

**WOODBIDGE VENTURES II INC.  
(A CAPITAL POOL COMPANY)**

**FINANCIAL STATEMENTS**

**FOR THE YEARS ENDED AUGUST 31, 2023 AND 2024**

**(EXPRESSED IN CANADIAN DOLLARS)**

To the Shareholders of Woodbridge Ventures II Inc.:

### Opinion

We have audited the financial statements of Woodbridge Ventures II Inc. (the "Corporation"), which comprise the statements of financial position as at August 31, 2024 and August 31, 2023, and the statements of loss and comprehensive loss, changes in shareholders' equity and cash flows for the years then ended, and notes to the financial statements, including material accounting policy information.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Corporation as at August 31, 2024 and August 31, 2023, and its financial performance and its cash flows for the years then ended in accordance with IFRS® Accounting Standards.

### 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 Corporation 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 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. 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 Management's Discussion and Analysis.

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 audits 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. We obtained Management's Discussion and Analysis prior to the date of this auditor's report. If, based on the work we have performed on this other information, 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® Accounting Standards, 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 Corporation'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 Corporation or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Corporation'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 Corporation'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 Corporation'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 Corporation 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.

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.

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

*MNP LLP*

Toronto, Ontario  
December 23, 2024

Chartered Professional Accountants  
Licensed Public Accountants

Woodbridge Ventures II Inc.  
Statements of Financial Position  
As at August 31, 2024 and 2023  
(Expressed in Canadian Dollars)

As at August 31,	2024	2023
<b>Assets</b>		
<b>Current Assets</b>		
Cash	\$ 355,665	\$ 384,803
	\$ 355,665	\$ 384,803
<b>Liabilities</b>		
<b>Current liabilities</b>		
Accounts Payable and Accrued Liabilities	\$ 40,267	\$ 25,100
<b>Shareholders' equity</b>		
Share Capital (note 3)	478,669	478,669
Reserves (note 3)	89,594	89,594
Deficit	(252,865)	(208,560)
	315,398	359,703
	\$ 355,665	\$ 384,803

Approved by the Board "Raphael Danon"  
CEO (Signed)

"Patrick Brigham"  
Director (Signed)

*The accompanying notes to the audited financial statements are an integral part of these financial statements.*

Woodbridge Ventures II Inc.  
Statements of Loss and Comprehensive Loss  
For the Years Ended August 31, 2024 and 2023  
(Expressed in Canadian Dollars)

<b>For the years ended August 31,</b>	<b>2024</b>	<b>2023</b>
<b>Expenses</b>		
Professional Fees	\$ 21,064	\$ 39,979
Filing Fees	16,341	10,595
General and Administrative	6,900	2,456
<b>Net Loss and Comprehensive Loss for the year</b>	<b>\$ 44,305</b>	<b>\$ 53,030</b>
<b>Net loss per share – basic and diluted</b>	<b>(0.01)</b>	<b>\$ (0.01)</b>
<b>Weighted average shares outstanding- basic and diluted</b>	<b>7,000,000</b>	<b>7,000,000</b>

*The accompanying notes to the audited financial statements are an integral part of these financial statements.*

Woodbridge Ventures II Inc.  
Statements of Changes in Shareholders' Equity  
For the Years Ended August 31, 2024 and 2023  
(Expressed in Canadian Dollars)

	Number of shares	Share Capital	Reserves	Deficit	Shareholders' equity
<b>Balance as at August 31, 2022</b>	<b>7,000,000</b>	<b>\$ 478,669</b>	<b>\$ 89,594</b>	<b>\$ (155,530)</b>	<b>\$ 412,733</b>
Net loss and comprehensive loss for the year	-	-	-	(53,030)	(53,030)
<b>Balance as at August 31, 2023</b>	<b>7,000,000</b>	<b>\$ 478,669</b>	<b>\$ 89,594</b>	<b>\$ (208,560)</b>	<b>\$ 359,703</b>
Net loss and comprehensive loss for the year	-	-	-	(44,305)	(44,305)
<b>Balance as at August 31, 2024</b>	<b>7,000,000</b>	<b>\$ 478,669</b>	<b>\$ 89,594</b>	<b>\$ (252,865)</b>	<b>\$ 315,398</b>

*The accompanying notes to the audited financial statements are an integral part of these financial statements.*

Woodbridge Ventures II Inc.  
Statements of Cash Flows  
For the Years Ended August 31, 2024 and 2023  
(Expressed in Canadian Dollars)

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<b>For the years ended August 31,</b>	<b>2024</b>	<b>2023</b>
<b>Cash flow used in operating activities</b>		
Net loss for the year	\$ (44,305)	\$ (53,030)
Net change in non-cash working capital		
Accounts payable and accrued liabilities	15,167	10,738
Net cash used in operating activities	\$ (29,138)	\$ (42,292)
<b>Net Change in Cash</b>	<b>(29,138)</b>	<b>(42,292)</b>
<b>Cash, beginning of year</b>	<b>384,803</b>	<b>427,095</b>
<b>Cash, end of year</b>	<b>\$ 355,665</b>	<b>\$ 384,803</b>

*The accompanying notes to the audited financial statements are an integral part of these financial statements.*

## **1. INCORPORATION AND NATURE OF BUSINESS**

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Woodbridge Ventures II Inc. Acquisition Corp. (the “Corporation” or the “Company”) was incorporated under the Ontario Business Corporations Act on April 12, 2021 and is classified as a Capital Pool Company as defined under Policy 2.4 of the TSX Venture Exchange (the “Exchange”). The principal business of the Corporation is the identification and evaluation of assets or businesses with a view to completing a Qualifying Transaction, as such term is defined in Exchange Policy 2.4 (“QT”). As at August 31, 2024 the Corporation has not commenced commercial operations and did not enter into any agreements to acquire an interest in businesses or assets. The Corporation has no assets other than cash. Given the nature of the activities, no separate segmented information is reported.

The Corporation completed its initial public offering (“IPO”) on November 16, 2021. The gross proceeds raised from the IPO may only be used to identify a QT, with the exception that a maximum of \$3,000 per month may be spent on reasonable general and administrative expenses of the Corporation. These restrictions apply until completion of a QT by the Corporation, as defined under the policies of the Exchange. Where a QT is warranted, additional funding may be required. The ability of the Corporation to fund its potential future operations and commitments is dependent upon the ability of the Corporation to obtain additional financing.

The head office and the registered head office of the Corporation is located at 7 Graymar Ave, Toronto, Ontario, M3H 3B5. The Company’s common shares trade on the TSX Venture Exchange under the symbol WOOD.P. The Company’s public filings can be accessed and viewed via the System for Electronic Data Analysis and Retrieval (“SEDAR”) at [www.sedar.com](http://www.sedar.com).

On December 23, 2024, the Board of Directors approved the financial statements for the years ended August 31, 2024 and 2023.

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

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### **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”) and interpretations issued by the International Financial Reporting Interpretation Committee (“IFRIC”). The policies applied in these Financial Statements are based on IFRS issued and outstanding as of August 31, 2024.



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

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### **Basis of Presentation**

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

### **Recognition**

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

### **Classification**

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

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

The Company has implemented the following classifications:

Cash is classified as fair value and any period change in fair value is recorded in profit or loss.

Accounts payable and accrued liabilities are classified as other financial liabilities and measured at amortized cost using the effective interest rate method.

### **Measurement**

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

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

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

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### **Basis of Presentation (continued)**

#### Measurement (continued)

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

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

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

Level 3: Valuations based on significant inputs that are not derived from observable market data, such as discounted cash flow methodologies based on internal cash flow forecasts.

Cash is classified as a level 1 financial instrument measured at fair value on the statements of financial position.

### **Income Taxes**

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

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

Deferred tax is recognized in respect of all qualifying temporary differences arising between the tax basis of assets and liabilities and their carrying amounts in the financial statements. Deferred income tax is determined on a non-discounted basis using tax rates and laws that have been enacted or substantively enacted at the end of the reporting period and are expected to apply when the deferred tax asset or liability is settled. Deferred tax assets are recognized to the extent that it is probable that the assets can be recovered. Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset tax assets and liabilities and when the deferred tax balances relate to the same taxation authority.

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

### **Estimates**

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

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

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### **Estimates (continued)**

The key source of estimation uncertainty that have a significant risk of causing material adjustment to the amounts recognized in the Financial Statements are:

#### Fair Value of Stock Based Compensation and Warrants

In determining the fair value of share based payments, the calculated amounts are not based on historical cost, but is derived based on assumptions (such as the expected volatility of the price of the underlying security, expected hold period before exercise, dividend yield and the risk-free rate of return) input into a valuation model. The model requires that management make forecasts as to future events, including estimates of: the average future hold period of issued stock options and compensation warrants before exercise, expiry or cancellation; future volatility of the Company's share price in the expected hold period; dividend yield; and the appropriate risk-free rate of interest. The resulting value calculated is not necessarily the value that the holder of the option or warrant could receive in an arm's length transaction, given that there is no market for the options or compensation warrants and they are not transferable. Similar calculations are made in estimating the fair value of the warrant component of an equity unit. The assumptions used in these calculations are inherently uncertain. Changes in these assumptions could materially affect the related fair value estimates.

#### Income Taxes

Provisions for taxes are made using the best estimate of the amount expected to be paid based on a qualitative assessment of all relevant factors. The Company reviews the adequacy of these provisions at the end of the reporting period. However, it is possible that at some future date an additional liability could result from audits by taxing authorities. Where the final outcome of these tax-related matters is different from the amounts that were initially recorded, such differences will affect the tax provisions in the period in which such determination is made.

### **Share Capital**

Common shares are classified as equity. Incremental costs directly attributable to the issuance of shares are recognized as a deduction from equity.

### **Offering Costs**

Offering costs relate to expenditures incurred in connection with the Company's share offerings and are charged against share capital.

### **Basic and Diluted Loss per Share**

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

Diluted loss per share is computed by dividing the net loss applicable to common shares by the sum of the weighted average number of common shares issued and outstanding and all additional common shares that would have been outstanding if potentially dilutive instruments were converted.

### 3. SHARE CAPITAL AND RESERVES

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#### Authorized

Unlimited Common shares

#### Issued and Outstanding common shares

	Number of Shares	Share Capital Amount
Balance April 12, 2021	-	\$ -
Private placement (i)	2,000,000	\$ 100,000
<b>Balance as at August 31, 2021</b>	<b>2,000,000</b>	<b>\$ 100,000</b>
Initial Public Offering (ii)	5,000,000	500,000
Cost of Issuance- Cash		(84,000)
Cost of Issuance- Share Based Payment		(37,331)
<b>Balance as at August 31, 2022, 2023, 2024</b>	<b>7,000,000</b>	<b>\$ 478,669</b>

- (i) On April 12, 2021, the Corporation authorized a private placement of 2,000,000 common shares at a price of \$0.05 per share for gross proceeds of \$100,000.
- (ii) On November 16, 2021, the Corporation completed the IPO and issued 5,000,000 common shares at \$0.10 per share for gross proceeds of \$500,000. The Corporation granted 500,000 options to its agents for the IPO, to acquire 500,000 common shares of the Corporation at a price of \$0.10 per share exercisable for a period of 60 months from the date of the Corporation's common shares listed on the TSX Venture Exchange. The agent's options were valued on the date of issue using the Black-Scholes option pricing model with the following assumptions: stock and strike price of \$0.10, dividend yield 0%, risk-free interest rate of 1.56%, expected volatility of 100% and an expected life of five years. Volatility was estimated based on the historical volatility of similar companies over a period equal to the expected life of the options. The value attributed to the 500,000 options was \$37,331 which is included in costs of issuance. In addition, the Agent received a cash commission of \$50,000, which equals to 10% of the gross proceeds, and the Corporation paid legal fees and expenses of \$34,000 relating to this offering.

### **3. SHARE CAPITAL AND RESERVES (continued)**

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#### **Escrowed Shares**

Upon completion of the Corporation's initial public offering, the 2,020,000 currently issued and outstanding common shares will be held in escrow pursuant to the requirements of the Exchange.

25% 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 25% will be released on each of the dates which are 6 months, 12 months, and 18 months following the Initial Release.

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

All common shares of the Corporation acquired in the secondary market prior to the completion of a Qualifying Transaction 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 Corporation held by principals of the resulting issuer will also be subject to escrow.

#### **Share-based payments**

Share-based payment reserve records items recognized as share-based compensation expense and other share-based payments until such time as the stock options or warrants are exercised, at which time the corresponding amount will be transferred to share capital.

The Corporation has a Stock Option Plan (the "Plan") to provide incentive for the directors, officers, employees, consultants and service providers of the Corporation.

Upon the closing of the Corporation's IPO, the Corporation granted incentive stock options to directors and the officer of the Corporation to purchase a number of common shares equal to 10% of the number of common shares issued and outstanding upon completion of the IPO. The options were granted at a price of \$0.10 per common share and are exercisable for 60 months from the date of grant, subject to regulatory approval. Also, as part of the commission paid to its agents, the agents were granted options (the "Agent options") to purchase up to 10% of the total number of common shares sold pursuant to the Offering at a price of \$0.10 per common share, exercisable for a period of 60 months from the date of listing of the common shares on the TSX Venture. As at August 31, 2024 the Corporation had 990,000 issued or outstanding stock options and Agent options.

### 3. SHARE CAPITAL AND RESERVES (continued)

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#### Share-based payments (continued)

The following table reflects the continuity of stock options and Agent options for the year ended August 31, 2024:

	Number of stock options	Weighted average exercise price (\$)
Balance August 31, 2021	-	-
Granted (i)	700,000	.10
Granted (ii)	500,000	.10
Balance August 31, 2022	1,200,000	.10
Forfeited (iii)	(210,000)	.10
<b>Balance August 31, 2023, 2024</b>	<b>990,000</b>	<b>.10</b>

- (i) On November 16, 2021, the Corporation granted 700,000 incentive stock options to its directors and the officer which are exercisable within 60 months from the date of grant at an exercise price of \$0.10 per share. The incentive stock options were valued using the Black-Scholes option pricing model with the following assumptions: dividend yield 0%, risk-free interest rate of 1.56%, expected volatility of 100% and an expected life of five years. Volatility was estimated based on the historical volatility of similar companies over a period equal to the expected life of the options. The value attributed to the 700,000 options was \$52,263.
- (ii) On November 16, 2021, the Corporation granted 500,000 Agent options to its agents which are exercisable within two years from the date of grant at an exercise price of \$0.10 per share. The incentive stock options were valued on the date of issue using the Black-Scholes option pricing model with the following assumptions: dividend yield 0%, risk-free interest rate of 1.56%, expected volatility of 100% and an expected life of five years. Volatility was estimated based on the historical volatility of similar companies over a period equal to the expected life of the options. The value attributed to the 500,000 options was \$37,331.
- (iii) On November 16, 2022 David Tsubouchi resigned from the Board of Directors of the Corporation and forfeited 210,000 stock options that were granted to directors on November 16, 2021.

### 3. SHARE CAPITAL AND RESERVES (continued)

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#### Share-based payments (continued)

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

Expiry Date	Exercise Price	Weighted Average Remaining Contractual Life (years)	Number of Options Outstanding	Number of Options Vested (Exercisable)
November 16, 2026	0.10	3.21	990,000	990,000

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

Expiry Date	Exercise Price	Weighted Average Remaining Contractual Life (years)	Number of Options Outstanding	Number of Options Vested (Exercisable)
November 16, 2026	0.10	2.21	990,000	990,000

#### Options

Options for directors and officers were granted for term of five years from the date of the grant. They are non-transferable and expire within 12 months after the completion of the QT or 90 days following the termination of employment or holding office as director or officer of the Corporation and, in the case of death, expire 12 months thereafter.

Any shares issued upon exercise of the options prior to the Corporation entering into a QT will be subject to escrow restrictions. Unless otherwise stated, the options fully vest when granted.

### 4. RELATED PARTY TRANSACTIONS

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There was no remuneration paid to key management personnel or other related party transactions during the year ended August 31, 2024 or August 31, 2023.

## **5. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES**

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### **Capital Management**

The Corporation's objective when managing capital is to maintain its ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders.

The Corporation includes equity, comprised of share capital, reserves, and deficit, in the definition of capital.

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

The proceeds raised from the issuance of common shares may only be used to identify and evaluate assets or businesses for future investment, with the exception that not more than \$3,000 per month may be used to cover prescribed costs of issuing the common shares or administrative and general expenses of the Corporation. These restrictions apply until completion of a Qualifying Transaction by the Corporation as defined under the Exchange policy 2.4.

### **Risk Disclosures and Fair Values**

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

### **Liquidity Risk**

The Corporation's approach to managing liquidity risk is to ensure that it will have sufficient liquidity to meet liabilities when due. As at August 31, 2024, the Corporation had cash of \$355,665 to pay liabilities of \$40,267.

### **Financial risk factors**

The Company's risk exposures and the impact on the Company's financial statements are summarized below.

#### *Credit risk*

Financial instruments that potentially subject the Company to a significant concentration of credit risk consist primarily of cash. The Company limits its exposure to credit loss by placing its cash in a major Canadian bank.

#### *Interest rate risk*

The Company is exposed to interest rate risk to the extent that the cash is subject to floating rate of interest. The interest rate risks on cash and on the Company's obligations are not considered significant.



## 5. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

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### Financial risk factors (continued)

#### *Foreign currency risk*

The Company may at times be exposed to foreign currency risk on fluctuations related to cash, and accounts payable and accrued liabilities that are denominated in a foreign currency. As at August 31, 2024, the Company did not have any accounts in foreign currencies and considers foreign currency risk insignificant

#### *Liquidity risk*

All of the Company's financial liabilities are classified as current and are anticipated to mature within the next fiscal period. The Company intends to settle these with funds from its positive working capital position.

#### *Price risk*

The Company has limited exposure to price risk with respect to commodity and equity prices. 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. Commodity price risk is defined as the potential adverse impact on earnings and economic value due to commodity price movements and volatilities.

## 6. INCOME TAXES

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The reconciliation of the combined Canadian federal and provincial statutory income tax rate of 26.5% (2023 - 26.5%) to the effective tax rate is as follows:

As at August 31,	2024	2023
Net loss before recovery of income taxes	\$ (44,305)	\$ (53,030)
Expected income tax recovery	(11,740)	(14,050)
Change in tax benefits not recognized	11,740	14,050
Income tax recovery	\$ -	\$ -

### Unrecognized Deferred Tax Asset

Deferred taxes are provided as a result of temporary differences that arise due to the differences between the income tax values and the carrying amount of assets and liabilities. Deferred tax assets have not been recognized in respect of the following deductible temporary differences:

As at August 31,	2024	2023
Share issuance costs	\$ 48,530	\$ 72,800
Operating tax losses carried forward	273,400	204,830
	\$ 321,930	\$ 277,630

## **6. INCOME TAXES (continued)**

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### **Unrecognized Deferred Tax Assets (continued)**

The Canadian operating tax loss carry forwards expire as noted in the table below. Share issuance costs will be fully amortized by 2025. Deferred tax assets have not been recognized in respect of these items because it is not probable that future taxable profit will be available against which the Company can utilize the benefits therefrom.

The Company's Canadian operating tax losses expire as follows:

2041	\$	42,400
2042		85,130
2043		77,300
2044		68,570
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		\$ 273,400

## **7. SUBSEQUENT EVENT**

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On September 27, 2024, the Company informed Sparq Naturals, Inc. ("Sparq") that the LOI with respect to a proposed business combination between Woodbridge and Sparq had been terminated in accordance with its terms.