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**1246765 B.C. LTD.**

**CONDENSED INTERIM FINANCIAL STATEMENTS  
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2021**

(Expressed in Canadian Dollars)

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**1246765 B.C. LTD.**  
**CONDENSED INTERIM STATEMENTS OF FINANCIAL POSITION**  
(Expressed in Canadian Dollars)

	Note	September 30, 2021 (unaudited)	December 31, 2020 (audited)
<b>LIABILITIES</b>			
Current liabilities			
Accounts payable and accrued liabilities		\$ 24,968	\$ 16,843
Due to related parties	3	86,090	37,489
		111,058	54,332
<b>SHAREHOLDER'S DEFICIT</b>			
Share capital	4	300	300
Deficit		(111,358)	(54,632)
		(111,058)	(54,332)
Total liabilities and shareholders' deficit		\$ -	\$ -

Nature of operations and going concern (Note 1)

**Approved and authorized on behalf of the Board of Directors on November 29, 2021**

Director James Ward (signed)

Director Stephen Sandusky (signed)

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

**1246765 B.C. LTD.****CONDENSED INTERIM STATEMENTS OF LOSS AND COMPREHENSIVE LOSS**

(Unaudited - Expressed in Canadian Dollars)

	<b>Three months ended September 30, 2021</b>	Three months ended September 30, 2020	<b>Nine months ended September 30, 2021</b>	From April 8, 2020 (date of incorporation) to September 30, 2020
<b>EXPENSES</b>				
Accounting and corporate secretarial fees	\$ 2,500	\$ -	\$ 7,500	-
Professional fees	3,657	14,078	43,343	36,973
Regulatory and transfer agent fees	613	647	4,474	647
<b>NET LOSS AND COMPREHENSIVE LOSS FOR THE PERIOD</b>	<b>\$ (6,770)</b>	<b>\$ (14,725)</b>	<b>\$ (55,317)</b>	<b>\$ (37,620)</b>
<b>NET LOSS PER SHARE – BASIC AND DILUTED</b>	<b>\$ (0.002)</b>	<b>\$ (0.005)</b>	<b>\$ (0.018)</b>	<b>\$ (0.013)</b>
<b>WEIGHTED AVERAGE NUMBER OF SHARES OUTSTANDING</b>	<b>3,000,000</b>	<b>3,000,000</b>	<b>3,000,000</b>	<b>3,000,000</b>

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

**1246765 B.C. LTD.**  
**CONDENSED INTERIM STATEMENTS OF CHANGES IN SHAREHOLDER DEFICIT**  
(Unaudited - Expressed in Canadian Dollars)

	<b>Number of Shares</b>		<b>Share Capital</b>		<b>Deficit</b>		<b>Total</b>
Balance, April 8, 2020	3,000,000	\$	300	\$	-	\$	300
Net and comprehensive loss for the period	-		-		(37,620)		(37,620)
<b>Balance, September 30, 2020</b>	<b>3,000,000</b>	<b>\$</b>	<b>300</b>	<b>\$</b>	<b>(37,620)</b>	<b>\$</b>	<b>(37,320)</b>
Balance, December 31, 2020	3,000,000	\$	300	\$	(54,632)	\$	(54,332)
Net and comprehensive loss for the period	-		-		(55,317)		(55,317)
Shareholder distributions	-		-		(1,409)		(1,409)
<b>Balance, September 30, 2021</b>	<b>3,000,000</b>	<b>\$</b>	<b>300</b>	<b>\$</b>	<b>(111,358)</b>	<b>\$</b>	<b>(111,058)</b>

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

**1246765 B.C. LTD.**  
**CONDENSED INTERIM STATEMENTS OF CASH FLOWS**  
(Unaudited - Expressed in Canadian Dollars)

	<b>Nine months ended September 30, 2021</b>	<b>From April 8, 2020 (date of incorporation) to September 30, 2020</b>
Operating activities:		
Net loss for the period	\$ (55,317)	\$ (37,620)
Changes in non-cash working capital related to operations:		
Accounts payable and accrued liabilities	8,125	778
Due to related parties (note 3)	48,601	36,542
<b>Net cash provided by (used in) operating activities</b>	<b>1,409</b>	<b>(300)</b>
Financing activity:		
Shares issued for cash (note 4)	-	300
Shareholder distributions	(1,409)	-
<b>Net cash provided (used in) by financing activities</b>	<b>(1,409)</b>	<b>300</b>
Increase in cash during the period	-	-
Cash – beginning of the period	-	-
<b>Cash – end of the period</b>	<b>\$ -</b>	<b>\$ -</b>

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

## **1246765 B.C. LTD.**

### **NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS**

For the three and nine months ended September 30, 2021

(Unaudited - Expressed in Canadian Dollars)

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#### **1. NATURE OF OPERATIONS AND GOING CONCERN**

1246765 B.C. Ltd. (“the Company” or “765 BC”) was incorporated under the Business Corporations Act of British Columbia on April 8, 2020. The Company is engaged in the exploration and development of mineral properties in Canada. The Company’s head office is located at 1200 Waterfront Centre, 200 Burrard Street, Vancouver, BC, V6C 3L6.

On June 25, 2020, 765 BC’s parent company, 1289625 B.C. Ltd. (“1289625”, formerly 2583262 Ontario Inc.), announced that it will go through a statutory plan of arrangement (the “Plan”) involving its eight (8) wholly-owned subsidiaries. The Plan will involve, among other things, the distribution of common shares of 765 BC to current shareholders of 1289625 on the basis of one hundred thousand (100,000) 765 BC common shares per outstanding common share of the 1289625.

On July 24, 2020, 1289625 completed the Plan thereby resulting in the Company being spun out and became a non-listed reporting issuer.

These condensed interim financial statements have been prepared assuming the Company will continue as a going concern, which contemplates the realization of assets and satisfaction of liabilities in the normal course of business. For the nine months ended September 30, 2021, the Company had a net loss of \$55,317 and, as of that date, had a negative working capital balance of \$111,058 and an accumulated deficit of \$111,358. The continuation of the Company is dependent upon obtaining necessary financing to meet its ongoing operational levels of corporate overhead. These factors indicate material uncertainties that may cast significant doubt upon the Company’s ability to continue as a going concern and, therefore, that it may be unable to discharge its liabilities in the normal course of business. Additional funds will be required to enable the Company to continue its operations and there can be no assurance that financing will be available on terms which are acceptable to the Company. These condensed financial statements do not give effect to any adjustments to the amounts and classifications of assets and liabilities which might be necessary should the Company be unable to continue its operations as a going concern.

In addition, the Company began operations after the World Health Organization categorized COVID-19 as a pandemic. Financial markets around the world have been extremely volatile due to events and conditions resulting from this pandemic and as a result, the volatility could also impact the Company’s ability to continue its operations as a going concern.

#### **2. SIGNIFICANT ACCOUNTING POLICIES**

##### **a) Statement of compliance**

The condensed interim financial statements have been prepared in accordance with International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board (“IASB”) and comply with IAS 34. These condensed interim financial statements does not include all of the information required of a full audited annual financial statements and it is therefore recommended that these condensed interim financial statements be read in conjunction with the audited financial statements for the period ended December 31, 2020.

##### **b) Basis of presentation**

These financial statements have been prepared on a historical cost basis, except for certain financial instruments which are measured at fair value. In addition, these financial statements are prepared using the accrual basis of accounting, aside from cash flow information.

**2. SIGNIFICANT ACCOUNTING POLICIES (continued)**

c) Foreign currencies

These financial statements are presented in Canadian dollars, which is also the functional currency of the Company. Foreign currency transactions are translated into the functional currency using exchange rates prevailing at the dates of the transactions. At the end of each reporting period, monetary assets and liabilities that are denominated in foreign currencies are translated at the rates prevailing at that date. Non-monetary assets and liabilities are translated using the historical rate on the date of the transaction. All gains and losses on translation of these foreign currency transactions are charged to profit or loss.

d) Use of Estimates and Judgments

The preparation of financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Although these estimates are based on management's best knowledge of the amount, event or actions, actual results ultimately may differ from those estimates. These condensed interim financial statements have been prepared using the same judgments, estimates and assumptions as reported in the Company's December 31, 2020 audited financial statements.

**3. RELATED PARTY TRANSACTIONS**

As at September 30, 2021, the Company has \$86,090 (December 31, 2020 - \$37,489) in related party liabilities owing to 1289625 for reimbursable expenses incurred on behalf of the Company. These amounts are non-interest bearing and due on demand.

**4. SHARE CAPITAL**

a) Authorized – Unlimited common shares without par value.

b) Issued and outstanding – 3,000,000 common shares

**5. MANAGEMENT OF CAPITAL**

The Company's objectives when managing capital are to safeguard its ability to continue as a going concern and to maintain a flexible capital structure which optimizes the cost of capital within a framework of acceptable risk. In the management of capital, the Company includes the components of shareholders' equity.

The Company manages the capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. To maintain or adjust its capital structure, the Company may issue new shares, issue debt, acquire or dispose of assets or adjust the amount of cash. The Company is currently dependent on 1289625 as its primary source of operating capital.

**6. FINANCIAL INSTRUMENTS**

For financial instruments held by the Company, management classifies accounts payable and accrued liabilities and due to related parties as amortized cost.

a) Fair value of financial instruments

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

Level 1 – Unadjusted quoted prices in active markets for identical assets or liabilities.

Level 2 – Inputs other than quoted prices that are observable for the asset or liability either directly or indirectly; and

Level 3 – Inputs that are not based on observable market data.

As at September 30, 2021, the Company believes that the carrying values of accounts payable and accrued liabilities and due to related parties approximate their fair values because of their nature and relatively short maturity dates or durations.

b) Management of risks arising from financial instruments

Discussions of risks associated with financial assets and liabilities are detailed below:

Credit risk

Credit risk arises from cash held with banks and financial institutions. The maximum exposure to credit risk is equal to the carrying value of the financial assets. The credit risk related to cash is considered minimal as the Company currently does not hold cash balances.

Interest rate risk

Interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The risk that the Company will realize such a loss is limited because the Company has no interest-bearing financial instruments.

Liquidity risk

Liquidity risk is the risk that the Company cannot meet its financial obligations associated with financial liabilities in full. As at September 30, 2021, the Company does not have sufficient cash to settle liabilities as they come due. The Company is exposed to liquidity risk and will need to obtain financing or continued funding from 1289625 to meet obligations as they come due.