SPECTRE CAPITAL CORP.

CONDENSED INTERIM FINANCIAL STATEMENTS

For the nine months ended May 31, 2024 and 2023

(Expressed in Canadian Dollars)

(Unaudited – Prepared by Management)

NOTICE OF NO AUDITOR REVIEW OF THE CONDENSED INTERIM FINANCIAL STATEMENTS

In accordance with National Instrument 51-102 Part 4, subsection 4.3(3)(a), if an auditor has not performed a review of these condensed interim financial statements, they must be accompanied by a notice indicating that the condensed interim financial statements have not been reviewed by an auditor.

The accompanying unaudited condensed interim financial statements of the Company for the nine months ended May 31, 2024 have been prepared by and are the responsibility of the Company's management, and have not been reviewed by the Company's auditors.

SPECTRE CAPITAL CORP.
Condensed Interim Statements of Financial Position
As at May 31, 2024 and August 31, 2023
(Expressed in Canadian Dollars)
(Unaudited – Prepared by Management)

	May 31, 2024	August 31, 2023
ASSETS		
Current asset		
Cash	$ 4,161	$ 27
Total assets	$ 4,161	$ 27
LIABILITIES		
Current liabilities		
Accounts payable and accrued liabilities (Note 9)	143,573	132,725
Loan payable (Note 5)	36,000	6,000
Total liabilities	179,573	138,725
SHAREHOLDERS' DEFICIT		
Share capital (Note 6)	463,900	463,900
Reserves (Note 6)	60,120	60,120
Deficit	(699,432)	(662,718)
Total shareholders' deficit	(175,412)	(138,698)
Total liabilities and shareholders' deficit	$ 4,161	$ 27

Nature and continuance of operations – (Note 1)

APPROVED ON BEHALF OF THE BOARD:

"Geoff Balderson" Director ***"Robert Shewchuk"*** Director

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

SPECTRE CAPITAL CORP.

Condensed Interim Statements of Loss and Comprehensive Loss
For the three and nine months ended May 31, 2024 and 2023
(Expressed in Canadian Dollars)
(Unaudited – Prepared by Management)

	For the three months ended May 31,		For the nine months ended May 31,	
	2024	**2023**	**2024**	**2023**
Expenses				
Bank charges	$ 15	$ 15	$ 45	$ 45
Consulting fees	6,000	6,000	18,000	18,000
Listing and filing fees	-	-	8,203	8,315
Professional fees	1,575	1,639	10,466	19,426
Loss and comprehensive loss for the period	$ (7,590)	$ (7,654)	$ (36,714)	$ (45,786)
Basic and diluted loss per share	$ (0.00)	$ (0.00)	$ (0.01)	$ (0.01)
Weighted average shares outstanding – basic and diluted	3,410,001	3,410,001	3,410,001	3,410,001

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

SPECTRE CAPITAL CORP.
Condensed Interim Statements of Changes in Shareholders' Equity (Deficit)
For the nine months ended May 31, 2024 and 2023
(Expressed in Canadian Dollars)
(Unaudited – Prepared by Management)

	Number of Shares		Share Capital		Reserves		Retained Earnings (Deficit)		Total
Balance, August 31, 2022	7,160,001	$	463,900	$	60,120	$	404,380	$	928,400
Loss and comprehensive loss for the period	-		-		-		(38,132)		(38,132)
Balance, May 31, 2024	7,160,001	$	463,900	$	60,120	$	366,248	$	890,268
Balance, August 31, 2023	7,160,001	$	463,900	$	60,120	$	(662,718)	$	(138,698)
Loss and comprehensive loss for the period	-		-		-		(36,714)		(36,714)
Balance, May 31, 2024	7,160,001	$	463,900	$	60,120	$	(699,432)	$	(175,412)

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

SPECTRE CAPITAL CORP.
Condensed Interim Statements of Cash Flows
For the nine months ended May 31, 2024 and 2023
(Expressed in Canadian Dollars)
(Unaudited – Prepared by Management)

	For the nine months ended May 31,	
	2024	**2023**
CASH FLOWS PROVIDED BY (USED IN)		
OPERATING ACTIVITIES		
Loss for the period	$ (36,714)	$ (45,786)
Items not affecting cash:		
Change in non-cash working capital item:		
Accounts payable and accrued liabilities	10,848	45,741
Net cash used in operating activities	(25,866)	(45)
FINANCING ACTIVITY		
Loan payable	30,000	-
Net cash provided by financing activity	30,000	-
Change in cash for the period	4,134	(45)
Cash, beginning of period	27	660
Cash, end of period	$ 4,161	$ 615
Cash paid for interest during the period	$ -	$ -
Cash paid for income taxes during the period	$ -	$ -

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

1 Nature and continuance of operations

Spectre Capital Corp. (the "Company") was incorporated as a private company by Certificate of Incorporation issued pursuant to the provisions of the *British Columbia Business Corporations Act* on May 24, 2018. On October 17, 2018, the Company changed its name to Spectre Capital Corp.

On August 22, 2019, the Company filed its final prospectus and received final approval on August 26, 2019. Since the Company did not complete its Initial Public Offering ("IPO") in the allotted time, on February 12, 2020, the Company filed with and was accepted by the TSX Venture Exchange ("TSX-V" or the "Exchange") an amended and restated final prospectus with the securities. The Company completed its IPO on February 21, 2020, and is classified as a Capital Pool Company as defined in the TSX-V Policy 2.4. The Company was listed on February 21, 2020 and commenced trading on February 25, 2020 under the trading symbol "SOO.P".

The Company's head office and registered and records office address is Suite 1000 – 409 Granville Street, Vancouver, British Columbia, Canada, V6C 1T2.

These financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") with the assumption that the Company will be able to realize its assets and discharge its liabilities in the normal course of business rather than through a process of forced liquidation. The financial statements do not include adjustments to amounts and classifications of assets and liabilities that might be necessary should the Company be unable to continue operations.

The Company's business may be affected by changes in political and market conditions, such as interest rates, availability of credit, inflation rates, changes in laws, and national and international circumstances. Recent geopolitical events, including, relations between NATO and Russian Federation regarding the situation in Ukraine, the escalation of war between Israel and Hamas in Gaza and potential economic global challenges such as the risk of the higher inflation and energy crises, may create further uncertainty and risk with respect to the prospects of the Company's business.

The Company's continuing operations are dependent upon its ability to identify, evaluate and negotiate an agreement to acquire an interest in a material asset or business (the "Qualifying Transaction"). Any acquisition or investment proposed by the Company will be subject to regulatory approval. The above material uncertainty raises significant doubt about the Company's ability to continue as a going concern.

2 Basis of preparation

These condensed interim financial statements of the Company have been prepared in accordance with International Financial Reporting Standard ("IFRS") as issued by International Accounting Standards Board ("IASB"), and interpretations of the IFRS Interpretations Committee ("IFRIC").

These condensed interim financial statements have been prepared on an accrual basis, except for cash flow information, and are based on historical costs except for certain financial instruments which are measured at fair value. The financial statements are presented in Canadian dollars which is the Company's functional currency.

The condensed interim financial statements were authorized for issue by the Board of Directors on July 17, 2024.

2 **Basis of preparation** – (cont'd)

The preparation of financial statements requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, and revenue and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgments about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and further periods if the review affects both current and future periods.

The assessment of the Company's ability to continue as a going concern (note 1) involves significant judgment.

Investment in a private company – When the fair values of financial assets recorded on the statements of financial position cannot be derived from active markets, they are determined using a variety of valuation techniques. The inputs to these models are derived from observable market data where possible, but where observable market data is not available, judgment and estimates are required to establish fair value.

3 **Significant Accounting Policies**

The preparation of financial data is based on accounting principles and practices consistent with those used in the preparation of the audited financial statements as at August 31, 2023. The accompanying unaudited condensed interim financial statements should be read in conjunction with the Company's audited financial statements for the year ended August 31, 2023.

Recent accounting pronouncements and changes in accounting policies

Certain new standards, interpretations, amendments and improvements to existing standards were issued by the IASB or IFRIC that are mandatory for future accounting periods are as follows:

Classification of Liabilities as Current or Non-current (Amendments to IAS 1)
The amendments to IAS1 provide a more general approach to the classification of liabilities based on the contractual arrangements in place at the reporting date. These amendments are effective for reporting periods beginning on or after January 1, 2024 and are not expected to have a material impact on the Company.

4 Investment

On September 8, 2020, the Company entered into a letter of intent ("LOI") with Hemptown Organics Corp. ("Hemptown") pursuant to which the Company will acquire all of the issued and outstanding shares of Hemptown (the "Transaction") which is intended to constitute the Company's Qualifying Transaction. On March 22, 2022, the Company and Hemptown entered into a termination agreement whereby Hemptown has agreed to issue 2,000,000 Hemptown common shares to the Company as a break fee and the Company and Hemptown have released each other from all matters relating to the Transaction and the termination, including the repayment of the $225,000 loaned and $16,935 in expenses paid by the Company for a total balance of $241,935. The fair value of the shares of Hemptown received was determined by the most recent financing completed by Hemptown at $0.50 per share. The difference between the fair value of the shares received ($1,000,000) and the balance of the loan receivable ($241,935) was recorded as a break fee ($758,065) in other income during the year ended August 31, 2022. As at August 31, 2022, the fair value of the shares of Hemptown remains at $0.50 per share. At August 31, 2023, the Company determined the fair value of its investment to be $Nil due to a change in the corporate and operating events in Hemptown, and recognized a loss on change in fair value of $1,000,000. As at May 31, 2024, there has been no change in fair value.

5 Loan payable

As at May 31, 2024, the Company has a loan payable of $36,000 (August 31, 2023 – $6,000). On June 26, 2023, the Company issued a promissory note for proceeds of $6,000 to a lender. The promissory note is unsecured, non-interest bearing and payable on demand. During the nine months ended May 31, 2024, the Company issued promissory notes for proceeds of $30,000 with similar terms.

6 Share Capital

a) Authorized

Unlimited common shares, without par value.

b) Issued

There were no shares issued during the nine months ended May 31, 2024 and during the year ended August 31, 2023.

c) Escrow Agreement

The shares issued in August 2019 are held in escrow. Under the escrow agreement, 10% of the shares will be released on the issuance of the Final Exchange Bulletin (the Exchange's acceptance of the Qualifying Transaction) and an additional 15% will be released on each of the dates which are 6 months, 12 months, 18 months, 24 months, 30 months and 36 months following the initial release. As these shares are considered contingently issuable until the Company completes the Qualifying Transaction, they are not considered to be outstanding shares for the purposes of earnings (loss) per share calculations. Consequently, basic and diluted earnings (loss) per share and weighted average number of shares disclosures have been reduced by 3,750,001, the number of shares held in escrow as at May 31, 2024 and August 31, 2023.

(Expressed in Canadian Dollars)

6 Share Capital – (cont'd)

d) Stock Options

The Company adopted a stock option plan under which it is authorized to grant options to officers, directors, employees and consultants enabling them to acquire up to 10% of the issued and outstanding common stock of the Company. The options can be granted for a maximum of ten years and vest as determined by the Board of Directors. The exercise price of each option granted may not be less than the fair market value of the common shares.

Details of stock options activities for the nine months ended May 31, 2024 and during the year ended August 31, 2023 are as follows:

	Number of options	Weighted Average Exercise Price
Balance outstanding, August 31, 2022 and 2023 and May 31, 2024	716,000	$0.10

The weighted average remaining life of the 716,000 stock options is 0.73 years.

As at May 31, 2024, the Company had 716,000 stock options outstanding exercisable at $0.10 per share expiring on February 20, 2025.

e) Reserves

The Company's equity reserves are comprised of share-based payments and fair value of agent's warrants.

7 Financial Instruments

Financial risk factors

The Company's risk exposures and the impact on the Company's financial statements are summarized below.

Credit risk

Financial instruments that potentially subject the Company to a significant concentration of credit risk consist primarily of cash. The Company limits its exposure to credit loss by placing its cash with major financial institutions. The maximum exposure is its carrying amount on the statements of financial position.

Interest rate risk

The Company is exposed to interest rate risk to the extent that the cash maintained at the financial institutions is subject to floating rate of interest. The interest rate risks on cash and on the Company's obligations are not considered significant.

7 Financial Instruments – (cont'd)

Liquidity risk

All of the Company's financial liabilities are classified as current and are anticipated to mature within the next fiscal period. At present, the Company's operations do not generate cash flow. The Company's primary source of funding has been the issuance of equity securities. Despite previous success in acquiring financing, there is no guarantee of obtaining future financings.

Determination of Fair Value:

Fair value measurements of financial instruments are required to be classified using a fair value hierarchy that reflects the significance of inputs in making the measurements. The levels of the fair value hierarchy are defined as follows:

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 or indirectly;
Level 3 – Inputs for the asset or liability that are not based on observable market data.

Investment in Hemptown is classified as fair value through profit or loss and measured at fair value using level 3 inputs. The fair values of other financial instruments, which include cash/(bank indebtedness), accounts payable and accrued liabilities and loan payable approximate their carrying values due to the relatively short-term nature of these instruments.

8 Capital Management

Capital is comprised of the Company's shareholders' equity. As at May 31, 2024, the Company's shareholders' deficit was $175,412 (August 31, 2023 – shareholders' deficit of $138,698) and there was no long term debt outstanding. The Company manages its capital structure to maximize its financial flexibility making adjustments to it in response to changes in economic conditions and the risk characteristics of the underlying assets and business opportunities. The Company does not presently utilize any quantitative measures to monitor its capital.

The proceeds from the issuance of share capital raised by the Company, both prior to the Company's IPO and from the IPO itself, may only be used to identify and evaluate assets or businesses for future investments, with the lesser of 30% of the gross proceeds or $210,000 may be used to cover prescribed costs of issuing the common shares or administrative and general expenses of the Company. These restrictions apply until completion of a Qualifying Transaction by the Company as defined under the policies of the Exchange. There is no change to the Company's capital management policy for the period ended May 31, 2024.

9 Related Party Transactions

Related party transactions are comprised of services rendered by directors and/or officers of the Company or by a company with a director in common. Related party transactions are in the ordinary course of business and are measured at the exchange amount.

Included in accounts payable and accrued liabilities at May 31, 2024 was $27,743 (August 31, 2023 – $20,728) owing to a company controlled by the CEO for expense reimbursements. This amount is unsecured, non-interest owing and payable on demand.

Key management personnel compensation

The Company considers its President, Chief Executive Officer, Chief Financial Officer, and the directors of the Company to be key management. During the nine months ended May 31, 2024 and 2023, there were no compensations paid.