

Grosvenor CPC I Inc.

(A Capital Pool Company)

Financial Statements

**For the three-and six-month periods ended
October 31, 2024 and 2023**

(In Canadian Dollars)

Notice of No Auditor Review of the Interim Financial Statements

The accompanying unaudited condensed interim financial statements of Grosvenor CPC I Inc. (the "Corporation") have been prepared by and are the responsibility of the Corporation's management. The Corporation's independent auditor has not performed a review of these financial statements in accordance with standards established by the CPA Canada for a review of interim financial statements by an entity's auditor.

Grosvenor CPC I Inc.
Unaudited Condensed Interim Statements of Financial Position
As at October 31, 2024 and April 30, 2024
(in Canadian Dollars)

		October 31, 2024		April 30, 2024
Assets				
Cash	\$	24,728	\$	71,401
Short-term investments		1,374,699		1,350,917
Interest receivable		18,719		22,073
	\$	1,418,146	\$	1,444,391
Liabilities				
Accounts payable and accrued liabilities	\$	5,454	\$	29,602
Shareholders' Equity				
Share capital, net of issuance costs (Note 3)	\$	1,545,565	\$	1,545,565
Contributed surplus (Note 3)		149,336		149,336
Accumulated deficit		(282,209)		(280,112)
		1,412,692		1,414,789
	\$	1,418,146		1,444,391

Approved on behalf of the Board Philippe Marleau
Director (Signed)

Guillaume Poulin
Director (Signed)

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

Grosvenor CPC I Inc.
Unaudited Condensed Interim Statements of Loss and Comprehensive Loss
For the three-and six-month periods ended October 31, 2024 and 2023
(in Canadian Dollars)

	Three- months ended October 31, 2024	Three- months ended October 31, 2023	Six-months ended October 31, 2024	Six-months ended October 31, 2023
Expenses				
Professional fees	\$ 8,513	\$ 5,397	\$ 15,256	\$ 9,372
Administration fees and other	3,979	4,505	7,269	4,547
Loss before other income	(12,492)	(9,902)	(22,525)	(13,919)
Other income	12,301	10,891	24,573	22,345
Net income (loss) and comprehensive income (loss)	\$ (191)	\$ 989	\$ 2,048	\$ 8,426
Net income (loss) per share (basic and diluted)	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00
Weighted average number of shares outstanding (basic and diluted)	26,426,400	26,426,400	26,426,400	26,426,400

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

Grosvenor CPC I Inc.
Unaudited Condensed Interim Statements of Changes in Cash Flows
For the six-month periods ended October 31, 2024 and 2023
(in Canadian Dollars)

	October 31, 2024	October 31, 2023
Cash flows from operating activities		
Net income for the period	\$ 2,048	\$ 8,426
Changes in interest receivable	(791)	7,145
Changes in accounts payable and accrued liabilities	(24,148)	(8,530)
Net cash provided by (used in) operating activities	(22,891)	7,041
Investing		
Purchase of short-term investments	(1,374,699)	(1,329,490)
Redemptions of short-term investments	1,350,917	1,300,000
Cash provided by investing activities	(23,782)	(29,490)
Net change in cash	(46,673)	(22,449)
Cash, beginning of period	71,401	134,001
Cash, ending of period	\$ 24,728	\$ 111,552

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

Grosvenor CPC I Inc.
Unaudited Condensed Interim Statements of Changes in Shareholders' Equity
For the six-month periods ended October 31, 2024 and 2023
(in Canadian Dollars)

	Number of Shares	Share Capital	Contributed Surplus	Accumulated Deficit	Shareholders' Equity
Balance, April 30, 2023	26,426,400	\$ 1,545,565	\$149,336	\$ (258,434)	\$ 1,436,467
Net income for the period	-	-	-	8,426	8,426
Balance, October 31, 2023	26,426,400	\$ 1,545,565	\$149,336	\$ (250,008)	\$ 1,444,893
Balance, April 30, 2024	26,426,400	\$ 1,545,565	\$149,336	\$ (280,112)	\$ 1,414,789
Net income for the period	-	-	-	2,048	2,048
Balance, October 31, 2024	26,426,400	\$ 1,545,565	\$149,336	\$ (278,064)	\$ 1,416,837

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

1. INCORPORATION AND NATURE OF BUSINESS

Grosvenor CPC I Inc. (the "Corporation") was incorporated under the *Canada Business Corporations Act* on May 26, 2021 and is classified as a Capital Pool Company as defined in Policy 2.4 (the "Policy") of the TSX Venture Exchange (the "Exchange") Corporate Finance Manual (the "Manual"). The head office and registered office of the Corporation is located at 1 Place Ville-Marie Suite 1670, Montréal, Québec, H3B 2B6. The common shares of the Corporation (the "Common Shares") were admitted for trading on the Exchange and trade under the symbol "GRVA.P".

The principal business of the Corporation is the identification and evaluation of assets or businesses with a view to completing a Qualifying Transaction ("QT") as defined in the Policy. The Corporation has not commenced commercial operations and has no assets other than cash. Given the nature of the activities, no separate segmented information is reported. The Corporation's continuing operations, as intended, are dependent upon its ability to identify, evaluate and negotiate an acquisition, or business, or an interest therein. Such an acquisition will be subject to the approval of the regulatory authorities concerned and, in the case of a non-arm's length transaction, of the majority of the minority shareholders.

On November 7, 2024, the Board of Directors approved the financial statements for the three- and six- month periods ended October 31, 2024 and 2023.

2. MATERIAL ACCOUNTING POLICY INFORMATION

Statement of Compliance

These unaudited interim condensed financial statements have been prepared in accordance with International Accounting Standards ("IAS") 34 'Interim Financial Reporting' ("IAS 34") using accounting policies consistent with the International Financial Reporting Standards ("IFRS") issued by the International Accounting Standards Board ("IASB") and Interpretations of the International Financial Reporting Interpretations Committee ("IFRIC").

Basis of Presentation

These unaudited condensed interim financial statements are presented in Canadian dollars ("CAD"), which is the Corporation's functional and presentation currency. The financial statements are prepared on a historical cost basis except for certain financial instruments classified as fair value through profit or loss ("FVTPL"), which is stated at their fair value. The accounting policies have been applied consistently throughout the entire period presented in these financial statements.

Financial Instruments

Recognition

The Corporation recognizes financial assets and financial liabilities on the date the Corporation becomes a party to the contractual provisions of the instruments.

2. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

Classification

The Corporation classifies its financial assets and financial liabilities in the following measurement categories: i) those to be measured subsequently at fair value (either through other comprehensive income or through profit or loss, and ii) those to be measured at amortized cost. The classification of financial assets depends on the business model for managing the financial assets and the contractual terms of the cash flows. Financial liabilities are classified as those to be measured at amortized cost unless they are designated as those to be measured subsequently at fair value through profit or loss (irrevocable election at the time of recognition). For assets and liabilities measured at fair value, gains and losses are either recorded in profit or loss or other comprehensive income.

The Corporation reclassifies financial assets when and only when its business model for managing those assets changes. Financial liabilities are not reclassified.

The Corporation has implemented the following classifications:

- (a) Cash is classified as an asset at fair value and any period change in fair value is recorded in profit or loss. Short-term investments and accrued interest receivables are classified as assets carried at amortized cost.
- (b) Accounts payable and accrued liabilities are classified as other financial liabilities and measured at amortized cost using the effective interest rate method.

Measurement

All financial instruments are required to be measured at fair value on initial recognition, plus, in case of a financial asset or financial liability not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition or issue of the financial asset or financial liability. Transaction costs of financial assets and financial liabilities carried at FVTPL are expensed in profit or loss.

Financial assets that are held within a business model whose objective is to collect the contractual cash flows, and that have contractual cash flows that are solely payments of principal and interest on the principal outstanding are generally measured at amortized cost at the end of the subsequent accounting periods. All other financial assets including equity investments are measured at their fair values at the end of subsequent accounting periods, with any changes taken through profit and loss or other comprehensive income (irrevocable election at the time of recognition).

Additional fair value measurement disclosure includes classification of financial instrument fair values in a fair value hierarchy comprising three levels reflecting the significance of the inputs used in making the measurements which are as follows:

Level 1: Valuations based on quoted prices (unadjusted) in active markets for identical assets or liabilities;

Level 2: Valuations based on directly or indirectly observable inputs in active markets for similar assets or liabilities, other than Level 1 prices, such as quoted interest or currency exchange rates; and

2. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

Level 3: Valuations based on significant inputs that are not derived from observable market data, such as discounted cash flow methodologies based on internal cash flow forecasts. Cash and cash equivalents is a level 1 financial instrument measured at fair value on the statements of financial position.

Cash

Cash is comprised of cash held with a Canadian bank.

Short-term investments

As at October 31, 2024, the Corporation held \$1,374,699 in Guaranteed Investment Certificates (April 30, 2024 - \$1,350,917) which generated a total of \$24,573 in interest income during the six-month period ended October 31, 2024 (2023 - \$22,345).

Income Taxes

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

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted at the end of the reporting period, and any adjustment to tax payable in respect of previous years. Current tax assets and current tax liabilities are only offset if a legally enforceable right exists to offset the amounts and the Corporation intends to settle on a net basis, or to realize the asset and settle the liability simultaneously.

Deferred tax is recognized in respect of all qualifying temporary differences arising between the tax basis 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 end of the reporting period and are expected to apply when the deferred tax asset or liability is settled. Deferred tax assets are recognized to the extent that it is probable that the assets can be recovered. Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset tax assets and liabilities and when the deferred tax balances relate to the same taxation authority.

Deferred tax assets are recognized to the extent future recovery is probable. At each reporting period end, deferred tax assets are reduced to the extent that it is no longer probable that sufficient taxable earnings will be available to allow all or part of the asset to be recovered.

Estimates

The preparation of financial statements in conformity with IFRS accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, and the reported amounts of revenues and expenses during the period. Actual results could differ from those estimates used in the financial statements.

2. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

Basic and Diluted Loss per Share

Basic loss per share is computed by dividing the net loss applicable to common shares by the weighted average number of common shares outstanding for the relevant period.

Diluted loss per share is computed by dividing the net loss applicable to common shares by the sum of the weighted average number of common shares issued and outstanding and all additional common shares that would have been outstanding if potentially dilutive instruments were converted. The effects of anti-dilutive potential instruments are ignored in calculating diluted earnings per share. All options are considered anti-dilutive when the Corporation is in a loss position. As at October 31, 2024, the options are anti-dilutive and as such basic and diluted EPS is the same.

Share-based Compensation

Equity-settled share-based payments for directors, officers, employees, and consultants are measured at fair value at the date of grant and recorded as compensation expense in the financial statements with a corresponding credit to reserves. Share options are measured at the fair value of each tranche on the grant date using the Black-Scholes option pricing model and are recognized in their respective vesting period using the Corporation's expected forfeiture rate. Any consideration paid by directors, officers, employees and consultants on exercise of equity-settled share-based payments is credited to share capital together with the fair value previously recorded in reserves. Shares are issued from treasury upon the exercise of equity-settled share-based instruments.

3. SHARE CAPITAL

Authorized - Unlimited common shares issued

	#	\$
Balance, May 26, 2021	-	Nil
Share issuance – founder shares (i)	3,000,000	150,000
Share issuance (ii)	16,900,000	950,000
Initial public offering	6,526,400	652,640
Share issuance costs	-	(161,611)
Agent compensation (options)	-	(45,464)
Balance, October 31, 2024 and April 30, 2024	26,426,400	\$ 1,545,565

Common Share Issuances

- (i) On June 25, 2021, the Corporation issued 3,000,000 Common Shares at \$0.05 per share for gross proceeds of \$150,000.
- (ii) On August 31, 2021, the Corporation completed two financing rounds and issued 14,800,000 Common Shares at \$0.05 per share for gross proceeds of \$740,000 and 2,100,000 Common Shares at \$0.10 per share for gross proceeds of \$210,000.

Share issuance costs of \$6,000 were associated with these subscriptions.

3. SHARE CAPITAL (continued)

Initial Public Offering

On March 22, 2022, the Corporation completed its Initial Public Offering ("IPO"). In connection with the IPO, the Corporation sold 6,526,400 Common Shares at a price of \$0.10 per Common Share for gross proceeds of \$652,640. The Corporation incurred \$155,611 in share issuance costs associated with legal and underwriting fees and the original fair value estimated on grant of the agent compensation options totalled \$45,464.

Escrowed Shares

All Common Shares: (a) issued at a price below the price of the Common Shares issued in the IPO and (b) all shares acquired from treasury after the IPO but before the date of the Final QT Exchange Bulletin (as defined in the Policy) which are, directly or indirectly, beneficially owned or controlled by Non-Arm's Length Parties (as defined in the Policy) to the Corporation, are required to be deposited in escrow. Subject to certain permitted exemptions, all securities of the Corporation held by principals of the resulting issuer will also be subject to escrow.

As of October 31, 2024, an aggregate of 17,800,000 Common Shares (April 30, 2024 – 17,800,000) were held in escrow pursuant to the requirements of the Exchange.

Stock Options

The Corporation has established a stock option plan for its directors, officers and consultants under which the Corporation may grant options from time to time to acquire, following completion of the IPO, a maximum of 10% of the issued and outstanding Common Shares. The exercise price of each option granted under the plan shall be determined by the Board of Directors.

Options may be granted for a maximum term of ten years from the date of the grant. They are non-transferable and are exercisable as determined by the Board of Directors when the option is granted. Options expire within 90 days of termination of employment or holding office as director or officer of the Corporation (other than in connection with the completion of the QT – in which case the later of (a) 1 year from completion of the QT; and (b) 90 days after the termination of employment or holding office as director or officer of the Corporation) and, in the case of death, expire within a maximum period of one year after such death, subject to the expiry date of the option.

Any options granted, and any shares issued upon exercise of options, prior to the Corporation's completion of a QT will be subject to escrow restrictions. In addition to the foregoing, any options with an exercise price less than the offering price per Common Share in the IPO will be subject to the same escrow release schedule as the Common Shares issued for a price less than the offering price per Common Share in the IPO.

On November 15, 2022, the Corporation amended its stock option plan to comply with the Exchange's amendments to Policy 4.4 (Security Based Compensation).

Grosvenor CPC I Inc.
Notes to the Unaudited Condensed Interim Financial Statements
For the three-and six-month periods ended October 31, 2024 and 2023
(in Canadian Dollars)

3. SHARE CAPITAL (continued)

The following table reflects the continuity of stock options:

	Number of Stock Options and Agent's Options	Weighted Average Exercise Price (\$)
Balance, May 26, 2021	-	-
Granted to directors and officers (i)	2,490,000	\$0.05
Granted to directors and officers (ii)	152,640	\$0.10
Granted to agents (iii)	652,640	\$0.10
Cancelled (iv)	(830,000)	(\$0.05)
Cancelled (iv)	(50,880)	(\$0.10)
Balance, October 31, 2024 and April 30, 2024	2,414,400	\$0.07

- i. On June 25, 2021, the Corporation granted 2,490,000 stock options to directors and officers, which are exercisable within five years from the date of grant at an exercise price of \$0.05 per share. These options were valued on the date of issue using the Black-Scholes option pricing model with the following assumptions: dividend yield 0%, discount rate of 0.89%, expected volatility of 100% and an expected life of five years. The value attributed to these options was \$92,412.
- ii. On March 22, 2022, the Corporation granted 152,640 stock options to directors and officers, which are exercisable within five years from the date of grant at an exercise price of \$0.10 per share. These options were valued on the date of issue using the Black-Scholes option pricing model with the following assumptions: dividend yield 0%, discount rate of 2.23%, expected volatility of 100% and an expected life of five years. The value attributed to these options was \$11,461.
- iii. On March 22, 2022, the Corporation granted 652,640 stock options to Leede Jones Gable as compensation, which are exercisable within four years from the date of grant at an exercise price of \$0.10 per share (the "Agent's Options"). These options were valued on the date of issue using the Black-Scholes option pricing model with the following assumptions: dividend yield 0%, discount rate of 2.23%, expected volatility of 100% and an expected life of four years. The value attributed to these options was \$45,464.
- iv. On June 30, 2024, Soo il Benjamin Yi resigned as a director of the Corporation and in connection therein, all of Mr. Yi's 880,880 stock options expired without exercise on September 28, 2024.

Grosvenor CPC I Inc.
Notes to the Unaudited Condensed Interim Financial Statements
For the three-and six-month periods ended October 31, 2024 and 2023
(in Canadian Dollars)

3. SHARE CAPITAL (continued)

The following table reflects the actual stock options issued and outstanding as of October 31, 2024 and 2023:

Expiry Date	Exercise Price	Remaining Contractual Life (Years)	Number of Stock Options and Agent's Options	Number of Stock Options and Agent's Options (Vested)
June 25, 2026	\$0.05	1.65	1,660,000	1,660,000
March 22, 2026	\$0.10	1.39	652,640	652,640
March 22, 2027	\$0.10	2.39	101,760	101,760
Balance, October 31, 2024		1.75	2,414,400	2,414,400

October 31, 2023:

Expiry Date	Exercise Price	Remaining Contractual Life (Years)	Number of Stock Options and Agent's Options Outstanding	Number of Stock Options and Agent's Options Vested (Exercisable)
June 25, 2026	\$0.05	2.65	2,490,000	2,490,000
March 22, 2026	\$0.10	2.39	652,640	652,640
March 22, 2027	\$0.10	3.39	152,640	152,640
Balance, October 31, 2023		2.71	3,295,280	3,295,280

4. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

Capital Management

The Corporation's objective when managing capital is to maintain its ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders. The Corporation includes equity, comprised of share capital, contributed surplus and accumulated deficit in the definition of capital.

The Corporation's primary objective with respect to its capital management is to ensure that it has sufficient cash resources to fund the identification and evaluation of potential acquisitions. To secure the additional capital necessary to pursue these plans, the Corporation may attempt to raise additional funds through the issuance of equity or by securing strategic partners.

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 Corporation. These restrictions apply until completion of a QT by the Corporation.

4. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

Risk Disclosures and Fair Values

The Corporation's financial instruments carried at amortized cost consist of accounts payable and accrued liabilities which approximate fair value due to the relatively short-term maturity of the instruments. It is management's opinion that the Corporation is not exposed to significant interest, currency or credit risks arising from these financial instruments.

5. RELATED PARTY TRANSACTIONS

On November 1, 2023, the Corporation entered into a consulting agreement with Palos Private Capital Inc. ("Palos"), whereby Palos would provide to the Corporation certain administrative services as permissible under the Policy, including, but not limited to, accounting services, for a fee of \$1,500 per month. Two of the directors of the Corporation are either a principal of Palos or an affiliate of Palos. This consulting agreement was terminated effective April 30, 2024. During the six-months ended October 31, 2024, \$nil (October 31, 2023 - \$nil) was recorded as professional fees.