ECC VENTURES 4 CORP.

Interim Financial Statements
(Unaudited – Prepared by Management)
(Expressed in Canadian Dollars)

As at and for the period from incorporation on
January 14, 2021 to September 30, 2021

ECC Ventures 4 Corp.

(the "Company" or "ECC4")

INTERIM FINANCIAL STATEMENTS
As at and for the period of incorporation on January 14, 2021 to September 30, 2021

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 Canadian Institute of Chartered Accountants for a review of interim financial statements by an entity's auditor.

ECC VENTURES 4 CORP.
Interim Statement of Financial Position
(Unaudited – Prepared by Management)
(Expressed in Canadian dollars)

		As at September 30, 2021
Assets		
Current Assets		
Cash	**$**	**346,903**
GST receivable		**3,089**
Total Assets	**$**	**349,992**
Liabilities and Shareholders' Equity		
Current Liabilities		
Accounts payable and accrued liabilities	**$**	**5,298**
		5,298
Shareholders' Equity		
Share capital (Note 5)		**402,744**
Reserves		**65,233**
Deficit		**(123,283)**
		344,694
Total Liabilities and Shareholders' Equity	**$**	**349,992**

Nature and continuance of operations (Note 1)

Approved on Behalf of the Board on November 18, 2021:

"Doug McFaul"
Doug McFaul – CEO/CFO/Director

"Brent Ackerman"
Brent Ackerman - Director

The accompanying notes are an integral part of these Interim Financial Statements

ECC VENTURES 4 CORP.
Interim Statement of Loss and Comprehensive Loss
(Unaudited – Prepared by Management)
(Expressed in Canadian dollars)

		For the three months ended September 30, 2021		For the period from incorporation on January 14, 2021 to September 30, 2021
Expenses				
Administration and bank charges	$	3,019	$	4,525
Professional fees		5,934		44,348
Share-based compensation		-		50,377
Transfer agent and filing fees		673		24,033
Loss and comprehensive loss for the period	$	9,626	$	123,283
Weighted average number of shares outstanding – basic and diluted (Note 6)		3,650,000		2,361,583
Basic and diluted loss per share (Note 6)	$	(0.00)	$	(0.05)

The accompanying notes are an integral part of these Interim Financial Statements

ECC VENTURES 4 CORP.
Interim Statement of Changes in Shareholders' Equity
(Unaudited – Prepared by Management)
(Expressed in Canadian dollars)

	Share Capital Number (Note 5b)	Share Capital Amount	Reserves	Deficit	Total Shareholders' Equity
Balance, (incorporation) – January 14, 2021	**-**	**$ -**	**$ -**	**$ -**	**$ -**
Common shares issued	2,000,000	100,000	-	-	100,000
Common shares issued	1,650,000	165,000	-	-	165,000
Common shares issued	2,000,000	200,000	-	-	200,000
Share issuance costs	-	(62,256)	14,856	-	(47,400)
Share-based payments	-	-	50,377	-	50,377
Loss for the period	-	-		(123,283)	(123,283)
Balance, September 30, 2021	**5,650,000**	**$ 402,744**	**$ 65,233**	**$ (123,283)**	**$ 344,694**

The accompanying notes are an integral part of these Interim Financial Statements

ECC VENTURES 4 CORP.
Interim Statement of Cash Flows
(Unaudited – Prepared by Management)
(Expressed in Canadian dollars)

		For the period from incorporation on January 14, 2021 to September 30, 2021
Cash provided by / (used for):		
Operating Activities:		
Loss for the period	$	**(123,283)**
Items not involving cash:		
Share-based compensation		**50,377**
Net change in non-cash working capital items:		
GST receivable		**(3,089)**
Accounts payable and accrued liabilities		**5,298**
		(70,697)
Financing Activities:		
Proceeds from common share issuances (Note 5)		**465,000**
Share issuance costs		**(47,400)**
		417,600
Increase in cash for the period		**346,903**
Cash, beginning of the period		**-**
Cash, end of the period	$	**346,903**

Supplemental information:		
Interest paid	$	-
Income taxes	$	-

Non-cash transactions:		
Agent options issued	$	**14,856**

The accompanying notes are an integral part of these Interim Financial Statements

1. NATURE AND CONTINUANCE OF OPERATIONS

ECC Ventures 4 Corp. (the "Company") was incorporated on January 14, 2021 under the laws of British Columbia and is classified as a Capital Pool Company ("CPC") as defined in the TSX Venture Exchange ("TSX-V" or "Exchange") Policy 2.4. The head office of the Company is located at 1600 – 609 Granville Street, Vancouver, British Columbia V7Y 1C3, and the records and registered office is located at 2200 HSBC Building 885 West Georgia Street, British Columbia, V6C 3E8.

In February 2021, the Company received $265,000 in consideration of the issuance of 3,650,000 common shares of the Company (Note 5).

Since incorporation on January 14, 2021, the Company has had no active business operations. As a CPC, the Company's business objective is to identify and evaluate assets or businesses with a view to potential acquisition or participation by completing a Qualifying Transaction ("QT"), as defined in Exchange Policy 2.4 subject, in certain cases, to shareholder approval and acceptance by the TSX-V.

As a CPC, the proceeds raised from the issuance of share capital may only be used to identify and evaluate assets or businesses for future investment, with the exception that up to $3,000 per month may be used for reasonable general and administrative expenses of the Company. These restrictions will apply until completion of a QT by the Company as defined under the policies of the Exchange.

The Company has an accumulated deficit of $123,283 as at September 30, 2021. The Company's ability to continue its operations is dependent upon obtaining additional financing sufficient to cover its operating costs. All the preceding indicates the existence of a material uncertainty that may cast substantial doubt about the Company's ability to continue as a going concern. These interim financial statements do not give effect to any adjustments which would be necessary should the Company be unable to continue as a going concern and therefore be required to realize its assets and discharge its liabilities in other than the normal course of business and at amounts different from those reflected in the accompanying financial statements.

On June 15, 2021, the Company completed its initial public offering ("IPO"), whereby it issued 2,000,000 common shares at $0.10 per common share for total proceeds of $200,000 pursuant to a prospectus dated May 6, 2021. See Note 5(b) for details of this transaction.

In March 2020, the World Health Organization declared coronavirus COVID-19 a global pandemic. This contagious disease outbreak, which has continued to spread, and any related adverse public health developments, has adversely affected workforces, economies, and financial markets globally, potentially leading to an economic downturn. To date, COVID-19 has not had an adverse impact on the Company.

2. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

The preparation of the interim financial statements in conformity with International Financial Reporting Standards ("IFRS") requires management to make estimates, judgments and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected.

(a) Critical accounting estimates

Critical accounting estimates are estimates and assumptions made by management that may result in a material adjustment to the carrying amount of assets and liabilities within the next financial year and include:

i. Deferred tax assets and liabilities

The estimation of income taxes includes evaluating the recoverability of deferred tax assets based on an assessment of the Company's ability to utilize the underlying future tax deductions against future taxable income prior to expiry of those deductions. Management assesses whether it is probable that some or all the deferred income tax assets will not be realized. The ultimate realization of deferred tax assets is dependent upon the generation of future taxable income, which in turn is dependent upon the successful discovery, extraction, development, and commercialization of mineral reserves. To the extent that management's assessment of the Company's ability to utilize future tax deductions changes, the Company would be required to recognize more or fewer deferred tax assets, and future income tax provisions or recoveries could be affected.

ii. Stock options

Determining the fair value of stock options requires estimates related to the choice of a pricing model, the estimation of stock price volatility, the expected forfeiture rate, and the expected term of the underlying instruments. Any changes in the estimates or inputs utilized to determine fair value could have a significant impact on the Company's future operating results or on other components of shareholders' equity.

2. CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS (continued)

(b) Critical accounting judgment

Information about critical judgments in applying accounting policies that have the most significant effect on the amounts recognized in the statements are, but are not limited to, the following:

i. Going concern

The Company's management has assessed the Company's ability to continue as a going concern and is satisfied that the Company has the resources to continue in business for the foreseeable future. The factors considered by management are disclosed in Note 1.

3. SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of presentation

These interim financial statements have been prepared in accordance with IFRS as issued by the International Accounting Standards Board ("IASB") and interpretations of the International Financial Reporting Interpretations Committee ("IFRIC"). These interim financial statements have been prepared on a historical cost basis, except for financial instruments classified as financial instruments at fair value through profit or loss and financial instruments classified as available-for-sale, which are stated at their fair value. In addition, these interim financial statements have been prepared using the accrual basis of accounting, except for cash flow information. These interim financial statements were authorized by the Audit Committee and the Board of Directors of the Company on November 18, 2021.

(b) Share-based payments

The stock option plan allows Company directors, officers, employees, and consultants to acquire shares of the Company. The fair value of options granted is recognized as a share-based payment expense with a corresponding increase in shareholders' equity. An individual is classified as an employee when the individual is an employee for legal or tax purposes (direct employee) or provides services similar to those performed by a direct employee. Consideration paid on the exercise of stock options is credited to share capital and the fair value of the options is reclassified from share-based payment reserve to share capital.

In situations where equity instruments are issued to non-employees and some or all the services received by the entity as consideration cannot be specifically identified, they are all measured at the fair value of the share-based payment. Otherwise, share-based payments are measured at the fair value of the services received.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

(b) Share-based payments (continued)

The fair value is measured at grant date and each tranche is recognized over the period during which the options vest. The fair value of the options granted is measured using the Black-Scholes option pricing model taking into account the terms and conditions upon which the options were granted. At each reporting date, the amount recognized as an expense is adjusted to reflect the number of stock options that are expected to vest.

(c) Share capital

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

(d) Basic and diluted 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 does not adjust the loss attributable to common shareholders or the weighted average number of common shares outstanding when the effect is anti-dilutive. Contingently issuable shares are not considered outstanding common shares and consequently are not included in loss per share calculations.

(e) Related party transactions

Parties are considered to be related if one party has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operating decisions. Related parties may be individuals or corporate entities. A transaction is considered to be a related party transaction when there is a transfer of resources or obligations between related parties.

(f) Provisions

A provision is recognized if, as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognized as finance cost. The Company does not have any provisions for the period presented.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

(g) Income taxes

Income tax is recognized in profit or loss except to the extent that it relates to items recognized in other comprehensive income or loss or directly in equity, in which case it is recognized in other comprehensive income or loss or equity.

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

Deferred tax is recognized in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. 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 applicable to the period of expected realization or settlement.

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.

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 when they relate to income taxes levied by the same tax authority and the group intends to settle its current tax assets and liabilities on a net basis.

(h) Financial instrument measurement and valuation

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 assets or liability either directly or indirectly; and
Level 3	Inputs that are not based on observable market data.

The measurement of the Company’s financial instruments is disclosed in Note 9 to these financial statements. Any financial instrument that is valued using level 2 or 3 inputs will involve estimation uncertainty.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

(h) Financial instrument measurement and valuation (continued)

Financial assets

The Company classifies its financial assets in the following categories: at fair value through profit or loss ("FVTPL"), at fair value through other comprehensive income ("FVTOCI") or at amortized cost. The determination of the classification of financial assets is made at initial recognition. Equity instruments that are held for trading (including all equity derivative instruments) are classified as FVTPL; for other equity instruments, on the day of acquisition the Company can make an irrevocable election (on an instrument-by-instrument basis) to designate them as at FVTOCI.

The Company's accounting policy for each of the categories is as follows:

Financial assets at FVTPL: Financial assets carried at FVTPL are initially recorded at fair value and transaction costs are expensed in the statement of income (loss). Realized and unrealized gains and losses arising from changes in the fair value of the financial assets held at FVTPL are included in the statement of income (loss) in the period.

Financial assets at FVTOCI: Investments in equity instruments at FVTOCI are initially recognized at fair value plus transaction costs. Subsequently they are measured at fair value, with gains and losses arising from changes in fair value recognized in other comprehensive income (loss) in which they arise.

Financial assets at amortized cost: A financial asset is measured at amortized cost if the objective of the business model is to hold the financial asset for the collection of contractual cash flows, and the asset's contractual cash flows are comprised solely of payments of principal and interest. They are classified as current assets or non-current assets based on their maturity date and are initially recognized at fair value and subsequently carried at amortized cost less any impairment.

Impairment of financial assets at amortized cost: The Company assesses all information available, including on a forward-looking basis, the expected credit losses associated with its assets carried at amortized cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk. To assess whether there is a significant increase in credit risk, the Company compares the risk of a default occurring on the asset as the reporting date, with the risk of default as at the date of initial recognition, based on all information available, and reasonable and supportive forward-looking information.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

(i) Financial liabilities and equity

Debt and equity instruments are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangement. An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued are recorded at the proceeds received, net of direct issue costs.

4. RELATED PARTY TRANSACTIONS

Parties are considered to be related if one party has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operating decisions. Related parties may be individuals or corporate entities. A transaction is considered to be a related party transaction when there is a transfer of resources or obligations between related parties.

As of September 30, 2021, $Nil was due to related parties.

The Company has identified its directors and certain senior officers as its key management personnel and the compensation costs for key management personnel and companies related to them are recorded at their exchange amounts as agreed upon by transacting parties.

During the period from incorporation on January 14, 2021 to September 30, 2021, $Nil was recorded as compensation costs for key management personnel and companies related to them.

5. SHARE CAPITAL

(a) Authorized

Unlimited number of common and preferred shares without par value.

(b) Issued and outstanding

As at September 30, 2021, the issued share capital was comprised of 5,650,000 common shares.

On February 1, 2021, the Company completed a private placement financing and issued 2,000,000 common shares of the Company at a price of $0.05 per share for total proceeds of $100,000.

On February 1, 2021, the Company completed a private placement financing and issued 1,650,000 common shares of the Company at a price of $0.10 per share for total proceeds of $165,000.

(Expressed in Canadian dollars)

5. SHARE CAPITAL (continued)

(b) Issued and outstanding (continued)

On June 15, 2021, the Company completed an IPO of 2,000,000 common shares at a price of $0.10 per share for gross proceeds of $200,000. The Company paid a cash commission of $20,000, a corporate finance fee of $12,000, $7,500 in legal fees and $7,899 in agent's expenses and granted to the agent options to acquire 200,000 common shares at a price of $0.10 per common share until June 15, 2026.

	Number of Shares	Amount
		$
Balance, (incorporation) January 14, 2021	-	-
February 1, 2021 – share issuance	2,000,000	100,000
February 1, 2021 – share issuance	1,650,000	165,000
June 15, 2021 – share issuance	2,000,000	200,000
Share issuance costs	-	(62,256)
Balance, September 30, 2021	**5,650,000**	**402,744**

(c) Stock options

On February 5, 2021, the Company adopted a stock option plan (the "Stock Option Plan") whereby it can grant incentive stock options to directors, officers, employees, and technical consultants of the Company. The maximum numbers of shares that may be reserved for issuance under the Stock Option Plan is limited to 10% of the issued common shares of the Company at any time. The vesting period for all options is at the discretion of the Board of Directors. The exercise price will be set by the Board of Directors at the time of grant and cannot be less than the discounted market price of the Company's common shares.

The Stock Option Plan provides that the number of common shares that may be reserved for the issuance to any one individual upon exercise of all stock options held by such an individual may not exceed 5% of the issued common shares, if the individual is a director or officer, or 2% of the issued common shares, if the individual is a consultant or engaged in providing investor relations services, on a yearly basis. All options granted under the Stock Option Plan will expire not later than the date that is ten years from the date that such options are granted. Options terminate earlier as follows: (i) immediately in the event of dismissal with cause; (ii) 90 days from date of termination other than for cause; or (iii) one year from the date of death or disability. Options granted under the Stock Option Plan are not transferable or assignable other than by will or other testamentary instrument or pursuant to the laws of succession. All common shares acquired on exercise of stock options granted to directors and officers prior to the completion of a QT must be deposited in escrow until the final exchange bulletin relating to a QT is issued.

(Expressed in Canadian dollars)

5. SHARE CAPITAL (continued)

(c) Stock options (continued)

In the current period, the Company granted stock options to directors of the Company to acquire up to an aggregate of 565,000 common shares. Each option is exercisable to acquire one common share at a price of $0.10 any time prior to June 15, 2031. This resulted in share-based compensation expense using the Black-Scholes option-pricing model of $50,377. This amount was also recorded as reserves on the statement of financial position. The weighted average fair value of the stock options granted during the year was $0.10 per option. The risk-free interest rate was 0.98%, with an expected life of 10 years, and an annualized volatility of 100%.

A summary of the Company's stock option activity is as follows:

	Number of Options	Weighted Average Exercise Price
Balance, January 14, 2021	-	$ -
Granted	565,000	0.10
Balance, September 30, 2021	**565,000**	**$0.10**

As at September 30, 2021, outstanding options were as follows:

Grant Date	Number of options Outstanding and Exercisable	Exercise Price	Expiry date	Remaining contractual life (years)
June 15, 2021	565,000	$0.10	June 15, 2031	9.71
Fully vested and exercisable, September 30, 2021	**565,000**	**$0.10**		

(d) Agent options

As part of the IPO on June 15, 2021, the Company granted to the agent options to acquire 200,000 common shares at a price of $0.10 per common share until June 15, 2026. This resulted in share-based compensation expense using the Black-Scholes option-pricing model of $14,856. This amount was recorded as part of the share issuance costs and netted against reserves on the statement of financial position. The weighted average fair value of these agent's options granted to the agent was $0.10 per option. The risk-free interest rate was 0.98%, with an expected life of 5 years, and an annualized volatility of 100%.

(Expressed in Canadian dollars)

5. SHARE CAPITAL (continued)

(d) Agent options (continued)

A summary of the Company's agent option activity is as follows:

	Number of Options	Weighted average Exercise Price
Balance, as at January 14, 2021	-	$ -
Granted	200,000	0.10
Balance, September 30, 2021	**200,000**	**$0.10**

As at September 30, 2021, outstanding agent options were as follows:

Grant Date	Number of agent options Outstanding and Exercisable	Exercise Price	Expiry date	Remaining contractual life (years)
June 15, 2021	200,000	$0.10	June 15, 2026	4.71
Fully vested and exercisable, September 30, 2021	**200,000**	**$0.10**		

(e) Escrowed shares

Upon completion of the Company's IPO (see Note 5(b)), the 2,000,000 common shares issued at $0.05 per share on February 1, 2021, are held in escrow pursuant to the requirements of the Exchange. Twenty five percent of the escrowed common shares will be released from escrow on the issuance of the Final Exchange Bulletin (as defined in the policies of the Exchange) (the "Initial Release") relating to the completion of a QT, and an additional twenty five percent will be released on each of the dates which are six, twelve and eighteen months following the Initial Release.

All common shares acquired on exercise of stock options granted to directors and officers of the Company prior to completion of the QT, must also be deposited in escrow until the Final Exchange Bulletin is issued.

All common shares acquired in the secondary market prior to completion of a QT by a Control Person (as defined in the policies of the Exchange), are required to be deposited in escrow. Subject to certain permitted exemptions, all securities of the Company held by principals of the resulting issuer will also be subject to escrow.

(Expressed in Canadian dollars)

6. BASIC AND DILUTED LOSS PER SHARE

The calculation of basic and diluted loss per share for the period from incorporation on January 14, 2021 to September 30, 2021 was based on the loss attributable to common shareholders of $123,283 and the weighted average number of common shares outstanding of 2,361,583.

Escrow shares are considered contingently returnable until the Company completes a QT. Accordingly, subsequent to the Company's listing on the TSX-V on June 15, 2021, the 2,000,000 shares held in escrow will not be considered to be outstanding for the purposes of the loss per share calculations.

7. INCOME TAXES

The following table reconciles the amount of income tax recoverable on application of the combined statutory Canadian federal and provincial income tax rates:

	2021
	$
Loss before income taxes	**(123,283)**
Expected income tax recovery at statutory rates	**(33,286)**
Change in unrecognized deferred tax assets	**33,286**
Income tax expense (recovery)	**-**

Significant components of the Company's deferred income tax assets (liabilities) not recognized are shown below:

	2021
	$
Non-capital losses carried forward	**123,283**

As at September 30, 2021, the Company had approximately $123,283 of non-capital loss carry forwards available to reduce taxable income for future years. The non-capital losses start to expire in 2041.

8. CAPITAL MANAGEMENT

Capital is comprised of the Company's shareholders' equity and any debt that it may issue. The Company's objectives when managing capital are to maintain financial strength and to protect its ability to meet its ongoing liabilities, to continue as a going concern, to maintain creditworthiness and to maximize returns for shareholders over the long term. Protecting the ability to pay current and future liabilities includes maintaining capital above minimum regulatory levels, current financial strength rating requirements and internally determined capital guidelines and calculated risk management levels.

8. CAPITAL MANAGEMENT (continued)

The proceeds raised from the issuance of share capital may only be used to identify and evaluate assets or businesses for future investment, with the exception that up to $3,000 per month may be used for reasonable general and administrative expenses of the Company. These restrictions apply until completion of a QT by the Company as defined under the policies of the Exchange.

9. FINANCIAL INSTRUMENTS

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. The type of risk exposure and the way in which such exposure is managed is provided as follows:

Market Risk

Market risk is the risk that the fair value or future cash flows from a financial instrument will fluctuate because of changes in market prices or prevailing conditions. Market risk comprises three types of risk: currency risk, interest rate risk and other price risk and are disclosed as follows:

(i) Currency risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Company holds no financial instruments that are denominated in a currency other than Canadian dollars. As at September 30, 2021, the Company is not exposed to currency risk.

(ii) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows will fluctuate as a result of changes in market risk. The Company's sensitivity to interest rates relative to its cash balances is currently immaterial. The Company also has no long-term debt with variable interest rates so it has no negative exposure to changes in the market interest rate.

(iii) Price rate risk

The Company has no exposure to price risk with respect to equity prices as the Company is not listed. Equity price risk is defined as the potential adverse impact on the Company's earnings due to movements in individual equity prices or general movements in the level of the stock market.

9. FINANCIAL INSTRUMENTS (continued)

Credit Risk

Credit risk is the risk of an unexpected loss if a customer or third party to a financial instrument fails to meet its contractual obligations. The Company's credit risk is primarily attributable to its liquid financial assets including cash. The Company limits the exposure to credit risk by only investing its cash with high-credit quality financial institutions. Management believes that the credit risk related to its cash is negligible.

Liquidity Risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they become due. At September 30, 2021, the Company has no sources of revenue but has a cash balance of $346,903 to settle current liabilities of $5,298. As such, management feels the Company has sufficient cash to fund corporate overhead costs and the repayment of the Company's debt obligations for the next year.

The Company likely has insufficient funds from which to finance any identified business acquisition and as such will require additional financing to accomplish the Company's long-term strategic objectives. Future funding may be obtained by means of issuing share capital and/or debt financing. There can be no certainty of the Company's ability to raise additional financing through these means. If the Company is unable to continue to finance itself through these means, it is possible that the Company will be unable to continue as a going concern.

Consequently, the Company is exposed to liquidity risk as at September 30, 2021.

Fair Value Measurements

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 date.

The fair value of cash is determined based on Level 1 inputs, which consist of quoted prices in active markets for identical assets.

9. FINANCIAL INSTRUMENTS (continued)

Fair Value Measurements (continued)

As at September 30, 2021 the Company's financial instruments consist of cash, GST receivable and accounts payable and accrued liabilities. Cash and GST receivable are classified as amortized cost. Accounts payable and accrued liabilities are classified as amortized cost. The fair values of these financial instruments approximate their carrying values because of their short-term nature and/or the existence of market related interest rates on the instruments.