

**LDB Capital Corp.**  
(A Capital Pool Company)

**Financial Statements**  
**For the years ended November 30, 2023 and 2022**  
**(Expressed in Canadian Dollars)**

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## **Independent Auditor's Report**

To the Shareholders of LDB Capital Corp.

### **Report on the Audit of the Financial Statements**

#### **Opinion**

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

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 2022, and its financial performance and its cash flows for the years then ended in accordance with International Financial Reporting Standards ("IFRS").

#### **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 audit of the financial statements in Canada, and we have fulfilled our 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. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

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 the information included in "Management's Discussion and Analysis", but does not include the financial statements and our auditor's report thereon.

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 audit 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. If, based on the work we have performed, 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.

#### **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 IFRS, 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 audit 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.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

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

A handwritten signature in black ink that reads "De Visser Gray LLP". The script is cursive and fluid, with the letters "De" and "Gray" being more prominent than "Visser". The "LLP" is written in a slightly more formal, blocky style at the end of the signature.

**CHARTERED PROFESSIONAL ACCOUNTANTS**

Vancouver, BC, Canada  
March 22, 2024

**LDB CAPITAL CORP.**  
**(A Capital Pool Company)**  
Statement of Financial Position  
(Expressed in Canadian Dollars)

|                                                   | As at<br>November 30,<br>2023 | As at<br>November 30,<br>2022 |
|---------------------------------------------------|-------------------------------|-------------------------------|
|                                                   | \$                            | \$                            |
| <b>ASSETS</b>                                     |                               |                               |
| <b>Current</b>                                    |                               |                               |
| Cash                                              | 101,276                       | 164,674                       |
| <b>TOTAL ASSETS</b>                               | 101,276                       | 164,674                       |
| <b>LIABILITIES</b>                                |                               |                               |
| <b>Current</b>                                    |                               |                               |
| Accounts payable and accrued liabilities          | 13,678                        | 19,738                        |
| Due to related party (Note 3)                     | 1,249                         | 1,249                         |
|                                                   | 14,927                        | 20,987                        |
| <b>SHAREHOLDERS' EQUITY</b>                       |                               |                               |
| Share capital (Note 4)                            | 241,942                       | 241,942                       |
| Reserves (Note 5)                                 | 10,636                        | 10,636                        |
| Deficit                                           | (166,229)                     | (108,891)                     |
|                                                   | 86,349                        | 143,687                       |
| <b>TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY</b> | 101,276                       | 164,674                       |

**Nature of operations** (Note 1)

These financial statements are authorized for issuance by the Board of Directors on March 22, 2024.

**On behalf of the Board of Directors:**

\_\_\_\_\_  
“David Eaton”  
Director

\_\_\_\_\_  
“Luke Norman”  
Director

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

**LDB CAPITAL CORP.**  
**(A Capital Pool Company)**  
Statements of Comprehensive Loss  
(Expressed in Canadian Dollars)

|                                                                                     | <b>For the years ended<br/>November 30,</b> |                  |
|-------------------------------------------------------------------------------------|---------------------------------------------|------------------|
|                                                                                     | <b>2023</b>                                 | <b>2022</b>      |
|                                                                                     | <b>\$</b>                                   | <b>\$</b>        |
| <b>Expenses</b>                                                                     |                                             |                  |
| Bank charges                                                                        | 200                                         | 64               |
| Professional fees                                                                   | 41,449                                      | 42,599           |
| Transfer and filing fees                                                            | 15,689                                      | 20,731           |
| <b>Loss and comprehensive loss for the year</b>                                     | <b>(57,338)</b>                             | <b>(63,394)</b>  |
| <b>Basic and diluted loss per share</b>                                             | <b>(0.01)</b>                               | <b>(0.02)</b>    |
| <b>Weighted average number of common shares outstanding<br/>– basic and diluted</b> | <b>4,100,002</b>                            | <b>3,491,783</b> |

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

**LDB CAPITAL CORP.**  
**(A Capital Pool Company)**  
Statements of Cash Flows  
(Expressed in Canadian Dollars)

|                                                           | <b>For the years ended<br/>November 30,</b> |                 |
|-----------------------------------------------------------|---------------------------------------------|-----------------|
|                                                           | <b>2023</b>                                 | <b>2022</b>     |
|                                                           | <b>\$</b>                                   | <b>\$</b>       |
| <b>Cash flows used in operating activities</b>            |                                             |                 |
| Net loss for the year                                     | (57,338)                                    | (63,394)        |
| Changes in non-cash working capital items:                |                                             |                 |
| Accounts payable and accrued liabilities                  | (6,060)                                     | (12,612)        |
|                                                           | <u>(63,398)</u>                             | <u>(76,006)</u> |
| <b>Cash flows from financing activities</b>               |                                             |                 |
| Proceeds from shares issued                               | -                                           | 200,000         |
| Share issuance costs                                      | -                                           | (42,423)        |
|                                                           | <u>-</u>                                    | <u>157,577</u>  |
| <b>Net change in cash</b>                                 | (63,398)                                    | 81,571          |
| <b>Cash, beginning of the year</b>                        | <u>164,674</u>                              | <u>83,103</u>   |
| <b>Cash, end of the year</b>                              | <u>101,276</u>                              | <u>164,674</u>  |
| <b>Non-cash transactions</b>                              |                                             |                 |
| Value of agents' warrants issued for share issuance costs | -                                           | 10,636          |
| Prepaid expenses reclassified to share issue cost         | -                                           | 10,000          |

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



**LDB CAPITAL CORP.****(A Capital Pool Company)**

## Statement of Changes in Shareholders' Equity

(Expressed in Canadian Dollars)

|                                     | Number of<br>Shares Issued | Share Capital  | Reserves      | Deficit          | Total<br>Shareholders'<br>Equity |
|-------------------------------------|----------------------------|----------------|---------------|------------------|----------------------------------|
|                                     |                            | \$             | \$            | \$               | \$                               |
| <b>Balance at November 30, 2021</b> | <b>2,100,002</b>           | <b>105,001</b> | <b>-</b>      | <b>(45,497)</b>  | <b>59,504</b>                    |
| Proceeds from shares issued         | 2,000,000                  | 200,000        | -             | -                | 200,000                          |
| Share issuance costs                | -                          | (63,059)       | 10,636        | -                | (52,423)                         |
| Net loss for the year               | -                          | -              | -             | (63,394)         | (63,394)                         |
| <b>Balance at November 30, 2022</b> | <b>4,100,002</b>           | <b>241,942</b> | <b>10,636</b> | <b>(108,891)</b> | <b>143,687</b>                   |
| Net loss for the year               | -                          | -              | -             | (57,338)         | (57,338)                         |
| <b>Balance at November 30, 2023</b> | <b>4,100,002</b>           | <b>241,942</b> | <b>10,636</b> | <b>(166,229)</b> | <b>86,349</b>                    |

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

# **LDB CAPITAL CORP.**

## **(A Capital Pool Company)**

Notes to Financial Statements

For the years ended November 30, 2023 and 2022

(Expressed in Canadian Dollars)

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### **1. NATURE OF OPERATIONS**

LDB Capital Corp. (the “Company”) was incorporated under the Business Corporations Act (British Columbia) on August 9, 2021. On March 22, 2022, the Company completed its Initial Public Offering (the “offering”) to be classified as a Capital Pool Company (“CPC”) as defined in the TSX-V Policy 2.4. On March 22, 2022, the Company began trading its shares on the TSX-V under the trading symbol “LDB.P”.

The principal business of the Company is the identification and evaluation of assets or a business and, once identified or evaluated, to negotiate an acquisition or participation in a business subject to receipt of shareholder approval, if required, and acceptance by regulatory authorities (the “Qualifying Transaction (“QT”)”).

The Company’s registered office is located at Suite 401 - 353 Water Street, Vancouver, British Columbia, Canada, V6B 1B8.

The Company’s continuing operations, as intended, are dependent upon its ability to identify, evaluate and negotiate an acquisition of, a participation in or an interest in properties, assets or businesses within twenty-four months of listing on the TSX-V. Such a transaction will be subject to regulatory approval and may be subject to shareholder approval. There is no assurance that the Company will complete a transaction within twenty-four months from the date the Company’s shares are listed on the TSX-V, at which time the TSX-V may suspend or de-list the Company’s shares from trading.

The Company has no source of operating revenue, has incurred net losses since inception and as at November 30, 2023 has a deficit of \$166,229 (2022 - \$108,891). Its continued existence will be dependent on the receipt of related party debt, or equity financing on terms which are acceptable to the Company.

### **2. MATERIAL ACCOUNTING POLICY INFORMATION**

The following is a summary of significant accounting policies used in the preparation of these financial statements.

#### **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”).

#### **Basis of presentation**

These financial statements of the Company have been prepared on an accrual basis and are based on historical costs, modified where applicable. The financial statements are presented in Canadian dollars unless otherwise noted.

#### **Significant estimates and assumptions**

The preparation of financial statements in accordance with IFRS requires the Company to make estimates and assumptions concerning the future. The Company’s management reviews these estimates and underlying assumptions on an ongoing basis, based on experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Revisions to estimates are adjusted for prospectively in the period in which the estimates are revised.

## **LDB CAPITAL CORP.**

### **(A Capital Pool Company)**

Notes to Financial Statements

For the years ended November 30, 2023 and 2022

(Expressed in Canadian Dollars)

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## **2. MATERIAL ACCOUNTING POLICY INFORMATION - (continued)**

### **Significant judgments**

The preparation of the financial statements in accordance with IFRS requires the Company to make judgments, apart from those involving estimates, in applying accounting policies. The most significant judgments applying to the Company's financial statements include:

- i. The assessment of the Company's ability to continue as a going concern and whether there are events or conditions that may give rise to significant uncertainty.
- ii. The determination of deferred income tax assets or liabilities requires subjective assumptions regarding future income tax rates and the likelihood of utilizing tax carry-forwards. Changes in these assumptions could materially affect the recorded amounts, and therefore do not necessarily provide certainty as to their recorded values.

### **Financial instruments**

#### 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. All financial assets not classified and measured at amortized cost or FVOCI are measured at FVTPL. On initial recognition of an equity instrument that is not held for trading, the Company may irrevocably elect to present subsequent changes in the investment's fair value in other comprehensive income.

The classification determines the method by which the financial assets are carried on the statement of financial position subsequent to inception and how changes in value are recorded.

#### Impairment

An 'expected credit loss' impairment model applies which requires a loss allowance to be recognized based on expected credit losses. The estimated present value of future cash flows associated with the asset is determined and an impairment loss is recognized for the difference between this amount and the carrying amount as follows: the carrying amount of the asset is reduced to estimated present value of the future cash flows associated with the asset, discounted at the financial asset's original effective interest rate, either directly or through the use of an allowance account and the resulting loss is recognized in profit or loss for the period.

In a subsequent period, if the amount of the impairment loss related to financial assets measured at amortized cost decreases, the previously recognized impairment loss is reversed through profit or loss to the extent that the carrying amount of the investment at the date the impairment is reversed does not exceed what the amortized cost would have been had the impairment not been recognized.

## **LDB CAPITAL CORP.**

### **(A Capital Pool Company)**

Notes to Financial Statements

For the years ended November 30, 2023 and 2022

(Expressed in Canadian Dollars)

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## **2. MATERIAL ACCOUNTING POLICY INFORMATION - (continued)**

### Financial liabilities

Financial liabilities are designated 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 and accrued liabilities and due to related party are classified and carried on the statement of financial position at amortized cost.

As at November 30, 2023 and November 30, 2022, the Company did not have any derivative financial liabilities.

### **Income taxes**

#### Current income tax:

Current income tax assets and liabilities for the current period are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date, in the country where the Company operates and generates taxable income.

Current income tax relating to items recognized directly in other comprehensive income or equity is recognized in other comprehensive income or equity and not in profit or loss. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

#### Deferred income tax:

Deferred income tax is provided using the balance sheet method on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

The carrying amount of deferred income tax assets is reviewed at the end of each reporting period and recognized only to the extent that it is probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilized.

Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Deferred income tax assets and deferred income tax liabilities are offset, if a legally enforceable right exists to set off current tax assets against current income tax liabilities and the deferred income taxes relate to the same taxable entity and the same taxation authority.

### **Loss per share**

Basic loss per share is computed by dividing net loss available to common shareholders by the weighted average number of shares outstanding during the reporting period. Diluted loss per share is computed similar to basic loss per share except that the weighted average shares outstanding are increased to include additional shares for the assumed exercise of stock options and warrants, if dilutive. The number of additional shares is calculated by assuming that outstanding stock options and warrants were exercised and that the proceeds from such exercises were used to acquire common stock at the average market price during the reporting periods.

### **Share capital**

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

## **LDB CAPITAL CORP.**

### **(A Capital Pool Company)**

Notes to Financial Statements

For the years ended November 30, 2023 and 2022

(Expressed in Canadian Dollars)

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## **2. MATERIAL ACCOUNTING POLICY INFORMATION - (continued)**

### **Accounting pronouncements not yet adopted**

A number of amendments to standards and interpretations applicable to the Company are not yet effective for the year ended November 30, 2023 and have not been applied in preparing these financial statements nor does the Company expect these amendments to have a significant effect on its financial statement.

## **3. RELATED PARTY TRANSACTIONS**

As at November 30, 2023, the Company owed \$1,249 (2022 - \$1,249) to an officer and director of the Company in respect of legal fees paid on behalf of the Company. This amount is non-interest bearing and has no specific terms of repayment.

## **4. SHARE CAPITAL**

### **Authorized Share Capital**

Unlimited number of common shares without par value.

### **Issued Shares**

During the year ended November 30, 2023:

- The Company did not issue any shares.

During the year ended November 30, 2022, the Company issued the following shares:

- On March 22, 2022, the Company completed its Initial Public Offering ("IPO") of 2,000,000 common shares at a price of \$0.10 per common share for gross proceeds of \$200,000 pursuant to its final prospectus dated January 31, 2022. The Company's agent engaged in connection with the IPO was paid a commission of \$20,000, a corporate finance fee of \$15,750 and reimbursed for its expenses of \$16,673 incurred in connection with the IPO. The Company granted 200,000 non-transferable agents options to its agent with an exercise price of \$0.10 per share and an expiry date of March 22, 2024. The agents' options were valued at \$10,636.

### **Escrow shares**

As at November 30, 2023, the Company has 2,100,002 shares subject to escrow restrictions. The escrowed shares will be released from escrow in tranches over 18 months or a period of time from the Company completing a QT based on the qualifications of the target, whichever is longer.

## **5. RESERVES**

### **Agents' Options**

On March 22, 2022, 200,000 agents' options were issued in connection with the IPO. Each agents' option entitles the holder to purchase one common share of the Company at a price of \$0.10 for a period of two years from closing. The agents' options were valued at \$10,636 estimated using Black-Scholes pricing model with the following assumptions: share price \$0.10, estimated life of two years, risk free interest rate of 2.31%, volatility of 100%, and \$nil forecasted dividend yield.

**LDB CAPITAL CORP.****(A Capital Pool Company)**

Notes to Financial Statements

For the years ended November 30, 2023 and 2022

(Expressed in Canadian Dollars)

**5. RESERVES – (continued)****Agents' Options (continued)**

A summary of agents' options activities is as follows:

|                                            | Number of<br>agents' options | Weighted average<br>exercise price |
|--------------------------------------------|------------------------------|------------------------------------|
|                                            |                              | \$                                 |
| <b>Balance, November 30, 2022 and 2023</b> | <b>200,000</b>               | <b>0.10</b>                        |

A summary of the agents' options outstanding and exercisable at November 30, 2023:

| Number outstanding<br>and exercisable | Exercise<br>price | Expiry date    |
|---------------------------------------|-------------------|----------------|
|                                       | \$                |                |
| 200,000                               | 0.10              | March 22, 2024 |

The weighted average life of the outstanding agents' options is 0.31 years.

**6. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT**

Financial instruments measured at fair value are classified into one of three levels in the fair value hierarchy according to the relative reliability of the inputs used to estimate the fair values. The three levels of the fair value hierarchy are:

- Level 1 – Unadjusted quoted prices in active markets for identical assets or liabilities;
- Level 2 – Inputs other than quoted prices that are observable for the asset or liability either directly or indirectly; and
- Level 3 – Inputs that are not based on observable market data.

The fair value of the Company's accounts payable and accrued liabilities and due to related party approximate their carrying value. The Company's other financial instrument, being cash, is measured at fair value using Level 1 inputs.

The Company is exposed in varying degrees to a variety of financial instrument related risks. The Board of Directors approves and monitors the risk management processes, inclusive of documented investment policies, counterparty limits, and controlling and reporting structures. The type of risk exposure and the way in which such exposure is managed is provided as follows:

- (a) Credit risk:  
Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. The Company's primary exposure to credit risk is on its cash held in a Canadian bank. The risk of loss is considered low.
- (b) Liquidity risk:  
Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they become due. The Company's approach to managing liquidity is to ensure that it will have sufficient liquidity to meet liabilities when due. Accounts payable and accrued liabilities and due to related party are due within the current operating period. The Company has a sufficient cash balance to settle current liabilities.

**LDB CAPITAL CORP.****(A Capital Pool Company)**

Notes to Financial Statements

For the years ended November 30, 2023 and 2022

(Expressed in Canadian Dollars)

**6. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (continued)**

- (c) Market risk:  
Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices will affect the Company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return. The Company is not exposed to market risk.
- (d) Interest rate risk:  
Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company is exposed to interest rate risk, from time to time, on its cash balances. Surplus cash, if any, is placed on call with financial institutions and management actively negotiates favorable market related interest rates.

**7. CAPITAL DISCLOSURES AND MANAGEMENT**

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern and to maintain a flexible capital structure which will allow it to pursue the completion of a Qualifying Transaction ("QT") as defined in TSX-V Policy 2.4. Therefore, the Company monitors the level of risk incurred in its expenditures relative to its capital structure.

The Company considers its capital structure to include shareholders' equity. The Company monitors its capital structure and makes adjustments in light of changes in economic conditions and the risk characteristics of the potential underlying assets. To maintain or adjust the capital structure, the Company may issue new equity if available on favorable terms and approved by the TSX-V.

As a CPC, the Company will be subject to externally imposed capital requirements as outlined in the TSX-V Policy 2.4 and summarized below (subject in each case to the exceptions set forth in TSX-V Policy 2.4):

- (a) No salary, consulting, management fees or similar remuneration of any kind may be paid directly or indirectly to a related party of the Company or a related party of a QT;
- (b) No more than \$3,000 per month may be used for the purposes other than to identify and evaluate a QT; and
- (c) After the completion of its IPO and until the completion of a QT, a CPC may not issue any securities unless written acceptance of the TSX-V is obtained before the issuance of the securities.

There were no changes in the Company's approach to capital management during the year ended November 30, 2023.

**8. INCOME TAXES**

A reconciliation of income taxes at statutory rates with the reported taxes is as follows:

|                                                   | <b>Years ended November 30,</b> |             |
|---------------------------------------------------|---------------------------------|-------------|
|                                                   | <b>2023</b>                     | <b>2022</b> |
|                                                   | \$                              | \$          |
| Loss before income taxes                          | (57,338)                        | (63,394)    |
| Expected income tax (recovery) at statutory rates | (15,481)                        | (17,116)    |
| Deductible item                                   | -                               | (14,154)    |
| Effect of change in statutory rate                | -                               | (229)       |
| Increase in unrecognized deferred tax asset       | 15,481                          | 31,499      |
| Deferred income tax recovery                      | -                               | -           |

**LDB CAPITAL CORP.****(A Capital Pool Company)**

Notes to Financial Statements

For the years ended November 30, 2023 and 2022

(Expressed in Canadian Dollars)

**8. INCOME TAXES**

The Company's unrecognized deferred tax assets are as follows:

|                                       | <b>November 30, 2023</b> | <b>November 30, 2022</b> |
|---------------------------------------|--------------------------|--------------------------|
|                                       | \$                       | \$                       |
| Non-capital loss carry-forwards       | 50,543                   | 32,231                   |
| Share issue costs                     | 8,493                    | 11,324                   |
|                                       | 59,036                   | 43,555                   |
| Valuation allowance                   | (59,036)                 | (43,555)                 |
| Deferred income tax assets recognized | -                        | -                        |

This potential future tax benefit has been offset entirely by a valuation allowance and has not been recognized in these financial statements as it is not determinable that future taxable profits will be available against which the Company can utilize such deferred tax assets.

If not utilized, the Company's non-capital loss carry-forwards will expire according to the following schedule:

|      | <b>Non-capital<br/>Losses</b> |
|------|-------------------------------|
|      | \$                            |
| 2041 | 45,497                        |
| 2042 | 56,924                        |
| 2043 | 67,822                        |
|      | 187,198                       |