Badger Capital Corp.

Financial Statements

For the Years Ended November 30, 2023 and 2022

Expressed in Canadian Dollars

To the Shareholders of Badger Capital Corp.:

Opinion

We have audited the financial statements of Badger Capital Corp. (the "Company"), which comprise the statements of financial position as at November 30, 2023 and November 30, 2022, and the statements of loss and comprehensive loss, changes in equity and cash flows for the years then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at November 30, 2023 and November 30, 2022, and its financial performance and its cash flows for the years then ended in accordance with International Financial Reporting Standards.

Basis for Opinion

We conducted our audits 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 audits of the financial statements in Canada, and we have fulfilled our other 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.

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. We have determined that there are no key audit matters to communicate in our report.

Other Information

Management is responsible for the other information. The other information comprises Management's Discussion and Analysis.

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 audits 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 audits or otherwise appears to be materially misstated. We obtained Management's Discussion and Analysis prior to the date of this auditor's report. If, based on the work we have performed on this other information, 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.

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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 International Financial Reporting Standards, 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 audits and significant audit findings, including any significant deficiencies in internal control that we identify during our audits.

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.

The engagement partner on the audit resulting in this independent auditor's report is Brent Wolfe.

Vancouver, British Columbia

March 27, 2024 — Chartered Professional Accountants

Badger Capital Corp.
Statements of Financial Position
As at November 30
(Expressed in Canadian dollars)

	Note	2023	2022
		$	$
ASSETS			
Current assets			
Cash		500,444	418,504
Non-current assets			
Equipment	4	2,696	-
Total assets		**503,140**	**418,504**
LIABILITIES			
Current liabilities			
Accounts payable and accrued liabilities		18,995	17,995
Total liabilities		18,995	17,995
EQUITY			
Share capital	5	687,957	529,498
Reserves	5	67,828	67,828
Deficit		(271,640)	(196,817)
Total equity		**484,145**	**400,509**
Total liabilities and equity		**503,140**	**418,504**

Nature of Operations (Note 1)

Approved and authorized for issue on behalf of the Board on March 26, 2024.

"Neil Alexander Currie"
Neil Alexander Currie, Director

"James Currie"
James Currie, Director

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

Badger Capital Corp.
Statements of Loss and Comprehensive Loss
For the Years Ended November 30
(Expressed in Canadian dollars)

	2023	**2022**
	$	$
EXPENSES		
Accounting and audit	37,305	26,197
Depreciation (Note 4)	770	-
Consulting	6,779	-
Filing Fees	16,408	7,164
Office	2,333	50
Legal fees	11,228	25,196
NET LOSS AND COMPREHENSIVE LOSS	(74,823)	(58,607)
LOSS PER SHARE – BASIC AND DILUTED	(0.01)	(0.01)
WEIGHTED AVERAGE NUMBER OF COMMON SHARES OUTSTANDING	10,731,607	8,600,100

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

Badger Capital Corp.
Statements of Changes in Equity
For the Years Ended November 30, 2023 and 2022
(Expressed in Canadian dollars)

	Common Shares				
	Number of Shares	Amount	Reserves	Deficit	Total
		$	$	$	$
Balance, November 30, 2021	**8,600,100**	**529,498**	**67,828**	**(138,210)**	**459,116**
Net loss for the year	-	-	-	(58,607)	(58,607)
Balance, November 30, 2022	**8,600,100**	**529,498**	**67,828**	**(196,817)**	**400,509**
Shares issued for cash (Note 5)	3,400,000	170,000	-	-	170,000
Share issuance costs (Note 5)	-	(11,541)	-	-	(11,541)
Net loss for the year	-	-	-	(74,823)	(74,823)
Balance, November 30, 2023	**12,000,100**	**687,957**	**67,828**	**(271,640)**	**484,145**

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

Badger Capital Corp.
Statements of Cash Flows
For the Years Ended November 30
(Expressed in Canadian dollars)

		2023		2022
CASH PROVIDED BY (USED IN):				
OPERATING ACTIVITIES				
Net loss for the year	$	**(74,823)**	$	**(58,607)**
Items not affecting cash				
Depreciation (Note 4)		770		-
Changes in non-cash working capital balances:				
Accounts payable and accrued liabilities		1,000		5,308
Net cash used in operating activities		(73,053)		(53,299)
INVESTING ACTIVITY				
Purchase of equipment (Note 4)		(3,466)		-
FINANCING ACTIVITIES				
Shares issued for cash (Note 5)		170,000		-
Share issuance costs (Note 5)		(11,541)		-
Net cash from financing activities		158,459		-
CHANGE IN CASH		81,940		(53,299)
CASH, BEGINNING OF YEAR		418,504		471,803
CASH, END OF YEAR	$	**500,444**	$	**418,504**

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

1. NATURE OF OPERATIONS

Badger Capital Corp. (the “Company”) was incorporated under the Business Corporations Act of British Columbia on July 23, 2020. The Company currently has no operating business and is a Capital Pool Company as defined in the TSX Venture Exchange (“TSX.V”) Policy 2.4. The principal business of the Company is the identification and evaluation of assets or businesses with a view to completing a Qualifying Transaction (“QT”) under Policy 2.4.

The head office, principal address of the Company are located at 1090-510 Burrard Street, Vancouver, British Columbia, V8C 3B9 and its registered and records office address is 800 – 885 West Georgia Street, Vancouver, British Columbia, V6C 3H1. The Company was listed on the TSX-Venture Exchange on June 14, 2021 under the symbol YVR.P.

These financial statements have been prepared on the basis of accounting principles applicable to a going concern which assumes the Company will be able to continue in operations for the foreseeable future and will be able to realize its assets and discharge its liabilities in the normal course of operations.

These financial statements do not reflect adjustments that would be necessary if the going concern assumption was not appropriate. If the going concern assumption was not appropriate for these financial statements, adjustments would be necessary to the statement of financial position classifications used. Such adjustments could be material.

Certain comparative figures have been reclassified to conform to current year's presentation.

2. BASIS OF PRESENTATION AND SIGNIFICANT ACCOUNTING POLICIES

a) Statement of Compliance

These financial statements have been prepared in accordance with International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board (“IASB”). These financial statements have been prepared on a historical cost basis and presented in Canadian dollars which is the functional currency of the Company.

These financial statements were approved and authorized for issue by the Company’s Board of Directors on March 26, 2024.

2. BASIS OF PRESENTATION AND SIGNIFICANT ACCOUNTING POLICIES (continued)

b) Significant accounting estimates and judgements

The preparation of financial statements in accordance with IFRS requires management to make judgments, estimates, and assumptions that affect the application of policies and reported amounts of assets, liabilities, income, 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.

Significant areas requiring the use of estimates include the measurement of deferred income tax.

Judgments made by management in the application of IFRS that have a significant effect on the financial statements include the factors that are used in determining the application of the going concern assumption which requires management to take into account all available information about the future, which is at least but not limited to, twelve months from the year end of the reporting year. Significant areas requiring the use of judgements include the assessment of going concern.

c) Cash and cash equivalents

The Company considers all highly liquid instruments with a maturity of three months or less at the time of issuance, are readily convertible to known amounts of cash, and which are subject to insignificant risk of changes in value to be cash equivalents.

d) Share capital

Common shares issued by the Company are classified as equity. Costs directly attributable to the issue of common shares, share purchase warrants and share options are recognized as a deduction from equity, net of any related income tax effects.
The fair value of the common shares issued in a private placement unit of shares and warrants is determined to be the more easily measurable component and are valued at their fair value, as determined by the closing quoted price on the issuance date. The remaining proceeds, if any, are allocated to the attached warrants. Warrants issued to agents are measured at their fair value on the date of grant using the Black-Scholes option pricing model and recognized in equity as a deduction from the proceeds. Costs directly attributable to the issue of new shares are recognized in equity as a deduction from the proceeds. Costs attributable to the listing of existing shares are expensed as incurred.

e) Loss per share

Basic loss per share is computed by dividing the net loss available to common shareholders by the weighted average number of common shares issued and outstanding during the year. Diluted loss per share is calculated assuming that outstanding share purchase options, with an average market price that exceeds the average exercise prices of the options and warrants for the year, are exercised and the proceeds are used to repurchase shares of the Company at the average market price of the common shares for the year. As at November 30, 2023, the Company had no potentially dilutive shares outstanding. All of the Company’s options are anti-dilutive due to the Company’s net loss position.

2. BASIS OF PRESENTATION AND SIGNIFICANT ACCOUNTING POLICIES (continued)

f) Income taxes

Income tax is recognized in the statement of operations except to the extent that it relates to items recognized directly in equity, in which case it is recognized in 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.
In general, deferred income tax is recognized in respect of temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred income tax is determined on a non-discounted basis using tax rates and laws that have been enacted or substantively enacted at the statement of financial position date and are expected to apply when the deferred income tax asset or liability is settled. Deferred income tax assets are recognized to the extent that it is probable that the assets can be recovered. Deferred income tax assets and liabilities are presented as non-current.

g) Financial Instruments

Financial instruments are accounted for in accordance with IFRS 9, “Financial Instruments: Classification and Measurement”. A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability of equity instrument of another entity.

i) 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. Cash is classified as FVTPL.

ii) Financial liabilities

Financial liabilities are classified 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 subsequent to inception and how changes in value are recorded. Accounts payable are classified at amortized cost.

2. BASIS OF PRESENTATION AND SIGNIFICANT ACCOUNTING POLICIES (continued)

(g) Financial instruments (continued)

ii) Financial liabilities (continued)

The Company derecognizes a financial liability when its contractual obligations are discharged or cancelled or expire. The Company also derecognizes a financial liability when the terms of the liability are modified such that the terms and / or cash flows of the modified instrument are substantially different, in which case a new financial liability based on the modified terms is recognized at fair value.

iii) Impairment of financial assets

At each reporting date the Company assesses whether there is any objective evidence that a financial asset or a group of financial assets is impaired. A financial asset or group of financial assets is deemed to be impaired, if, and only if, there is objective evidence of impairment as a result of one or more events that has occurred after the initial recognition of the asset and that event has an impact on the estimated future cash flows of the financial asset or the group of financial assets.

(h) Equipment

The Company's equipment consists of computer equipment which is carried at cost less accumulated depreciation. Depreciation is taken on a straight-line basis over a year of three years.

3. 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.

There were no related party transactions for the years ended November 30, 2023 or 2022.

(Expressed in Canadian dollars)

4. EQUIPMENT

A continuity of the Company's equipment is as follows:

Cost		
Balance, November 30, 2022 and 2021	**$**	**-**
Additions		3,466
Balance, November 30, 2023	**$**	**3,466**
Accumulated depreciation		
Balance, November 30, 2022 and 2021	**$**	**-**
Additions		770
Balance, November 30, 2023	**$**	**770**
Net book value		
Balance, November 30, 2022 and 2021	**$**	**-**
Balance, November 30, 2023	**$**	**2,696**

5. EQUITY

a) Authorized Share Capital

Unlimited number of common shares without par value.

b) Issued Share Capital

During the year ended November 30, 2023, the Company completed several private placements, issuing 3,400,000 common shares at a price of $0.05 per common share for gross proceeds of $170,000. Share issuance costs of $11,541 were paid.

No shares were issued during the year ended November 30, 2022.

c) Escrow Shares

As at November 30, 2023, 4,930,100 (2022 – 4,930,100) common shares are in escrow pursuant to the terms of a CPC Escrow Agreement and will be released from escrow in stages over a year of 18 months from the date of the Final QT Exchange Bulletin as follows:

- 25% on the date of Final QT Exchange Bulletin
- 25% on the date 6 months following Final QT Exchange Bulletin
- 25% on the date 12 months following Final QT Exchange Bulletin and
- 25% on the date 18 months following Final QT Exchange Bulletin

(Expressed in Canadian dollars)

5. EQUITY (CONTINUED)

d) Stock Options

As at November 30, 2023, the Company has 400,000 stock options exercisable and outstanding:

Grant date	Number of options	Expiry date
January 15, 2021	300,000	June 14, 2031
March 29, 2021	100,000	June 14, 2031
	400,000	

Below is a continuity of stock options:

	Number of options	Exercise Price ($)
Number of options, November 30, 2022 and 2021	800,000	0.10
Expiry (Note 5(e))	(400,000)	0.10
Number of options, November 30, 2023	400,000	0.10

These options have a remaining useful life of 7.54 years as at November 30, 2023. See Note 5(e).

e) Agent Options

On June 14, 2021, the Company granted 400,000 stock options to IPO agents of the Company. The agent options were exercisable at a price of $0.10 per common share from the date when the Company's common shares were listed for trading on the TSX Venture Exchange on June 14, 2021 until twenty-four months from the Listing Date. These agent options expired during the year ended November 30, 2023 (Note 5(d)).

The weighted average exercise price was $0.10.

There were no agent options granted, exercised, expired or cancelled during the year ended November 30, 2022.

6. CAPITAL MANAGEMENT

The Company manages its capital structure and makes adjustments to it, based on the funds available to the Company, in order to support the general operations of the Company and facilitate the liquidity needs of its operations. The Board of Directors does not establish quantitative return on capital criteria for management, but rather relies on the expertise of the Company's management to sustain future development of the business. The Company defines capital to include all components of equity.

Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company, is reasonable. The Company currently has no operating business and intends to become a Capital Pool Company as defined in the TSX.V Policy 2.4.

Under Policy 2.4, 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 the lesser of 30% of the gross proceeds realized by the Company in respect of the sale of its securities and $210,000, may be used for purposes other than evaluating businesses or assets. These restrictions apply until the completion of a QT by the Company as defined under the policies of the TSX.V.

7. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

Certain of the Company's financial assets and liabilities are measured at fair value on a recurring basis and classified in their entirety based on the lowest level of input that is significant to the fair value measurement. There are three levels of the fair value hierarchy that prioritize the inputs to valuation techniques used to measure fair value, with Level 1 inputs having the highest priority. The levels and the valuation techniques used to value the Company's financial assets and liabilities are described below:

Level 1 – Quoted prices are available in active markets for identical assets or liabilities as of the reporting date. Active markets are those in which transactions occur in sufficient frequency and volume to provide pricing information on an ongoing basis. Cash is classified under Level 1.

Level 2 – Fair value measurements are those derived from inputs other than quoted prices that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (derived from prices).

Level 3 – Valuations in the level are those with inputs for the asset or liability that are not based on observable market data.

The fair value of the Company's financial instruments including cash and accounts payable and accrued liabilities approximates their carrying value as at November 30, 2023 and November 30, 2022 due to the demand nature or short-term maturity of these instruments.

Financial risk management objectives and policies

The Company's financial instruments include cash and accounts payable. The risks associated with these financial instruments and the policies on how to mitigate these risks are set out below. Management manages and monitors these exposures to ensure appropriate measures are implemented on a timely and effective manner.

(i) Credit Risk

Credit risk is the risk of loss that may arise on outstanding financial instruments should a counter-party default on its obligation. The Company minimizes its credit risk associated with its cash balance by dealing with major financial institutions in Canada. The carrying amount of financial assets including cash represents the maximum credit exposure.

(ii) Foreign Exchange Rate and Interest Rate Risk

The Company is not exposed to any significant foreign exchange rate risk or interest rate risk.

(iii) Liquidity Risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting financial obligations due to shortage of funds. The Company manages liquidity risk by maintaining sufficient cash balances and adjusting its operating budget and expenditure. Liquidity requirements are managed based on expected cash flows to ensure that there is sufficient capital in order to meet short-term and other specific obligations.

The Company's approach to managing liquidity risk is to ensure that it will have sufficient liquidity to meet liabilities when they come due. As at November 30, 2023 the Company had cash of $500,444 and financial liabilities consisting of accounts payable of $18,995 which are due within 30 days.

(Expressed in Canadian dollars)

7. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (CONTINUED)

(iv) Market Risk

Market risk is the risk of loss that may arise from changes in market factors such as market prices, foreign exchange rates and interest rates. In management's opinion, the Company is not exposed to significant market risk.

8. INCOME TAXES

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

	November 30, 2023	November 30, 2022
Canadian statutory income tax rate	27%	27%
	$	$
Expected income tax recovery at statutory rate	(20,200)	(15,800)
Permanent differences and other	(3,100)	(3,900)
Change in deferred tax assets not recognized	23,300	19,700
Deferred income tax recovery	-	-

The deductible temporary differences and unused tax losses that give rise to significant portions of the deferred tax assets not recognized are presented below:

	November 30, 2023	November 30, 2022
	$	$
Non-capital loss carry forwards	263,000	172,000
Equipment	1,000	
Share issuance costs	38,000	43,000
Deductible temporary difference and unused tax losses not recognized	302,000	215,000

Certain comparative figures have been adjusted to conform with the current year presentation.

As at November 30, 2023, the Company's had non-capital loss carry forwards of $263,000 (2022 - $172,000) which can be used to offset future taxable income and which expire between 2040 and 2043.