

GROSVENOR

RESOURCE CORPORATION

CONDENSED INTERIM FINANCIAL STATEMENTS
(Unaudited)
(Expressed in Canadian Dollars)

November 30, 2023

These unaudited condensed interim financial statements of Grosvenor Resource Corporation for the three months ended November 30, 2023 have been prepared by management and approved by the Board of Directors. These unaudited condensed interim financial statements have not been reviewed by the Company's external auditors.

GROSVENOR RESOURCE CORPORATION
CONDENSED INTERIM STATEMENTS OF FINANCIAL POSITION
AS AT
(Unaudited)
(Expressed in Canadian Dollars)

	November 30, 2023	August 31, 2023 (Audited)
ASSETS		
Current		
Cash and equivalents	\$ 607,206	\$ 642,249
Short-term investments	613,841	607,091
Marketable securities (Note 3)	1,386,180	1,435,140
Receivables	72,590	63,788
Prepaid expenses	<u>6,609</u>	<u>8,812</u>
	2,686,426	2,757,080
Exploration and evaluation asset (Note 4)	<u>46,484</u>	<u>46,484</u>
	<u>\$ 2,732,910</u>	<u>\$ 2,803,564</u>

LIABILITIES AND SHAREHOLDERS' EQUITY

Current

Accounts payable and accrued liabilities (Note 5)	<u>\$ 13,347</u>	<u>\$ 22,198</u>
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Shareholders' equity

Capital stock (Note 6)	10,099,749	10,099,749
Reserves (Note 6)	2,172,309	2,172,309
Accumulated other comprehensive income	1,019,387	1,061,008
Deficit	<u>(10,571,882)</u>	<u>(10,551,700)</u>
	<u>2,719,563</u>	<u>2,781,366</u>
	<u>\$ 2,732,910</u>	<u>\$ 2,803,564</u>

Nature of operations (Note 1)

Commitment (Note 9)

Approved by the Board of Directors:

<u>“Douglas Scheving”</u> Douglas Scheving	Director	<u>“Ian Rozier”</u> Ian Rozier	Director
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The accompanying notes are an integral part of these condensed interim financial statements.

GROSVENOR RESOURCE CORPORATION
CONDENSED INTERIM STATEMENTS OF LOSS AND COMPREHENSIVE LOSS
THREE MONTHS ENDED NOVEMBER 30,
(Unaudited)
(Expressed in Canadian Dollars)

	2023	2022
EXPENSES		
Consulting fees	\$ 21,000	\$ 21,000
Directors' fees	6,000	6,000
Management fees	24,000	24,000
Office and miscellaneous	2,949	3,284
Professional fees	18,189	19,500
Rent	3,000	3,000
Shareholder communications	1,001	495
Transfer agent and filing fees	719	848
Travel and related	<u>5,632</u>	<u>5,699</u>
	(82,490)	(83,826)
OTHER ITEMS		
Dividend income (Note 3)	54,360	54,360
Interest income	<u>15,287</u>	<u>7,632</u>
	<u>69,647</u>	<u>61,992</u>
Loss before taxes	(12,843)	(21,834)
Deferred tax expense	<u>(7,339)</u>	<u>(25,685)</u>
Loss for the period	(20,182)	(47,519)
OTHER COMPREHENSIVE LOSS		
Unrealized loss on marketable securities, net of tax (Note 3)	<u>(41,621)</u>	<u>(164,575)</u>
Comprehensive loss for the period	<u>\$ (61,803)</u>	<u>\$ (212,094)</u>
Loss per common share:		
Basic	\$ (0.00)	\$ (0.01)
Diluted	\$ (0.00)	\$ (0.01)
Weighted average number of common shares outstanding		
Basic (Note 6(a))	26,900,696	26,900,696
Diluted (Note 6(a))	26,900,696	26,900,696

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

GROSVENOR RESOURCE CORPORATION
CONDENSED INTERIM STATEMENTS OF CASH FLOWS
THREE MONTHS ENDED NOVEMBER 30,
(Unaudited)
(Expressed in Canadian Dollars)

	2023	2022
CASH FLOWS FROM OPERATING ACTIVITIES		
Loss for the period	\$ (20,182)	\$ (47,519)
Items not affecting cash:		
Deferred tax expense	7,339	25,685
Interest income	(15,287)	(7,632)
Change in non-cash working capital items:		
Increase in receivables	(2,177)	(2,150)
Decrease in prepaid expenses	2,203	2,203
Decrease in accounts payable and accrued liabilities	(8,851)	(1,297)
Interest received	<u>1,912</u>	<u>3,327</u>
Cash used in operating activities	<u>(35,043)</u>	<u>(27,383)</u>
Change in cash and equivalents during the period	(35,043)	(27,383)
Cash and equivalents, beginning of period	<u>642,249</u>	<u>428,673</u>
Cash and equivalents, end of period	<u>\$ 607,206</u>	<u>\$ 401,290</u>
Cash and equivalents consists of:		
Cash	\$ 46,075	\$ 25,840
Guaranteed Investment Certificates & Mutual Funds	<u>561,131</u>	<u>375,450</u>
	<u>\$ 607,206</u>	<u>\$ 401,290</u>

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

GROSVENOR RESOURCE CORPORATION
CONDENSED INTERIM STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY
(Unaudited)
(Expressed in Canadian Dollars)

	<u>Capital Stock</u>		Reserves	Accumulated Other Comprehensive Income	Deficit	Total
	Number	Amount				
Balance at August 31, 2022	26,900,696	\$ 10,099,749	\$ 2,083,737	\$ 1,677,686	\$ (10,265,933)	\$ 3,595,239
Income for the period				-	(47,519)	(47,519)
Unrealized loss on marketable securities, net of tax	-	-	-	(164,575)	-	(164,575)
Balance at November 30, 2022	26,900,696	\$ 10,099,749	\$ 2,083,737	\$ 2,083,737	\$ (10,313,452)	\$ 3,383,145
Balance at August 31, 2023	26,900,696	\$ 10,099,749	\$ 2,172,309	\$ 1,061,008	\$ (10,551,700)	\$ 2,781,366
Income for the period				-	(20,182)	(20,182)
Unrealized loss on marketable securities, net of tax	-	-	-	(41,621)	-	(41,621)
Balance at November 30, 2023	26,900,696	\$ 10,099,749	\$ 2,172,309	\$ 1,019,387	\$ (10,571,882)	\$ 2,719,563

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

1. NATURE OF OPERATIONS

Grosvenor Resource Corporation (the “Company”) was incorporated on January 6, 2004 under the laws of the Province of Ontario and was granted certification of continuation by the Province of British Columbia and is considered to be in the exploration stage with respect to its evaluation and exploration asset. Based on the information available to date, the Company has not yet determined whether its exploration and evaluation asset contains ore reserves. Recoverability of the carrying amount of the exploration and evaluation asset is dependent on successful development and commercial exploitation, or alternatively, sale of the respective areas of interest.

The Company’s head office and principal address is 202-2168 Marine Drive, West Vancouver, British Columbia, Canada, V7V 1K3. The Company’s registered and records office is 1500 – 1055 West Georgia Street, Vancouver, British Columbia, Canada, V6E 4N7.

The recovery of the amounts comprising exploration and evaluation assets is dependent upon the confirmation of economically recoverable reserves, the ability of the Company to obtain necessary financing to successfully complete their exploration and development, and upon future profitable production.

These unaudited condensed interim financial statements have been prepared on the basis of accounting principles applicable to a going concern which assumes that the Company will be able to continue in operations for the foreseeable future and will be able to realize its assets and discharge its liabilities in the normal course of operations. To date, the Company has financed its operations through issuance of common shares and the receipt of dividend income. The Company currently has cash and equivalents, marketable securities and short term investments totalling \$2,607,227 and net working capital of \$2,673,079 which, the Company believes, is sufficient to fund its current operations in the foreseeable future. In the longer term, additional equity or debt financing may be necessary to fund exploration and general and administrative activities.

These unaudited condensed interim financial statements do not include any adjustments relating to the recoverability and classification of recorded asset amounts and classification of liabilities that might be necessary should the Company be unable to continue in existence.

2. STATEMENT OF COMPLIANCE

These unaudited condensed interim financial statements were authorized for issue on January 19, 2024 by the directors of the Company.

Statement of compliance

These unaudited condensed interim financial statements, including comparatives, have been prepared in accordance with International Accounting Standard 34 “Interim Financial Reporting” (“IAS 34”) using accounting policies consistent with the International Financial Reporting Standards (“IFRS”) issued by the International Accounting Standards Board (“IASB”) and Interpretations of the IFRS Interpretations Committee.

These unaudited condensed interim financial statements do not include all of the information required of a full annual financial report and is intended to provide users with an update in relation to events and transactions that are significant to an understanding of the changes in financial position and performance of the Company since the end of the last annual reporting period. It is therefore recommended that this financial report be read in conjunction with the audited annual financial statements of the Company for the year ended August 31, 2023.

GROSVENOR RESOURCE CORPORATION
NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS
(Unaudited)
(Expressed in Canadian Dollars)
NOVEMBER 30, 2023

3. MARKETABLE SECURITIES

The Company holds 5,436,000 (August 31, 2023 – 5,436,000) common shares of Newport Exploration Ltd. (“Newport”). The Company received these shares, recorded at a fair value of \$217,440, as partial consideration from the sale of the Chu Chua Property in 2014. As at November 30, 2023, the fair value of the common shares held was \$1,386,180 (August 31, 2023 - \$1,435,140) which resulted in an unrealized loss on marketable securities, net of tax, of \$41,621 (2022 – \$164,575). During the three months ended November 30, 2023, the Company recorded a cash dividend of \$54,360 (2022 - \$54,360), which represents a dividend of \$0.01 (2022 - \$0.01) per common share of its Newport shares. Subsequent to November 30, 2023, the Company received its \$54,360 dividend, which was included in receivables at November 30, 2023.

4. EXPLORATION AND EVALUATION ASSET

Powder

In 2018, the Company acquired a 100% interest in the Powder gold-silver property (“Powder”) for \$7,500 in cash and 50,000 common shares (valued at \$8,500). The property is subject to a 1% NSR.

	Three Months Ended November 30, 2023	Year ended August 31, 2023
Acquisition costs		
Balance, beginning and end of period	\$ 16,000	\$ 16,000
Exploration costs		
Balance, beginning of period	30,484	25,134
Claim maintenance	-	5,350
Balance, end of period	30,484	30,484
Total, end of period	\$ 46,484	\$ 46,484

5. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	November 30, 2023	August 31, 2023
Trade payables	\$ 2,347	\$ 5,048
Related party transactions (Note 7)	4,000	4,000
Accrued liabilities	7,000	13,150
Total	\$ 13,347	\$ 22,198

The average credit period of purchases is one month. The Company has financial risk management policies in place to ensure that all payables are paid within these agreed credit terms. The Company’s exposure to liquidity risk is included in Note 11.

GROSVENOR RESOURCE CORPORATION
NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS
(Unaudited)
(Expressed in Canadian Dollars)
NOVEMBER 30, 2023

6. CAPITAL STOCK AND RESERVES

a) Authorized share capital

As at November 30, 2023, the authorized share capital of the Company is an unlimited number of common shares without par value.

Basic and diluted per share amounts were calculated based on the weighted number of shares outstanding of 26,900,696. The Company's outstanding stock options were antidilutive.

b) Stock options:

The Company has an incentive stock option plan (the "Plan") in place under which it is authorized to grant options to directors and employees to acquire up to 10% of the Company's issued and outstanding common shares. Under the Plan, the exercise price of each option may not be less than the market price of the Company's stock as calculated on the date of grant less the applicable discount. The options can be granted for a maximum term of 10 years and vesting periods are determined by the Board of Directors.

Details of options outstanding as at November 30, 2023 are as follows:

Number of Options	Exercise Price	Expiry Date
2,500,000	\$0.065	June 13, 2028

Stock option transactions are summarized as follows:

	Number of Options	Weighted Average Exercise Price
Balance, August 31, 2022	2,650,000	\$ 0.17
Expired	(2,650,000)	0.17
Granted	2,500,000	0.07
Balance, August 31, 2023 & November 30, 2023	2,500,000	0.07
Balance, exercisable, November 30, 2023	2,500,000	\$ 0.07

7. RELATED PARTY TRANSACTIONS

Payments to key management personnel, consisting of the Chief Executive Officer ("CEO"), Chief Financial Officer ("CFO") and members of the board of directors, for compensation are as follows:

	November 30, 2023	November 30, 2022
Management fees	\$ 24,000	\$ 24,000
Professional fees	18,000	18,000
Directors fees	6,000	6,000

During the three months ended November 30, 2023, the Company reimbursed rent expense of \$3,000 (2022 - \$3,000) to a company with a director in common. As at November 30, 2023 accounts payable and accrued liabilities included \$4,000 (August 31, 2023 - \$4,000) owing to directors of the Company.

8. COMMITMENTS

Grosvenor has management and consulting contracts with Ian Rozier, a director and Chief Executive Officer, and a company controlled by Tyler Friesen, Chief Financial Officer. The parties are paid a combined total of \$14,000 per month and the contracts remain in force on a continuous basis but can be terminated by Grosvenor with three months written notice. If Grosvenor terminates services of either or both parties, it will be obligated to pay 36 months of service fees to Ian Rozier, and 12 months of service fees to the company controlled by Tyler Friesen.

Effective January 1, 2018, the Company entered into a consulting contract with Prospect Point Consulting Ltd. to provide corporate consulting services for Grosvenor at \$7,000 per month. The contract remains in force on a continuous basis but can be terminated by Grosvenor with three months written notice. If Grosvenor terminates the services of the company, it will be obligated to pay 24 months services fees to the company.

9. SEGMENTED INFORMATION

The Company operates in the acquisition and exploration of resource assets segment. The Company's exploration and evaluation asset is held in Canada.

10. FAIR VALUES

Fair value estimates of financial instruments are made at a specific point in time, based on relevant information about financial markets and specific financial instruments. As these estimates are subjective in nature, involving uncertainties and matters of significant judgment, they cannot be determined with precision. Changes in assumptions can significantly affect estimated fair values.

The carrying value of cash and equivalents, receivables and accounts payable and accrued liabilities approximate their fair value because of the short-term nature of these instruments. The fair value of short term investments and marketable securities was \$613,841 (August 31, 2023 - \$607,091) and \$1,386,180 (August 31, 2023 - \$1,435,140) respectively, as at November 30, 2023, which are level 1 fair value measurements.

11. FINANCIAL AND CAPITAL RISK MANAGEMENT

Financial risk factors

The Company's Board of Directors has the overall responsibility for the establishment and oversight of the Company's risk management framework.

The Company is exposed in varying degrees to a variety of financial instrument related risks and monitors the risk management processes, inclusive of documented investment policies, counterparty limits, and controlling and reporting structures. The type of risk exposure and the way in which such exposure is managed is provided as follows:

Credit risk

Credit risk is the risk of financial loss associated with counterparty's inability to fulfill its payment obligations. The Company's credit risk is primarily attributable to cash and equivalents, short-term investments and receivables, the carrying value totalling \$1,293,637, represents the Company's maximum exposure to credit risk. Management believes that the credit risk concentration with respect to financial instruments is remote because cash and equivalents and short-term investments are held with reputable Canadian financial institutions. Receivables consist mainly of dividends, GST and interest. The Company does not consider any of its current receivables past due. The Company believes any credit risk associated with its receivables is low due to the historical success of collecting receivables.

11. FINANCIAL AND CAPITAL RISK MANAGEMENT (cont'd)

Liquidity risk

The Company's approach to managing liquidity risk is to ensure that it will have sufficient liquidity to meet liabilities when they come due. As at November 30, 2023, the Company had a cash and equivalents balance of \$607,206, marketable securities of \$1,386,180 and short-term investments of \$613,841 to settle current liabilities of \$13,347. All of the Company's financial liabilities are subject to normal trade terms.

Market risk

Market risk is the risk of loss that may arise from changes in market factors such as interest rates, foreign exchange rates, and equity prices. These fluctuations may be significant.

a) Interest rate risk

The Company has cash and equivalents balances and short-term investments. The Company's current policy is to invest excess cash in investment-grade short-term deposits certificates issued by its banking institutions. The Company periodically monitors the investments it makes and is satisfied with the credit ratings of its banks. The effect on net loss of a 1% change in interest rates is approximately \$4,500.

b) Price risk

The Company is exposed to equity risk with respect to the market price of its Newport shares. A change in market price will impact the value of its Newport shareholdings and have an impact on other comprehensive income and working capital. The effect on net income of a 1% change in market price is approximately \$10,100.

Capital management

Grosvenor's objectives when managing capital is to pursue the exploration and evaluation of its mineral property, possibly acquire additional mineral property interests and to maintain a flexible capital structure which optimizes the costs of capital at an acceptable risk. In the management of capital, the Company includes the components of shareholders' equity.

Grosvenor manages the capital structure and makes adjustments to it, in light of changes in economic conditions and the risk characteristics of the underlying assets. To maintain or adjust the capital structure, the Company may issue new shares, issue debt, acquire or dispose of assets or adjust the amount of cash.

In order to facilitate the management of its capital requirements, the Company monitors its expenditures against its available capital.

The Company is currently not subject to externally imposed capital requirements. There were no changes in the Company's approach to capital management.