

FIFE CAPITAL CORP.

CONDENSED INTERIM FINANCIAL STATEMENTS (UNAUDITED)

For the six months ended January 31, 2024

(Expressed in Canadian Dollars)

NOTICE TO READER

National Instrument 51-102, Part 4, subsection 4.3 (3) (a) requires that if interim financial statements have not been reviewed by an auditor, a statement to this fact must accompany the interim financial statements.

The accompanying unaudited condensed interim financial statements of Fife Capital Corp. (the “Company”) for the six months ended January 31, 2024 have been prepared by and are the responsibility of the Company’s management. The Company’s independent auditor has not performed a review of these condensed interim financial statements in accordance with the standards established by the Canadian Institute of Chartered Accountants for a review of condensed interim financial statements by an entity’s auditor.

FIFE CAPITAL CORP.
CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION (UNAUDITED)
(Expressed in Canadian dollars)

	January 31, 2024	July 31, 2023
	\$	\$
ASSETS		
Current assets		
Cash	190,319	216,489
Total assets	190,319	216,489
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current liabilities		
Accounts payable and accrued liabilities (Notes 4 and 6)	1,982	13,987
Total liabilities	1,982	13,987
Shareholders' equity		
Share capital (Note 5)	328,354	328,354
Equity reserves (Note 5)	37,858	37,858
Deficit	(177,875)	(163,710)
Total shareholders' equity	188,337	202,502
Total liabilities and shareholders' equity	190,319	216,489

Basis of presentation (Note 2)

On behalf of the Board:

 Signed: "A. Murray Sinclair" Director Signed: "Robert Buchan" Director

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

FIFE CAPITAL CORP.**CONDENSED INTERIM STATEMENT OF LOSS AND COMPREHENSIVE LOSS (UNAUDITED)**

(Expressed in Canadian dollars)

	Three Months Ended January 31, 2024	Three Months Ended January 31, 2023	Six Months Ended January 31, 2024	Six Months Ended January 31, 2023
	\$	\$	\$	\$
EXPENSES				
Administrative and corporate services (Note 6)	4,725	4,725	9,450	9,450
Transfer agent, shareholder communications, listing and filing fees	1,344	486	5,303	4,643
Professional fees	(1,372)	-	(588)	1,738
Loss and comprehensive loss for the period	(4,697)	(5,211)	(14,165)	(15,831)
Basic and diluted loss per common share (Note 5)	(0.00)	(0.00)	(0.00)	(0.00)

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

FIFE CAPITAL CORP.**CONDENSED INTERIM STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY (UNAUDITED)**

(Expressed in Canadian dollars)

	Share Capital		Equity		Total
	Number of Shares	Amount	Reserves	Deficit	
		\$	\$	\$	\$
Balance, July 31, 2022	3,530,000	303,981	47,231	(116,402)	234,810
Loss for the period	-	-	-	(15,831)	(15,831)
Balance, January 31, 2023	3,530,000	303,981	47,231	(132,233)	218,979
Exercise of warrants	100,000	24,373	(9,373)	-	15,000
Loss for the period	-	-	-	(31,477)	(31,477)
Balance, July 31, 2023	3,630,000	328,354	37,858	(163,710)	202,502
Loss for the period	-	-	-	(14,165)	(14,165)
Balance, January 31, 2024	3,630,000	328,354	37,858	(177,875)	188,337

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

FIFE CAPITAL CORP.**CONDENSED INTERIM STATEMENT OF CASH FLOWS (UNAUDITED)**

(Expressed in Canadian dollars)

	Six Months Ended January 31, 2024	Six Months Ended January 31, 2023
	\$	\$
CASH FLOWS USED IN OPERATING ACTIVITIES		
Loss for the period	(14,165)	(15,831)
Changes in non-cash working capital items:		
Accounts payable and accrued liabilities related to operating activities	(12,005)	(9,856)
Net cash used in operating activities	(26,170)	(25,687)
Change in cash during the period	(26,170)	(25,687)
Cash, beginning of period	216,489	245,837
Cash, end of period	190,319	220,150

Other cash flow information:

There were no non-cash investing or financing activities in the six months ended January 31, 2024 or 2023.

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

FIFE CAPITAL CORP.

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (unaudited)

FOR THE SIX MONTHS ENDED JANUARY 31, 2024

(Expressed in Canadian dollars)

1. NATURE OF OPERATIONS

Fife Capital Corp. (the “Company”) was incorporated on September 18, 2020 under the Business Corporations Act (British Columbia) and is a Capital Pool Company (“CPC”) as defined in the TSX Venture Exchange (“TSX-V”) Policy 2.4 (“Policy 2.4”). As a CPC, the Company’s objective is to identify and acquire either operating assets or a business, subject to regulatory approval, that meet the criteria of a Qualifying Transaction as defined by the TSX-V (“Qualifying Transaction”). Until such time that a Qualifying Transaction is completed, the Company will have no significant revenue and will incur expenses primarily for Qualifying Transaction investigation, TSX-V listing and filing requirements, professional services and office facilities and administration, subject to certain restrictions under Policy 2.4. Additional discussion on these restrictions is included in Note 8.

On July 15, 2021 the Company completed an initial public offering of common shares (the “IPO”) and is listed on the TSX-V under the symbol “FFC.P”.

The Company’s registered office address is Suite 704, 595 Howe Street, Vancouver, BC, and its principal place of business is Suite 1703, 595 Burrard Street, Vancouver, BC.

These unaudited condensed interim financial statements were authorized for issue by the Audit Committee and Board of Directors on March 4, 2024.

2. BASIS OF PRESENTATION

a) Statement of Compliance

These unaudited condensed interim financial statements, including comparatives have been prepared in accordance with IFRS Accounting Standards (“IFRS”) and International Accounting Standard (“IAS”) 34 “*Interim Financial Reporting*”.

b) Basis of Measurement

These unaudited condensed 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, which are stated at their fair value. In addition, these financial statements have been prepared using the accrual basis of accounting, except for cash flow information.

These unaudited condensed interim financial statements are presented in Canadian dollars, which is the Company’s functional currency.

c) Continuance of Operations

As at January 31, 2024, the Company had cash of \$190,319 which is sufficient to pay \$1,982 in accounts payable and accrued liabilities then outstanding, for its projected operating costs for the next 12 months and to pursue a limited number of potential Qualifying Transactions.

The financial statements do not include any adjustments relating to the recoverability and classification of recorded asset amounts and classification of liabilities that might be necessary should the Company be unable to continue its existence.

FIFE CAPITAL CORP.

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (unaudited)

FOR THE SIX MONTHS ENDED JANUARY 31, 2024

(Expressed in Canadian dollars)

3. MATERIAL ACCOUNTING POLICY INFORMATION

These unaudited condensed interim financial statements have been prepared according to the same accounting policies and are subject to the same areas of judgement, measurement estimates and uncertainties as those disclosed in Note 3 of the Company's audited financial statements for the year ended July 31, 2023.

4. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

The Company's accounts payable and accrued liabilities include amounts related to routine general and administrative expenses payable on typical trade terms.

5. SHAREHOLDERS' EQUITY**Authorized share capital**

The Company is authorized to issue an unlimited number of common shares and preferred shares without par value. No preferred shares have been issued. Changes to the number of common shares outstanding are as follows:

	Number of Shares	Assigned Value
Outstanding, July 31, 2022	3,350,000	\$ 303,981
Shares issued	100,000	15,000
Transfer of fair value of warrants exercised		9,373
Outstanding, July 31, 2023 and January 31, 2024	3,630,000	\$ 328,354

During the year ended July 31, 2023, the Company issued 100,000 shares on the exercise of 100,000 warrants for total proceeds of \$15,000. In addition to the cash proceeds received, the Company transferred \$9,373, the fair value of the warrants exercised, from equity reserve to share capital.

Of the Company's 3,630,000 (July 31, 2023 – 3,630,000) common shares issued and outstanding on January 31, 2024, there are 1,380,000 (July 31, 2023 – 1,380,000) held in escrow to be released ratably over a period up to 18 months following the completion of a Qualifying Transaction.

Equity reserves*Stock options*

The Company has adopted an incentive stock option plan which provides that the Board of Directors of the Company may from time to time, in its discretion, and in accordance with the TSX-V requirements, grant to directors, officers, employees and technical consultants to the Company, non-transferable options to purchase its common shares, provided that the number of common shares reserved for issuance will not exceed 10% of the issued and outstanding common shares, exercisable for a period of up to ten years from the date of grant. The vesting conditions, if any, for stock options granted are determined at the discretion of the Company's Board of Directors.

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NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (unaudited)

FOR THE SIX MONTHS ENDED JANUARY 31, 2024

(Expressed in Canadian dollars)

5. SHAREHOLDERS' EQUITY (cont'd...)**Equity reserves (cont'd...)***Stock options (cont'd...)*

There were no option transactions during the years ended July 31, 2023 or the six months ended January 31, 2024. Options outstanding and exercisable as at January 31, 2024 are as follows:

	Number of Stock Options	Expiry Date	Exercise Price
			\$
Outstanding and exercisable	300,000	July 15, 2026	0.15

Warrants

The Company may grant warrants that can be exercised to purchase its common shares at terms determined at the discretion of the Company's Board of Directors. These warrants may be included with common shares in future financings or granted as compensation for services provided to the Company.

Changes to the Company's warrants outstanding are as follows:

	Number of Warrants	Expiry Date	Exercise Price
			\$
Outstanding, July 31, 2022	100,000	July 15, 2023	0.15
Warrants exercised	(100,000)		0.15
Outstanding, July 31, 2023 and January 31, 2024	-	-	-

Per share amounts

Weighted average loss per share is calculated as follows:

	Three Months Ended January 31, 2024	Three Months Ended January 31, 2023	Six Months Ended January 31, 2024	Six Months Ended January 31, 2023
	\$	\$	\$	\$
Numerator				
Net loss for the period	(4,697)	(5,211)	(14,165)	(15,831)
Denominator				
Weighted average number of common shares outstanding, basic and diluted	3,630,000	3,530,000	3,630,000	3,530,000
Loss per common share, basic and diluted	(0.00)	(0.00)	(0.00)	(0.00)

In accordance with the Company's accounting policy, weighted average number of common shares outstanding includes 1,380,000 shares held in escrow.

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6. RELATED PARTY TRANSACTIONS

The Company is party to a corporate services agreement with Earlston Management Corp. (“Earlston”), whereby Earlston provides various administrative, management and corporate services to the Company for a fee of \$1,500 per month plus tax and out-of-pocket costs. Earlston is related to the Company by virtue of providing key management services and by having certain directors and officers in common. The Company’s expense for administrative and corporate services for the six months ended January 31, 2024 includes \$9,450 (2023 - \$9,450) in such costs incurred with Earlston of which \$1,575 is included in accounts payable and accrued liabilities as at January 31, 2024 (July 31, 2023 - \$1,575).

7. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

As at January 31, 2024, the Company’s financial instruments comprise cash and accounts payable and accrued liabilities. The fair values of accounts payable and accrued liabilities approximate their carrying values due to their short term to maturity. Fair values of financial instruments are classified in a fair value hierarchy based on the inputs used to determine fair values. The levels of the fair value hierarchy are as follows:

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 (i.e. as prices) or indirectly (i.e. derived from prices); and

Level 3 – Inputs that are not based on observable market data (unobservable inputs).

As at January 31, 2024, the fair value of cash held by the Company was based on level 1 inputs of the fair value hierarchy.

The Company’s risk exposures and the impact on the Company’s financial instruments are summarized below:

Credit risk

Credit risk is the risk of loss arising from a customer or third party to a financial instrument failing to meet its contractual obligations. The Company’s credit risk is primarily attributable to its cash. The Company limits exposure to credit risk by maintaining its cash with a large Canadian financial institution.

Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. As at January 31, 2024, the Company had a cash balance of \$190,319 which is sufficient to settle current liabilities of \$1,982 then outstanding and anticipated short-term cash requirements, but that additional funding may be required to meet long-term requirements should a Qualifying Transaction not be completed on a timely basis. The Company’s financial liabilities include trade payables that have contractual maturities of 30 days or are due on demand and are subject to normal trade terms.

Market risk

Market risk is the risk of loss that may arise from changes in market factors such as interest rates, foreign exchange rates, and equity prices. As the Company does not currently hold and does not expect to hold interest-bearing financial instruments other than cash, assets or liabilities denominated in a foreign currency, and marketable securities or other financial instruments subject to fluctuations in equity prices, it currently does not have and is not expected to have exposure to these market risks.

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8. CAPITAL MANAGEMENT

In the management of capital, the Company defines capital as its shareholders' equity. As at January 31, 2024, the Company's shareholders' equity was \$188,337. The Company's objectives when managing capital are to maintain a low level of on-going operating costs and to continue as a going concern until a Qualifying Transaction can be completed. The Company's current capital was received from the issuance of common shares (Note 5) and will only be sufficient to identify and evaluate a limited number of assets and businesses for the purpose of identifying and completing a Qualifying Transaction.

The Company is not subject to any externally imposed capital requirements other than the expenditure restrictions applicable under Policy 2.4. These expenditure restrictions limit the Company's on-going expenditures to reasonable expenditures relating to the IPO, reasonable expenses relating to a proposed Qualifying Transaction, assurance and audit fees, escrow agent and transfer agent fees, regulatory filing fees and a maximum of \$3,000 per month for other general and administrative costs.