

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

**CONDENSED INTERIM FINANCIAL STATEMENTS**

**For the Third Quarter Ended October 31, 2024 and 2023**

(unaudited)

# Samurai Capital Corp.

(A CAPITAL POOL COMPANY)

CONDENSED INTERIM STATEMENTS OF FINANCIAL POSITION

(Expressed in Canadian dollars)

	October 31, 2024 (unaudited)	January 31, 2024 (audited)
	\$	\$
<b>ASSETS</b>		
Cash	134,549	10,949
Prepaid expense	13,125	-
<b>Total assets</b>	<b>147,674</b>	<b>10,949</b>
<b>LIABILITIES</b>		
Accounts payable and accrued liabilities (Note 8)	93,430	61,955
<b>Total liabilities</b>	<b>93,430</b>	<b>61,955</b>
<b>SHAREHOLDERS' EQUITY (DEFICIENCY)</b>		
Share capital (Note 5)	356,353	206,353
Reserves (Note 5)	43,000	43,000
Deficit	(345,109)	(300,359)
<b>Total shareholders' equity (deficiency)</b>	<b>54,244</b>	<b>(51,006)</b>
<b>Total liabilities and shareholders' equity (deficiency)</b>	<b>147,674</b>	<b>10,949</b>

Nature of operations and going concern (Note 1)

Proposed qualifying transaction (Note 4)

Approved by on behalf of the Board of Directors on December 24, 2024

*"Anthony Zelen"*

Director

*"Craig Taylor"*

Director

## Samurai Capital Corp.

(A CAPITAL POOL COMPANY)

### CONDENSED INTERIM STATEMENTS OF LOSS AND COMPREHENSIVE LOSS

(Expressed in Canadian dollars - Unaudited)

	<b>For the three months ended October 31, 2024</b>	For the three months ended October 31, 2023	<b>For the nine months ended October 31, 2024</b>	For the nine months ended October 31, 2023
	\$	\$	\$	\$
<b>Expenses</b>				
Admin and bank charges	123	117	327	325
Audit and accounting fees (Note 8)	8,150	3,100	18,179	32,974
Legal fees	12,074	1,098	12,074	5,281
Regulatory and filing	5,327	-	14,170	9,617
<b>Net loss and comprehensive loss for the period</b>	<b>(25,674)</b>	<b>(4,315)</b>	<b>(44,750)</b>	<b>(48,197)</b>
<b>Loss per share</b>				
Basic and diluted	(0.01)	(0.00)	(0.02)	(0.02)
<b>Weighted average number of common shares outstanding (basic and diluted)</b>	<b>3,239,130</b>	<b>2,000,000</b>	<b>2,416,058</b>	<b>2,000,000</b>

## Samurai Capital Corp.

(A CAPITAL POOL COMPANY)

CONDENSED INTERIM STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY (DEFICIENCY)

(Expressed in Canadian dollars - Unaudited)

	Number of outstanding shares	Share capital	Reserves	Deficit	Total shareholders' equity (deficiency)
		\$	\$	\$	\$
<b>Balance, January 31, 2023</b>	<b>4,400,000</b>	<b>206,353</b>	<b>43,000</b>	<b>(233,387)</b>	<b>15,966</b>
Net loss for the period	-	-	-	(48,197)	(48,197)
<b>Balance, October 31, 2023</b>	<b>4,400,000</b>	<b>206,353</b>	<b>43,000</b>	<b>(281,584)</b>	<b>(32,231)</b>
<b>Balance, January 31, 2024</b>	<b>4,400,000</b>	<b>206,353</b>	<b>43,000</b>	<b>(300,359)</b>	<b>(51,006)</b>
Private placement proceeds	3,000,000	150,000	-	-	150,000
Net loss for the period	-	-	-	(44,750)	(44,750)
<b>Balance, October 31, 2024</b>	<b>7,400,000</b>	<b>356,353</b>	<b>43,000</b>	<b>(345,109)</b>	<b>54,244</b>

## Samurai Capital Corp.

(A CAPITAL POOL COMPANY)

CONDENSED INTERIM STATEMENTS OF CASH FLOW

(Expressed in Canadian dollars - Unaudited)

	For the nine months ended October 31, 2024	For the nine months ended October 31, 2023
	\$	\$
<b>Cash provided by (used in)</b>		
<b>Operating activities</b>		
Net loss for the period	(44,750)	(48,197)
Changes in non-cash working capital items:		
Prepaid expense	(13,125)	-
Accounts payable and accrued liabilities	31,475	(20,715)
<b>Net cash used in operating activities</b>	<b>(26,400)</b>	<b>(68,912)</b>
<b>Financing activity</b>		
Private placement	150,000	-
<b>Change in cash, for the period</b>	<b>123,600</b>	<b>(68,912)</b>
Cash - beginning of period	10,949	81,026
<b>Cash - end of period</b>	<b>134,549</b>	<b>12,114</b>
<b>Supplemental cash flow disclosure</b>		
Taxes paid	-	-
Interest paid	-	-

# Samurai Capital Corp.

(A CAPITAL POOL COMPANY)

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS

FOR THE NINE MONTHS ENDED OCTOBER 31, 2024 AND 2023

(Expressed in Canadian dollars unless otherwise stated - Unaudited)

## 1. Nature of operations and going concern

### *Nature of operations*

Samurai Capital Corp. (the “Company”) was incorporated under the *Business Corporations Act* (British Columbia) on December 17, 2020. On May 27, 2021, the Company completed its initial public offering (“IPO”), and the common shares of the Company began trading on the TSX Venture Exchange (the “Exchange”) under the symbol “SSS”. The Company is classified as a Capital Pool Company (“CPC”) as defined under Policy 2.4 of the Exchange. The principal business of the Company is the identification and evaluation of a Qualifying Transaction, as defined under Policy 2.4 of the Exchange, and once identified or evaluated, to negotiate an acquisition or participation in a business subject to receipt of shareholder approval, if required, and acceptance by regulatory authorities.

The head office, principal address and registered office of the Company are located at Suite 228 – 1122 Mainland Street, Vancouver, BC V6B 5L1, Canada.

### *Going concern*

These financial statements have been prepared on a going concern basis. The going concern basis of presentation assumes that the Company will continue in operation for the foreseeable future and be able to realize its assets and discharge its liabilities and commitments in the normal course of business. The Company has not generated revenues from operations, and there is no assurance that the Company will identify a Qualifying Transaction under the policies of the Exchange. If a Qualifying Transaction is not completed, the Company will need to identify other sources of financing to remain as a going concern. The Company has incurred losses from inception. During the period ended October 31, 2024, the Company recorded a loss of \$44,750 (2023 - \$48,197) and as of that date, has a deficit of \$345,109 (January 31, 2024 - \$300,359). These circumstances have resulted in a material uncertainty that may cast significant doubt about the Company’s ability to continue as a going concern. These financial statements do not reflect adjustments that would be necessary if the going concern assumption were not appropriate. If the going concern basis was not appropriate for these financial statements, then adjustments would be necessary to the carrying values of assets and liabilities. Such adjustments could be material.

## 2. Basis of presentation and material accounting policies

### *Statement of Compliance*

The Company applies IFRS Accounting Standards (“IFRS”) as issued by the International Accounting Standards Board (“IASB”). These unaudited condensed interim financial statements have been prepared in accordance with International Accounting Standard 34 - Interim Financial Reporting. Accordingly, they do not include all of the information required for full annual financial statements required by IFRS as issued by the IASB. The accounting policies applied by the Company in these condensed interim financial statements are the same as those applied by the Company as at and for the year ended January 31, 2024. Any subsequent changes to IFRS that are given effect in the Company’s annual financial statements for the year ending January 31, 2025 could result in the restatement of these condensed interim financial statements.

### *Basis of Presentation*

These financial statements have been prepared on a historical cost basis, except for any financial assets and liabilities held at fair value, as explained in the accounting policies set out below. These financial statements are presented in Canadian dollars, which is also the Company’s functional currency. In addition, these financial statements have been prepared using the accrual basis of accounting, except for cash flow information.

## **Samurai Capital Corp.**

(A CAPITAL POOL COMPANY)

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS

FOR THE NINE MONTHS ENDED OCTOBER 31, 2024 AND 2023

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### **2. Basis of presentation and material accounting policies (continued)**

#### **Material accounting policies**

##### *Financial instruments*

###### *Measurement and classification*

Cash is classified as fair value through profit or loss (“FVTPL”) measured initially and subsequently at fair value.

Accounts payable and accrued liabilities are classified as amortized cost, initially measured at fair value net of transaction costs, subsequently measured at amortized cost using the effective interest method.

###### *Share capital and share issuance costs*

The Company’s common shares and any future offerings of share warrants and options are classified as equity instruments. Costs directly attributable to the raising of capital are charged against the related share capital. Costs related to shares not yet issued are recorded as deferred share issuance costs. These costs are deferred until the issuance of the shares to which the costs relate, at which time the costs will be charged against the related share capital or charged to profit or loss if the shares are not issued.

###### *Stock-based compensation*

The Company grants stock options to buy common shares of the Company to directors, officers, employees and consultants. An individual is classified as an employee when the individual is an employee for legal or tax purposes or provides services similar to those performed by an employee. The Company accounts for share-based payments using the fair value method. 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 goods or services received or the fair value of the equity instruments issued, if it is determined the fair value of the goods or services cannot be reliably measured and are recorded at the date the goods or services are received.

The fair value of the stock-based compensation awards is determined at the date of grant using the Black-Scholes option pricing model. The fair value of the award is charged to profit or loss, unless they are considered to be share issuance costs in which case they are booked as a reduction to share capital, and credited to reserves rateably over the vesting period, after adjusting for the number of awards that are expected to vest. Expenses recognized for forfeited awards are reversed. For awards that are cancelled, any expense not yet recognized is recognized immediately in profit or loss. Where the terms of an equity-settled award are modified, as a minimum an expense is recognized as if the terms had not been modified over the original vesting period. In addition, an expense is recognized for any modification which increases the total fair value of the share-based payment arrangement as measured at the date of modification, over the remainder of the vesting period. On expiration of options, the previously recognized amount is left in the reserves.

###### *Warrants*

Warrants issued to agents in connection with a financing are recorded at fair value using the Black-Scholes option pricing model and charged as share issuance costs associated with the offering with an offsetting credit to reserves.

Proceeds of the exercise of these warrants are credited to share capital together with the corresponding amount, if any, of the original warrant charge included in reserves.

## Samurai Capital Corp.

(A CAPITAL POOL COMPANY)

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS

FOR THE NINE MONTHS ENDED OCTOBER 31, 2024 AND 2023

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### 3. Significant Accounting Estimates and Judgments

The preparation of financial statements in conformity with IFRS requires management to make estimates and assumptions that affect amounts reported in the financial statements and accompanying notes. Estimates are reviewed on an ongoing basis and are based on historical experience and other facts and circumstances. Revisions to estimates and the resulting effects on the carrying amounts of the Company's assets and liabilities are accounted for prospectively. Management believes the estimates and assumptions used in these financial statements are reasonable; however, actual results could differ from those estimates and could have a material impact on future results of the Company's financial statements.

The following significant accounting judgments have been applied in these financial statements:

#### *Judgments*

##### *Going Concern*

Management assesses the Company's ability to continue as a going concern at each reporting date, using all quantitative and qualitative information available. This assessment, by its nature, relies on estimates of future cash flows and other future events (as discussed in Note 1), whose subsequent changes could materially impact the validity of such an assessment.

### 4. Proposed Qualifying Transaction

On November 7, 2024, the Company entered into a definitive agreement ("Agreement") with A.C.L. Construction Ltd., a British Columbia company that specializes in project management, civil earthworks and transportation. The Company intends that the Proposed Transaction will constitute its Qualifying Transaction by way of a three-cornered amalgamation with the Company's wholly-owned subsidiary to form a single entity (the "Resulting Issuer"). The Agreement prescribes that each common share in the capital of A.C.L. Construction Ltd. outstanding immediately prior to the completion of the Proposed Transaction (other than A.C.L. Construction Shares held by shareholders of A.C.L. Construction Ltd. who exercise their dissent rights) is expected to be converted into one (1) issued, fully paid and non-assessable common share in the share capital of the Resulting Issuer. Prior to completion of the Proposed Transaction, it is intended that the Company will effect a consolidation of its common shares on a three (3) common share to one (1) common share basis.

The completion of the Proposed Transaction is subject to the satisfaction of various conditions that are standard for a transaction of this nature, including but not limited to:

- (i) the execution of a definitive agreement on or prior to October 31, 2024 (completed);
- (ii) the completion of a \$3,500,000 minimum financing of subscription receipts in A.C.L. Construction Ltd.;
- (iii) the approval by the shareholders of A.C.L. Construction Ltd. to complete the Proposed Transaction;
- (iv) receipt of all requisite regulatory, stock exchange, court or governmental authorizations and consents, including the Exchange; and
- (v) the completion of satisfactory due diligence by each of the parties.



## Samurai Capital Corp.

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NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS

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### 5. Share Capital and Reserves

#### *Authorized*

The Company is authorized to issue an unlimited number of Class A common shares (“common shares”) without par value and an unlimited number of Class B preferred shares without par value (none issued).

#### *Share issuances*

*For the nine months ended October 31, 2024 and for the year ended January 31, 2024*

The Company completed a private placement of 3,000,000 of its common shares at a price of \$0.05 per share for gross proceeds of \$150,000 for transaction related costs related to the Qualifying Transaction with A.C.L. Construction Ltd., in accordance with Exchange policies.

#### Escrowed Shares

On incorporation, the Company issued 2,000,000 common shares for gross proceeds of \$100,000.

On January 12, 2021, the Company issued 400,000 common shares for gross proceeds of \$20,000. The 2,400,000 seed shares issued below the IPO price, any shares acquired from treasury by non-arm’s length parties while it is a CPC and CPC stock options and shares issued on exercise of CPC stock options, which were granted before the IPO and at an exercise price less than the IPO price, are all subject to the Company’s escrow agreement in Form 2F of the Exchange dated February 1, 2021 (the “Escrow Agreement”) among TSX Trust Company, as escrow agent, the Company and each of the securityholders of the Company party to the Escrow Agreement. Under the Escrow Agreement, 25% of the escrowed common shares will be released from escrow on the issuance of the Final QT 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. As at October 31, 2024, 2,400,000 common shares were held in escrow (January 31, 2024 – 2,400,000).

Shares acquired by the Pro Group (as defined in the policies of the Exchange) at or above the IPO price and shares acquired by a Control Person (as defined in the policies of the Exchange) in the secondary market are not subject to the CPC Escrow Agreement.

#### Options

The Company adopted a stock option plan (the “Plan”) to grant options to directors, senior officers, employees and consultants of the Company. The aggregate outstanding options are limited to 10% of the outstanding common shares, and the maximum term for options granted under the Plan is 10 years. The option exercise price under each option shall be not less than the Discounted Market Price as defined in the policies of the exchange on the Grant Date.

On May 27, 2021, the Company granted 440,000 options to directors and officers of the Company. As at October 31, 2024, these options had a remaining life of 1.57 years.

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### 5. Share Capital and Reserves (continued)

#### Compensation Options

On May 27, 2021, the Company granted 200,000 compensation options related to the closing of IPO. On May 27, 2023, these options expired unexercised.

The changes in share options for the period ended October 31, 2024 and January 31, 2024, are as follows:

	Number of Options	Weighted Average Exercise Price
Balance, January 31, 2023	640,000	\$0.10
Expired	(200,000)	\$0.10
Balance, January 31, 2024	440,000	\$0.10
Balance, October 31, 2024	440,000	\$0.10

Stock options outstanding and exercisable at October 31, 2024 are as follows:

Number of Options Outstanding	Number of Options Exercisable	Exercise Price	Expiry Date
440,000	440,000	\$0.10	May 27, 2026

### 6. Financial Instruments

As at October 31, 2024, the Company's financial instruments consist of cash and accounts payable and accrued liabilities. The carrying value of accounts payable and accrued liabilities approximates its fair value because of their nature and relatively short maturity dates or durations.

The Company's cash is considered to be Level 1 within the fair value hierarchy (as discussed below).

Level 1 – fair values based on unadjusted quoted prices in active markets for identical assets or liabilities;

Level 2 – fair values based on inputs that are observable for the asset or liability, either directly or indirectly; and

Level 3 – fair values based on inputs for the asset or liability that are not based on observable market data.

The Company's policy for determining when a transfer occurs between levels in the fair value hierarchy is to assess the impact at the date of the event or the change in circumstances that could result in a transfer. There were no transfers between the levels during the period ended October 31, 2024.

The risk exposure arising from these financial instruments is summarized as follows:

#### (a) Credit risk

Credit risk is the risk that one party to a financial instrument will cause a loss for the other party by failing to discharge an obligation. As the Company's cash is held in one bank, there is a concentration of credit risk. This risk is managed by using a major bank that is a high credit quality financial institution as determined by rating agencies. As of October 31, 2024, the Company's exposure to credit risk is minimal.

#### (b) Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its obligations as they fall due. The Company's approach to managing liquidity risk is to ensure that it will have sufficient liquidity to meet liabilities when due. The Company's ability to continue to meet its liabilities when due, beyond the current cash balance, is dependent on future support of shareholders through equity offerings. There is no assurance of continued access to significant equity funding. The Company's accounts payable and accrued liabilities as at October 31, 2024 are due within 30 days of the reporting date.

## **Samurai Capital Corp.**

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NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS

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### **6. Financial Instruments (continued)**

#### (c) Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices will affect the Company's income or value of its holdings or financial instruments. The Company's activities have only been transacted in Canadian dollars since incorporation; in addition, the Company carries no interest-bearing debt. As such, the Company has minimal market risks facing it at present.

### **7. Capital Management**

The Company manages its capital structure and adjusts it, based on the funds available to the Company, in order to support the identification and evaluation of a Qualifying Transaction and continue as a going concern. The Company considers capital to be all accounts in equity. The Board of Directors does not establish quantitative return on capital criteria for management, but rather relies on the expertise of the Company's management to sustain future development of the business. Additional funds may be required to finance the Company's Qualifying Transaction. The Company is not subject to any externally imposed capital requirements other than the expenditure restrictions applicable under Policy 2.4, which apply following the completion of the IPO. These expenditure restrictions limit the Company's on-going expenditures to reasonable expenditures relating to the IPO, reasonable expenses relating to a proposed Qualifying Transaction, assurance and audit fees, escrow agent and transfer agent fees, regulatory filing fees and a maximum of \$3,000 per month for other general and administrative costs.

### **8. Related Party Transactions**

Key management personnel are the persons having authority and responsibility for planning, directing and controlling the activities of the Company either directly or indirectly, including entities controlled by such persons. The key management personnel include the Company's executive management team and the Board of Directors.

During the nine months ended October 31, 2024, the Company incurred \$9,000 (October 31, 2023 - \$9,000) to the Chief Financial Officer for professional accounting services. As at October 31, 2024, \$38,325 (January 31, 2024 - \$27,344) was owing to the Chief Financial Officer for professional accounting services.

On May 8, 2024, the Company received a \$35,000 loan from an officer of the Company and his spouse. The amounts are included in accounts payable and accrued liabilities, unsecured, non-interest bearing and carries no fixed terms of repayment.