

Consolidated Tanager Limited

Condensed Interim Financial Statements

For the three and six months ended December 31, 2024

(Unaudited)
(Expressed in Canadian \$)

Consolidated Tanager Limited

Notes to Financial Statements

December 31, 2024

(Unaudited)

**NOTICE OF NO AUDITOR REVIEW OF CONDENSED INTERIM
CONSOLIDATED FINANCIAL STATEMENTS.**

Under National Instrument 51-102, Part 4, subsection 4.3(3)(1), if an auditor has not performed a review of the condensed interim consolidated financial statements, they must be accompanied by a notice indicating that the financial statements have not been reviewed by an auditor.

The accompanying unaudited condensed interim consolidated financial statements of the Consolidated Tanager Limited (the "Company") have been prepared by, and are the responsibility of, the Company's management. The Company's independent auditor has not performed a review of these financial statements.

E. Clifton
President and Chief Executive Officer

C. F. Watson
Secretary-Treasurer

Dated: February 20, 2025
Toronto, Canada

Consolidated Tanager Limited

Condensed Interim Statements of Financial Position
(unaudited)

| | | As at Dec 31, 2024 | As at June 30, 2024 |
|--|----------|--------------------------|---------------------------|
| Assets | | | |
| Current assets | | | |
| Cash and cash equivalents | (note 2) | 1,346,242 | 1,464,340 |
| Short term investments | (note 3) | 982,483 | 1,608,491 |
| Marketable securities | (note 4) | 6,470,767 | 5,435,265 |
| Accounts receivable | | 30,608 | 66,370 |
| Prepaid expenses | | 28,387 | 13,645 |
| Total current assets | | 8,858,487 | 8,588,111 |
| Mining properties | (note 5) | 2 | 2 |
| Total assets | | 8,858,489 | 8,588,113 |
| Liabilities | | | |
| Current liabilities | | | |
| Accounts payable and accrued liabilities | | 23,368 | 41,551 |
| Income taxes payable | | 11,144 | |
| Dividends payable | (note 7) | 139,974 | 139,974 |
| | | 174,486 | 181,525 |
| Non-Current liabilities | | | |
| Deferred tax liability | | 201,110 | 59,204 |
| | | 375,596 | 240,729 |
| Equity | | | |
| Share capital | (note 7) | 505,660 | 505,716 |
| Contributed surplus | | 317,657 | 318,038 |
| Accumulated other comprehensive income | | 1,118,698 | 492,966 |
| Retained earnings | | 6,540,878 | 7,030,664 |
| Total equity | | 8,482,893 | 8,347,384 |
| Total liabilities and equity | | 8,858,489 | 8,588,113 |

The notes to the unaudited condensed interim financial statements are an integral part of these statements

APPROVED ON BEHALF OF THE BOARD on February 20, 2025

(signed) "E. Clifton"

E. Clifton

(signed) "C.F. Watson"

C.F. Watson

Consolidated Tanager Limited

Condensed Interim Statement of Changes in Equity
(unaudited)

| | Reserves | | | | Total |
|------------------------------------|---------------|--------------------|---|-------------------|-----------|
| | Share Capital | Contributed Suplus | Accumulated Other Comprehensive Gain (Loss) | Retained Earnings | |
| Balance, July 1, 2023 | 507,501 | 339,878 | 96,948 | 7,906,813 | 8,851,140 |
| Net income for the period | | | | 78,961 | 78,961 |
| Shares redeemed | (1,785) | (21,840) | | | (23,625) |
| Fair value adjustments, net of tax | | | 154,056 | | (38,214) |
| Dividends paid (note 6) | | | | (535,455) | (38,214) |
| Balance, December 31, 2023 | 505,716 | 318,038 | 251,004 | 7,450,319 | 8,525,077 |
| Dividends paid | | | | (535,345) | (535,345) |
| Fair value adjustments, net of tax | | | 241,962 | | 241,962 |
| Net income (loss) for the period | | | | 115,690 | 115,690 |
| Balance, June 30, 2024 | 505,716 | 318,038 | 492,966 | 7,030,664 | 8,347,384 |
| Net income (loss) for the period | | | | 45,559 | 45,559 |
| Shares redeemed | (56) | (381) | | | (437) |
| Fair value adjustments, net of tax | | | 625,732 | | 625,732 |
| Dividends paid (note 6) | | | | (535,345) | (535,345) |
| Balance, December 31, 2024 | 505,660 | 317,657 | 1,118,698 | 6,540,878 | 8,482,893 |

The notes to the unaudited condensed interim financial statements are an integral part of these statements

Consolidated Tanager Limited

For the three month periods ended December 31

Condensed Interim Statements of Comprehensive Loss
(unaudited)

| | 3 mos Dec 31 2024 | 3 mos Dec 31 2023 | 6 mos Dec 31 2024 | 6 mos Dec 31 2023 |
|--|----------------------|----------------------|----------------------|----------------------|
| Income | | | | |
| Royalties earned | - | - | - | - |
| Interest on property rights proceeds | - | - | - | - |
| Interest & dividends | 86,606 | 85,962 | 192,344 | 211,502 |
| Total income | 86,606 | 85,962 | 192,344 | 211,502 |
| Expenses | | | | |
| General corporate | 35,809 | 25,657 | 65,162 | 73,274 |
| Professional services | 22,811 | 22,190 | 44,411 | 36,615 |
| Property maintenance | 15,763 | 12,143 | 26,068 | 29,873 |
| Total expenses | 74,383 | 59,990 | 135,641 | 139,762 |
| Net income before income taxes | 12,223 | 25,972 | 56,703 | 71,740 |
| Income taxes: | | | | |
| Deferred tax | - | - | - | (7,221) |
| Current income tax expense | - | - | 11,144 | - |
| | - | - | 11,144 | (7,221) |
| Net income before other comprehensive income | 12,223 | 25,972 | 45,559 | 78,961 |
| Unrealized gain (loss) on marketable securities net of tax | 421,358 | 305,608 | 625,732 | 174,075 |
| Comprehensive income for the period | 433,581 | 331,580 | 671,291 | 253,036 |
| Basic and diluted income per share | 0.081 | 0.062 | 0.125 | 0.047 |
| Weighted average number of shares | 5353720 | 5354050 | 5353720 | 5354050 |

The notes to the unaudited condensed interim financial statements are an integral part of these statements

Consolidated Tanager Limited

Condensed Interim Statements of Cash Flows
For the six month periods ended December 31
(unaudited)

| | 2024 | 2023 |
|---|-----------|-----------|
| Cash flow from operating activities | | |
| Net income (loss) for the period | 45,559 | 78,961 |
| Item not affecting cash and cash equivalents | | |
| Unrealized gain on marketable securities | (141,905) | (174,075) |
| Changes in net working capital | | |
| Accounts receivable | 35,762 | 70,565 |
| Prepaid expenses | (14,742) | (1,574) |
| Deferred tax liability/receivable | 141,906 | 12,798 |
| Income taxes receivable | 11,144 | 20,375 |
| Accounts payable and accrued liabilities | (18,183) | (24,143) |
| | 59,541 | (17,093) |
| Cash flow from investing activities | | |
| Unrealized (gain) loss in marketable securities, net of tax | 625,732 | 154,056 |
| Marketable securities | (267,589) | (295,897) |
| Short term investments | - | 135,944 |
| | 358,143 | (5,897) |
| Cash flow from financing activities | | |
| Redemption of shares | (437) | (22,875) |
| Payment of dividends | (535,345) | (535,455) |
| | (118,098) | (581,320) |
| Net increase (decrease) in cash | (118,098) | (581,320) |
| Cash and cash equivalents, beginning of period | 1,464,340 | 2,517,856 |
| Cash and cash equivalents, end of period | 1,346,242 | 1,936,536 |

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

Consolidated Tanager Limited

Notes to Financial Statements

December 31, 2024

(Unaudited)

1. Business of the Company

Consolidated Tanager Limited (the "Company") is incorporated under the Business Corporation Act of Ontario with a registered address at Suite 331 1900 Bayview Avenue, Toronto, Ontario. The Company has transferred the rights its five coal leases in Hinton Alberta with payments being made on a quarterly basis until December 31, 2021. The Company receives a 1% royalty on coal sales proceeds arising from coal mined from the five leases. (There were no royalties received in the current quarter, as no coal was mined on the Company's land). The Company holds other resource properties, some of which have exploration carried out on them. The Company seeks partners to carry out further exploration or to sell or farm them out and in fact has retained the services of Exsics Exploration Limited to perform some exploration services in the Timmins/Cody township area.

2. Significant Accounting Policies

Statement of Compliance with International Financial Reporting Standards ("IFRS")

The Company has prepared these condensed interim financial statements in compliance with International Account Standard 34 – Interim Financial Reporting ("IAS 34").

The accounting policies set out below have been applied consistently to all periods presented in these financial statements.

Basis of presentation

These unaudited condensed interim financial statements have been prepared on a historical cost basis. In addition, these unaudited condensed interim financial statements have been prepared using the accrual basis of accounting except for cash flow information.

In the preparation of these unaudited condensed interim financial statements, management is required to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of expenses during the period. Actual results could differ from these estimates. Of significance are the estimates and assumptions used in the recognition and measurement of items included in Significant accounting judgments and estimates below.

Short-term investments

Short-term investments consist of guaranteed investment certificates ("GIC's) that have maturities of one year or less, and units in money market mutual funds. Short-term investments are valued at cost plus accrued interest, which approximates their fair value.

Cash and cash equivalents

Cash and cash equivalents in the statement of financial position comprise cash at banks and on hand, and highly liquid investments with an original maturity of three months or less, which are readily convertible into a known amount of cash. As of December 31, 2024, and June 30, 2024 the Company had \$1,346,242 and \$1,464,340 respectively of cash equivalents in the form of flexible and redeemable guaranteed investment certificates.

Marketable securities

Marketable securities consist of equity securities over which the Company does not have control or significant influence. The equity securities are designated as Fair Value through Other comprehensive Income and measured at fair value. Unrealized gains and

Consolidated Tanager Limited

Notes to Financial Statements

December 31, 2024

(Unaudited)

losses due to period end revaluation to fair value are recorded as other comprehensive income or loss.

Revenue recognition

Revenue consists of royalties on coal sales, dividends from marketable securities and interest income on outstanding property rights proceeds receivable and on cash and cash equivalents investments, recognized on an accrual basis as earned.

Provisions

A provision is recognized when the Company has a present legal or constructive obligation because of a past event, it is probable that an outflow of economic benefits will be required to settle the obligation, and the amount of the obligation can be reliably estimated. If the effect is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability. A provision for onerous contracts is recognized when the expected benefits to be derived by the Company from a contract are lower than the unavoidable cost of meeting its obligations under the contract. The Company had no material provisions as at December 31, 2024, and June 30, 2024.

Income taxes

Income tax expense consists of current and deferred tax expense. Current and deferred tax are recognized in profit or loss except to the extent that it relates to items recognized directly in equity or other comprehensive income.

Current tax is recognized and measured at the amount expected to be recovered from or payable to the taxation authorities based on the income tax rates enacted or substantively enacted at the end of the reporting period and includes any adjustment to taxes payable in respect of previous years.

Deferred tax is recognized on any temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable earnings. Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period when the asset is realized, and the liability is settled. The effect of a change in the enacted or substantively enacted tax rates is recognized in net earnings and comprehensive income or in equity depending on the item to which the adjustment relates.

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.

Income (Loss) per share

Basic income (loss) per share is calculated using the weighted average number of common shares outstanding during the period. Stock options and warrants outstanding are not included in the computation of diluted loss per share if their inclusion would be anti-dilutive.

Consolidated Tanager Limited

Notes to Financial Statements

December 31, 2024

(Unaudited)

Significant accounting judgments and estimates

The preparation of these condensed interim financial statements requires management to make certain estimates, judgments and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and reported amounts of expenses during the reporting period. Actual outcomes could differ from these estimates.

Segment reporting

The Company operates in a single reportable operating segment in the coal and non-ferrous mining properties.

3. Short Term Investments

At December 31, 2024 the Company had \$982,483 (June 30, 2024, \$1,608,491) of short-term investments. As at December 31, 2023, the Company had short-term investments of \$1,797,782.

4. Marketable Securities

The following is a summary of the Company's marketable Securities:

| | Market Value | # of shares | Market Value | # of Shares |
|-------------------------|--------------|-------------|--------------|-------------|
| | | 31-Dec-24 | | 30-Jun-24 |
| Bank of Nova Scotia | 317,251 | 4,110 | 257,204 | 4,110 |
| Baytex Inc | 92,500 | 25,000 | 118,500 | 25,000 |
| BCE Inc. | 166,600 | 5,000 | 100,805 | 5,000 |
| Dream Industrial REIT | 206,675 | 17,500 | 221,725 | 17,500 |
| CI Financial Corp | 386,750 | 12,500 | 180,000 | 12,500 |
| E Split Corp | 280,000 | 20,000 | 223,400 | 20,000 |
| Element Fleet | 145,300 | 5,000 | | |
| Enbridge Inc | 305,050 | 5,000 | 243,350 | 2,813 |
| Exchange Income Corp | 294,250 | 5,000 | 226,100 | 5,000 |
| Hamilton Enhanced CD | 373,650 | 15,000 | 297,900 | 15,000 |
| Manulife Financial Corp | 463,680 | 10,500 | 382,515 | 5,250 |
| Northwest Healthcare | 44,500 | 10,000 | 46,600 | 10,000 |
| Pembina Pipeline Corp | 345,215 | 6,500 | 329,940 | 3,250 |
| Royal Bank of Canada | 689,814 | 3,980 | 579,687 | 3,980 |
| South Bow Corp | 43,757 | 1,290 | | |
| Superior Plus Corp | 159,750 | 25,000 | 221,750 | 25,000 |
| Taranis Resources Inc. | 572,000 | 2,200,000 | 594,000 | 2,200,000 |
| TC Energy Corp | 432,086 | 6,450 | 334,497 | 6,450 |
| TD Global Tech | 459,800 | 10,000 | 397,500 | 10,000 |
| Toronto Dominion Bank | 437,139 | 5,712 | 429,542 | 5,712 |
| Whitecap Resources Inc | 255,000 | 25,000 | 250,250 | 25,000 |
| | 6,470,767 | | 5,435,265 | |

Consolidated Tanager Limited

Notes to Financial Statements

December 31, 2024

(Unaudited)

Consolidated Tanager Limited

Notes to Financial Statements

December 31, 2024

(Unaudited)

5. Mining Properties

The Company's investments in the following properties were each written down to \$1 in a prior year.

Timmins Area of Ontario

The Company owns 87 patented mining claims in the Timmins area. On 8 additional claims it holds a production royalty, adjusted for a gold price variance from U.S. \$350 per ounce, on rock treated in excess of the first 50,000 tons processed.

Hinton Coal Property of Alberta

The Hinton Coal property comprises 5 Alberta Crown coal mining leases located by the main line of the C.N.R. near Hinton. The property contains a deposit of low-sulphur thermal coal. In 2009, the Company entered into an agreement with KC Euroholdings S.a.r.l. ("KCE") to transfer the rights of the Hinton Coal property to KCE in consideration for three scheduled cash payments and the reservation of a 1.0% of Sales Revenue royalty on all future coal sales from the property. An initial cash payment of \$2,000,000 was received by the Company on execution of the agreement. In accordance with the agreement, and upon completion of a favourable feasibility study during in 2012, the Company received a second cash payment of \$6,000,000. The Company was entitled to receive a further payment of \$10,000,000 on or before the earlier of February 19, 2016 or on the placing of the property into commercial production at a rate of at least 90,000 tonnes per month.

Coalspur commenced mining and shipping coal in June, 2019. The Company was informed on October 31, 2019 that KCE had produced, sold, and delivered to rail its 500,000th clean toone and this milestone event led to triggering the payment of \$10,000,000 due to the Company. The \$10,000,000 has been completely received.

Royalty payments, for production were received since 2019, however there was no production on the Company's land in the quarter ended December 31, 2024, and thus no royalties receivable.

6. Related Party Transactions

The Company incurred expenses of \$10,000 for administrative services in for the six months ended December 31, 2024 (December 31, 2023 - \$10,000) to the Secretary Treasurer for services provided to the Company. These expenses are included in professional services.

In total, directors were paid \$31,000 for directors' fees in the quarter ended December 31, 2024 (December 31, 2023 - \$39,000).

Consolidated Tanager Limited

Notes to Financial Statements

December 31, 2024

(Unaudited)

The related party transactions are in the normal course of operations and are measured at the amount of consideration established and agreed to by the related parties.

7. Share Capital Authorized

As of December 31, 2024, and June 30, 2024, the authorized share capital comprised an unlimited number of common shares. The common shares do not have a par value. All issued shares are fully paid.

| | Number of Common Shares | Amount |
|----------------------------|-------------------------------|------------|
| Balance, December 31, 2024 | 5,353,720 | \$ 505,660 |
| Balance, June 30, 2024 | 5,354,050 | \$ 507,716 |

On October 10, 2024, the Company declared a special eligible dividend of \$0.10 per issued and outstanding share for a total of \$535,345. The dividend was paid on December 2, 2024 to all shareholders of record as at the close of business November 10, 2024.

On May 23, 2024 the Company declared a special eligible dividend of \$0.10 per issued and outstanding common share for a total of \$537,345. The dividend was paid June 17, 2024 to all shareholders of record as of the close of business June 3, 2024.

On September 20, 2023 the Company declared a special eligible dividend of \$0.10 per issued and outstanding common share for a total of \$535,455. The dividend was paid December 1, 2023 to all shareholders of record as of the close of business November 10, 2023.

As of December 31, 2024, the Company has received and still holds \$139,974 (2023 - \$139,974) from its transfer agent with respect to unclaimed dividends from prior dividend declarations.

8. Stock Options

Pursuant to the Company's stock option plan ("the Plan") the Company has reserved and set aside up to 500,000 common shares for the granting of options to directors and officers. The terms of the awards under the Plan are determined by the Board of Directors.

As of December 31, 2024, and June 30, 2024 the Company did not have any stock options outstanding.

9. Capital Disclosures

The Company's objectives when managing capital are to maintain its ability to continue as a going concern in order to provide a return to shareholders, benefits for other stakeholders and to ensure sufficient resources are available to meet day to day operating requirements.

Consolidated Tanager Limited

Notes to Financial Statements

December 31, 2024

(Unaudited)

The Company considers the items included in shareholders' equity as capital. The Company manages its capital structure and adjusts it, based upon funds available to the Company or in response to changes in economic conditions and the risk characteristics of the underlying assets.

Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company, is reasonable. The Company is not subject to externally imposed capital requirements and there has been no change in the overall capital risk management strategy during the period ended December 31, 20234

10. Financial Risk Factors

The Company is exposed in varying degrees to a variety of financial instrument related risks:

Credit Risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. The Company's primary exposure to credit risk is in its cash and cash equivalents, short-term investments, royalties receivable, interest receivable on property rights, and property rights receivable. This risk is managed using a major bank which is a high credit quality financial institution as determined by rating agencies.

Liquidity Risk

Liquidity risk arises through the excess of financial obligations over available financial assets due at any point in time. The Company's objective in managing liquidity risk is to maintain sufficient readily available capital to meet its liquidity requirements. As of December 30, 2024, and June 30, 2024, cash and cash equivalents and short-term investments, which remain liquid, exceeded the Company's financial liabilities.

Market Risk

Interest rate risk - The Company's exposure to interest rate risk relates to its ability to earn interest income on cash and cash equivalent balances. The Company's policy is to invest excess cash in investment-grade short-term guaranteed investment certificates issued by its banking institutions. The Company periodically monitors the investments it makes and is satisfied with the creditworthiness of its banks.

Commodity price risk - The Company is exposed to price risk with respect to commodities. Commodity price risk is defined as the potential adverse impact on earnings and economic value due to commodity price movements and volatilities. The Company closely monitors commodity prices related to coal to determine the appropriate course of action to be taken by the Company.

11. Subsequent Event

On November 25, 2024 the Company signed an agreement with the Ontario Ministry of Mines, under the Ontario Junior Exploration Program, which grant stated that the Ministry of Mines would pay up to \$200,000 (by March 31, 2025) provided that the Company undertake activities costing at least \$200,000 on the Company's part in the Cody Township as a Cody Project drilling project.

Subsequent to December 31, 2024, the company signed an agreement with Major Drilling to complete the drilling identified. There are three drill targets to be drilled with approximately 13 holes to be drilled. Drilled core will be logged, prepared and sampled in the Timmins area. The results should be available in the quarter ending March 31, 2025.