CastleCap Capital Inc.

(a Capital Pool Company)

Unaudited Financial Statements

(Prepared by Management)

(Expressed in Canadian Dollars)

For the six months ended June 30, 2024 and June 30, 2023

CastleCap Capital Inc.
(the "Company")

Interim financial statements

As at and for the six months ended June 30, 2024 and June 30, 2023

Notice of no auditor review of interim financial statements

Management of the Company is responsible for the preparation of the accompanying unaudited interim financial statements. The unaudited interim financial statements have been prepared using accounting policies in compliance with International Financial Reporting Standards ("IFRS") for the preparation of interim financial statements and are in accordance with IAS 34 – Interim Financial Reporting.

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

CastleCap Capital Inc.

(a Capital Pool Company)

Statement of Financial Position

(Expressed in Canadian dollars)

	As at June 30 2024		As at Dec 31, 2023	
Assets				
Current assets				
Cash	$	45,747	$	60,481
	$	**45,747**	**$**	**60,481**
Liability and Shareholders' Equity				
Current liability				
Accounts payable and accrued liabilities	$	3,939	$	8,027
Shareholders' equity				
Share capital (note 6)	$	195,721	$	195,721
Contributed surplus		55,110		55,110
Accumulated deficit		(209,023)		(198,377)
		41,808		52,454
	$	**45,747**	**$**	**60,481**

Approved on Behalf of the Board on July 22, 2024

(Signed: "Charles Chebry")	*(Signed: "Travis Rhodes")*
CEO, President, CFO and Director	Director

CastleCap Capital Inc.
(a Capital Pool Company)
Statement of Loss and Comprehensive Loss
(Expressed in Canadian dollars)

	For the three Months ended June 30, 2024		For the three Months ended June 30, 2023		For the six months ended June 30, 2024		For the six months ended June 30, 2023	
Expenses								
Professional fees	$	1,100	$	1,202	$	1,400	$	2,683
General and administrative	$	1,445	$	339		9,246		7,760
Total expenses	**$**	**2,545**	**$**	**1,541**	**$**	**10,646**	**$**	**10,443**
Loss and comprehensive loss	**$**	**2,545**	**$**	**1,541**	**$**	**10,646**	**$**	**10,443**
Weighted average number of shares outstanding - basic and diluted (Note 8)		**2,000,000**		**2,000,000**		**2,000,000**		**2,000,000**
Basic and diluted loss per share	**$**	**0.00**	**$**	**0.00**	**-$**	**0.01**	**-$**	**0.01**

CastleCap Capital Inc.

(a Capital Pool Company)

Statement of Changes in Equity

(Expressed in Canadian dollars)

	Shares	Share capital	Contributed surplus	Deficit	Total
		$	$	$	$
Balance, December 31, 2022	**4,000,000**	**195,721**	**55,110**	**(183,024)**	**67,807**
Net loss and comprehensive loss				(15,353)	**(15,353)**
Balance December 31, 2023	**4,000,000**	**195,721**	**55,110**	**(198,377)**	**52,454**
Net loss and comprehensive loss				(10,646)	**(10,646)**
Balance June 30, 2024	**4,000,000**	**195,721**	**55,110**	**(209,023)**	**41,808**

CastleCap Capital Inc.
(a Capital Pool Company)
Statement of Cash Flows
(Expressed in Canadian dollars)

		For the Six Months ended June 30, 2024		For the Six Months ended June 30, 2023
Operating activities				
Net and comprehensive loss	$	(10,646)	$	(10,443)
Change in non cash working capital items				
Accounts payable and accrued liabilities		(4,088)		(7,331)
Cash used in operating activities	**$**	**(14,734)**	**$**	**(17,774)**
Net change during the period		(14,734)		(17,774)
Cash beginning of period		60,481		77,538
Cash end of period	**$**	**45,747**	**$**	**59,764**

1. Nature and continuance of operations

CastleCap Capital Inc. (the "Company") was incorporated under the Business Corporations Act (Alberta) on November 8, 2018. The Company maintains its registered office at 2032 45 Avenue SW Calgary, Alberta T2T 2P5. The Company is a Capital Pool Company ("CPC") as defined pursuant to Policy 2.4 – Capital Pool Companies of the TSX Venture Exchange (the "TSXV").

As a CPC, the proceeds raised by the Company from the issuance of common shares may only be used to identify and evaluate businesses and assets for future investment, and reasonable expenses relating to the Company's initial public offering, general and administrative expenses not exceeding in aggregate $3,000 per month and relating to a proposed qualifying transaction. These restrictions apply until the completion of a Qualifying Transaction by the Company as defined under the policies of the TSXV.

The Company has not conducted commercial operations. The Company's continuing operations are dependent upon its ability to evaluate and negotiate an agreement to acquire an interest in a material asset or business. There is no assurance that the Company will be able to complete a Qualifying Transaction or that it will be able to secure the necessary financing to complete a Qualifying Transaction. Where an acquisition or participation is warranted, additional funding may be required. The ability of the Company to fund its potential future operations and commitments is dependent upon its ability to obtain additional financing. Such an acquisition will be subject to regulatory approval and, if required, shareholder approval. These conditions indicate the existence of a material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern.

On July 10, 2024, the Company entered into a non-binding letter of intent regarding a proposed non-arm's length transaction with Laiva Gold Inc. The business combination, when completed, is intended to constitute the Company's Qualifying Transaction within the meaning of Policy 2.4 – Capital Pool Companies of the TSXV. Completion of the proposed Qualifying Transaction is subject to certain conditions precedent, as well as the receipt of all necessary regulatory and shareholder approvals, including the approval of the TSXV.

2. Functional and presentation currency

These financial statements are presented in Canadian dollars, which is the Company's functional currency.

3. Statement of compliance

These financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") and interpretations adopted by the International Accounting Standards Board. The financial statements were approved by the Board of Directors on July 22, 2024.

4. Basis of presentation

These financial statements are prepared on a historical cost basis, except for the financial assets classified as fair value through profit or loss that are measured at fair value.

5. Significant accounting policies

(a) Accounting estimates and judgements

The preparation of financial statements in conformity with IFRS requires management to make estimates, judgements and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the balance sheet date and the reported amounts of revenues and expenses during the reporting period.

The Company's policy of recognizing the fair value of stock-based compensation and utilizing the Black Scholes option valuation model to calculate the fair value makes necessary the use of assumptions, such as volatility, which are subjective in nature. As well, the Black Scholes option valuation model was developed for use in estimating the fair value of traded options which are fully transferable, characteristics that differ from the Company's options granted to Directors and Officers.

(b) Financial instruments

Recognition

The Company recognizes financial assets and financial liabilities when it becomes party to the contractual provisions of the instrument.

Classification

Financial assets are classified as subsequently measured at amortized cost, fair value through other comprehensive income or fair value through profit or loss on the basis of both the Company's business model for managing the financial assets and the contractual cash flow characteristics of the financial asset. The classification of subsequently measured at amortized cost is used when the objective of the business model is to hold assets and collect contractual cash flows, and the contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial liabilities are classified as subsequently measured at amortized cost, unless they meet the criteria for measurement at fair value or other prescribed measurement.

Measurement

Financial assets and financial liabilities classified as subsequently measured at amortized cost are initially measured at fair value plus or minus transaction costs that are directly attributable to the acquisition of the financial asset or issue of the financial liability. Subsequently the financial assets and liabilities are measured at amortized cost using the effective interest rate method.

Impairment

Financial assets classified as subsequently measured at amortized cost or fair value through other comprehensive income reflect the Company's assessment of expected credit losses. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

5. Significant accounting policies, continued

(c) Earnings per share

The Company presents basic and diluted earnings per share data for its common shares. Basic earnings per share is calculated by dividing earnings attributable to the equity shareholders by the weighted average number of common shares outstanding during the period. All of the shares held in escrow are considered contingently returnable until the Company completes a Qualifying Transaction and, accordingly, are not considered to be outstanding shares for purposes of the calculation. Diluted earnings per share are determined by adjusting the weighted average number of common shares for the dilutive effect of share-based payments using the treasury stock method. Under this method, stock options, whose exercise price is less than the average market price of the Company's common shares, are assumed to be exercised and the proceeds used to repurchase common shares at the average market price for the period.

(d) Income taxes

Income taxes are calculated using the liability method of tax allocation accounting. Temporary differences arising from the difference between the tax basis of an asset or liability and its carrying value on the statement of financial position are used to calculate deferred income tax liabilities or assets. Deferred income tax liabilities or assets are calculated using tax rates anticipated to apply in the periods that the temporary differences are expected to reverse. The effect on deferred tax assets and liabilities of a change in tax rates is recognized in income in the period that substantive enactment occurs. A deferred tax asset is recognized for unused tax losses, tax credits and deductible temporary differences, to the extent it is probable that future taxable profits will be available against which they can be utilized. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

(e) Stock-based compensation

Stock-based compensation to employees is measured at the fair value of the equity instruments granted and amortized over the vesting period. Stock-based compensation granted to non-employees are measured at the fair value of the good or service received or the fair value of the equity instruments issued if it is determined that the fair value of the good or service cannot be measured reliably, and are recorded at the date the good or service is received. The corresponding amount is recorded to an equity reserve. The Company estimates the fair value of options using the Black-Scholes option pricing model.

(f) Accounting standards issued but not yet adopted

The new accounting standards and amendments to existing standards that have been issued and that the Company will be required to adopt in future years are either not applicable or are not expected to have a significant impact on the Company's financial statements.

6. Share capital

Authorized

Unlimited number of Class "A" Common voting shares
Unlimited number of Class "B" Common voting shares
Unlimited number of Class "C" Common non-voting shares
Unlimited number of preferred shares

(Expressed in Canadian dollars)

6. Share capital, continued

Escrowed shares

Pursuant to an escrow agreement dated February 25, 2019 and as amended June 23, 2021 between the Company and certain shareholders of the Company, 2,000,000 Class “A” Common voting shares, being the issued and outstanding Class “A” Common voting shares prior to the completion of the initial public offering of the Company, were deposited in escrow. Upon the Company completing a Qualifying Transaction, the TSXV will issue a bulletin announcing the final acceptance, and 25% of the Class “A” Common voting shares held pursuant to the escrow agreement shall immediately be released. Every six months following the initial release an additional 25% will be released.

Stock Options

The Company has adopted an incentive stock option plan (the "Option Plan") which provides that the Board of Directors may from time to time, in its discretion, and in accordance with TSXV requirements, grant to directors, officers, employees and consultants to the Company, non-transferable options to purchase Class “A” Common voting shares, provided that the number of Class “A” Common voting shares reserved for issuance will not exceed 10% of the issued and outstanding Class “A” Common voting shares. Such options will be exercisable for a period of up to ten years from the date of grant.

The Board of Directors determines the exercise price per Class “A” Common voting shares, the number of options granted to individual directors, officers, employees and technical consultants and all other terms and conditions of the options.

	Number of Stock Options (exercisable and outstanding)	Weighted average exercise price ($)	Weighted average remaining contractual life (years)
Balance, June 30, 2024	**400,000**	**0.10**	**4.8**

7. Per share amounts

Basic and diluted loss per share have been calculated on the net loss divided by the weighted average number of common share outstanding for the quarters ended June 30, 2024 and 2023.

As at June 30, the weighted average number of common shares used in calculating per share amounts is as follows:

	2022	2021
Basic	**2,000,000**	2,000,000
Effect of stock options	**-**	-
Diluted	**2,000,000**	2,000,000

Escrow shares are considered contingently returnable until the Company completes a Qualifying Transaction. Accordingly, subsequent to the Company’s listing on the TSXV on May 22, 2019, the 2,000,000 Class “A” Common voting shares held in escrow will not be considered to be outstanding shares for the purposes of the loss per share calculations.

For the quarter ended June 30, 2024, the weighted average outstanding calculation excludes the following equity instruments that are anti-dilutive.

- 400,000 stock options (2023 – 400,000)

(Expressed in Canadian dollars)

8. Income tax

The provision for income taxes recorded in the financial statements differs from the amount which would be obtained by applying the statutory income tax rate of 23.0% (2023 – 23.0%) to the loss for the period as follows:

	2024	2023
	($)	($)
Loss for the year to date before income taxes	**(8,101)**	(9,581)
Anticipated income tax recovery	**(1,863)**	(2,204)
Change in deferred tax asset not recognized	**1,863**	2,204
Income tax expense	**-**	-

8. Income tax, continued

As at June 30, 2024, the Company has non-capital tax losses of $255,647 which are available to reduce taxable income in future years. The non-capital tax losses if unutilized will expire as follows:

2039	$ 51,591
2040	45,142
2041	43,561
2042	73,158
2043	34,094
2044	8,101
	$255,647

9. Related party transactions

There was no compensation paid to key management personnel during the period ended June 30, 2024, or 2023.

10. Financial instruments

The carrying value of the Company's financial instruments measured at amortized cost, consisting of cash and accounts payable and accrued liabilities approximates its fair value due to the relatively short maturities of the instruments. It is management's opinion that the Company is not exposed to significant interest, credit or currency risks arising from these instruments.

Liquidity risk

The Company's approach to managing liquidity risk is to ensure that it will have sufficient liquidity to meet liabilities when due. The ability to do this relies on the Company raising equity financing in a timely manner and by maintaining sufficient cash in excess of anticipated needs. Accounts payable generally have contractual maturities of less than thirty days and are subject to normal trade terms. Until such time as the Company completes its Qualifying Transaction, it is subject to certain expenditure restrictions (see note 1).

11. Capital management

The Company defines capital as total equity which was $41,808 as at June 30, 2024. The Company's objective when managing capital is to safeguard the entity's ability to continue as a going concern and to have sufficient capital to be able to identify, evaluate and then acquire an interest in a business or assets.

The Company does not have any externally imposed capital requirements to which it is subject other than the restriction on the use of cash as referred to in Note 1.

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 the capital structure, the Company may attempt to issue new shares.

12. Subsequent Event

On July 10, 2024, the Company entered into a non-binding letter of intent regarding a proposed non-arm's length transaction with Laiva Gold Inc. The business combination, when completed, is intended to constitute the Company's Qualifying Transaction within the meaning of Policy 2.4 – Capital Pool Companies of the TSXV. Completion of the proposed Qualifying Transaction is subject to certain conditions precedent, as well as the receipt of all necessary regulatory and shareholder approvals, including the approval of the TSXV.