Consolidated Tanager Limited

Financial Statements
For the years ended June 30, 2024 and 2023
(Expressed in Canadian Dollars)

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To the Shareholders of Consolidated Tanager Limited:

Opinion

We have audited the financial statements of Consolidated Tanager Limited (the "Company"), which comprise the statements of financial position as at June 30, 2024 and June 30, 2023, and the statements of operations and comprehensive income (loss), changes in shareholders' equity, and cash flows for the years then ended, and notes to the financial statements, including a summary of material accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at June 30, 2024 and June 30, 2023, and its financial performance and its cash flows for the years then ended in accordance with International Financial Reporting 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 Company in accordance with the ethical requirements that are relevant to our audits of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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.

MNP LLP
50 Burnhamthorpe Road West, Suite 900, Mississauga ON, L5B 3C2 T: 416.626.6000 F: 416.626.8650

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 International Financial Reporting 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 Company'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 Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company'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 Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

The engagement partner on the audit resulting in this independent auditor's report is Andrew Kevin Spidle.

MNP LLP

Mississauga, Ontario	Chartered Professional Accountants
October 10, 2024	Licensed Public Accountants

Consolidated Tanager Limited
Statements of Financial Position
As at June 30, 2024 and 2023
(Expressed in Canadian Dollars)

	Note	2024	2023
Assets			
Current assets			
Cash and cash equivalents		**$ 1,464,340**	$ 2,517,856
Short-term investments	3	**1,608,491**	1,933,726
Marketable securities	8	**5,435,265**	4,348,714
Income taxes receivable	9	**-**	104,762
Amounts receivable	4	**66,370**	123,580
Prepaid expenses		**13,645**	19,998
Total Current Assets		**8,588,111**	9,048,636
Non-current assets			
Mining properties	5	**2**	2
Total Assets		**$ 8,588,113**	$ 9,048,638
Liabilities			
Current liabilities			
Accounts payable and accrued liabilities		**$ 41,551**	$ 47,400
Dividend payable		**139,974**	139,974
Total Current Liabilities		**181,525**	187,374
Non-current liabilities			
Deferred tax liability	9	**59,204**	10,124
Total Liabilities		**240,729**	197,498
Shareholders' Equity			
Share capital	7	**505,716**	507,501
Contributed surplus	7	**318,038**	339,878
Accumulated other comprehensive income		**492,966**	96,948
Retained earnings		**7,030,664**	7,906,813
Total Shareholders' Equity		**8,347,384**	8,851,140
Total Liabilities and Shareholders' Equity		**$ 8,588,113**	$ 9,048,638

Subsequent Event (Note 13)

APPROVED ON BEHALF OF THE BOARD

"E. Clifton"	"C. F. Watson"
Director (signed)	Director (signed)

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

Consolidated Tanager Limited
Statements of Operations and Comprehensive Income (Loss)
For the years ended June 30, 2024 and 2023
(Expressed in Canadian Dollars)

	Note		2024		2023
Income					
Investment income		**$**	**397,414**	$	380,569
			397,414		380,569
Expenses					
General corporate	6, 10		**173,266**		163,973
Property maintenance			**52,573**		58,261
Exploration expenses	5		**-**		348,359
			225,839		570,593
Income (loss) before tax			**171,575**		(190,024)
Current tax (recovery) expense	9		**(23,076)**		(86,415)
Deferred tax (recovery) expense	9		**-**		227
Net income (loss) for the year		**$**	**194,651**	$	(103,836)
Items not reclassified to net income (loss):					
Unrealized gain(loss) on marketable securities	8		**396,018**		(74,728)
Realized (loss) gain on sale of marketable securities	8		**-**		(44,640)
Net income (loss) and comprehensive income (loss) for the year		**$**	**590,669**	**$**	(223,204)
Net income (loss) and comprehensive income (loss) per share (basic and diluted)		**$**	**0.04**	$	(0.02)
Weighted average number of shares outstanding (basic and diluted)			**5,353,450**		5,372,350

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

Consolidated Tanager Limited
Statements of Changes in Shareholders' Equity
For the years ended June 30, 2024 and 2023
(Expressed in Canadian Dollars)

	Common shares #	Share capital $	Contributed surplus $	Accumulated other comprehensive income $	Retained earnings $	Total shareholders' equity $
Balance, June 30, 2022	**5,372,350**	**507,501**	**339,878**	**171,676**	**9,129,759**	**10,148,814**
Dividends declared	-	-	-	-	(1,074,470)	(1,074,470)
Fair value adjustments, net of tax	-	-	-	(74,728)	(44,640)	(119,368)
Net loss for the year	-	-	-	-	(103,836)	(103,836)
Balance, June 30, 2023	**5,372,350**	**507,501**	**339,878**	**96,948**	**7,906,813**	**8,851,140**
Dividends declared	-	-	-	-	(1,070,800)	(1,070,800)
Fair value adjustments, net of tax	-	-	-	396,018	-	396,018
Share purchased and cancelled (note 7)	(18,900)	(1,785)	(21,840)	-	-	(23,625)
Net income for the year	-	-	-	-	194,651	194,651
Balance, June 30, 2024	**5,353,450**	**505,716**	**318,038**	**492,966**	**7,030,664**	**8,347,384**

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

Consolidated Tanager Limited
Statements of Cash Flows
For the years ended June 30, 2024 and 2023
(Expressed in Canadian Dollars)

		2024		2023
Cash flow from operating activities				
Net income (loss) before other comprehensive income	**$**	**194,651**	$	(103,836)
Reinvested returns on marketable securities		**-**		(5,208)
Deferred tax provision		**(11,408)**		227
Changes in net working capital:				
Income taxes receivable		**104,762**		(50,868)
Amounts receivable		**57,210**		(100,785)
Prepaid expenses		**6,353**		(12,239)
Accounts payable and accrued liabilities		**(5,849)**		7,610
		345,719		(265,099)
Cash outflow from investing activities				
Purchase of marketable securities		**(655,274)**		(469,557)
Redemption of marketable securities		**25,220**		71,512
Redemption (purchase) of short-term investments		**325,244**		153,373
		(304,810)		(244,672)
Cash used in financing activities				
Purchase and cancellation of common shares		**(23,625)**		-
Dividends declared		**(1,070,800)**		(1,074,470)
Change in dividends payable		**-**		(15,360)
		(1,094,425)		(1,089,830)
Decrease in cash and cash equivalents		**(1,053,516)**		(1,599,601)
Cash and cash equivalents, beginning of year		**2,517,856**		4,117,457
Cash and cash equivalents, end of year	**$**	**1,464,340**	$	2,517,856

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

1. Business of the Company

Consolidated Tanager Limited (the "Company" or "Tanager") is incorporated under the Business Corporation Act of Ontario with a registered address at Suite 331 1900 Bayview, Toronto, Ontario. The Company holds 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.

2. Material Accounting Policies

Statement of Compliance with International Financial Reporting Standards

These financial statements have been prepared in compliance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and the interpretations set by the IFRS Interpretations Committee (previously the International Financial Reporting Interpretations Committee, ("IFRIC")).

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

Basis of presentation

These financial statements have been prepared by management on a historical cost basis using the accrual basis of accounting, except for cash flow information and items recorded at fair value.

The functional and presentation currency for these financial statements is the Canadian dollar.

The financial statements were approved by the Company's Board of Directors and authorized for issue on October 10, 2024.

Significant accounting judgments and estimates

The preparation of these 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 the disclosure of contingent assets and liabilities at the date of the financial statements and reported amounts of revenues and expenses during the reporting periods. Actual outcomes could differ from these estimates. These financial statements include estimates which, by their nature, are uncertain. The impacts of such estimates are pervasive throughout the financial statements and may require accounting adjustments based on future occurrences. Revisions to accounting estimates are recognized in the period in which the estimate is revised and future periods if the revision affects both current and future periods. These estimates are based on historical experience, current and future economic conditions, and other factors, including expectations of future events that are believed to be reasonable under the circumstances. During fiscal 2023, the Company had a significant judgement in determining the accounting policy decision for exploration costs under IFRS 6. Ultimately, the Company made the policy decision to expense the exploration costs as they are incurred.

2. Material Accounting Policies - continued

Financial instruments

IFRS 9 - Financial instruments ("IFRS 9") includes requirements and guidance for classification, recognition and measurement, impairment, de-recognition and general hedge accounting.

Financial assets

Financial assets within the scope of IFRS 9 are classified in the following measurement categories: at fair value through profit or loss ("FVTPL"), amortized cost, or fair value through other comprehensive income ("FVOCI"). The Company determines the classification of its financial assets at initial recognition.

i. Financial assets recorded at FVTPL

   Financial assets are classified as fair value through profit or loss if they do not meet the criteria of amortized cost or fair value through other comprehensive income ("FVOCI"). Gains or losses on these items are recognized in statements of operations and comprehensive income (loss).

   The Company's short-term investments are classified as financial assets measured at FVTPL.

ii. Amortized cost

   Financial assets classified as amortized cost are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are carried at amortized cost less any provision for impairment. Individually significant receivables are considered for impairment when they are past due or when other definitive evidence is received that a specific counterparty will default.

   The Company's cash and cash equivalents, royalties receivable, interest receivable on property rights, property rights receivable, and amounts receivables, excluding HST, are classified as financial assets measured at amortized cost.

iii. Financial assets recorded at FVTOCI

   Financial assets are recorded at FVTOCI when the fair value through other comprehensive income election is made.

   The Company's marketable securities are classified as financial assets measured at FVTOCI through the election stated above.

Financial liabilities

All financial liabilities are recognized initially at fair value and subsequently at amortized cost.

Financial liabilities are classified as either financial liabilities at fair value through profit and loss or at amortized cost. The Company determines the classification of its financial liabilities at initial recognition.

i. Amortized cost

   Financial liabilities, including borrowings, are measured at fair value on initial recognition, net of transaction costs. Financial liabilities are subsequently measured at amortized cost using the effective interest method, with interest recognized on an effective yield basis.

   The effective yield basis is a method of calculating the unamortized cost of a financial liability and of allocating interest costs over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash flow payments over the expected life of the financial liability to the net carrying amount on initial recognition. The Company's accounts payable and accrued liabilities do not fall into any of the exemptions and are therefore classified as measured at amortized cost.

   The Company's accounts payable and accrued liabilities approximate their amortized costs.

2. Material Accounting Policies - continued

Financial instruments – continued

ii. Financial liabilities recorded at FVTPL

Financial liabilities are classified as FVTPL if they do not fall into amortized cost detailed above.

Transaction costs

Transaction costs associated with financial instruments, carried at fair value through statement of operations and comprehensive income, are expensed as incurred, while transaction costs associated with all other financial instruments are included in the initial carrying amount of the asset or the liability.

Subsequent measurement

Instruments classified as FVTPL are measured at fair value with unrealized gains and losses recognized in the statements of operations and comprehensive income (loss). Instruments classified as amortized cost are measured at amortized cost using the effective interest rate method. Instruments classified as FVOCI are measured at fair value with unrealized gains and losses recognized in other comprehensive income (loss).

De-recognition of financial liability

The Company derecognizes financial liabilities only when its obligations under the financial liabilities are discharged, cancelled, or expired. The difference between the carrying amount of the financial liability derecognized and the consideration paid and payable, including any non-cash assets transferred or liabilities assumed, is recognized in the statements of operations and comprehensive income (loss).

Expected credit loss impairment model

IFRS 9 includes a simplified expected credit loss impairment model, which is based on changes in credit quality since initial application.

The Company recognizes expected credit loss for amounts receivables based on the simplified approach under IFRS 9. The simplified approach to the recognition of expected losses does not require the Company to track the changes in credit risk; rather, the Company recognizes a loss allowance based on lifetime expected credit losses at each reporting date from the date of the amounts receivable. Currently the Company has $nil credit loss on its amounts receivable as at June 30, 2024 and June 30, 2023 as no amounts are derived from IFRS 15 revenue.

Financial instruments recorded at fair value:

Financial instruments recorded at fair value on the statement of financial position are classified using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

- Level 1 - valuation based on quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2 - valuation techniques based on inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
- Level 3 - valuation techniques using inputs for the asset or liability that are not based on observable market data (unobservable inputs).

As of June 30, 2024, and 2023, short-term investments and marketable securities - equity securities were measured at fair value and were classified within Level 1 of the fair value hierarchy.

2. Material Accounting Policies - continued

Cash and cash equivalents

Cash and cash equivalents in the statements of financial position comprise cash at banks and on hand, and highly liquid investments with an original maturity of three months or less or which are readily convertible into a known amount of cash. As of June 30, 2024 and 2023 the Company had $1,429,646 and $2,470,204 respectively of cash and cash equivalents in the form of flexible cash and redeemable guaranteed investment certificates.

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.

Marketable securities

Marketable securities consist of equity securities over which the Company does not have control or significant influence. Investments in equity instruments are subsequently measured at fair value through other comprehensive income. Equity instruments that are not held for trading can be irrevocably designated as fair value through other comprehensive income on initial recognition without subsequent reclassification to net income (loss). Cumulative gains and losses are transferred from accumulated other comprehensive income to retained earnings upon derecognition of the investment.

Revenue recognition

In the current period there was no revenue from operations, however, the Company derived income from other sources, which comprised of interest and dividend income. Interest income is recognized over time as it is earned and dividend income is recognized when it is declared and becomes receivable.

Dividends

From time to time as the Company sees fit, it may declare a dividend to the shareholders of record on a particular day.

Exploration Costs

The Company has taken the election under IFRS 6 to expense exploration costs as they are incurred. During the years ended June 30, 2024 and June 30, 2023 the Company expensed $nil and $348,359 of exploration costs respectively.

Provisions

A provision is recognized when the Company has a present legal or constructive obligation as a result 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 benefits expected 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 at June 30, 2024 and 2023.

2. Material Accounting Policies - continued

Income taxes

Income tax expense 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 often offset when there is a legally enforceable right to offset the 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.

Income per share

Basic income per share is calculated using the weighted average number of common shares outstanding during the year. Diluted loss per share is computed using the treasury stock method. Stock options and warrants outstanding are not included in the computation of diluted loss per share if their inclusion would be anti dilutive.

Segment reporting

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

3. Short-Term Investments

The Short-term investments held by the Company include a tiered savings account.

		2024		2023
Tiered Savings Account	**$**	**1,608,491**	$	1,933,726
Total	**$**	**1,608,491**	$	1,933,726

4. Amounts Receivable

The Amounts Receivable held by the Company included interest receivable (earned from GICs and Tiered Savings Account), dividends receivable (earned from marketable securities), and GST/HST receivable.

		2024		2023
Interest Receivable	**$**	**42,120**	$	89,818
Dividends Receivable		**22,700**		20,891
GST/HST Receivable		**1,550**		12,871
Total	**$**	**66,370**	$	123,580

5. Mining Properties

The investments in the following properties were written down to $2 in a prior year.

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") operating in Canada as “Coalspur” to transfer the rights of the Hinton Coal property to Coalspur 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 Mines (Coalspur) Ltd. commenced mining and shipping coal in June 2019. The Company was informed on October 31, 2019, that Coalspur had produced, sold and delivered to rail its 500,000th clean tonne and this milestone event led to triggering a payment of $10,000,000 due to the Company. The final payment comprising the $10,000,000 was received in the year ended June 30, 2022.

Royalty payments, for production were received since 2019, however there was no production on the Company’s claims in the year ended June 30, 2024 and 2023, and thus no royalties receivable. The only interest presently held by the Company is a 1% royalty on the property, and no amounts outside the royalty are owed by Coalspur to the Company.

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. In 2004, 2 of the patented claims and 1 license of occupation were sold for $200,000 of which an irrevocable payment of $50,000 was received prior to June 30, 2003. Commencing April 1, 2004, the agreement of sale also provided for minimum annual advance royalty payments in the amount of $70,000 plus a 3% annual escalation clause for an additional period of 9 years. The agreement expired at the end of 2013.

During the year ended June 30, 2024, the Company incurred $nil (2023 - $348,359) of expenditures for an exploration program on its Timmins claims. If the Company’s exploration programs are successful, substantial additional capital would be required to put any properties into commercial production, if warranted. There is no assurance that the Company would have the necessary capital or would be able to obtain adequate financing in the future or that such financing would be on terms advantageous to the Company.

6. Related Party Transactions and Balances

The Company incurred expenses of $20,000 for the year ended June 30, 2024 (2023 - $18,000) to the Chief Financial Officer for accounting, administrative and secretarial services rendered. These expenses are included in general corporate expenses.

The Company incurred Directors' fees of $47,000 for the year ended June 30, 2024 (2023 - $39,000). These expenses are included in general corporate expenses.

All transactions with related parties are in the normal course of operations and have been carried out on the same terms as those accorded to unrelated parties. There were no balances outstanding to related parties as at June 30, 2024 and June 30, 2023.

7. Share Capital

Authorized

As of June 30, 2024 and 2023, 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.

During the year ended June 30, 2024, the Company acquired and cancelled a total of 18,900 (2023 – nil) common shares for $23,625 (2023 – $nil)

8. Marketable Securities

The following is a summary of the fair value of the Company's marketable securities:

		2024	**Number**		2023	Number
Equity Securities						
Superior Plus Corporation	$	**221,750**	**25,000**	$	237,250	25,000
Whitecap Resources Inc.		**250,250**	**25,000**		231,750	25,000
Hamilton Enhanced Canadian Bank ETF		**297,900**	**15,000**		296,400	15,000
TD Global Technology Leaders Index ETF		**397,500**	**10,000**		285,800	10,000
Exchange Income Corporation		**226,100**	**5,000**		262,050	5,000
E Split Corp.		**223,400**	**20,000**		-	-
Baytex Energy Corp		**118,500**	**25,000**		-	-
Taranis Resources Inc.		**594,000**	**2,200,000**		297,000	2,200,000
Bank of Nova Scotia		**257,204**	**4,110**		272,411	4,110
Royal Bank of Canada		**579,687**	**3,980**		503,550	3,980
Toronto Dominion Bank		**429,542**	**5,712**		469,012	5,712
BCE Inc.		**100,805**	**2,275**		137,410	2,275
CI Financial Corporation		**180,000**	**12,500**		188,000	12,500
Dream Industrial REIT		**221,725**	**17,500**		246,925	17,500
Enbridge Inc.		**243,350**	**5,000**		246,200	5,000
Manulife Financial Corporation		**382,515**	**10,500**		131,460	5,250
Northwest Healthcare Properties Real Estate Investment Trust		**46,600**	**10,000**		62,800	10,000
Pembina Pipeline Corporation		**329,940**	**6,500**		135,363	3,250
TC Energy Corporation		**334,497**	**6,450**		345,333	6,450
Total	$	**5,435,265**		$	4,348,714	

8. Marketable Securities – continued

Investment continuity

		2024		2023
Balance, beginning of the year	**$**	**4,348,714**	$	4,074,533
Purchases		**655,274**		469,551
Reinvested returns		**-**		5,208
Return of Capital		**(25,220)**		-
Sales		**-**		(71,512)
Change in fair value (net)		**456,497**		(129,066)
Balance, end of the year	**$**	**5,435,265**	$	4,348,714

9. Income Taxes

The reconciliation of the combined Canadian federal and provincial statutory income tax rate of 23% (2023 - 23%) to the effective tax rate for the years ended June 30 is as follows:

		2024		2023
Net income (loss) before provision for income taxes	**$**	**171,575**	$	(190,024)
Expected income tax expense (recovery)	**$**	**39,460**	$	(43,706)
Tax rate changes and other adjustments		**(11,826)**		4,100
Unrealized loss recorded through OCI		**-**		(5,131)
Non-taxable Canadian dividend income		**(50,710)**		(41,451)
Change in tax benefits not recognized				-
Income tax provision	**$**	**(23,076)**	$	(86,188)
The Company's income tax is allocated as follows:				
Current tax (recovery) expense	**$**	**(23,076)**	$	(86,415)
Deferred tax expense (recovery)		**-**		227
	$	**(23,076)**	$	(86,188)

The following table summarizes the components of deferred tax:

		2024		2023
Deferred tax liabilities:				
Marketable securities	**$**	**(59,204)**	$	(10,124)
	$	**(59,204)**	$	(10,124)

Deferred tax assets and liabilities have been offset where they relate to income taxes levied by the same taxation authority and the Company has the legal right and intent to offset.

Movement in net deferred tax liabilities:

		2024		2023
Balance, beginning of the year	**$**	**(10,124)**	$	(19,601)
Recognized in statement of operations and comprehensive income (loss)		**-**		(227)
Recognized in equity		**(49,080)**		9,704
Balance, end of the year	**$**	**(59,204)**	$	(10,124)

10. General Corporate Expenses

	Note		**2024**		2023
Professional services	6	**$**	**66,562**	$	64,239
Directors’ fees	6		**47,000**		39,000
Interest on income taxes			**-**		(85)
Transfer agent fees			**22,057**		22,298
Insurance			**29,553**		29,284
General and administrative			**2,400**		1,768
Government fees			**-**		1,344
Shareholder information			**5,694**		6,125
		$	**173,266**	**$**	163,973

11. Capital Disclosures

The Company's objective when managing capital is 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.

The Company considers the items included in shareholders’ equity as capital. The Company manages its capital structure and makes adjustments to 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 year ended June 30, 2024.

12. 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, and amounts receivables. The risk management covers the cash and cash equivalents, short-term investments, and amounts receivable, through the use of 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 in order to meet its liquidity requirements. As of June 30, 2024 and 2023 the aggregate of cash and cash equivalents and short-term investments, which remain liquid, exceeded the Company’s financial liabilities.

12. Financial Risk Factors - continued

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 equivalents balances and on the short-term investments, as the GICs interest is calculated based on CIBC's prime rate. The Company's policy is to invest excess cash in investment-grade short-term guaranteed investment certificates and high interest mutual funds 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, namely coal. Commodity price risk is defined as the potential adverse impact on earnings and economic value due to commodity price movements and volatilities. The Company is exposed to changes in coal prices affecting the Coalspur royalty on the Hinton properties. There is no risk in the current period as there was no royalty revenue recognized.

13. Subsequent Event

On October 10, 2024, the Company declared a special eligible dividend of $0.10 per issued and outstanding common share for a total of $535,345. The dividend is to be paid on December 1, 2023, to all shareholders of record as of the close of business on November 10, 2023.