TORCHLIGHT INNOVATIONS INC.

Condensed Interim Financial Statements
For The Three and Six Months Ended June 30, 2024 and 2023

(Expressed in Canadian Dollars)
(Unaudited – Prepared by Management)

NOTICE OF NO AUDITOR REVIEW OF
CONDENSED INTERIM FINANCIAL STATEMENTS

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

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

TORCHLIGHT INNOVATIONS INC.
Condensed Interim Statements of Financial Position
(Expressed in Canadian dollars)
(Unaudited – Prepared by Management)

	June 30, 2024	December 31, 2023
Assets		
Current Assets		
Cash	$ **97,871**	$ **136,860**
Prepaids	12,997	9,207
Total Assets	$ **110,868**	$ **146,067**
Liabilities and Shareholders' Equity		
Current Liabilities		
Accounts payable and accrued liabilities	$ **8,930**	$ **10,411**
Shareholders' Equity		
Share capital (Note 6)	246,777	246,777
Contributed surplus (Note 6)	51,200	51,200
Deficit	(196,039)	(162,321)
	101,938	**135,656**
Total Liabilities and Shareholders' Equity	$ **110,868**	$ **146,067**

Nature of business and continuing operations (Note 1)

Approved on Behalf of the Board on August 15, 2024:

"Fayyaz Alimohamed"
Fayyaz Alimohamed - CEO/CFO/Director

"Frederic Leigh"
Frederic Leigh - Director

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

TORCHLIGHT INNOVATIONS INC.
Condensed Interim Statements of Loss and Comprehensive Loss
For the three and six months ended June 30, 2024 and 2023
(Expressed in Canadian dollars)
(Unaudited – Prepared by Management)

	Three months ended June 30,		Six months ended June 30,	
	2024	2023	**2024**	2023
Expenses				
Office and administration	**$ 1,373**	$ 1,342	**$ 1,446**	$ 3,063
Filing fee	**616**	2,731	**2,096**	5,741
Professional fees (Note 8)	**9,899**	5,442	**30,176**	31,284
Loss and comprehensive loss for the period	**$ 11,888**	$ 9,515	**$ 33,718**	$ 40,088
Weighted average number of common shares outstanding – basic and diluted (Note 7)	**3,000,000**	3,000,000	**3,000,000**	3,000,000
Basic and diluted loss per share (Note 7)	**$ (0.00)**	$ (0.00)	**$ (0.01)**	$ (0.01)

The 2,500,000 common shares held in escrow became contingently returnable on completion of the IPO and accordingly are not considered to be outstanding shares for the purposes of loss per share calculations for the six and three months ended June 30, 2024 and 2023.

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

TORCHLIGHT INNOVATIONS INC.
Condensed Interim Statements of Changes in Shareholders' Equity
For the six months ended June 30, 2024 and 2023
(Expressed in Canadian dollars)
(Unaudited – Prepared by Management)

	Share Capital				
	Number (Note 6)	Amount	Contributed surplus	Deficit	Total Shareholders' Equity
Balance, December 31, 2022	**5,500,000**	**$ 246,777**	**$ 51,200**	**$ (114,036)**	**$ 183,941**
Loss for the period	-	-	-	(40,088)	(40,088)
Balance, June 30, 2023	**5,500,000**	**$ 246,777**	**$ 51,200**	**$ (154,124)**	**$ 143,853**
Balance, December 31, 2023	**5,500,000**	**$ 246,777**	**$ 51,200**	**$ (162,321)**	**$ 135,656**
Loss for the year	-	-	-	(33,718)	(33,718)
Balance, June 30, 2024	**5,500,000**	**$ 246,777**	**$ 51,200**	**$ (196,039)**	**$ 101,938**

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

TORCHLIGHT INNOVATIONS INC.
Condensed Interim Statements of Cash Flows
For the six months ended June 30, 2024 and 2023
(Expressed in Canadian dollars)
(Unaudited – Prepared by Management)

	Six months ended June 30, 2024	Six months ended June 30, 2023
Cash provided by (used in):		
Operating Activities:		
Loss for the period	$ (33,718)	$ (40,088)
Items not involving cash:		
Changes in working capital items:		
Prepaids	(3,790)	(13,294)
Accounts payable and accrued liabilities	(1,481)	(17,783)
Net cash used in operating activities	**(38,989)**	**(71,165)**
Change in cash during the period	**(38,989)**	**(71,165)**
Cash, beginning of the period	136,860	209,507
Cash, end of the period	**$ 97,871**	**$ 138,342**
Supplemental information:		
Interest paid	-	-
Income taxes	-	-

The Company did not have non cash investing and financing activities during the six months ended June 30, 2024 and 2023.

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

1. NATURE OF BUSINESS AND CONTINUING OPERATIONS

Torchlight Innovations Inc. (the "Company") was incorporated on October 8, 2021, under the laws of British Columbia. The Company completed an Initial Public Offering ("IPO") and is classified as a Capital Pool Company ("CPC") as defined in the TSX Venture Exchange ("TSX-V" or the "Exchange") Policy 2.4.

Since incorporation on October 8, 2021, the Company had no active business operations. As a CPC, the Company's business objective is to identify and evaluate assets or businesses with a view to potential acquisition or participation by completing a Qualifying Transaction ("QT"), as defined in Exchange Policy 2.4 subject, in certain cases, to shareholder approval and acceptance by the TSX-V.

On August 8, 2022, the Company completed its IPO raising gross proceeds of $300,000 pursuant to the Company's prospectus dated May 12, 2022, by issuing an aggregate of 3,000,000 common shares in the capital of the Company at a price of $0.10 per share (Note 6).

Pursuant to the agency agreement dated May 12, 2022, Research Capital Corporation (the "Agent") acted as the agent for the offering. In connection with the offering, the Agent received a cash commission, a work fee and other costs totaling $67,282, and an option to purchase up to 300,000 Shares at a price of $0.10 per share until August 8, 2024 (Note 6).

The Company intends to use the net proceeds of the offering to identify and evaluate assets or businesses for acquisition with a view to completing a "Qualifying Transaction" under the policies of the Exchange. On August 4, 2022, the Exchange issued a bulletin announcing the listing of the common shares as of market open on August 8, 2022, and immediately halted trading pending completion of the Offering. The Shares resumed trading under the trading symbol "TLX.P" on August 10, 2022.

As a CPC, 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 Company. These restrictions will apply until completion of a QT by the Company as defined under the policies of the Exchange.

1. NATURE OF BUSINESS AND CONTINUING OPERATIONS (continued)

The Company has an accumulated deficit of $196,039 as at June 30, 2024 (December 31, 2023 - $162,321). The Company's ability to continue its operations is dependent upon obtaining additional financing sufficient to cover its operating costs and finance any identified business acquisition. The Company will require additional financing to accomplish its long-term strategic objectives. All the preceding indicates the existence of a material uncertainty that may cast substantial doubt about the Company's ability to continue as a going concern. These condensed interim financial statements do not give effect to any adjustments which would be necessary should the Company be unable to continue as a going concern and therefore be required to realize its assets and discharge its liabilities in other than the normal course of business and at amounts different from those reflected in the accompanying condensed interim financial statements.

The head office, principal address and the records and registered office is located at 2300 – 550 Burrard Street, Vancouver, BC, V6C 2B5.

The condensed interim financial statements of the Company for the six months ended June 30, 2024 were approved and authorized for issue by the Board of Directors on August 15, 2024.

The Company has prepared its condensed interim financial statements in accordance with 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 IFRS Interpretations Committee ("IFRIC"). They do not include all financial information required for full annual financial statements and should be read in conjunction with the Audited Financial Statements of the Company for the year ended December 31, 2023.

2. STATEMENT OF COMPLIANCE

These condensed interim financial statements have been prepared in accordance with IFRS Accounting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB").

3. BASIS OF PRESENTATION

The condensed interim financial statements have been prepared on a historical cost basis, except for items classified as financial instruments at fair value through profit or loss, which are stated at their fair value. The condensed interim financial statements are presented in Canadian dollars, which is also the Company's functional currency. In addition, the condensed interim financial statements have been prepared using the accrual basis of accounting except for cash flow information. The preparation of condensed interim financial statements in compliance with IFRS requires management to make certain critical accounting estimates. It also requires management to exercise judgement in applying the Company's accounting policies. The areas involving a higher degree of judgement of complexity, or areas where assumptions and estimates are significant to the condensed interim financial statements are disclosed in Note 4.

4. MATERIAL ACCOUNTING POLICIES

(a) Income taxes

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

Deferred tax is recognized in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The amount of deferred tax provided is based on the expected manner of realization or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the end of the reporting period applicable to the period of expected realization or settlement.

A deferred tax asset is recognized only to the extent that it is probable that future taxable profits will be available against which the asset can be utilized.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same tax authority and the group intends to settle its current tax assets and liabilities on a net basis.

4. MATERIAL ACCOUNTING POLICIES (continued)

(b) Share capital

Common shares are classified as share capital. Transaction costs directly attributable to the issue of common shares and share purchase options are recognized as a deduction from equity, net of any tax effects. Any transaction costs incurred prior to the closing of a financing will be classified on the statement of financial position as deferred financing costs until the closing of the associated financing.

The proceeds from the issue of units are allocated between common shares and common share purchase warrants based on the residual value method. Under this method, the proceeds are allocated to share capital based on the fair value of the common shares and any residual value is allocated to common share purchase warrants.

(c) Basic and diluted loss per share

The Company presents basic and diluted loss per share data for its common shares, calculated by dividing the loss attributable to common shareholders of the Company by the weighted average number of common shares outstanding during the period. Diluted loss per share does not adjust the loss attributable to common shareholders or the weighted average number of common shares outstanding when the effect is anti-dilutive.

Contingently issuable shares are not considered outstanding common shares and consequently are not included in basic and diluted loss per share calculations.

(d) Share-based payments

The Company has a share purchase option plan and accounts for share-based payments using a fair value-based method with respect to all share-based payments to directors, officers, employees, and service providers. Share-based payments to employees are measured at the fair value of the instruments issued and amortized over the vesting periods. Share-based payments to non-employees are measured at the fair value of the goods or services received or if such fair value is not reliably measurable, at the fair value of the equity instruments issued. The fair value is recognized as an expense with a corresponding increase in contributed surplus. This includes a forfeiture estimate, which is revised for actual forfeitures in subsequent periods.

Where the terms and conditions of options are modified before they vest, the increase in the fair value of the options, measured immediately before and after the modification, is also charged to the statement of profit or loss over the remaining vesting period.

Upon the exercise of the share purchase option, the consideration received, and the related amount transferred from contributed surplus recorded as share capital.

4. MATERIAL ACCOUNTING POLICIES (continued)

(e) Financial instrument measurement and valuation

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 assets or liability either directly or indirectly; and
Level 3	Inputs that are not based on observable market data.

The measurement of the Company's financial instruments is disclosed in Note 11 to these condensed interim financial statements. Any financial instrument that is valued using level 2 or 3 inputs will involve estimation uncertainty.

Financial assets

The Company classifies its financial assets in the following categories: at fair value through profit or loss ("FVTPL"), at fair value through other comprehensive income ("FVTOCI") or at amortized cost. The determination of the classification of financial assets is made at initial recognition. Equity instruments that are held for trading (including all equity derivative instruments) are classified as FVTPL; for other equity instruments, on the day of acquisition the Company can make an irrevocable election (on an instrument-by-instrument basis) to designate them as at FVTOCI.

The Company's accounting policy for each of the categories is as follows:

Financial assets at FVTPL: Financial assets carried at FVTPL are initially recorded at fair value and transaction costs are expensed in the statement of profit or loss. Realized and unrealized gains
and losses arising from changes in the fair value of the financial assets held at FVTPL are included in the statement of profit or loss in the period.

Financial assets at FVTOCI: Investments in equity instruments at FVTOCI are initially recognized at fair value plus transaction costs. Subsequently they are measured at fair value, with gains and losses arising from changes in fair value recognized in other comprehensive income (loss) in which they arise.

4. MATERIAL ACCOUNTING POLICIES (continued)

(e) Financial instrument measurement and valuation (continue)

Financial assets at amortized cost: A financial asset is measured at amortized cost if the objective of the business model is to hold the financial asset for the collection of contractual cash flows, and the asset's contractual cash flows are comprised solely of payments of principal and interest. They are classified as current assets or non-current assets based on their maturity date and are initially recognized at fair value and subsequently carried at amortized cost less any impairment.

Impairment of financial assets at amortized cost: The Company assesses all information available, including on a forward-looking basis, the expected credit losses associated with its assets carried at amortized cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk. To assess whether there is a significant increase in credit risk, the Company compares the risk of a default occurring on the asset as the reporting date, with the risk of default as at the date of initial recognition, based on all information available, and reasonable and supportive forward-looking information.

Financial liabilities and equity: Debt and equity instruments are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangement. An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued are recorded at the proceeds received, net of direct issue costs.

The Company classifies its financial liabilities into one of two categories as follows:

Fair value through profit or loss (FVTPL) – This category comprises derivatives and financial liabilities incurred principally for the purpose of selling or repurchasing in the near term. They are carried at fair value with changes in fair value recognized in profit or loss.

Amortized cost – This category consists of liabilities carried at amortized cost using the effective interest method. Accounts payable and accrued liabilities are included in this category. The Company derecognizes a financial liability when its contractual obligations are discharged, cancelled or expire.

4. MATERIAL ACCOUNTING POLICIES (continued)

(f) Significant accounting judgements and estimates

The preparation of these condensed interim financial statements requires management to make judgements and estimates and form assumptions that affect the reported amounts of assets and liabilities at the statement of financial position date and reported amounts of expenses during the reporting period. On an ongoing basis, management evaluates its judgements and estimates in relation to assets, liabilities and expenses. Management uses historical experience and various other factors it believes to be reasonable under the given circumstances as the basis for its judgements and estimates. Actual outcomes may differ from these estimates under different assumptions and conditions.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and further periods if the review affects both current and future periods.

Judgements

The Company's management has made an assessment of the Company's ability to continue as a going concern and is satisfied that the Company has made appropriate disclosures regarding the going concern assumption (Note 1).

Estimates

i) The estimation of income taxes includes evaluating the recoverability of deferred tax assets based on an assessment of the Company's ability to utilize the underlying future tax deductions against future taxable income prior to expiry of those deductions. Management assesses whether it is probable that some or all of the deferred income tax assets will not be realized. The ultimate realization of deferred tax assets is dependent upon the generation of future taxable income. To the extent that management's assessment of the Company's ability to utilize future tax deductions changes, the Company would be required to recognize more or fewer deferred tax assets, and future income tax provisions or recoveries could be affected.

ii) The calculation of share-based compensation requires estimates of volatility, forfeiture rates and market prices surrounding the issuance of share options. These estimates impact share-based compensation expense and share based compensation reserve. Changes in the input assumptions can materially affect the fair value estimate and the Company's earnings and equity reserves.

4. MATERIAL ACCOUNTING POLICIES (continued)

(g) Foreign currency translation

Transactions in foreign currencies are translated into the entity's functional currency at the exchange rates at the date of the transactions. Monetary assets and liabilities of the Company's operations denominated in a currency other than the functional currency are translated using the exchange rates prevailing at the date of the statement of financial position. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates in effect at the date of the underlying transaction, except for depreciation related to non-monetary assets, which is translated at historical exchange rates. Exchange differences are recognized in profit or loss in the period in which they occur.

(h) Standards and interpretations issued but not yet effective

At the date of authorization of these condensed interim financial statements, the IASB has not issued any new or revised standards expected to have a material impact on the results and financial position of the Company when adopted.

5. 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.

As of June 30, 2024, $Nil (December 31, 2023 - $Nil) was due to related parties.

Key management personnel include persons having the authority and responsibility for planning, directing, and controlling the activities of the Company as a whole. The Company has identified its directors and officers as its key management personnel and the compensation costs for key management personnel and companies related to them are recorded at their exchange amounts as agreed upon by transacting parties.

During the six months ended June 30, 2024, $Nil (June 30, 2023 - $Nil) was recorded as compensation costs for key management personnel and companies related to them.

6. SHARE CAPITAL

(a) Authorized

Unlimited number of common shares without par value.

(b) Issued and outstanding

The Company did not issue common shares during six months ended June 30, 2024 and year ended December 31, 2023.

(c) Escrowed shares

In connection with the Company's IPO transaction (Note 1), 2,500,000 common shares issued at $0.05 per share are held in escrow pursuant to the requirements of the Exchange. Twenty five percent of the escrowed common shares will be released from escrow on the issuance of the Final Exchange Bulletin (as defined in the policies of the Exchange) (the "Initial Release") and an additional twenty five percent will be released on each of the dates which are six, twelve and eighteen months following the Initial Release.

All common shares acquired on exercise of stock options granted to directors and officers of the Company prior to completion of the QT, must also be deposited in escrow until the Final Exchange Bulletin is issued.

All common shares acquired in the secondary market prior to completion of a QT by a Control Person (as defined in the policies of the Exchange), are required to be deposited in escrow. Subject to certain permitted exemptions, all securities of the Company held by principals of the resulting issuer will also be subject to escrow.

(d) Stock options

During the year ended December 31, 2022, the Company's board of directors adopted a stock option plan (the "Stock Option Plan") whereby it can grant incentive stock options to directors, officers, employees, and technical consultants of the Company. The maximum number of shares that may be reserved for issuance under the Stock Option Plan is limited to 10% of the issued common shares of the Company at any time. The vesting period for all options is at the discretion of the Board of Directors. The exercise price will be set by the Board of Directors at the time of grant and cannot be less than the discounted market price of the Company's common shares.

6. SHARE CAPITAL (continued)

(d) Stock options

The Stock Option Plan provides that the number of common shares that may be reserved for the issuance to any one individual upon exercise of all stock options held by such an individual may not exceed 5% of the issued common shares, if the individual is a director or officer, or 2% of the issued common shares, if the individual is a consultant or engaged in providing investor relations services, on a yearly basis. All options granted under the Stock Option Plan will expire not later than the date that is ten years from the date that such options are granted. Options terminate earlier as follows: (i) immediately in the event of dismissal with cause; (ii) 90 days from date of termination other than for cause; or (iii) one year from the date of death or disability. Options granted under the Stock Option Plan are not transferable or assignable other than by will or other testamentary instrument or pursuant to the laws of succession. All common shares acquired on exercise of stock options granted to directors and officers prior to the completion of a QT must be deposited in escrow until the final exchange bulletin relating to a QT is issued.

No stock options were granted during the six months ended June 30, 2024.

As at June 30, 2024, the Company had 550,000 exercisable stock options with the life of 8.11 years outstanding. The stock options are exercisable at $0.10.

(d) Share purchase warrants

No warrants were issued during the six moths ended June 30, 2024.

As at June 30, 2024, the Company has 300,000 warrants outstanding with the exercise price $0.10 each and life of 0.11 years. Subsequent to the period end, on August 8, 2024, 300,000 warrants exercisable at $0.10 expired

7. BASIC AND DILUTED LOSS PER SHARE

The calculation of basic and diluted loss per share for the six months ended June 30, 2024, was based on the loss attributable to common shareholders of $33,719 (June 30, 2023 - $21,830) and the weighted average number of common shares outstanding of 3,000,000 (June 30, 2023 – 3,000,000). The 2,500,000 common shares held in escrow became contingently returnable on completion of the IPO and accordingly are not considered to be outstanding shares for the purposes of loss per share calculations for the six months ended June 30, 2024.

8. PROFESSIONAL FEES

The Company incurred $30,176 in professional fees during the six months ended June 30, 2024, which consists of $10,047 in accounting and audit fees, and $20,129 in legal fees. The Company incurred $31,284 in professional fees during the six months ended June 30, 2023, which consisted of $7,953 in accounting and audit fees, and $23,331 in legal fees.

10. MANAGEMENT OF CAPITAL

Capital is comprised of the Company's shareholders' equity and any debt that it may issue. The Company's objectives when managing capital are to maintain financial strength and to protect its ability to meet its ongoing liabilities, to continue as a going concern, to maintain creditworthiness and to maximize returns for shareholders over the long term. Protecting the ability to pay current and future liabilities includes maintaining capital above minimum regulatory levels, current financial strength rating requirements and internally determined capital guidelines and calculated risk management levels.

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 Company. These restrictions apply until completion of a QT by the Company as defined under the policies of the Exchange. The Company's approach to capital management has not changed from the prior year.

11. FINANCIAL INSTRUMENTS

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. The type of risk exposure and the way in which such exposure is managed is provided as follows:

Market Risk

Market risk is the risk that the fair value or future cash flows from a financial instrument will fluctuate because of changes in market prices or prevailing conditions. Market risk comprises three types of risk: currency risk, interest rate risk and other price risk and are disclosed as follows:

(i) Currency risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Company holds no financial instruments that are denominated in a currency other than Canadian dollars. As at June 30, 2024 the Company is not exposed to currency risk.

11. FINANCIAL INSTRUMENTS (continued)

Market Risk (continued)

(ii) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows will fluctuate as a result of changes in market risk. The Company's sensitivity to interest rates relative to its cash balances is currently immaterial. The Company also has no long-term debt with variable interest rates, so it has no negative exposure to changes in the market interest rate.

(iii) Price risk

Equity price risk is defined as the potential adverse impact on the Company's earnings due to movements in individual equity prices or general movements in the level of the stock market. The Company is not exposed to significant price risk.

Credit Risk

Credit risk is the risk of an unexpected loss if a customer or third party to a financial instrument fails to meet its contractual obligations. The Company's credit risk is primarily attributable to its liquid financial assets including cash. The Company limits the exposure to credit risk by only keeping its cash with high-credit quality financial institutions. Management believes that the credit risk related to its cash is negligible.

Liquidity Risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they become due. At June 30, 2024 the Company has no sources of revenue and cash balance of $97,871 to settle current liabilities of $8,930. The Company's exposure to liquidity risk is currently negligible.

The Company remains dependent upon the financial support of its shareholders and debtholders. All the Company's financial liabilities have contractual maturities of 30 days and subject to normal trade terms. Additionally, the Company has insufficient funds from which to finance any identified business acquisition and as such will require additional financing to accomplish the Company's long-term strategic objectives. Future funding may be obtained by means of issuing share capital or debt financing. There can be no certainty of the Company's ability to raise additional financing through these means. If the Company is unable to continue financing itself through these means, it is possible that the Company will be unable to continue as a going concern (Note 1).

11. FINANCIAL INSTRUMENTS (continued)

Fair Value Measurements

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 date.

As at June 30, 2024 the Company's financial instruments consist of cash, accounts payable and accrued liabilities. Cash and accounts payable and accrued liabilities are classified as amortized cost. The fair value of cash and accounts payable and accrued liabilities approximates its carrying value because of the short-term nature of the instruments.

12. SUBSEQUENT EVENTS

Subsequent to the period end, on August 8, 2024, 300,000 warrants exercisable at $0.10 expired.