

Chief Peguis Investment Corporation
Non-Consolidated Financial Statements
March 31, 2025

Management's Responsibility

To the Shareholder of Chief Peguis Investment Corporation (the "Company"):

Management is responsible for the preparation and fair presentation of the accompanying financial statements, including responsibility for significant accounting judgments and estimates in accordance with Canadian accounting standards for private enterprises. This responsibility includes selecting appropriate accounting policies and methods, and making decisions affecting the measurement of transactions in which objective judgment is required.

In discharging its responsibilities for the integrity and fairness of the financial statements, management designs and maintains the necessary accounting systems and related internal controls to provide reasonable assurance that transactions are authorized, assets are safeguarded and financial records are properly maintained to provide reliable information for the preparation of financial statements.

The Board of Directors is composed primarily of Directors who are neither management nor employees of the Company. The Board is responsible for overseeing management in the performance of its financial reporting responsibilities, and for approving the financial information included in the annual report. The Board fulfils these responsibilities by reviewing the financial information prepared by management and discussing relevant matters with management and external accountants. The Board is also responsible for recommending the appointment of the Company's external auditors.

MNP LLP is appointed by the directors to audit the financial statements and report directly to them; their report follows. The external auditors have full and free access to, and meet periodically and separately with, both the Board and management to discuss their audit findings.



Independent Auditor's Report

To the Board of Directors of Chief Peguis Investment Corporation:

Qualified Opinions

We have audited the financial statements of Chief Peguis Investment Corporation (the "Company"), which comprise the balance sheets as at March 31, 2025 and March 31, 2024, and the statements of loss and deficit and cash flows for the years then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, except for the possible effects of the matter(s) described in the Basis for Qualified Opinion section of our report, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at March 31, 2025 and March 31, 2024, and the results of its operations and its cash flows for the years then ended in accordance with Canadian accounting standards for private enterprises.

Basis for Qualified Opinion

As at March 31, 2025 and March 31, 2024, we were unable to obtain assurance over the existence, valuation and completeness of advances from related party and the existence, valuation and completeness of the related long-term receivables and therefore, were not able to determine what adjustments, if necessary, might be required to advances from related party, long-term receivables, expenses, net earnings and deficit for the two audit periods being March 31, 2025 and March 31, 2024.

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 Non-Consolidated Financial Statements section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audits of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified opinions.

Emphasis of Matter

We draw attention to Note 2 in the non-consolidated financial statements, which indicates that the Company has a net deficit of \$2,136,341 (2024 - \$2,207,411). These events or conditions, along with other matters as set forth in Note 2, indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern.

Responsibilities of Management for the Non-Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with Canadian accounting standards for private enterprises, 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.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Non-Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audits and significant audit findings, including any significant deficiencies in internal control that we identify during our audits.

Winnipeg, Manitoba

July 31, 2024

Chartered Professional Accountants


Chief Peguis Investment Corporation
Non-Consolidated Balance Sheet

As at March 31, 2025

	2025	2024
Assets		
Current		
Cash	264,536	122,383
Accounts receivable (Note 4)	46,755	7,759
Prepaid expenses	15,137	13,506
	266,428	143,648
Property and equipment (Note 5)	5,972,122	6,529,302
Investments (Note 6)	1,100,757	1,100,757
Long-term receivables (Note 7)	1,654,518	1,624,634
	8,993,825	9,398,341
Liabilities		
Current		
Trade and other payables (Note 8)	278,047	289,123
Tenant security deposits (Note 9)	263,750	224,288
Advances from related party (Note 10)	10,695,069	11,092,341
	11,227,066	11,605,752
Contingencies (Note 13)		
Shareholder's Deficit		
Share capital (Note 11)	100	100
Deficit	(2,233,941)	(2,207,511)
	(2,233,841)	(2,207,411)
	8,993,825	9,398,341

Approved on behalf of the Board


Director


Director


Director

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

Chief Peguis Investment Corporation
Statement of Loss and Deficit
For the year ended March 31, 2025

	2025	2024
Sales		
Rental income	1,854,172	1,767,977
Interest	568	286
Miscellaneous	19,914	122,307
	1,874,654	1,890,570
Expenses		
Advertising and promotion	6,448	1,498
Bad debts	-	211,796
Directors' fees	1,600	-
Insurance	16,984	16,661
Meals and entertainment	8,748	5,462
Office	15,049	11,704
Professional fees	369,892	335,193
Property taxes	123,140	142,729
Rental	29,093	29,093
Repairs and maintenance	216,047	213,679
Salaries, wages and benefits	452,907	391,988
Sub-contracts	137,997	112,863
Telephone, fax and internet	33,087	25,295
Utilities	209,250	193,026
	1,620,242	1,690,987
Earnings from operations before other income (expense)	254,412	199,583
Other income (expense)		
Dividends	52,500	-
Amortization	(328,505)	(333,587)
Interest	(4,837)	(6,152)
	(280,842)	(339,739)
Net loss	(26,430)	(140,156)
Deficit, beginning of year	(2,207,511)	(2,067,355)
Deficit, end of year	(2,233,941)	(2,207,511)

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

Chief Peguis Investment Corporation

Statement of Cash Flows

For the year ended March 31, 2025

	2025	2024
Cash provided by (used for) the following activities		
Operating activities		
Net loss	(26,430)	(140,156)
Amortization	328,505	333,587
	302,075	193,431
Changes in working capital accounts		
Accounts receivable	(38,996)	265,428
Prepaid expenses	(1,631)	38,273
Trade and other payables	(11,076)	(79,959)
Tenant security deposits	29,462	(54,745)
	279,834	362,428
Financing activity		
Repayments of advances from related party	(396,472)	(639,390)
Investing activities		
Purchases of property and equipment	(10,909)	(404)
Proceeds on disposal of leasehold improvements	239,584	281,932
Purchase of investments	-	(493)
Long-term receivables	(29,884)	(40,583)
	198,791	240,452
Change in cash resources	82,153	(36,510)
Cash resources, beginning of year	122,383	158,893
Cash resources, end of year	204,536	122,383

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

Chief Peguis Investment Corporation
Notes to the Non-Consolidated Financial Statements
For the year ended March 31, 2025

1. Incorporation and operations

Chief Peguis Investment Corporation (the "Company") is a taxable Canadian controlled private corporation which was incorporated under the laws of the Province of Manitoba on June 13, 2012. The Company is a for profit corporation established to develop economic opportunities within and outside Peguis First Nation to benefit the community at large.

2. Going concern

These financial statements have been prepared on the basis of accounting principles applicable to a going concern which assumes the Company will realize the carrying value of its assets and satisfy its obligations as they become due in the normal course of operations.

At March 31, 2025, the Company has a net deficit balance of \$2,136,441 (2024 - \$2,207,411). The Company's performance is improving as the working capital has improved over the year by \$598,366 (2024 - \$433,883) and the Company has a positive cash balance of \$204,536 (2024 - \$122,383) as at year end.

The application of the going concern concept is dependent on the Company's ability to repay their liabilities, manage towards profitable operations and obtain the required financing with related parties. A failure to continue as a going concern would then require that stated amounts of assets and liabilities be reflected on a liquidation basis which could differ significantly from the going concern basis. These non-consolidated financial statements do not reflect the adjustments or reclassification of assets and liabilities were the Company unable to continue its operations.

3. Significant accounting policies

The financial statements have been prepared in accordance with Canadian Accounting Standards for Private Enterprises set out in Part II of the CPA Canada Handbook - Accounting, as issued by the Accounting Standards Board in Canada and include the following significant accounting policies:

Cash

Cash includes balances with banks.

Property and equipment

Property and equipment are initially recorded at cost. Amortization is provided using the straight-line method at rates intended to amortize the cost of assets over their estimated useful lives.

	Rate
Buildings	25 years
Automotive	10 years
Computer and office equipment	5 years
Furniture and fixtures	10 years
Leasehold improvements	20 years

Long-lived assets

Long-lived assets consist of property and equipment, investments and long-term receivables. Long-lived assets held for use are measured and amortized as described in the applicable accounting policies.

The Company performs impairment testing on long-lived assets held for use whenever events or changes in circumstances indicate that the carrying amount of an asset, or group of assets, may not be recoverable. The carrying amount of a long-lived asset is not recoverable if the carrying amount exceeds the sum of the undiscounted future cash flows from its use and disposal. If the carrying amount is not recoverable, impairment is then measured as the amount by which the asset's carrying amount exceeds its fair value. Fair value is measured using discounted future cash flows. Any impairment is included in net loss for the years.

Chief Peguis Investment Corporation
Notes to the Non-Consolidated Financial Statements
For the year ended March 31, 2025

3. **Significant accounting policies** *(Continued from previous page)*

Measurement uncertainty (use of estimates)

The preparation of financial statements in conformity with Canadian accounting standards for private enterprises requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the years.

Accounts receivable and long-term receivables are stated after evaluation as to their collectability and an appropriate allowance for doubtful accounts is provided where considered necessary. Amortization is based on the estimated useful lives of property and equipment. Provisions are made for impairment of investments if the amount is determined to be other than temporary.

These estimates and assumptions are reviewed periodically and, as adjustments become necessary they are reported in loss in the years in which they become known.

Revenue recognition

Revenue include rents earned from tenants under lease agreements, parking, common area and property tax recoveries.

Revenue earned is recognized over the period of the lease agreement.

Miscellaneous and interest income is recognized as it is earned and collection is reasonably assured.

Grant revenue is recognized as the funds become receivable under the terms of the agreement.

Income taxes

The Company accounts for income taxes using the future income taxes method. Under this method, future income tax assets and liabilities are recorded based on temporary differences between the carrying amount of balance sheet items and their corresponding tax bases. In addition, the future benefits of income tax assets, including unused tax losses, are recognized, subject to a valuation allowance, to the extent that it is more likely than not that such future benefits will ultimately be realized. Future income tax assets and liabilities are measured using substantively enacted tax rates and laws expected to apply when the tax liabilities or assets are to be either settled or realized.

Investments

The Company's investments in entities for which it does not exercise control are accounted for using the cost method. The investments accounted for using the cost method are recorded at acquisition cost, less any provisions for permanent impairment. Investment income on these investments is recognized when dividends/distributions are received.

The Company does not consolidate controlled investments but rather has chosen to account for its investment in a subsidiary using the cost method and has applied this to all investments that are deemed to be controlled. Accordingly, the investment in a subsidiary (an entity over which the Company has the continuing power to determine its strategic operating, investing and financing policies without the co-operation of others) is recorded at acquisition cost, less any provisions for permanent impairment. Investment income is recognized when dividends/distributions are received.

On initial recognition, cost is measured at the acquisition-date fair value of the consideration transferred on the acquisition date and any consideration transferred before or after the acquisition date to the other party in exchange for the interest in the subsidiary. Consideration includes monetary and non-monetary consideration as well as any contingent consideration. When a subsidiary is acquired by an exchange of only equity interests, the acquisition-date fair value of the subsidiary's equity interests is used as the fair value of the consideration transferred, if those equity interests are more reliably measurable than the Company's equity interests.

Acquisition-related costs are recognized in net loss as incurred with the exception of costs to issue debt and equity securities. Financing fees and transaction costs to issue debt are reflected in the acquisition-date fair value, and expenses relating to the issue of equity securities are shown separately in the statement of changes in equity.

Employee future benefits

The Company's employee future benefit program consists of a defined benefit plan. The amount recorded as an expense in the non-consolidated statement of earnings (loss) and deficit is equal to the Company's required contribution for the year.

Chief Peguis Investment Corporation
Notes to the Non-Consolidated Financial Statements
For the year ended March 31, 2025

3. **Significant accounting policies** *(Continued from previous page)*

Financial Instruments

The Company recognizes its financial instruments when the Company becomes party to the contractual provisions of the financial instrument.

Arm's length financial instruments

Financial instruments originated/acquired or issued/assumed in an arm's length transaction ("arm's length financial instruments") are initially recorded at their fair value.

At initial recognition, the Company may irrevocably elect to subsequently measure any arm's length financial instrument at fair value. The Company has not made such an election during the years.

The Company subsequently measures investments in equity instruments quoted in an active market and all derivative instruments, except those designated in a qualifying hedging relationship or that are linked to, and must be settled by delivery of, unquoted equity instruments of another entity, at fair value. Fair value is determined by discounted cash flows. Investments in equity instruments not quoted in an active market and derivatives that are linked to, and must be settled by delivery of, unquoted equity instruments of another entity, are subsequently measured at cost less impairment. With the exception of financial liabilities indexed to a measure of the Company's performance or value of its equity and those instruments designated at fair value, all other financial assets and liabilities are subsequently measured at amortized cost.

Transaction costs and financing fees directly attributable to the origination, acquisition, issuance or assumption of financial instruments subsequently measured at fair value are immediately recognized in net loss. Conversely, transaction costs and financing fees are added to the carrying amount for those financial instruments subsequently measured at cost or amortized cost.

Related party financial instruments

The Company initially measures the following financial instruments originated/acquired or issued/assumed in a related party transaction ("related party financial instruments") at fair value:

- Investments in equity instruments quoted in an active market
- Debt instruments quoted in an active market
- Debt instruments when the inputs significant to the determination of its fair value are observable (directly or indirectly)
- Derivative contracts.

All other related party financial instruments are measured at cost on initial recognition. When the financial instrument has repayment terms, cost is determined using the undiscounted cash flows, excluding interest, dividend, variable and contingent payments, less any impairment losses previously recognized by the transferor. When the financial instrument does not have repayment terms, but the consideration transferred has repayment terms, cost is determined based on the repayment terms of the consideration transferred. When the financial instrument and the consideration transferred both do not have repayment terms, the cost is equal to the carrying or exchange amount of the consideration transferred or received (refer to Note 10).

At initial recognition, the Company may elect to subsequently measure related party debt instruments that are quoted in active market, or that have observable inputs significant to the determination of fair value, at fair value.

The Company has not made such an election during the years, thus all such related party debt instruments are subsequently measured at amortized cost.

The Company subsequently measures investments in equity instruments quoted in an active market and all derivative instruments, except those designated in a qualifying hedging relationship or that are linked to, and must be settled by delivery of, unquoted equity instruments of another entity, at fair value. Fair value is determined by published price quotations. Financial instruments that were initially measured at cost and derivatives that are linked to, and must be settled by, delivery of unquoted equity instruments of another entity, are subsequently measured using the cost method less any reduction for impairment.

Transaction costs and financing fees directly attributable to the origination, acquisition, issuance or assumption of related party financial instruments are immediately recognized in net loss.

Chief Peguis Investment Corporation
Notes to the Non-Consolidated Financial Statements
For the year ended March 31, 2025

3. **Significant accounting policies** *(Continued from previous page)*

Financial instruments *(Continued from previous page)*

Financial asset impairment

The Company assesses impairment of all its financial assets measured at cost or amortized cost. The Company groups assets for impairment testing when available information is not sufficient to permit identification of each individually impaired financial asset in the group. Management considers whether the issuer is having significant financial difficulty; whether there has been a breach in contract, such as a default or delinquency in interest or principal payments in determining whether objective evidence of impairment exists. When there is an indication of impairment, the Company determines whether it has resulted in a significant adverse change in the expected timing or amount of future cash flows during the years.

With the exception of related party debt instruments and related party equity instruments initially measured at cost, the Company reduces the carrying amount of any impaired financial assets to the highest of: the present value of cash flows expected to be generated by holding the assets; the amount that could be realized by selling the assets at the balance sheet date; and the amount expected to be realized by exercising any rights to collateral held against those assets.

For related party debt instruments initially measured at cost, the Company reduces the carrying amount of the asset (or group of assets), to the highest of: the undiscounted cash flows expected to be generated by holding the asset, or group of similar assets, excluding the interest and dividend payments of the instrument; the present value of cash flows expected to be generated by holding the assets; the amount that could be realized by selling the assets at the balance sheet date; and the amount expected to be realized by exercising any rights to collateral held against those assets.

For related party equity instruments initially measured at cost, the Company reduces the carrying amount of the asset (or group of assets), to the amount that could be realized by selling the asset(s) at the balance sheet date.

Any impairment, which is not considered temporary, is included in current years net loss.

The Company reverses impairment losses on financial assets when there is a decrease in impairment and the decrease can be objectively related to an event occurring after the impairment loss was recognized. The amount of the reversal is recognized in net loss in the years the reversal occurs.

Accounting for Cloud Computing Arrangement

The Company has applied the simplification approach to account for expenditures in a cloud computing arrangement. Under the simplification approach, the Company recognizes expenditures related to the elements in the cloud computing arrangement as an expense as incurred. In the current year, expenses of \$1,900 have been recognized as repairs and maintenance.

4. **Accounts receivable**

	2025	2024
Trade receivables	230,750	191,754
Allowance for doubtful accounts	(183,995)	(183,995)
	46,755	7,759

Chief Peguis Investment Corporation
Notes to the Non-Consolidated Financial Statements
For the year ended March 31, 2025

5. **Property and equipment**

	2025		
	<i>Cost</i>	<i>Accumulated amortization</i>	<i>Net book value</i>
Buildings	6,424,175	1,157,030	5,267,145
Automotive	8,300	4,565	3,735
Computer equipment	9,700	7,265	2,435
Furniture and fixtures	112,802	104,948	7,854
Leasehold improvements	1,225,904	542,797	683,107
Office equipment	8,517	671	7,846
	7,789,398	1,817,276	5,972,122

	2024		
	<i>Cost</i>	<i>Accumulated amortization</i>	<i>Net book value</i>
Buildings	6,424,175	899,804	5,524,371
Automotive	8,300	3,735	4,565
Computer equipment	8,353	5,459	2,894
Furniture and fixtures	112,802	97,727	15,075
Land improvements	190,465	-	190,465
Leasehold improvements	1,271,708	481,584	790,124
Office equipment	2,267	459	1,808
	8,018,070	1,488,768	6,529,302

Chief Peguis Investment Corporation
Notes to the Non-Consolidated Financial Statements
For the year ended March 31, 2025

6. Investments

Investments include the following:

	2025	2024
Measured at cost:		
Investment in Aski Capital Inc.	1,100,000	1,100,000
Investment in 10038586 Manitoba Ltd. - Flint & Embers	100	100
Investment in CFOM1 LP	1	1
Investment in Wawasum Energy Inc.	5	5
Investment in Modern Clan Marketing Communications Inc.	17	17
Investment in 10022241 Manitoba Ltd.	634	634
	1,100,757	1,100,757

In addition to the investments noted above, the Company holds 833,333 shares in MJardin Holdings Corporation, a publicly traded stock, with a fair value of \$0.09 per share (cost - \$15 per share). As at March 31, 2025, these shares are being held in trust for Peguis First Nation, and therefore have not been recorded as investments by the Company.

The Company owns 35% of Aski Capital Inc., and does not have control over the investment. Aski Capital Inc. is engaged in the operation of a financial services company and providing short-term lending services.

The Company owns 100% of 10038586 Manitoba Ltd., a subsidiary controlled through voting rights. The subsidiary is engaged in the retail cannabis industry for the distribution of cannabis and related products.

The Company owns 90% of 10022241 Manitoba Ltd., a subsidiary controlled through voting rights. The subsidiary is used to primarily hold investments.

7. Long-term receivables

	2025	2024
Measured at cost:		
10038586 Manitoba Ltd. - Flint & Embers	1,654,518	1,624,634
	1,654,518	1,624,634

10038586 Manitoba Ltd. is a subsidiary of the Company. A number of the projects, which were financed through debt to Peguis First Nation, that are not owned or controlled by the Company have been transferred back to Peguis First Nation.

Chief Peguis Investment Corporation
Notes to the Non-Consolidated Financial Statements
For the year ended March 31, 2025

8. Trade and other payables

	2025	2024
Trade accounts payable	268,738	279,415
Accrued wages payable	3,186	1,718
Goods and Services Tax payable	6,123	7,990
	278,047	289,123

9. Tenant security deposits

	2025	2024
1075 Portage Avenue	160,189	151,930
1065 Portage Avenue	54,997	54,997
1386 Main Street	21,203	-
620 Main Street	17,361	17,361
	253,750	224,288

10. Advances from related party

The advances from Peguis First Nation are due on demand, non-interest bearing, and have no specific terms of repayment. Peguis First Nation is the settlor and beneficiary of the shareholder of the Company.

11. Share capital

	2025	2024
Issued		
Common shares		
100 Class A (2024 - 100)	100	100
	100	100

12. Income taxes

The Company has non-capital losses estimated at \$2,084,565 (2024 - \$2,088,995) available to reduce future taxable income. The benefit of these losses has not been recorded in the non-consolidated financial statements. These losses will expire between the fiscal years 2035 - 2044.

13. Contingencies

The Company, in the normal course of operations, is subject to lawsuits. The Company will accrue for losses in instances where it is probable that the liabilities will be incurred and where such liabilities can be reasonably estimated.

In June 2022, Peguis First Nation filed a claim against the Company. The Company filed a counter-claim. Part of Peguis First Nation's claim was to have the Company put into receivership. The outcome of this claim is indeterminable.

In December 2022, Pricewaterhousecoopers Inc. (PWC), acting as the receiver for Bridging Finance Inc. (BFI) filed a claim against the Company and other related parties for the repayment of debt balances. The Company has filed a cross-claim against Peguis First Nation. The outcome of this claim is indeterminable.

In August 2024, Absolute Petroleum Ltd. filed two claims against the Company and its related parties. One claim is for damages related to contract for labour and materials for fuel clean up services in 2022. The second claim is related to damages related to a contract for labour and materials to rebuild a gas station. The Company denies that they are a party to these contracts. The outcome of these claims is indeterminable.

14. Financial Instruments

The Company, as part of its operations, carries a number of financial instruments. It is management's opinion that the Company is not exposed to significant interest, currency, credit, liquidity or other price risks arising from these financial instruments except as otherwise disclosed.

Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting obligations associated with financial liabilities. The Company is exposed to liquidity risk through its balance owing to related parties. It is unlikely the Company would have the necessary assets available to meet their obligation.

Credit risk

Credit risk is the risk that one party to a financial instrument fails to discharge an obligation and causes financial loss to another party. The Company is exposed to credit risk through its accounts receivables and long-term receivables. As at year end accounts receivables are \$230,750 (2024 - \$191,754) and long-term receivables are \$1,654,618 (2024 - \$1,624,734).