probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilized.

Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Deferred income tax assets and deferred income tax liabilities are offset, if a legally enforceable right exists to set off current tax assets against current income tax liabilities and the deferred income taxes relate to the same taxable entity and the same taxation authority.

Loss per share

Basic loss per share is computed by dividing net loss available to common shareholders by the weighted average number of shares outstanding during the reporting period. Diluted loss per share is computed similar to basic loss per share except that the weighted average shares outstanding are increased to include additional shares for the assumed exercise of stock options and warrants, if dilutive. The number of additional shares is calculated by assuming that outstanding stock options and warrants were exercised and that the proceeds from such exercises were used to acquire common stock at the average market price during the reporting periods.

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

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.

(Expressed in Canadian Dollars)

2. MATERIAL ACCOUNTING POLICY INFORMATION - (continued)

Share-based compensation

Share-based payments to employees are measured at the fair value of the instruments issued and amortized over the vesting periods using the graded vesting method. 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-based payment reserve. The fair value of options is determined using the Black-Scholes Option 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.

The Company transfers the value of cancelled and expired unexercised vested stock options and compensatory warrants to deficit or share capital from reserves on the date of expiration, based on the nature of the item.

Accounting pronouncements not yet adopted

A number of amendments to standards and interpretations applicable to the Company are not yet effective for the year ended March 31, 2024 and have not been applied in preparing these financial statements nor does the Company expect these amendments to have a significant effect on its financial statements.

3. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	March 31, 2024	March 31, 2023
	$	$
Accounts payable	23,252	17,390
Accrued liabilities	17,178	12,778
	40,430	**30,168**

4. SHARE CAPITAL

Authorized Share Capital

Unlimited number of common shares without par value.

Issued Shares

During the year ended March 31, 2024:

The Company had no share capital activity.

During the year ended March 31, 2023:

The Company had no share capital activity.

(Expressed in Canadian Dollars)

4. SHARE CAPITAL –(continued)

Escrow shares

As at March 31, 2024, the Company has 2,000,000 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.

Basic and diluted loss per share

The calculation of basic and diluted loss per share for the year ended March 31, 2024 was based on the loss attributable to common shareholders of $55,294 and the weighted average number of common shares outstanding of 2,040,000.

Basic and diluted loss per share did not include the effect of 2,000,000 escrowed shares, which are contingently returnable, and outstanding stock options as the effect would be anti-dilutive.

5. RESERVES

Stock options

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 and the policies of the TSX-V.

A summary of stock option activities is as follows:

	Number of options	Weighted average exercise price
	#	$
Balance, March 31, 2022, and March 31, 2023	400,000	0.10
Expired	(400,000)	(0.10)
Balance, March 31, 2024	**-**	**-**

During the year ended March 31, 2024, 400,000 options expired unexercised. As a result $30,040 was reclassified from reserves to deficit.

6. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

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 data.

The fair value of the Company's accounts payable and accrued liabilities approximate their carrying value. The Company's other financial instrument, being cash, is measured at fair value using Level 1 inputs.

6. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT - (continued)

The Company is exposed in varying degrees to a variety of financial instrument related risks. The Board of Directors approves and monitors the risk management processes, inclusive of documented investment policies, counterparty limits, and controlling and reporting structures. The type of risk exposure and the way in which such exposure is managed is provided as follows:

(a) 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 primary exposure to credit risk is on its cash held in bank accounts. The Company has deposited its cash with a large Canadian financial institution. Management believes the risk of loss is low.

(b) Liquidity risk:
Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they become due. The Company's approach to managing liquidity is to ensure that it will have sufficient working capital to meet liabilities when due. As at March 31, 2024, the Company had a cash balance of $2,046 to settle current liabilities of $80,430. Liquidity risk is assessed as high.

(c) Market risk:
Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices will affect the Company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return. The Company is not exposed to market risk.

(d) Interest rate risk:
Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company is exposed to interest rate risk, from time to time, on its cash balances. Surplus cash, if any, is placed on call with financial institutions and management actively negotiates favorable market related interest rates.

7. 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 directors (executive and non-executive) of the Company.

During the years ended March 31, 2024 and 2023, the Company did not pay any compensation to related parties.

8. CAPITAL DISCLOSURES AND MANAGEMENT

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern and to maintain a flexible capital structure which will allow it to pursue the completion of a Qualifying Transaction ("QT") as defined in the new TSX-V Policy 2.4, which became effective as at January 1, 2021. Therefore, the Company monitors the level of risk incurred in its expenditures relative to its capital structure.

The Company considers its capital structure to include shareholders' equity. The Company monitors its capital structure and makes adjustments in light of changes in economic conditions and the risk characteristics of the potential underlying assets. To maintain or adjust the capital structure, the Company may issue new equity if available on favorable terms and approved by the TSX-V.

(Expressed in Canadian Dollars)

8. CAPITAL DISCLOSURES AND MANAGEMENT- (continued)

As a CPC, the Company is subject to externally imposed capital requirements as outlined in the TSX-V Policy 2.4 and summarized below:

1) No salary, consulting, management fees or similar remuneration of any kind may be paid directly or indirectly to a related party of the Company or a related party of a QT;
2) Gross proceeds realized from the sale of all securities issued by a CPC may only be used to identify and evaluate assets or businesses and obtain shareholder approval for a QT;
3) No more than $3,000 per month of general and administrative expenses are permitted on the uses of proceeds related to the sale of securities by the Company; and
4) After the completion of its IPO and until the completion of a QT, a CPC may not issue any securities unless written acceptance of the TSX-V is obtained before the issuance of the securities.

There were no changes in the Company's approach to capital management during the year ended March 31, 2024.

9. INCOME TAXES

The reconciliation of the income tax provision computed at statutory rates to the reported income tax provision is as follows:

	March 31, 2024	March 31, 2023
	$	$
Loss before income taxes	(55,294)	(48,890)
Total expected income tax recovery at statutory rates	(14,900)	(13,200)
Unrecognized benefit of income tax losses	14,900	13,200
Actual income tax recovery	-	-

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

	March 31, 2024	March 31, 2023
	$	$
Deferred income tax assets:		
Non-capital loss carry-forwards	380,600	325,300
	380,600	325,300
Valuation allowance	(380,600)	(325,300)
Net deferred tax assets	-	-

(Expressed in Canadian Dollars)

9. INCOME TAXES- (continued)

At March 31, 2024, the Company has approximately $380,600 of loss carry forwards which may be available to reduce taxable income in future years. These losses expire as follows:

	Non-capital Losses
	$
2038	26,200
2039	66,600
2040	78,800
2041	45,200
2042	52,300
2043	56,200
2044	55,300
	380,600

The deferred tax assets have not been recognized because at this stage of the Company's development it is not determinable that future taxable profit will be available against which the Company can utilize such deferred tax assets.

10. PROPOSED TRANSACTION

On March 13, 2023, Sanibel and JM Resources Corp. ("JM") a private Canadian Company advancing certain mineral exploration rights located in the state of Utah, USA entered a non-binding Letter of Intent (LOI), which outlines the general terms and conditions of a proposed business combination. The transaction is intended to constitute Sanibel's QT.

The proposed business combination would occur by way of an amalgamation, arrangement, takeover bid or other similar form of transaction, which will result in JM, and in turn its subsidiaries, at the applicable time (or successor corporation, as the case may be) becoming a wholly-owned subsidiary of Sanibel or otherwise combining its corporate existence with that of Sanibel.

The terms and conditions outlined in the LOI are non-binding on the parties, and the LOI is expected to be superseded by the definitive agreement to be negotiated between the parties. Completion of the transaction will also be subject to several other conditions, including shareholder and regulatory approvals and the completion of a concurrent equity financing. Subsequently, the LOI was extended until October 31, 2024.

As part of the proposed transaction with JM, during the year, the Company borrowed $40,000 from JM for general working capital purposes. The amount is non-interest bearing with no specific terms of repayment. Refer to note 11.

11. SUBSEQUENT EVENT

In June 2024, the Company borrowed an additional $61,000 from JM on the same terms as those described in note 10.