
OLIVE RESOURCE CAPITAL INC.
CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEARS ENDED
DECEMBER 31, 2023 AND 2022
(EXPRESSED IN CANADIAN DOLLARS UNLESS OTHERWISE STATED)

Independent Auditor's Report

To the Shareholders of Olive Resource Capital Inc.

Opinion

We have audited the consolidated financial statements of Olive Resource Capital Inc. and its subsidiaries (the "Company"), which comprise the consolidated statements of financial position as at December 31, 2023 and 2022, and the consolidated statements of loss and comprehensive loss, consolidated statements of changes in shareholders' equity and consolidated statements of cash flows for the years then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Company as at December 31, 2023 and 2022, and its consolidated financial performance and its consolidated cash flows for the years then ended in accordance with International Financial Reporting Standards ("IFRS").

Basis for opinion

We conducted our audit 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 consolidated financial statements section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in Canada. We have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated financial statements of the current period. We have determined the matters described below to be the key audit matters to be communicated in our report. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matter	How our audit addressed the key audit matter
<p><i>Fair value measurement of the private investments</i></p> <p>The Company has investments in private investment entities, that is measured at fair value through profit and loss under IFRS 9. This is presented in Note 3(b) and 3(c) of the consolidated financial statements. The fair value hierarchy level is considered level 3, for which quoted prices or observable inputs were not available. Management uses valuation techniques that require significant non-observable inputs, requiring management's estimation and judgement.</p> <p>The fair value measurement of the private investment was a key audit matter as the valuation required the application of significant judgement in assessing the non-observable inputs used, including significant valuation adjustments.</p>	<p>In this regard, our audit procedures included:</p> <ul style="list-style-type: none"> - Evaluating the methodologies and significant inputs used by the Company; - Performing a valuation approach to assess the modelling assumptions and significant inputs used to estimate the fair value, which involved corroboration of certain inputs and assumptions as applied by management including ; - Obtaining purchase agreements for the existence of private investments; - Gaining an understanding of the investment that may have unique features to support the valuation approach.

Other information

Management is responsible for the other information. The other information comprises Management's Discussion and Analysis.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit 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, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of management and those charged with governance for the consolidated financial statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with IFRS, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated 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 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 consolidated financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated 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 aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated 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 risks 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 consolidated 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 consolidated financial statements, including the disclosures, and whether the consolidated 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 audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner of the audit resulting in this independent auditor's report is Soheil Talebi.

McGovern Hurley LLP



**Chartered Professional Accountants
Licensed Public Accountants**

Toronto, Ontario
April 24, 2024

OLIVE RESOURCE CAPITAL INC.**Consolidated Statements of Financial Position****(Expressed in Canadian Dollars unless otherwise stated)**

	December 31, 2023	December 31, 2022
ASSETS		
Cash	\$ 1,761,919	\$ 301,380
Amounts receivable	8,176	37,400
Publicly traded investments (Note 3(a))	2,884,159	4,202,288
Non-public loans and convertible debentures (Note 3(c))	1,527,573	1,489,789
Prepaid expenses	39,523	38,459
Restricted cash (Note 4)	25,000	25,000
Non-public investments (Note 3(b))	881,907	632,867
Total assets	\$ 7,128,257	\$ 6,727,183
LIABILITIES AND EQUITY		
Liabilities		
Accounts payable and accrued liabilities (Notes 6 and 11)	\$ 76,729	\$ 338,893
Deferred gain on acquisition of investments (Note 7)	81,591	81,591
Total liabilities	158,320	420,484
Shareholders' equity		
Share capital (Note 8)	15,172,132	15,208,812
Contributed surplus (Note 9)	397,351	328,053
Deficit	(8,599,546)	(9,230,166)
Total shareholders' equity	6,969,937	6,306,699
Total liabilities and shareholders' equity	\$ 7,128,257	\$ 6,727,183

Nature of Operations (Note 1)**Commitments and Contingencies** (Note 15)

Approved by the Board of Directors:

"Samuel Pelaez" Director"Derek Macpherson" Director

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

OLIVE RESOURCE CAPITAL INC.**Consolidated Statements of Income (Loss) and Comprehensive Income (Loss)**
(Expressed in Canadian Dollars unless otherwise stated)

Years Ended December 31,	2023	2022
Revenues		
Realized (loss) gain on investments (Note 3)	\$ (5,543,750)	\$ 845,557
Unrealized gain (loss) on investments (Note 3)	6,855,522	(5,058,842)
Management fee income (Note 5)	-	18,243
Interest income	104,745	65,347
Loss on conversion of convertible debentures	-	(114,045)
Total revenues	1,416,517	(4,243,740)
Operating expenses		
Salaries and benefits (Note 11(b))	48,973	59,272
Professional fees (Note 11(a)(i)(ii)(iii)(iv)(v))	462,411	380,397
Shareholder information	42,818	40,222
General and administrative	115,025	99,724
Investor relations	20,086	20,594
Stock-based compensation (Notes 9 and 11(b))	69,298	112,548
Foreign exchange loss (gain)	(1,956)	12,624
Total operating expenses	756,655	725,381
Net income (loss) before other items	659,862	(4,969,121)
Other income		
Reversing provision (Note 6(ii))	-	179,950
Gain on acquisition of investments (Note 7)	-	1,156,324
Transaction costs incurred for acquisition of investments (Note 8)	-	(120,719)
Write-off of accounts receivable	(29,242)	-
Net income (loss) and comprehensive income (loss) for the year	\$ 630,620	\$ (3,753,566)
Basic and diluted net income (loss) per share (Note 10)	\$ 0.01	\$ (0.04)
Weighted average number of shares outstanding - basic and diluted (Note 10)	109,106,216	84,210,333

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

OLIVE RESOURCE CAPITAL INC.**Consolidated Statements of Changes in Shareholders' Equity
(Expressed in Canadian Dollars unless otherwise stated)**

	Number of Shares	Share Capital	Contributed Surplus	Deficit	Total
Balance, December 31, 2021	70,140,501	\$ 13,536,152	\$ 272,506	\$ (5,533,601)	\$ 8,275,057
Common shares issued for acquisition of investments(Note 8(b))	40,628,208	1,672,660	-	-	1,672,660
Share-based compensation (Note 9)	-	-	112,548	-	112,548
Expiry of stock options (Note 9)	-	-	(57,001)	57,001	-
Net loss for the year	-	-	-	(3,753,566)	(3,753,566)
Balance, December 31, 2022	110,768,709	\$ 15,208,812	\$ 328,053	\$ (9,230,166)	\$ 6,306,699
Share repurchase (note 8)	-	(76,680)	-	-	(76,680)
Shares cancelled (note 8)	(2,594,000)	-	-	-	-
Shares issued in settlement of accrued liability (note 6)	1,000,000	40,000	-	-	40,000
Share-based compensation (Note 9)	-	-	69,298	-	69,298
Net income for the year	-	-	-	630,620	630,620
Balance, December 31, 2023	109,174,709	\$ 15,172,132	\$ 397,351	\$ (8,599,546)	\$ 6,969,937

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

OLIVE RESOURCE CAPITAL INC.**Consolidated Statements of Cash Flows****(Expressed in Canadian Dollars unless otherwise stated)**

Years ended December 31,	2023	2022
Operating activities		
Net income (loss) for the year	\$ 630,620	\$ (3,753,566)
Adjustments for:		
Net (gain) loss on investments (note 3)	(1,311,772)	4,213,285
Gain on acquisition of investments	-	(1,156,324)
Loss on conversion of convertible debentures	-	114,045
Accrued interest income	(36,071)	(44,276)
Unrealized foreign exchange loss	-	(375)
Stock-based compensation	69,298	112,548
	(647,925)	(514,663)
Changes in non-cash operating capital, public-traded investments, non-public investments and non-public loans and convertible debentures:		
Amounts receivable	29,224	26,667
Prepaid expenses	(1,064)	(1,339)
Accounts payable and accrued liabilities	(222,164)	(401,757)
Public-traded investments	2,703,698	875,883
Non-public investments	(158,000)	-
Non-public loans and convertible debentures	(166,550)	-
	1,537,219	(15,209)
Net cash provided by operating activities	1,537,219	(15,209)
Investing activities		
Cash obtained from acquisition of Norvista LP (note 5)	-	25,296
	-	25,296
Net cash inflows from investing activities	-	25,296
Financing activities		
Share repurchase	(76,680)	-
	(76,680)	-
Net cash used in financing activities	(76,680)	-
Net change in cash and cash equivalents	1,460,539	10,087
Cash and cash equivalents, beginning of year	301,380	291,293
Cash and cash equivalents, end of year	\$ 1,761,919	\$ 301,380
Supplemental information		
Shares issued for acquisition of investments	\$ -	\$ 1,672,660

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

OLIVE RESOURCE CAPITAL INC.

Notes to Consolidated Financial Statements

December 31, 2023 and 2022

(Expressed in Canadian Dollars unless otherwise stated)

1. Nature of Operations

Olive Resource Capital Inc. ("Olive" or the "Company") is a resource-focused merchant bank and investment company with a portfolio of publicly listed and private securities. The Company's assets consist primarily of investments in natural resource companies in all stages of development. The Company is a publicly listed company incorporated under the Canada Business Corporations Act. The Company's shares are listed on the TSX Venture Exchange. The Company's head office is located at 82 Richmond St. East, Toronto, Ontario, M5C 1P1. Effective December 30, 2021, the Company completed a vertical amalgamation with its wholly owned subsidiary, Olive Resource Capital Inc. On January 13, 2022, the Company's name was changed from Norvista Capital Corporation to Olive Resource Capital Inc. The Company's stock symbol on the TSX Venture Exchange was also changed to "OC".

2. Material Accounting Policies

Statement of compliance

These consolidated financial statements have been prepared in accordance with and using accounting policies in compliance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and the interpretations of the International Financial Reporting Interpretations Committee ("IFRIC"). The policies set out below were consistently applied to all the periods presented unless otherwise noted below.

These financial statements were approved by the Board of Directors on April 24, 2024.

Consolidation

Subsidiaries over which the Company is exposed to, or has rights to, variable returns as well as the ability to affect those returns through the power to direct the relevant activities of the entity and that provide services that relate to the Company's investment activities are consolidated. These subsidiaries are fully consolidated. From the date control is transferred to the Company and are de-consolidated from the date control ceases. The financial statements include all the assets, liabilities, revenues, expenses and cash flows of the Company and these subsidiaries after eliminating inter-entity balances and transactions.

The Company has the following subsidiaries that have been consolidated:

Company	Principal place of business	Ownership interest
Olive Resource Capital G.P. Ltd.	Ontario, Canada	100%
Norvista Capital General Partner Ltd.	Ontario, Canada	100%
Norvista Capital Management Corp. ("NCMC")	Ontario, Canada	100%

OLIVE RESOURCE CAPITAL INC.

Notes to Consolidated Financial Statements

December 31, 2023 and 2022

(Expressed in Canadian Dollars unless otherwise stated)

2. Material Accounting Policies (continued)

Basis of presentation

These financial statements have been prepared on a historical cost basis except for investments at fair value. In addition, these financial statements have been prepared using the accrual basis of accounting except for cash flow information.

In the preparation of these 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 year. It also requires management to exercise judgment in applying the Company's accounting policies.

Accounting policies

Significant accounting judgments, estimates and assumptions

The preparation of these consolidated financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the reported amounts of assets, liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements and reported amounts of revenues and expenses during the reporting period. Such estimates and assumptions are continuously evaluated and are based on management's experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Actual outcomes can differ from these estimates. The impacts of such estimates are pervasive throughout the consolidated 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 the revision affects both current and future periods.

Information about assumptions and estimation uncertainties that have risk of resulting in a material adjustment within the next fiscal year are included in the following notes:

(i) Fair value of investment in securities not quoted in an active market or private company investments

Where the fair values of financial assets and financial liabilities recorded on the statement of financial position cannot be derived from active markets, they are determined using a variety of valuation techniques. The inputs to these models are derived from observable market data where possible, but where observable market data are not available, judgment is required to establish fair values. Refer to Notes 3 and 17 for further details.

(ii) Fair value of financial derivatives

Investments in options and warrants which are not traded on a recognized securities exchange do not have a readily available market value. When there are sufficient and reliable observable market inputs, a valuation technique is used; if no such market inputs are available, the warrants and options are valued at intrinsic value. Refer to Notes 3 (a) and Note 17 for further details.

OLIVE RESOURCE CAPITAL INC.

Notes to Consolidated Financial Statements

December 31, 2023 and 2022

(Expressed in Canadian Dollars unless otherwise stated)

2. Material Accounting Policies (continued)

Accounting policies (continued)

Significant accounting judgments, estimates and assumptions (continued)

(iii) Recognition of deferred taxes

Deferred tax assets are recognized in respect of tax losses and other temporary differences to the extent that it is probable that taxable profit will be available against which the losses can be utilized. Judgment is required to determine the amount of deferred tax assets that can be recognized, based upon the likely timing and level of future taxable profits, together with future tax planning strategies.

The Company is subject to income, value added, withholding and other taxes. Significant judgment is required in determining the Company's provisions for taxes. There are many transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. The Company recognizes liabilities for anticipated tax audit issues based on estimates of whether additional taxes will be due. The determination of the Company's income, value added, withholding and other tax liabilities requires interpretation of complex laws and regulations. The Company's interpretation of taxation law as applied to transactions and activities may not coincide with the interpretation of the tax authorities. All tax related filings are subject to government audit and potential reassessment subsequent to the financial statement reporting period. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the tax related accruals and deferred income tax provisions in the period in which such determination is made.

(iv) Share-based payments

The Company uses the Black-Scholes option pricing model to fair value options in order to calculate share-based compensation expense. The Black-Scholes model involves six key inputs to determine fair value of an option: risk-free interest rate, exercise price, market price of the Company's shares at date of issue, expected dividend yield, expected life, and expected volatility. Certain inputs are estimates which involve considerable judgment and are, or could be, affected by significant factors that are out of the Company's control. The Company is also required to estimate the future forfeiture rate of options based on historical information in its calculation of share based compensation expense. See Note 9.

(v) Investment entity

The Company applies the exception to consolidation of particular subsidiaries, investment in associates and joint ventures available to investment entities. Management has determined that the Company qualifies for the exemption from consolidation given that the Company has the following typical characteristics of an investment entity:

- (a) The Company obtains funds from one or more investors for the purpose of providing those investors with investment management services;
- (b) The Company commits to its investors that its business purpose is to invest funds solely for returns from capital appreciation and investment income; and
- (c) The Company measures and values the performance of all its investments on a fair value basis.

OLIVE RESOURCE CAPITAL INC.

Notes to Consolidated Financial Statements

December 31, 2023 and 2022

(Expressed in Canadian Dollars unless otherwise stated)

2. Material Accounting Policies (continued)

Accounting policies (continued)

Functional and presentation currency

The functional currency is the currency of the primary economic environment in which the Company operates. The Company's consolidated financial statements are presented in Canadian dollars. The Canadian dollar is the functional currency of the Company and its subsidiaries.

Transactions in currencies other than the functional currency are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at the period-end exchange rates are recognized in profit or loss. Non-monetary items that are measured in terms of historical cost in a foreign currency are not re-translated.

Financial instruments

Financial assets and financial liabilities are recognized on the Company's consolidated statement of financial position when the Company has become a party to the contractual provisions of the instrument. Financial assets are derecognized when the rights to receive cash flows from the assets have expired or have been transferred and the Company has transferred substantially all risks and rewards of ownership. The Company's financial instruments consist of cash and cash equivalents, amounts receivable, public and non-public investments, restricted cash, accounts payable and accrued liabilities and lease liabilities.

(i) Investments

Purchases and sales of investments are recognized on a trade date basis. Public and non-public investments at fair value through profit or loss are initially recognized at fair value, with changes in fair value reported in income (loss). At each financial reporting period, the Company's management estimates the fair value of its investments based on the criteria below and reflects such valuations in the consolidated financial statements.

Transaction costs are expensed as incurred in the consolidated statements of income (loss) and comprehensive income (loss). The determination of fair value requires judgment and is based on market information where available and appropriate. At the end of each financial reporting period, the Company's management estimates the fair value of investments based on the criteria below and reflects such changes in valuations in the consolidated statements of loss and comprehensive loss. The Company is also required to present its investments (and other financial assets and liabilities reported at fair value) into three hierarchy levels (Level 1, 2, or 3) based on the transparency of inputs used in measuring the fair value, and to provide additional disclosure in connection therewith (see Note 14, "Fair Value Measurements"). The three levels are defined as follows:

OLIVE RESOURCE CAPITAL INC.

Notes to Consolidated Financial Statements

December 31, 2023 and 2022

(Expressed in Canadian Dollars unless otherwise stated)

2. Material Accounting Policies (continued)

Accounting policies (continued)

Financial instruments (continued)

(i) Investments (continued)

Level 1 – investment with quoted market price;

Level 2 – investment which valuation technique is based on observable market inputs; and

Level 3 – investment which valuation technique is based on non-observable market inputs.

Publicly-traded investments:

1. Securities, including shares, options, and warrants which are traded on a recognized securities exchange and for which no sales restrictions apply and for which an active market exists, are recorded at fair values based on quoted closing prices at the consolidated statement of financial position date or the closing price on the last day the security traded if there were no trades at the statement of financial position date. These are included in Level 1 as disclosed in Note 17.

2. Warrants or options of publicly-traded securities which do not have a quoted price are carried at an estimated fair value calculated using the Black-Scholes option pricing model if sufficient and reliable observable market inputs are available. If no such market inputs are available or reliable, the warrants and options are valued at intrinsic value. These are included in Level 2 as disclosed in Note 17.

3. Securities which are traded on a recognized securities exchange but which are escrowed or otherwise restricted as to sale or transfer are recorded at amounts discounted from market value. Shares that are received as part of a private placement that are subject to a standard four-month hold period are not discounted. In determining the discount for such investments, the Company considers the nature and length of the restriction, business risk of the investee corporation, relative trading volume and price volatility and any other factors that may be relevant to the ongoing and realizable value of the investments. These are included in Level 2 in Note 14.

The amounts at which the Company's publicly-traded investments could be disposed of may differ from carrying values based on market quotes, as the value at which significant ownership positions are sold is often different than the quoted market price due to a variety of factors such as premiums paid for large blocks or discounts due to illiquidity. Such differences could be material.

Privately-held investments:

1. Securities in privately-held companies (other than options and warrants) are initially recorded at cost, being the fair value at the time of acquisition. At the end of each financial reporting period, the Company's management estimates the fair value of investments based on the criteria below and reflects such valuations in the financial statements. These are included in Level 3 as disclosed in Note 14. Options and warrants of private companies are carried at their intrinsic value.

With respect to valuation, the financial information of private companies in which the Company has investments may not always be available, or such information may be limited and/or unreliable. Use of the valuation approach described below may involve uncertainties and determinations based on the Company's judgment and any value estimated from these may not be realized or realizable. In addition to the events described below, which may affect a specific investment, the Company will take into account general market conditions when valuing the privately-held investments in its portfolio. The absence of occurrence of any of these events or any significant change in general market conditions indicates generally that the fair value of the investment has not materially changed.

OLIVE RESOURCE CAPITAL INC.

Notes to Consolidated Financial Statements

December 31, 2023 and 2022

(Expressed in Canadian Dollars unless otherwise stated)

2. Material Accounting Policies (continued)

Accounting policies (continued)

Financial instruments (continued)

(i) Investments (continued)

Privately-held investments (continued):

2. An upward adjustment is considered appropriate and supported by pervasive and objective evidence such as a significant subsequent equity financing by an unrelated investor at a transaction price higher than the Company's carrying value; or if there have been significant corporate, political or operating events affecting the investee company that, in management's opinion, have a positive impact on the investee company's prospects and therefore its fair value. In these circumstances, the adjustment to the fair value of the investment will be based on management's judgment and any value estimated may not be realized or realizable. Such events include, without limitation:

- political changes in a country in which the investee company operates which, for example, reduce the corporate tax burden, permit mining where, or to an extent that, it was not previously allowed, or reduce or eliminate the need for permitting or approvals;
- receipt by the investee company of environmental, mining, aboriginal or similar approvals, which allow the investee company to proceed with its project(s);
- filing by the investee company of a National Instrument 43-101 technical report in respect of a previously non-compliant resource;
- release by the investee company of positive exploration results, which either proves or expands their resource prospects; and
- important positive management changes by the investee company that the Company's management believes will have a very positive impact on the investee company's ability to achieve its objectives and build value for shareholders.

3. Downward adjustments to carrying values are made when there is evidence of a decline in value as indicated by the assessment of the financial condition of the investment based on third party financing, operational results, forecasts, and other developments since acquisition, or if there have been significant corporate, political or operating events affecting the investee company that, in management's opinion, have a negative impact on the investee company's prospects and therefore its fair value. The amount of the change to the fair value of the investment is based on management's judgment and any value estimated may not be realized or realizable. Such events include, without limitation:

- political changes in a country in which the investee company operates, which increases the tax burden on companies, which prohibit mining where it was previously allowed, which increases the need for permitting or approvals, etc.;
- denial of the investee company's application for environmental, mining, aboriginal or similar approvals which prohibit the investee company from proceeding with its projects;
- the investee company releases negative exploration results;
- changes to the management of the investee company take place which the Company believes will have a negative impact on the investee company's ability to achieve its objectives and build value for shareholders;
- the investee company is placed into receivership or bankruptcy; and
- based on financial information received from the investee company, it is apparent to the Company that the investee company is unlikely to be able to continue as a going concern.

OLIVE RESOURCE CAPITAL INC.

Notes to Consolidated Financial Statements

December 31, 2023 and 2022

(Expressed in Canadian Dollars unless otherwise stated)

2. Material Accounting Policies (continued)

Accounting policies (continued)

Financial instruments (continued)

(i) Investments (continued)

The resulting values may differ from values that would be realized had a ready market existed. The amounts at which the Company's privately-held investments could be disposed of may differ from the carrying value assigned. Such differences could be material.

Investment in associates:

Investment in associates are those entities over which the Company has or is deemed to have significant influence, but not control over, the financial and operating policies. Investment in associates are held as part of the Company's investment portfolio and carried in the consolidated statement of financial position at fair value even though the Company may have significant influence over the companies. This treatment is permitted by IAS 28, Investment in Associates ("IAS 28"), which allows investments held by venture capital or similar organizations to be excluded from its scope where those investments are measured at fair value through profit or loss in accordance with IFRS 9, with changes in fair value recognized in the statement of loss within unrealized gains or losses on investments. The Company does not have any investment in associates.

Investments in subsidiaries:

As an investment entity, the Company does not consolidate its subsidiaries unless those subsidiaries provide services that relate to the Company's investment activities. Investment in subsidiaries that do not provide services that relate to the Company's investment activities are measured at fair value through profit or loss.

(ii) Amounts receivable

Receivables are classified as amortized cost and are initially recorded at the fair value of the amount expected to be received and subsequently measured at amortized cost less any provision for impairment. Individual significant receivables are considered for recoverability when they are past due or when other objective evidence is received that a specific counterparty will default.

OLIVE RESOURCE CAPITAL INC.

Notes to Consolidated Financial Statements

December 31, 2023 and 2022

(Expressed in Canadian Dollars unless otherwise stated)

2. Material Accounting Policies (continued)

Accounting policies (continued)

Financial instruments (continued)

(iii) Financial liabilities

All financial liabilities are classified as at amortized cost except for financial derivatives and any financial liabilities from inception classified as at fair value through profit or loss. All financial liabilities are recognized initially at fair value plus directly attributable transaction costs except for those designated at fair value through profit and loss.

Financial liabilities at fair value through profit or loss are carried in the consolidated statement of financial position at fair value with changes in fair value recognized in the consolidated statement of income (loss) and comprehensive income (loss). Financial liabilities at amortized cost are measured at initial cost plus interest calculated using the effective interest rate method. The effective interest method is a method of calculating the amortized cost of a financial asset or financial liability and of allocating the interest income or interest expense over the relevant period.

(iv) Derecognition

A financial asset is derecognized when the contractual rights to the cash flows from the asset expire, or the Company no longer retains substantially all the risks and rewards of ownership.

A financial liability is derecognized when the obligation under the liability is discharged, cancelled or expires with any associated gain or loss recognized in other income or expense in the consolidated statements of loss.

Cash and cash equivalents

Cash and cash equivalents are comprised of cash on hand and deposits that generally mature within 90 days from the date of acquisition. Deposits are held in Canadian chartered banks or in a financial institution controlled by a Canadian chartered bank.

Impairment of financial assets

The Company assesses at each reporting date whether there is any objective evidence that a financial asset or a group of financial assets is impaired. Financial assets are considered to be impaired if objective evidence indicates that a change in the market, economic or legal environment in which the Company invested has had a negative effect on the estimated future cash flows of that asset. An impairment loss in respect of a financial asset measured at amortized cost is calculated as the difference between its carrying amount, and the present value of the estimated future cash flows discounted at the original effective interest rate.

Impairment losses are recognized in the consolidated statement of income (loss) and comprehensive income (loss). For financial assets measured at amortized cost, any reversal of impairment is recognized in the statement of income (loss).

OLIVE RESOURCE CAPITAL INC.

Notes to Consolidated Financial Statements

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(Expressed in Canadian Dollars unless otherwise stated)

2. Material Accounting Policies (continued)

Accounting policies (continued)

Revenue recognition

Realized gains and losses on the disposal of investments and unrealized gains and losses in the value of investments are reflected in the statement of income (loss) on a trade date basis. Upon disposal of an investment, previously recognized unrealized gains or losses are reversed, so as to recognize the full realized gain or loss in the period of disposition. All transaction costs are expensed as incurred. Dividend income is recorded on the ex-dividend date. Interest income and other income are recorded on an accrual basis. Finder's fee income is recorded when the underlying transaction is substantially completed under the engagement terms and the related revenue is reasonably determinable and collectible.

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 loss.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

Deferred tax is recognized in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognized for the following temporary differences: the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss, and differences relating to investments in jointly controlled entities to the extent that it is probable that they will not reverse in the foreseeable future. Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date. Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realized simultaneously.

A deferred tax asset is recognized for unused tax losses, tax credits and deductible temporary differences, to the extent that it is probable that future taxable profits will be available against which they can be utilized. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

Income (loss) per share

Basic income (loss) per share is calculated by dividing the net loss by the weighted-average number of the Company's common shares outstanding during the period. Diluted income (loss) per share is calculated by dividing the applicable net income (loss) by the sum of the weighted-average number of common shares outstanding if dilutive common shares had been issued during the period. The calculation of diluted income per share assumes that outstanding stock options and warrants with an average exercise price below market price of the underlying shares are exercised and the assumed proceeds are used to repurchase common shares of the Company at the average market price for the period.

OLIVE RESOURCE CAPITAL INC.

Notes to Consolidated Financial Statements

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(Expressed in Canadian Dollars unless otherwise stated)

2. Material Accounting Policies (continued)

Accounting policies (continued)

Share-based payments

Equity-settled share-based payments to employees and others providing similar services are measured at the fair value of the equity instruments at the grant date. Fair value is measured at grant date and each tranche is recognized on a graded-vesting basis over the period in which options vest. At the end of each reporting period, the Company revises its estimate of the number of equity instruments expected to vest. The impact of the revision of the original estimates, if any, is recognized in profit or loss such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to the equity reserve.

Equity-settled share-based payment transactions with parties other than employees are measured at the fair value of the goods or services received, except where fair value cannot be estimated reliably, in which case they are measured at the fair value of the equity instruments granted, measured at the date the entity obtains the goods or the counterparty renders the service.

For options that expire unexercised, the recorded value is transferred to deficit.

New accounting standard adopted

Amendments to IAS 8 – Definition of Accounting Estimates. These amendments clarify how companies distinguish changes in accounting policies from changes in accounting estimates, with a primary focus on the definition of and clarifications on accounting estimates. The distinction between the two is important because changes in accounting policies are applied retrospectively, whereas changes in accounting estimates are applied prospectively. Further, the amendments clarify that accounting estimates are monetary amounts in the financial statements subject to measurement uncertainty. The amendments also clarify the relationship between accounting policies and accounting estimates by specifying that a company develops an accounting estimate to achieve the objective set out by an accounting policy. These amendments are effective for reporting periods beginning on or after January 1, 2023. The adoption of this amendment did not have a significant impact on the consolidated financial statements.

Amendments to IAS 1 and IFRS Practice Statement 2 – Disclosure of Accounting Policies. These amendments continue the IASB's clarifications on applying the concept of materiality. These amendments help companies provide useful accounting policy disclosures, and they include: requiring companies to disclose their material accounting policies instead of their significant accounting policies; clarifying that accounting policies related to immaterial transactions, other events or conditions are themselves immaterial and do not need to be disclosed; and clarifying that not all accounting policies that relate to material transactions, other events or conditions are themselves material. The IASB also amended IFRS Practice Statement 2 to include guidance and examples on applying materiality to accounting policy disclosures. The amendments are effective for reporting periods beginning on or after January 1, 2023. The adoption of this amendment did not have a significant impact on the consolidated financial statements.

Recent accounting pronouncements

Certain new accounting standards and interpretations have been published that are not mandatory for the current period and have not been early adopted. These standards are not expected to have a material impact on the Company in the current and future reporting periods.

IAS 1 – Presentation of Financial Statements (“IAS 1”) was amended in January 2020 to provide a more general approach to the classification of liabilities under IAS 1 based on the contractual arrangements in place at the reporting date. The amendments clarify that the classification of liabilities as current or noncurrent is based solely on a company's right to defer settlement at the reporting date. The right needs to be unconditional and must have substance. The amendments also clarify that the transfer of a company's own equity instruments is regarded as settlement of a liability, unless it results from the exercise of a conversion option meeting the definition of an equity instrument. The amendments are effective for annual periods beginning on January 1, 2024.

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(Expressed in Canadian Dollars unless otherwise stated)

3. Investments

(a) Public-traded investments

	As at December 31, 2022			Transactions during the year ended December 31, 2023			As at December 31, 2023		
	Cost	Cumulative Unrealized Gain (Loss)	Fair Value	Acquisition cost (Proceeds on Disposition)	Realized Gain (Loss)	Change in unrealized Gain (Loss)	Fair value	Securities Held	Cost
Nevada Zinc Corporation ("Nevada Zinc") ⁽²⁾	\$ 2,569,839	\$ (1,759,686)	\$ 810,153	\$ (198)	\$ 23	\$ (360,018)	\$ 449,960	17,998,406	\$ 2,569,664
Minera Alamos Inc. ("Minera Alamos") shares	61,206	409,594	470,800	(400,244)	339,038	(409,594)	-	-	-
Rockcliff Metals Corporation ("Rockcliff") shares	9,619,544	(7,963,186)	1,656,358	(3,815,299)	(5,804,245)	7,963,186	-	-	-
Other investments in public companies ⁽¹⁾	1,495,334	(230,357)	1,264,977	1,512,043	(420,496)	77,675	2,434,199	11,428,658	2,586,881
	\$ 13,745,923	\$ (9,543,635)	\$ 4,202,288	\$ 2,703,698	\$ 5,885,680	\$ 7,271,249	\$ 2,884,159		\$ 5,156,545

⁽¹⁾ The Company holds numerous smaller investments in public companies. These investments are presented in aggregated format.

⁽²⁾ The Company owns more than 10% of the voting rights attached to the outstanding voting securities of Nevada Zinc. This may limit the Company's ability to monetize or dispose of the securities of Nevada Zinc.

OLIVE RESOURCE CAPITAL INC.

Notes to Consolidated Financial Statements

December 31, 2023 and 2022

(Expressed in Canadian Dollars unless otherwise stated)

3. Investments (continued)

(a) Public-traded investments (continued)

	As at December 31, 2021			Transactions during the year ended December 31, 2022				As at December 31, 2022		
	Cost	Cumulative Unrealized Gain (Loss)	Fair Value	Acquisition cost (Proceeds on Disposition)	Realized Gain (Loss)	Change in unrealized Gain (Loss)	Foreign exchange	Fair value	Securities Held	Cost
Nevada Zinc Corporation ("Nevada Zinc") ⁽²⁾	\$ 2,350,851	\$ (1,521,171)	\$ 829,680	\$ 218,988	\$ -	\$ (238,515)	\$ -	\$ 810,153	18,003,406	\$ 2,569,839
Minera Alamos Inc. ("Minera Alamos") shares	153,130	1,292,450	1,445,580	(891,569)	799,645	(882,856)	-	470,800	1,070,000	61,206
Rockcliff Metals Corporation ("Rockcliff") shares	9,433,388	(4,362,801)	5,070,587	186,156	-	(3,600,385)	-	1,656,358	82,817,905	9,619,544
Other investments in public companies ⁽¹⁾	1,006,458	138,172	1,144,630	442,579	45,912	(368,519)	375	1,264,977	9,856,548	1,495,334
	\$ 12,943,827	\$ (4,453,350)	\$ 8,490,477	\$ (43,846)	\$ 845,557	\$ (5,090,275)	\$ 375	\$ 4,202,288		\$ 13,745,923

⁽¹⁾ The Company holds numerous smaller investments in public companies. These investments are presented in aggregated format.

⁽²⁾ The Company owns more than 10% of the voting rights attached to the outstanding voting securities of Nevada Zinc. This may limit the Company's ability to monetize or dispose of the securities of Nevada Zinc.

OLIVE RESOURCE CAPITAL INC.

Notes to Consolidated Financial Statements

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(Expressed in Canadian Dollars unless otherwise stated)

3. Investments (continued)**(b) Non-public Equity Investments**

	Transactions during the								
	As at December 31, 2022			December 31, 2023			As at December 31, 2023		
	Cost	Cumulative Unrealized Gain	Fair Value	Purchase	Realized Gain (Loss)	Change in Unrealized (loss)	Fair Value	Securities Held	Cost
Other non-public investment	\$ 616,263	\$ 16,604	\$ 632,867	\$647,692	\$ (20,196)	\$ (378,456)	\$ 881,907	5,853,059	\$1,243,759

	Transactions during the								
	As at December 31, 2021			December 31, 2022			As at December 31, 2022		
	Cost	Cumulative Unrealized Gain	Fair Value	Purchase	Realized Gain (Loss)	Change in Unrealized gain	Fair Value	Securities Held	Cost
Other non-public investment	\$ 334,801	\$ (281,012)	\$ 53,789	\$566,263	\$ -	\$ 12,815	\$ 632,867	3,307,133	\$616,263

OLIVE RESOURCE CAPITAL INC.

Notes to Consolidated Financial Statements

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(Expressed in Canadian Dollars unless otherwise stated)

3. Investments (continued)

(c) Non-public loans and convertible debentures

	As at December 31, 2022			Transactions during the year ended December 31, 2023				As at December 31, 2023		
	Cost	Cumulative Unrealized Gain	Fair Value	Acquisition costs (Proceeds on Disposition)	Realized gain (loss)	Interest income	unrealized gain	Fair Value	Securities Held	cost
Non-public investments in loans and convertible debentures	\$1,427,989	\$ 61,800	\$1,489,789	\$ (323,142)	\$ 362,126	\$ 36,071	\$ (37,271)	\$1,527,573	1,028,750	\$1,466,973

	As at December 31, 2021			Transactions during the year ended December 31, 2022				As at December 31, 2022			
	Cost	Cumulative Unrealized Gain	Fair Value	Purchases	Conversion of convertible debentures	Loss on conversion	Interest income	unrealized gain	Fair Value	Securities Held	Cost
Non-public investments in loans and convertible debentures	\$ -	\$ -	\$ -	\$1,617,364	\$ (76,424)	\$ (114,045)	\$ 44,276	\$ 18,618	\$1,489,789	2,398,750	\$1,427,989

OLIVE RESOURCE CAPITAL INC.

Notes to Consolidated Financial Statements

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(Expressed in Canadian Dollars unless otherwise stated)

3. Investments (continued)

(d) Total investments

	As at December 31, 2022			Transactions during the year ended December 31, 2023				As at December 31, 2023
	Cost	Cumulative Unrealized Gain (loss)	Fair Value	Net purchase (disposition)	Realized Gain	Interest income	Net Unrealized Gain (loss)	Fair Value
Public investments	\$ 13,745,923	\$ (9,543,635)	\$ 4,202,288	\$ (2,703,698)	\$ (5,885,680)	\$ -	\$ 7,271,249	\$ 2,884,159
Non-public equity investments	616,263	16,604	632,867	647,692	(20,196)	-	(378,456)	881,907
Non-public investments in loans and convertible debentures	1,427,989	61,800	1,489,789	(323,142)	362,126	36,071	(37,271)	1,527,573
	\$ 15,790,175	\$ (9,465,231)	\$ 6,324,944	\$ (2,379,148)	\$ (5,543,750)	\$ 36,071	\$ 6,855,522	\$ 5,293,639

OLIVE RESOURCE CAPITAL INC.

Notes to Consolidated Financial Statements

December 31, 2023 and 2022

(Expressed in Canadian Dollars unless otherwise stated)

3. Investments (continued)

(d) Total investments (continued)

	As at December 31, 2021				Transactions during the year ended December 31, 2022					As at December 31, 2022	
	Cost	Cumulative Unrealized Gain (loss)	Fair Value	Net purchase (disposition)	Realized Gain	Conversion of convertible debentures	Loss on conversion of convertible debentures	Interest income	Exchange Loss	Net Unrealized Gain (loss)	Fair Value
Public investments	\$ 12,943,827	\$ (4,453,350)	\$ 8,490,477	\$ (43,846)	\$ 845,557	\$ -	\$ -	\$ -	\$ 375	\$ (5,090,275)	\$ 4,202,288
Non-public equity investments	334,801	(281,012)	53,789	566,263	-	-	-	-	-	12,815	632,867
Non-public investments in loans and convertible debentures	-	-	-	1,617,364	-	(76,424)	(114,045)	44,276	-	18,618	1,489,789
	\$ 13,278,628	\$ (4,734,362)	\$ 8,544,266	\$ 2,139,781	\$ 845,557	\$ (76,424)	\$ (114,045)	\$ 44,276	\$ 375	\$ (5,058,842)	\$ 6,324,944

OLIVE RESOURCE CAPITAL INC.

Notes to Consolidated Financial Statements

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4. Restricted Cash

The Company has a corporate credit card with a major financial institution with an aggregate credit limit of \$25,000. As at December 31, 2023, the financial institution holds \$25,000 in one Guaranteed Investment Certificate (December 31, 2022 - \$25,000) as collateral on the credit card amount as long as the credit card is active. The restricted cash amount would change if there was any change in the credit limit on the card.

5. Norvista Capital I Limited Partnership

On March 14, 2016, a partnership was formed under the name of Norvista Capital I Limited Partnership (the "LP"). A wholly owned subsidiary of Olive, Norvista Capital General Partner I Ltd., serves as the "General Partner" of the LP and the Company serves as the manager of the LP and provides investment management services to the LP and is responsible for the day-to-day business of the LP. The LP has been created by the Company to avoid concentrated equity ownership in Olive while accommodating institutional investors who want to make private equity investments in the junior resource space and have such investments sourced, structured and managed by Olive. As at September 30, 2023, the General Partner had no partnership units in the LP.

The General Partner is entitled to 0.01% of the net income or net loss of the LP and the LP pays the General Partner an annual management fee equal to 2% of their net asset value, calculated and paid monthly in arrears. During the year ended December 31, 2023, the General Partner recorded a management fee of \$nil (year ended December 31, 2022 - \$18,243).

On or before the dissolution of the LP or implementation of one of the liquidity alternatives, an incentive bonus will be payable by the LP to the General Partner calculated as 15% of the amount by which the increase in the Net Asset Value from formation until dissolution of the LP exceeds a threshold increase of 10% per annum compounded annually, excluding the effect of distributions to the LP, if any. The one-time performance fee, if any, will be paid within 10 calendar days of the dissolution date of the LP. As at December 31, 2023, no performance fee is expected.

On November 18, 2022, the Company acquired, from three arm's length vendors, all of the limited partnership units of Norvista Capital I LP for 10,373,961 common shares of Olive (the "Transaction").

In accordance with IFRS 3 - Business Combination, the substance of the Transaction is an asset acquisition. The Transaction does not constitute a business combination as the LP did not meet the definition of a business under the standard.

IFRS 2 applies to transactions where an entity grants equity instruments and cannot identify specifically some or all of the goods or services received in return. Because Olive would have issued shares with a value in excess of the value of assets received, IFRS 2 would indicate that the difference is recognized in investments in public companies' shares acquired. The amount assigned to the investment in public companies' shares was \$339,884.

The fair value of the consideration was determined based on fair market value of \$0.03 per share on the acquisition date of November 18, 2022.

OLIVE RESOURCE CAPITAL INC.

Notes to Consolidated Financial Statements

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(Expressed in Canadian Dollars unless otherwise stated)

5. Norvista Capital I Limited Partnership (continued)

Based on the statement of financial position of the LP at the time of the Transaction, the net assets that were acquired by Olive were \$311,219 as follows:

Consideration		
Shares	\$	311,219
Total consideration	\$	311,219
Identifiable assets acquired		
Cash	\$	25,296
Amounts Receivable		9,051
Publicly traded Investments		339,884
Accounts payable and accrued liabilities		(63,012)
Net identifiable assets	\$	311,219

6. Accounts Payable and Accrued Liabilities

As at	December 31, 2023	December 31, 2022
Accounts payable	\$ 497	\$ 24,949
Accrued liabilities (i)	76,232	313,944
	\$ 76,729	\$ 338,893

The following is an aged analysis of the accounts payable and accrued liabilities:

As at	December 31, 2023	December 31, 2022
Less than 1 month	\$ 76,232	\$ 336,993
1 to 3 months	-	697
Greater than 3 months	497	1,203
	\$ 76,729	\$ 338,893

(i) During the year ended December 31, 2023, the Company settled \$190,000 contingent liabilities with payment of cash of \$150,000 and issuance of 1 million shares of the Company at \$0.04 per share.

(ii) During 2022, a provision for contingent liability of \$369,950 was settled resulting in a reversing of provision of \$179,950.

OLIVE RESOURCE CAPITAL INC.

Notes to Consolidated Financial Statements

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(Expressed in Canadian Dollars unless otherwise stated)

7. Deferred gain on acquisition of investments

On July 29, 2022, the Company acquired a portfolio of assets from CannalIncome Fund Corporation ("CiF"). The portfolio consists of public equities, private equities, debt, convertible debt and warrants, having a deemed fair value of \$2,599,356. Olive issued 30,254,247 common shares in consideration for the assets, representing a transaction price of \$0.045 per share based on the market value of Olive shares on the date of the acquisition. Of the difference of \$1,237,915 between fair value at initial recognition and transaction price, \$197,629 was related to the investments with fair value evidenced by a quoted price in an active market or based on a valuation technique that uses only data from observable market inputs and was recognized as a gain on day-one in accordance with IFRS 13 Fair Value Measurement. The remaining \$1,040,286 was recognized as a deferred gain on acquisition of investments. During the year ended December 31, 2022, \$1,156,324 of the deferred gain on acquisition of investments was recognized as a gain in the consolidated statements of loss to the extent that it arises from a change in a factor that market participants would take into account when pricing the assets. During the year ended December 31, 2023, the deferred gain on acquisition of investments remained unchanged. Below is the continuity of the deferred gain on acquisition of investments:

	December 31, 2023	December 31, 2022
Beginning balance	\$ 81,591	\$ -
Additions	-	1,040,286
Recognized as gain	-	(958,695)
Ending balance	\$ 81,591	\$ 81,591

8. Share Capital

a) Authorized share capital

The authorized share capital consists of an unlimited number of common shares without par value.

b) Common shares issued

	Number of Common Shares	Amount
Balance - December 31, 2021	70,140,501	\$ 13,536,152
Common shares issued for acquisition of investments (i)(ii)	40,628,208	1,672,660
Balance - December 31, 2022	110,768,709	\$ 15,208,812
Common shares issued in settlement of accrued liability (note 6)	1,000,000	40,000
Share repurchase and cancellation (iii)	(2,594,000)	(76,680)
Balance - December 31, 2023	109,174,709	\$ 15,172,132

OLIVE RESOURCE CAPITAL INC.

Notes to Consolidated Financial Statements

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(Expressed in Canadian Dollars unless otherwise stated)

8. Share Capital (continued)

b) Common shares issued (continued)

(i) On July 29, 2022, the Company acquired a portfolio of assets from CiF. The portfolio consists of public equities, private equities, debt, convertible debt and warrants, having a deemed value of \$2,599,356. Olive issued 30,254,247 common shares in consideration for the assets, representing a deemed issue price of \$0.045 per share. The Company incurred transaction costs of \$120,719 for the acquisition of assets from CiF recorded in the consolidated statements of loss and comprehensive loss for the year ended December 31, 2022.

(ii) On November 18, 2022, the Company acquired, from three arm's length vendors, all of the limited partnership units of Norvista Capital I LP for 10,373,961 common shares of Olive valued at \$311,219 based on fair market value of \$0.03 per share.

(iii) On December 14, 2022, the Company received approval to undertake, at the Company's discretion, a normal course issuer bid program to purchase up to 10,466,520 of its common shares (the "Bid"). The Bid commenced on December 16, 2022, and will terminate on December 15, 2023, or on an earlier date in the event that the maximum number of common shares sought in the Bid has been repurchased.

During the year ended December 31, 2023, the Company repurchased 2,594,000 common shares of the Company for cash consideration of \$76,680 in accordance with the Bid, respectively. The amount by which the repurchased amount was less than the stated capital of the shares has been credited to the deficit.

9. Stock Options

The following table reflects the continuity of stock options for the years ended December 31, 2023 and 2022:

	Number of Stock Options	Weighted Average Exercise Price
Balance - December 31, 2021	5,550,000	\$ 0.12
Expired	(400,000)	0.13
Balance - December 31, 2022	5,150,000	\$ 0.12
Granted	2,500,000	0.05
Balance - December 31, 2023	7,650,000	\$ 0.08

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

Expiry Date	Exercise Price (\$)	Weighted Average Remaining Contractual Life (years)	Number of Options Outstanding	Number of Options Vested	Grant Date Fair Value (\$)
April 27, 2025	0.10	1.32	800,000	800,000	65,626
August 9, 2026	0.13	2.61	4,350,000	3,312,500	327,971
November 27, 2028	0.05	4.91	2,500,000	625,000	60,883
	0.08	3.23	7,650,000	4,737,500	454,480

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Notes to Consolidated Financial Statements

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9. Stock Options (continued)

(i) On August 9, 2021, the Company granted a total of 4,350,000 stock options to acquire common shares in the capital of the Company at an exercise price of \$0.125 per share which expire on August 9, 2026. The stock options granted to Officers and Directors vest as follows: 25% vest immediately, 25% on the first anniversary date, 25% on second anniversary date, and 25% on the third anniversary date. The options granted to consultants vest immediately. The fair value of the stock options was estimated to be \$327,971 using Black-Scholes option pricing model on the following assumptions: share price of \$0.10, exercise price of \$0.13, risk free interest rate of 0.88%, an expected yield of 0%, an expected life of 5 years and an expected volatility of 108%. During the year ended December 31, 2023, stock compensation of \$49,756 (2022 - \$112,548) was recorded in the consolidated statements of loss.

(ii) On November 27, 2023, the Company granted a total of 2,500,000 stock options to acquire common shares in the capital of the Company at an exercise price of \$0.05 per share which expire on November 27, 2028. The stock options granted to Officers and Directors vest as follows: 25% vest immediately, 25% on the first anniversary date, 25% on second anniversary date, and 25% on the third anniversary date. The options granted to consultants vest immediately. The fair value of the stock options was estimated to be \$60,883 using Black-Scholes option pricing model on the following assumptions: share price of \$0.03, exercise price of \$0.05, risk free interest rate of 3.76%, an expected yield of 0%, an expected life of 5 years and an expected volatility of 125%. During the year ended December 31, 2023, stock compensation of \$19,542 (2022 - \$nil) was recorded in the consolidated statements of loss.

10. Basic and Diluted Loss per Share

	2023	2022
Weighted average number of common shares outstanding - basic and dilutive	109,106,216	84,210,333

The calculation of basic and diluted income per share for the year ended December 31, 2023 was based on the net income attributable to common shareholders of \$630,620 (2022 – net loss of \$3,753,566) and the weighted average number of common shares outstanding of 109,106,216 (2022 – 84,210,333). Diluted income per share for the year ended December 31, 2023 did not include the effect of 7,650,000 options (2022 – 5,150,000, anti-dilutive) as they were either out-of-the-money or anti-dilutive.

11. Related Party Balances and Transactions and Major Shareholders

(a) Related party balances and transactions

Related parties include the Board of Directors, close family members and enterprises that are controlled by these individuals as well as certain persons performing similar functions.

	2023	2022
Marrelli Support Services Inc. ("MSSI") (i)	\$ 71,342	\$ 61,235
Marrelli Trust Company Limited (Marrelli Trust") (ii)	4,463	4,583
DSA Corporate Services Inc. ("DSA") (iii)	7,016	6,769
Kanaga Capital Corp. ("Kanaga") (iv)	60,000	60,000
Celeste Advisors Inc. ("Celeste") (v)	120,000	120,000

(i) Fees are related to services of Carmelo Marrelli to act as the Chief Financial Officer ("CFO") of the Company. Carmelo Marrelli is the Managing Director of MSSI. Services were incurred for bookkeeping, accounting and CFO services. As at December 31, 2023, MSSI was owed \$nil (December 31, 2022 - \$2,435) and this amount was included in accounts payable and accrued liabilities. This amount is unsecured and non-interest bearing.

OLIVE RESOURCE CAPITAL INC.

Notes to Consolidated Financial Statements

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(Expressed in Canadian Dollars unless otherwise stated)

11. Related Party Balances and Transactions and Major Shareholders (continued)

(a) Related party balances and transactions (continued)

(ii) The CFO of the Company is a director of Marrelli Trust, corporate trustee, transfer agent and registrar to the Company. Fees are related to shareholder, transfer agent and corporate trustee services provided by Marrelli Trust to the Company. As at December 31, 2023, Marrelli Trust was owed \$nil (December 31, 2022 - \$277). This amount is unsecured and non-interest bearing.

(iii) The CFO of the Company is an officer of DSA. Fees are related to corporate secretarial and filing services provided by DSA. As at December 31, 2023, DSA was owed \$nil (December 31, 2022 - \$nil) and this amount was included in accounts payable and accrued liabilities.

(iv) Consulting fees were paid to Kanaga Capital Corp., a Company controlled by Derek Macpherson, the Executive Chairman of the Company. As at December 31, 2023, Kanaga was owed \$nil (December 31, 2022 - \$nil).

(v) Consulting fees were paid to Celeste Advisors Inc., a Company controlled by Samuel Pelaez, the Chief Executive Officer ("CEO"). As at December 31, 2023, Celeste was owed \$nil (December 31, 2022 - \$nil).

(b) Remuneration of directors and key management

In accordance with IAS 24, key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Company directly or indirectly, including any directors (executive and non-executive) of the Company. Remuneration of directors, the CEO and the CFO of the Company was as follows:

	2023	2022
Director fees	\$ 45,000	\$ 52,500
Stock-based compensation (Note 9)	66,863	112,548

Please refer to note 11 (a) above for compensation to CEO, CFO and Executive Chairman of the Company.

(c) Major shareholders

To the knowledge of the directors and senior officers of the Company, as at December 31 2023, no person or corporation beneficially owns or exercises control over common shares of the Company carrying more than 10% of the voting rights attached to all common shares of the Company. The holding can change at any time at the discretion of the owners.

None of the Company's major shareholders have different voting rights compared to holders of the Company's common shares.

The Company is not aware of any arrangements the operation of which may at a subsequent date result in a change in control of the Company. To the knowledge of the Company, it is not directly or indirectly owned or controlled by another corporation, by any government or by any natural or legal person severally or jointly.

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12. Income Taxes

(a) Provision for Income Taxes

Major items causing the Company's effective income tax rate to differ from the combined statutory rate of 26.5% (2022 - 26.5%) were as follows:

	2023	2022
Income (Loss) before income taxes	\$ 630,620	\$ (3,753,566)
Expected income tax expense (recovery) based on the statutory rate:	167,100	(994,700)
Adjustments to expected income tax benefit:		
Investments	164,752	1,643,000
Permanent differences	21,148	295,000
Change in benefit of tax assets not recognized	(353,000)	(943,300)
Deferred income tax provision (recovery)	\$ -	\$ -

(b) Deferred Income Tax

Deferred income tax assets have not been recognized in respect of the following deductible temporary differences as it is not probable that future taxable profit will be available against which the Company can use the benefits.

	2023	2022
Investments	\$ 11,145,635	\$ 8,572,000
Share issue costs	-	-
Cumulative eligible capital	282,000	282,000
	\$ 11,427,635	\$ 8,854,000

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13. Capital Disclosure

The Company considers its capital to consist of share capital, contributed surplus, and deficit. The Company's objectives when managing capital are: (a) to allow the Company to respond to changes in economic and/or marketplace conditions by maintaining the Company's ability to purchase new investments; (b) to give shareholders sustained growth in value by increasing shareholders' equity; while (c) taking a conservative approach towards management of financial risks.

The Company's management reviews its capital structure on an on-going basis and makes adjustments to it in light of changes in economic conditions and the risk characteristics of its underlying investments. The Company's current capital is composed of its shareholders' equity and, to-date, has adjusted or maintained its level of capital by: (a) raising capital through equity financings; and (b) realizing proceeds from the disposition of its investments.

The Company is not subject to any capital requirements imposed by a lending institution or regulatory body, other than Policy 2.5 of the TSX Venture Exchange which requires adequate working capital or financial resources of the greater of (i) \$50,000 and (ii) an amount required in order to maintain operations and cover general and administrative expenses for a period of 6 months. As of December 31, 2023, management believes it is compliant with known requirements. The Company expects that its capital resources will be sufficient to discharge its liabilities as of the current statement of financial position date.

14. Fair Value Measurements

Financial assets and financial liabilities at December 31, 2022 and 2022 are classified as follows:

	Assets and liabilities amortized cost	Assets and liabilities at fair value at through profit and loss	Total
December 31, 2023			
Cash	\$ 1,761,919	\$ -	\$ 1,761,919
Due from broker	\$ -	\$ -	\$ -
Amounts receivable	\$ 8,176	\$ -	\$ 8,176
Publicly traded investments	\$ -	\$ 2,884,159	\$ 2,884,159
Non-public investments	\$ -	\$ 881,907	\$ 881,907
Investment in loans and convertible debentures	\$ -	\$ 1,527,573	\$ 1,527,573
Restricted cash	\$ 25,000	\$ -	\$ 25,000
Accounts payable and accrued liabilities	\$ (76,729)	\$ -	\$ (76,729)
December 31, 2022			
Cash	\$ 301,380	\$ -	\$ 301,380
Amounts receivable	\$ 37,400	\$ -	\$ 37,400
Publicly traded investments	\$ -	\$ 4,202,288	\$ 4,202,288
Non-public investments	\$ -	\$ 632,867	\$ 632,867
Investment in loans and convertible debentures	\$ -	\$ 1,489,789	\$ 1,489,789
Restricted cash	\$ 25,000	\$ -	\$ 25,000
Accounts payable and accrued liabilities	\$ (338,893)	\$ -	\$ (338,893)

Olive's operations involve the purchase and sale of securities. Accordingly, the majority of the Company's assets are currently comprised of financial instruments which can expose it to several risks, including market, liquidity, credit and currency risks. A discussion of the Company's use of financial instruments and their associated risks is provided below:

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14. Fair Value Measurements (Continued)

Market risk

Market risk is the risk that the fair value of, or future cash flows from, the Company's financial instruments will significantly fluctuate because of changes in market prices. The Company is exposed to market risk in trading its investments and unfavourable market conditions could result in dispositions of investments at less than favorable prices. In addition, most of the Company's investments are in the resource sector. The Company mitigates this risk by attempting to have a portfolio which is not singularly exposed to any one issuer.

For the year ended December 31, 2023, a 10% decrease (increase) in the closing prices of its portfolio investments would result in an estimated decrease (increase) in after-tax net income (loss) of \$529,000, or \$0.01 per share (2022 - \$637,000, or \$0.01 per share).

Liquidity risk

Liquidity risk is the risk that the Company will not have sufficient cash resources to meet its financial obligations as they come due. The Company's liquidity and operating results may be adversely affected if the Company's access to the capital markets is hindered, whether as a result of a downturn in stock market conditions generally or related to matters specific to the Company, or if the value of the Company's investments declines, resulting in losses upon disposition. In addition, some of the investments the Company holds are lightly traded public corporations or not publicly traded and may not be easily liquidated. The Company generates cash flow from proceeds from the disposition of its investments. Norvista believes that it has sufficient cash and cash equivalents and investments which are freely tradable and relatively liquid to fund its obligations as they become due under normal operating conditions. All of the Company's liabilities and obligations other than lease liabilities are due within one year.

The following table shows the Company's source of liquidity by assets carried at amortized cost.

Liquidity as at December 31, 2023

	Total	Less than 1 year	1 -3 years	Non-liquid assets
Cash and cash equivalents	\$ 1,761,919	\$ 1,761,919	\$ -	\$ -
Amounts receivable	\$ 8,176	\$ 8,176	\$ -	\$ -
Restricted cash	\$ 25,000	\$ -	\$ 25,000	\$ -

The following table shows the Company's source of liquidity by assets as at December 31, 2022.

Liquidity as at December 31, 2022

	Total	Less than 1 year	1 -3 years	Non-liquid assets
Cash and cash equivalents	\$ 301,380	\$ 301,380	\$ -	\$ -
Amounts receivable	\$ 37,400	\$ 37,400	\$ -	\$ -
Restricted cash	\$ 25,000	\$ -	\$ 25,000	\$ -

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14. Fair Value Measurements (Continued)

Credit risk

Credit risk is the risk of an unexpected loss if a third party to a financial instrument fails to meet its contractual obligations. The Company has no significant concentration of credit risk arising from its operations. Cash and cash equivalents are held at select Canadian financial institutions, from which management believes the risk of loss to be remote. Amounts receivable as at December 31, 2023 which total \$8,176 (December 31, 2022 - \$37,400) are in good standing. Management believes that the credit risk concentration with respect to amounts receivable is low.

Currency risk and sensitivity analysis

The Company's functional and reporting currency is the Canadian dollar and all expenditures are transacted in Canadian dollars other than certain investment denominated in the United States dollar, the British Pound and Euro. A 10% appreciation (depreciation) of the United States dollar against the Canadian dollar, with all other variables held constant, would result in \$138,000 increase (decrease) in the Company's net income for the year. A 10% appreciation (depreciation) of the British Pound and Euro against the Canadian dollar, with all other variables held constant, wouldn't result in a significant increase (decrease) in the Company's net income for the year.

Commodity price risk

The Company is exposed to price risk with respect to commodity prices. 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, as they relate to precious and base metals and other minerals, and the stock market to determine the appropriate course of action to be taken by the Company.

Commodity price risk could adversely affect the Company. In particular, the Company's future profitability and viability of development depend upon the world market price of precious and base metals and other minerals. Precious and base metals and other mineral prices have fluctuated widely in recent years. There is no assurance that, even if commercial quantities of precious and base metals and other minerals are produced in the future, a profitable market will exist for them. As of December 31, 2023, the Corporation was not a precious mineral, base metals and other minerals producer. Even so, commodity price risk may affect the completion of future equity transactions such as equity offerings and the exercise of stock options and warrants. This may also affect the Company's liquidity and its ability to meet its ongoing obligations.

Fair value of financial instruments

The Company has determined the carrying values of its financial instruments as follows:

- i. The carrying values of cash and cash equivalents, amounts receivable and accounts payable and accrued liabilities approximate their fair values due to the short-term nature of these instruments.
- ii. Public investments and non-public investments are carried at amounts in accordance with the Company's accounting policy as set out in Note 2 to the consolidated financial statements for the years ended December 31, 2023 and 2022

There were no transfers to or from level 3 of the fair value hierarchy during the year ended December 31, 2023.

The following tables illustrate the classification and hierarchy of the Company's financial instruments, measured at fair value in the statements of financial position as at December 31, 2023 and December 31, 2022:

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14. Fair Value Measurements (Continued)

As at December 31, 2023 - (Investments, at fair value)

	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Aggregate Fair Value
Publicly traded investments	\$ 2,884,159	\$ -	\$ -	\$ 2,884,159
Non-public investments	-	-	881,907	881,907
Investments in loans and convertible debentures	-	-	1,527,573	1,527,573

As at December 31, 2022 - (Investments, at fair value)

	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Aggregate Fair Value
Publicly traded investments	\$ 4,202,288	\$ -	\$ -	\$ 4,202,288
Non-public investments	-	-	632,867	632,867
Investments in loans and convertible debentures	-	-	1,489,789	1,489,789

Level 3 hierarchy:

The following table presents the changes in fair value measurements of financial instruments classified as Level 3. These financial instruments are measured at fair value utilizing non-observable market inputs. The net change in unrealized gains is recognized in the statements of loss.

Non-public investments:

Investment at fair value	Opening balance at January 1	Purchases	Net gain (loss)	Ending balance
December 31, 2023	\$ 632,867	\$ 647,692	\$ (398,652)	\$ 881,907
December 31, 2022	\$ 53,789	\$ 566,263	\$ 12,815	\$ 632,867

Investments in loans and convertible debentures:

Investment at fair value	Opening balance at January 1	Purchases	Conversion of Realized convertible debentures	gain (loss)	Interest income	Unrealized loss	Ending balance
December 31, 2023	\$ 1,489,789	\$ 935,781	\$(1,258,923)	\$ 362,126	\$ 36,071	\$ (37,271)	\$ 1,527,573
December 31, 2022	\$ -	\$ 1,617,364	\$ (76,424)	\$ (114,045)	\$ 44,276	\$ 18,618	\$ 1,489,789

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14. Fair Value Measurements (Continued)

Level 3 hierarchy (continued):

Within Level 3, the Company includes non-public company investments and investments in convertible debentures. The key assumptions used in the valuation of these instruments include (but are not limited to) the value at which a recent financing was done by the investee, company-specific information, trends in general market conditions, the marketability of the shares and subsequent transactions.

The following table presents the fair value, categorized by key valuation techniques and the unobservable inputs used within Level 3 as at:

December 31, 2023

Investment name	Valuation technique	Fair value	Unobservable inputs
Non-public investments	Recent financing approach	\$ 881,907	Transaction price
Investment in loans and convertible debentures	Recent financing approach	1,527,573	Transaction price

December 31, 2022

Investment name	Valuation technique	Fair value	Unobservable inputs
Non-public equities and warrants	Recent financing approach	\$ 632,867	Transaction price
Investment in loans and convertible debentures	Recent financing approach	1,489,789	Transaction price

As the valuation of investments for which market quotations are not readily available and are inherently uncertain, the values may fluctuate materially within short periods of time and are based on estimates, and determinations of fair value may differ materially from values that would have resulted if a ready market existed for the investments.

For those investments valued based on a transaction price, management has determined that there are no reasonably possible alternative assumptions that would change the fair value significantly as at December 31, 2023. A 10% decrease (increase) on the fair value of these investments will result in a corresponding decrease (increase) of approximately \$241,000 in the total fair value of the investments. The Company has applied a marketability discount of 0% to its non-public investments valued based on recent financing. Had the Company applied a marketability discount of 5% it would have resulted in a corresponding decrease of approximately \$120,000 in the total fair value of the investments. While this illustrates the overall effect of changing the values of the unobservable inputs by a set percentage, the significance of the impact and the range of reasonably possible alternative assumptions may differ significantly between investments, given their different terms and circumstances.

The sensitivity analysis is intended to reflect the uncertainty inherent in the valuation of these investments under current market conditions, and its results cannot be extrapolated due to non-linear effects that changes in valuation assumptions may have on the fair value of these investments. Furthermore, the analysis does not indicate a probability of such changes occurring and it does not necessarily represent the Company's view of expected future changes in the fair value of these investments. Any management actions that may be taken to mitigate the inherent risks are not reflected in this analysis.

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15. Commitments and contingencies

From time to time, the Company may be named as a party to claims or involved in proceedings, including legal, regulatory and tax related, in the ordinary course of its business. While the outcome of these matters may not be estimable at period end, the Company makes provisions, where possible, for the estimated outcome of such claims or proceedings. Should a loss result from the resolution of any claims or proceedings that differs from these estimates, the difference will be accounted for as a charge to net income (loss) in that period. As at December 31, 2023, the Company does not have any outstanding claims against it.