Wittering Capital Corp.

(A Capital Pool Company)

Financial Statements

As at and for the three and six months ended January 31, 2025

NOTICE OF NO AUDITOR REVIEW OF INTERIM FINANCIAL STATEMENTS

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

The accompanying unaudited interim financial statements of the Company 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 interim financial statements in accordance with the standards established by the Chartered Professional Accountants of Canada for a review of the interim financial statements by an entity's auditor.

As at		January 31, 2025		July 31, 2024
Assets				
Current Assets				
Cash	$	305,106	$	311,324
Prepaids		562		-
Total Assets	**$**	**305,668**	**$**	**311,324**
Liabilities				
Current Liabilities				
Accounts payable and accrued liabilities	$	11,238	$	1,622
Total Liabilities	**$**	**11,238**	**$**	**1,622**
Shareholders' Equity				
Share capital (Note 4)	$	417,961	$	417,961
Contributed surplus (Note 4)		45,145		45,145
Deficit		(168,676)		(153,404)
Total Shareholders' Equity	**$**	**294,430**	**$**	**309,702**
Total Liabilities and Shareholders' Equity	**$**	**305,668**	**$**	**311,324**

Nature of Operations (Note 1)

Approved by the Board of Directors:

Director (signed by) *"Dain Currie"*

Director (signed by) *"Toby Pierce"*

The accompanying notes form an integral part of these financial statements

	3 months ended January 31, 2025	6 months ended January 31, 2025	3 months ended January 31, 2024	6 months ended January 31, 2024
Expenses				
Interest and bank charges	$ 115	$ 205	$ 90	$ 182
Legal and Professional	14,218	15,067	2,435	11,596
Filing fees	-	-	-	2,655
Net loss and comprehensive loss for the period	**$ (14,333)**	**$ (15,272)**	**$ (2,525)**	**$ (14,433)**
Basic and diluted loss per share	**$ (0.00)**	**$ (0.00)**	**$ (0.00)**	**$ (0.00)**
Weighted average number of common shares outstanding	**7,000,000**	**7,000,000**	**7,000,000**	**7,000,000**

The accompanying notes form an integral part of these financial statements

	Share Capital								
	Number of Shares		Share Capital		Contributed Surplus		Deficit		Total Shareholders' Equity
<u>Six months ended January 31, 2025</u>									
Balance at July 31, 2024	**7,000,000**	**$**	**417,961**	**$**	**45,145**	**$**	**(153,404)**	**$**	**309,702**
Net loss for the period	-		-		-		(15,272)		(15,272)
Balance at January 31, 2025	**7,000,000**	**$**	**417,961**	**$**	**45,145**	**$**	**(168,676)**	**$**	**294,430**
<u>Six months ended January 31, 2024</u>									
Balance at July 31, 2023	**7,000,000**	**$**	**417,961**	**$**	**45,145**	**$**	**(126,991)**	**$**	**336,115**
Net loss for the period	-		-		-		(14,433)		(14,433)
Balance at January 31, 2024	**7,000,000**	**$**	**417,961**	**$**	**45,145**	**$**	**(141,424)**	**$**	**321,682**

The accompanying notes form an integral part of these financial statements

WITTERING CAPITAL CORP.

Statements of Cash Flows

		3 months ended January 31, 2025		6 months ended January 31, 2025		3 months ended January 31, 2024		6 months ended January 31, 2024
Operating Activities								
Net loss for the period	$	(14,333)	$	(15,272)	$	(2,525)	$	(14,433)
Change in non-cash working capital item:								
Prepaids		-		(562)		337		1,099
Accounts payable and accrued liabilities		10,213		9,616		(11,977)		(922)
Net cash flows provided by operating activities		**(4,120)**		**(6,218)**		**(14,164)**		**(14,256)**
Change in cash during the period		(4,120)		(6,218)		(14,164)		(14,256)
Cash, beginning of the period		309,226		311,324		336,400		336,491
Cash, ending of the period	**$**	**305,106**	**$**	**305,106**	**$**	**322,235**	**$**	**322,235**

The accompanying notes form an integral part of these financial statement

1. Nature of operations

Wittering Capital Corp. (“Company”) was incorporated under the Business Corporations Act (British Columbia) on March 2, 2021 and is a Capital Pool Company under the policies of the TSX Venture Exchange (the “Exchange”).

The Company was formed for the primary purpose of completing an initial public offering (“IPO”) on the Exchange as a Capital Pool Company (“CPC”) in accordance with Policy 2.4 Capital Pool Companies (the “CPC Policy”). On December 20, 2021, the Company completed its IPO and listing on the Exchange (see Note 4).

As a CPC, the Company's principal business is to identify, evaluate and acquire assets, properties or businesses which would constitute a Qualifying Transaction (“QT”) (as such term is defined in the CPC Policy) in accordance with the CPC Policy. Until Completion of the QT (as such term is defined in the CPC Policy), the Company will not carry on any business other than the identification and evaluation of businesses or assets with a view to completing a potential QT.

The Company’s registered office is at 1710, 1050 West Pender Street, Vancouver, British Columbia, V6E 3S7.

The Company has no source of operating revenue, has incurred a net loss since inception, and as at January 31, 2025 has a deficit of $168,676. Its continued existence as a viable entity will be dependent on its ability to complete a QT, inclusive of its success in obtaining additional financing on terms which are acceptable to the Company.

2. Basis of presentation

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 were authorized for issue by the directors of the Company on March 28, 2025.

These financial statements are presented in Canadian Dollars, unless otherwise noted and have been prepared on a historical cost basis. The Canadian dollar is the functional and presentation currency of the Company.

3. Significant accounting policies

The accounting policies set out below have been applied consistently to all periods presented in these financial statements, unless otherwise indicated.

a) Management estimates and judgments

The preparation of these financial statements requires management to make certain estimates, judgments and assumptions that affect the amounts reported and disclosed in its financial statements and related notes. Those include estimates that, by their nature, are uncertain and actual results could differ materially from those estimates. The impacts of such estimates may require accounting adjustments based on future results. Revisions to accounting estimates are recognized in the period in which the estimate is revised.

3. Significant accounting policies (cont'd)

a) Management estimates and judgments (cont'd)

Information about critical judgments and estimates in applying accounting policies that have the most significant effect on the amounts recognized in these financial statements is as follows:

Judgment:

Going concern

The Company uses judgment in determining its ability to continue as a going concern in order to discharge its current liabilities via raising additional financing.

Estimate:

Share based compensation and agent's warrants

Stock options and agent's warrants are initially valued at fair value, based on the application of the Black-Scholes option pricing model. This pricing model requires management to make various assumptions and estimates which are susceptible to uncertainty, including the volatility of the share price, expected dividend yield, expected term of the warrant or stock option and expected risk-free interest rate.

b) Cash

Cash is comprised of cash on hand and cash on deposit with the Company's financial institution on which it earns variable amounts of interest.

c) Financial instruments

Financial Assets - Classification

The Company classifies its financial assets in the following measurement categories:

- Those to be measured subsequently at fair value (either through Other Comprehensive Income ("OCI"), or through profit or loss ("FVTPL"), and
- Those to be measured at amortized cost.

The classification depends on the Company's business model for managing the financial assets and contractual terms of the cash flows. For assets measured at fair value, gains or losses are recorded in profit or loss or OCI.

The Company has classified cash as subsequently measured at amortized cost.

Financial Assets - Measurement

At initial recognition, the Company measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, the transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVTPL are expensed in profit or loss. Financial assets are considered in their entirety when determining whether their cash flows are solely payment of principal and interest.

3. Significant accounting policies (cont'd)

c) Financial instruments (cont'd)

Financial Assets – Measurement (cont'd)

Subsequent measurement of financial assets depends on their classification. These are the measurement categories under which the Company classifies its financial assets:

- Subsequently measured at amortized cost: Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortized cost. A gain or loss on a debt investment that is subsequently measured at amortized cost is recognized in profit or loss when the asset is derecognized or impaired. Interest income from these financial assets is included in finance income using the effective interest rate method.
- Fair value through OCI ("FVOCI"): Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at FVOCI. Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains and losses, interest revenue, and foreign exchange gains and losses which are recognized in profit or loss. When the financial asset is derecognized, the cumulative gain or loss previously recognized in OCI is reclassified from equity to profit or loss and recognized in other gains (losses). Interest income from these financial assets is included as finance income using the effective interest rate method.
- Fair value through profit or loss: Assets that do not meet the criteria for amortized cost or FVOCI are measured at FVTPL. A gain or loss on an investment that is subsequently measured at FVTPL is recognized in profit or loss and presented net as revenue in the statement of comprehensive loss in the period which it arises.

Impairment of Financial Assets at Amortized Cost

The Company recognizes a loss allowance for expected credit losses on financial assets that are measured at amortized cost. At each reporting date, the Company measures the loss allowance for the financial asset at an amount equal to the lifetime expected credit losses if the credit risk on the financial asset has increased significantly since initial recognition. If, at the reporting date, the credit risk of the financial asset has not increased significantly since initial recognition, the Company measures the loss allowance for the financial asset at an amount equal to the twelve month expected credit losses. The Company recognizes in the statement of comprehensive loss, as an impairment gain or loss, the amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date to the amount that is required to be recognized.

Financial Liabilities

The Company classifies its financial liabilities into the following categories: financial liabilities at FVTPL and subsequently measured at amortized cost.

A financial liability is classified as FVTPL if it is classified as held-for-trading or is designated as such on initial recognition. Directly attributable transaction costs are recognized in profit or loss as incurred. The fair value changes to financial liabilities at FVTPL are presented as follows: the amount of change in fair value that is attributable to changes in the credit risk of the liability is presented in OCI; and the remaining amount of the change in the fair value is presented in profit or loss. The Company does not designate any financial liabilities at FVTPL.

3. Significant accounting policies (cont'd)

d) Financial instruments (cont'd)

Financial Liabilities (cont'd)

Other non-derivative financial liabilities are initially measured at fair value less any directly attributable transaction costs. Subsequent to initial recognition, these liabilities are measured at amortized cost using the effective interest rate method. The Company classifies its accounts payable and accrued liabilities as financial liabilities held at amortized cost.

The Company has classified accounts payable and accrued liabilities as subsequently measured at amortized cost.

e) 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 stock options are recognised as a deduction from equity, net of any related income tax effects.

f) Income taxes

Income tax expense comprises current and deferred tax. Income tax is recognised in the income statement, except to the extent that it relates to items recognised in other comprehensive income or directly in equity in which case, the income tax is also recognised in other comprehensive income or directly in equity, respectively.

Current tax

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the statement of financial position date. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred tax

Deferred income tax is recognised, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. However, deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the statement of financial position date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred income tax assets are recognised only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

Deferred income tax is provided on temporary differences arising on investments in subsidiaries except where the timing of the reversal of the temporary difference is controlled by the Company and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income taxes assets and liabilities relate to income taxes levied by the same taxation authority on either the taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

3. Significant accounting policies (cont'd)

g) Share based compensation

The Company grants stock options to certain of its employees, directors and consultants. Each tranche in an award is considered a separate award with its own vesting period and grant date fair value. The fair value of each tranche is measured at the date of grant using the Black-Scholes option pricing model. Compensation expense is recognised over the tranche's vesting period based on the number of awards expected to vest. This number is reviewed annually, with any change in estimate recognised immediately in compensation expense with a corresponding adjustment to contributed surplus. Upon exercise of a stock option, consideration paid together with the share based compensation amount previously recognised in contributed surplus is recorded as an increase to share capital.

h) Income (loss) per share

Income (loss) per share is computed by dividing the net income (loss) by the weighted average number of common shares outstanding during the period. In computing diluted earnings per share, an adjustment is made for the dilutive effect of outstanding share options, warrants and other convertible instruments. In the periods when the Company reports a net loss, the effect of potential issuances of shares under share options and other convertible instruments is anti-dilutive. When diluted earnings per share is calculated, only those share options and other convertible instruments with exercise prices below the average trading price of the Company's common shares for the period will be dilutive.

i) Accounting standards issued but not yet effective

The Company has reviewed new and revised accounting pronouncements that have been issued but are not yet effective. The Company does not anticipate any material changes to the financial statements upon adoption of these new revised accounting pronouncements.

4. Share capital

a) Common shares

The Company's articles authorize an unlimited number of common shares without par value.

There were no changes in common share capital during the period. The following is a summary of common shares outstanding as at January 31, 2025:

	Number of shares	Amount
Balance at January 31, 2025	**7,000,000**	**$ 500,000**

(i) 4,000,000 common shares of the Company were outstanding prior to the completion of the IPO, are subject to a CPC Escrow Agreement (Form 2F), and will be released from escrow in stages over a period of 18 months from the date that the Company's shares were first listed for trading.

4. Share capital (cont'd)

b) Initial Public Offering as a Capital Pool Company

During a prior period, the Company entered into a Letter of Intent ("LOI") with Haywood Securities Inc. (the "Agent") whereby the Agent agreed to raise on a best efforts' basis a minimum of $200,000 and up to $400,000 in the IPO by the issuance of 2,000,000 to 4,000,000 common shares of the Company at a price of $0.10 per common share.

Pursuant to the terms of the LOI, the Company agreed to pay to the Agent a commission of 8% of the gross proceeds of the IPO, payable in cash, and a work fee of $10,000, plus the Agent's legal fees incurred pursuant to the IPO, not to exceed $12,500 plus disbursements and taxes, and any other reasonable expenses of the Agent.

The Company also agreed to grant to the Agent such number of agent's warrants which will entitle the Agent to purchase up to 6% of the common shares sold under the IPO, being up to 240,000 common shares of the Company, at a purchase price of $0.10 per share until 60 months from the date of closing of the IPO.

On December 20, 2021, the Company completed its IPO and listing on the Exchange through the issuance of 3,000,000 shares at a price of $0.10 per share to raise gross proceeds of $300,000. The Company granted a total of 180,000 Agent's warrants to the Agent, which are exercisable for a period of 60 months from closing at an exercise price of $0.10 per share. These Agent's warrants were valued at $9,234 using the Black Scholes option pricing model, assuming a risk-free interest rate of 1.64%, an expected life of five years, an expected volatility of 40% (incremental 10% increase), forfeiture rate of 0% and no expected dividends.

In conjunction with the IPO, the Company granted an aggregate of 700,000 incentive stock options to its directors and officers, each option is exercisable at a price of $0.10 per share for a period of 60 months, vesting immediately.

c) Stock Options

The Company's stock options are summarized as follows:

Options outstanding and exercisable:		Exercise Price	Expiry Date
700,000	$	0.10	Dec 19, 2026

The Company granted a total of 700,000 share purchase options to the directors, officers and certain technical consultants on December 20, 2021, the date upon which the Company became listed on the Exchange as a CPC. These options are exercisable at a price of $0.10 for a period of five years from the date of grant and vested immediately. All outstanding options are exercisable as of January 31, 2025.

These options were valued at $35,911 using the Black-Scholes Option Pricing Model, assuming a risk-free interest rate of 1.64%, an expected life of five years, an expected volatility of 40% (incremental 10% increase), forfeiture rate of 0% and no expected dividends.

d) Share purchase warrants

The Company's share purchase warrants are summarized as follows:

Warrants outstanding and exercisable:		Exercise Price	Expiry Date
180,000	$	0.10	Dec 19, 2026

4. Share capital (cont'd)

d) Share purchase warrants (cont'd)

On December 20, 2021, upon the completion of the IPO, the Company granted to its Agent 180,000 non-transferrable warrants to acquire up to 180,000 common shares at a price of $0.10 per share for a period of 60 months, vesting immediately. As of January 31, 2025, all 180,000 Agent's warrants are outstanding and exercisable.

5. Financial instruments and risk management

The Company is exposed to the following financial risks:

i) Market risk
ii) Credit risk
iii) Liquidity risk

In common with all other businesses, the Company is exposed to risks that arise from its use of financial instruments. This note describes the Company's objectives, policies and processes for managing those risks and the methods used to measure them. Further quantitative information in respect of these risks is presented throughout these financial statements.

General objectives, policies and processes

The Board has overall responsibility for the determination of the Company's risk management objectives and policies and, whilst retaining ultimate responsibility for them, it has delegated the authority for designing and operating processes that ensure effective implementation of the objectives and policies to the Company's finance function.

The overall objective of the Board's finance function is to set policies that seek to reduce risk as far as possible without unduly affecting the Company's competitiveness and flexibility and to ensure that risks are properly identified and that the capital base is adequate in relation to those risks. Further details regarding these policies are set out below.

Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market prices are comprised of three types of risk: currency risk, interest rate risk, other price risk.

Currency risk

Currency risk is the risk that the fair value of, or future cash flows from, the Company's financial instruments will fluctuate because of changes in foreign exchange rates. The Company's share capital as well as the Company's reporting currency is denominated in Canadian Dollars. The Company considers this risk to be minimal.

Interest rate risk

Interest rate risk is the risk arising from the effect of changes in prevailing interest rates on the Company's financial instruments. The Company holds no interest-bearing financial liabilities and therefore interest rate risk is limited to potential decreases on the interest rate offered on cash held with its financial institution. The Company considers this risk to be minimal.

5. Financial instruments and risk management (cont'd)

Credit risk

Credit risk is the risk of potential loss to the Company if a counterparty to a financial instrument fails to meet its contractual obligations. The Company's cash is held with reputable institutions in Canada. The Company is not exposed to any material credit risk.

Liquidity risk

Liquidity risk is the risk that the Company will not meet its financial obligations as they fall due. The Company monitors its risk by monitoring the maturity dates of its existing debt and other payables. The Company's policy is to ensure that it will always have sufficient cash to allow it to meet its liabilities when they become due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

To achieve this objective, the Company regularly monitors working capital positions and updates spending plans as considered necessary. Monthly working capital and expenditure reports are prepared by the Company's finance function and presented to management for review and communication to the Board. As at January 31, 2025, all of the Company's financial liabilities are due within one year.

As at January 31, 2025, the Company's working capital was $294,430 and it does not have any monetary long-term liabilities. The continuing operations of the Company are dependent upon its ability to obtain adequate financing and to commence profitable operations in the future.

Capital management

The Company monitors its equity as capital.

The Company's objectives in managing its capital are to maintain a sufficient capital base to support its operations and to meet its short-term obligations and at the same time preserve inventor's confidence and retain the ability to seek out and acquire new projects of merit. The Company is not exposed to any externally imposed capital requirements.

Unless otherwise specifically provided by the CPC Policy, the gross proceeds realized from the sale of all securities issued by the Company will be used by the Company only to identify and evaluate assets or businesses and obtain shareholder approval, if applicable, for a proposed QT.

6. Related party transactions

There were no related party transactions during the period.