



**MANTRA 2 REAL ESTATE INC.**  
**CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE THREE MONTHS ENDED**  
**DECEMBER 31, 2023 AND 2022**  
(Expressed in Canadian dollars)  
(UNAUDITED – PREPARED BY MANAGEMENT)

## **MANTRA 2 REAL ESTATE INC.**

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

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

The accompanying unaudited condensed interim consolidated financial statements of the Company have been prepared by management and approved by the Audit Committee and Board of Directors of the Company.

The Company's independent auditors have not performed a review of these condensed interim consolidated financial statements in accordance with the standards established by CPA Canada for a review of condensed interim consolidated financial statements by an entity's auditors.

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**MANTRA 2 REAL ESTATE INC.****CONDENSED INTERIM CONSOLIDATED STATEMENTS OF FINANCIAL POSITION****AS AT DECEMBER 31, 2023 AND SEPTEMBER 30, 2023**(Expressed in Canadian Dollars)

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	<b>December 31, 2023</b> (Unaudited)	<b>September 30, 2023</b> (Audited)
<b>ASSETS</b>		
Current		
Cash	\$ 9,433	\$ 5,619
Amounts receivable	530	3,857
	9,963	9,476
Real estate project (Note 6)	-	1
	\$ 9,963	\$ 9,477
<b>LIABILITIES</b>		
Current		
Accounts payable and accrued liabilities (Note 9)	\$ 94,488	\$ 77,688
Notes payable (Note 7)	4,587	4,534
	99,075	82,222
<b>DEFICIENCY</b>		
Share capital (Note 8)	438,704	438,704
Accumulated deficit	(527,816)	(511,449)
	(89,112)	(72,745)
	\$ 9,963	\$ 9,477

CORPORATE INFORMATION AND CONTINUANCE OF OPERATIONS (Note 1)

Approved by the Board on February 21, 2024:

"Rajinder Chowdhry"  
Director

"Henry Park"  
Director

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

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**MANTRA 2 REAL ESTATE INC.****CONDENSED INTERIM CONSOLIDATED STATEMENTS OF COMPREHENSIVE LOSS****FOR THE THREE MONTHS ENDED DECEMBER 31, 2023 AND 2022**

(Unaudited - Expressed in Canadian Dollars)

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		<b>2023</b>		<b>2022</b>
EXPENSES				
Management fees (Note 9)	\$	10,500	\$	10,500
Professional fees		5,500		3,000
Transfer agent fees		156		627
Foreign exchange loss		130		13
Office, administration, and miscellaneous		27		28
Interest expense (Note 7)		53		53
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NET LOSS AND COMPREHENSIVE LOSS	\$	(16,366)	\$	(14,221)
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LOSS PER SHARE – BASIC AND DILUTED	\$	(0.00)	\$	(0.00)
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WEIGHTED AVERAGE NUMBER OF COMMON SHARES OUTSTANDING		48,855,796		46,362,988

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

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**MANTRA 2 REAL ESTATE INC.****CONDENSED INTERIM CONSOLIDATED STATEMENTS OF CHANGES IN DEFICIENCY****FOR THE THREE MONTHS ENDED DECEMBER 31, 2023 AND 2022**

(Unaudited - Expressed in Canadian Dollars)

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	Common Shares (Note 8)		Accumulated Deficit	Total
	Number of Common Shares	Amount		
Balance at October 1, 2022	48,355,796	\$ 413,704	\$ (427,830)	\$ (14,126)
Net loss and comprehensive loss	-	-	(14,221)	(14,221)
Balance at December 31, 2022	48,355,796	\$ 413,704	\$ (442,051)	\$ (102,298)
Balance at October 1, 2023	48,855,796	\$ 438,704	\$ (511,449)	\$ (72,745)
Net loss and comprehensive loss	-	-	(16,367)	(16,367)
Balance at December 31, 2023	48,855,796	\$ 438,704	\$ (527,816)	\$ (89,112)

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

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**MANTRA 2 REAL ESTATE INC.****CONDENSED INTERIM CONSOLIDATED STATEMENTS OF CASH FLOWS****FOR THE THREE MONTHS ENDED DECEMBER 31, 2023 AND 2022**

(Unaudited - Expressed in Canadian Dollars)

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	2023	2022
CASH PROVIDED BY (USED IN):		
OPERATING ACTIVITIES		
Net loss for the period	\$ (16,367)	\$ (14,221)
Items not involving cash		
Interest expense	53	53
Impairment of real estate project	1	-
Change in non-cash working capital items		
Amounts receivable	3,327	(1,045)
Accounts payable and accrued liabilities	16,800	14,275
Cash provided by (used in) operating activities	3,814	(938)
CHANGE IN CASH DURING THE PERIOD	3,814	(938)
CASH, BEGINNING OF PERIOD	5,619	23,166
CASH, END OF PERIOD	\$ 9,433	\$ 22,228
Supplemental Cash Flow Information		
Income taxes paid	\$ -	\$ -
Interest paid	\$ -	\$ -

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

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**MANTRA 2 REAL ESTATE INC.****NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE THREE MONTHS ENDED DECEMBER 31, 2023 AND 2022**

(Unaudited - Expressed in Canadian Dollars)

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**1. CORPORATE INFORMATION AND CONTINUANCE OF OPERATIONS**

Mantra 2 Real Estate Inc. (the "Company" or "Mantra 2 Real Estate") was incorporated on July 6, 2020 under the laws of British Columbia as part of a plan of arrangement (the "Arrangement") to reorganize AsiaBaseMetals Inc. ("AsiaBase"). The Company intends to focus on the development of real estate opportunities in Croatia and pursue other opportunities in various sectors including the mining sector. The Company intends to raise additional equity, as needed, in order to pursue future business opportunities. The address of the Company's corporate office and principal place of business is 10<sup>th</sup> Floor, 595 Howe Street, Vancouver, British Columbia, V6C 2T5, Canada.

The Company has incurred operating losses to date and is currently unable to self-finance its future operations. The March 2020 pandemic outbreak of COVID-19 could have a negative impact on the Company's ability to raise new capital. The Company's ability to continue as a going concern is dependent upon obtaining additional financing or maintaining continued support from its shareholders and creditors, and generating profitable operations in the future. These factors indicate the existence of a material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern.

These condensed interim consolidated financial statements do not give effect to any adjustments which would be necessary should the Company be unable to continue as a going concern and therefore be required to realize its assets and discharge its liabilities in other than the normal course of business and at amounts different from those reflected in these condensed interim consolidated financial statements. Such adjustments could be material.

**2. SIGNIFICANT ACCOUNTING POLICIES****a) Statement of compliance**

These condensed interim consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS"), including IAS 34 – Interim Financial Reporting. For these purposes, IFRS comprise the standards issued by the International Accounting Standards Board ("IASB") and interpretations issued by the International Financial Reporting Interpretations Committee ("IFRIC").

The accounting policies applied in these condensed interim consolidated financial statements are consistent with those applied in the preparation of, and disclosed in, the Company's audited annual financial statements for the year ended September 30, 2023.

**b) Basis of presentation**

These condensed interim consolidated financial statements include the assets and operations of the Company, which are incorporated under the British Columbia Business Corporations Act.

The condensed interim consolidated financial statements have been prepared on the historical cost basis, with the exception of financial instruments which are measured at fair value, as explained in the accounting policies set out below. In addition, these condensed interim consolidated financial statements have been prepared using the accrual basis of accounting, except for cash flow information.

**c) Principles of Consolidation**

These condensed interim consolidated financial statements include the accounts of the Company and its subsidiary. All intercompany balances, transactions, revenues and expenses have been eliminated on consolidation.

As of December 31, 2023, the Company had a wholly-owned subsidiary:

- Mantra Real Estate Europe doo (Croatia)

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**MANTRA 2 REAL ESTATE INC.****NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS  
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**2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)****d) Functional and Presentation Currency**

These condensed interim consolidated financial statements are presented in Canadian dollars, unless otherwise noted, which is the functional currency of the Company. The functional currency of Mantra 2 Real Estate Inc. and Mantra Real Estate Europe doo is the Canadian dollar.

**e) Going Concern**

These condensed interim consolidated financial statements are prepared on a going concern basis, which assumes that the Company will continue its operations for a reasonable period of time. The Company has incurred losses since its inception and had an accumulated deficit of \$527,816 at December 31, 2023. Management has determined that the Company will be able to continue as a going concern for a reasonable period of time, and realise its assets and discharge its liabilities and commitments in the normal course of business.

The preparation of these condensed interim consolidated financial statements requires management to make judgments and estimates and form assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amount of revenues and expenses during the reporting period. Actual results could differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in future periods affected.

Significant accounts that require estimates as the basis for determining the stated amounts include deferred income taxes recoverability. Critical judgments that have the most effect on the amounts recognized in the condensed interim consolidated financial statements include the Company's ability to continue as a going concern.

**NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS  
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**3. SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGMENTS****(i) Impairment**

At the end of each reporting period the carrying amounts of the Company's assets are reviewed to determine whether there is any indication that those assets are impaired. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment, if any. The recoverable amount is the higher of fair value less costs to sell and value in use. Fair value is determined as the amount that would be obtained from the sale of the asset in an arm's length transaction between knowledgeable and willing parties. In assessing value in use, the estimated future cash flows are discounted to their present value using a discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount and the impairment loss is recognized in profit or loss for the period. For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the cash generating unit to which the asset belongs.

Where an impairment subsequently reverses, the carrying amount of the asset (or cash generating unit) is increased to the revised estimate and its recoverable amount, but to an amount that does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset (or cash generating unit) in prior years. A reversal of an impairment loss is recognized immediately in profit or loss.

**(ii) Going Concern**

The assessment of the Company's ability to execute its strategy by funding future working capital requirements involves judgment. Management monitors future cash requirements to assess the Company's ability to meet these future funding requirements. Further information regarding going concern is outlined in Note 2(e).

**4. NEW ACCOUNTING PRONOUNCEMENTS ISSUED BUT NOT YET EFFECTIVE**

Accounting standards or amendments to existing accounting standards that have been issued but have future effective dates are either not applicable or are not expected to have a significant effect on the Company's condensed interim consolidated financial statements.

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**MANTRA 2 REAL ESTATE INC.****NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS  
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**5. ACQUISITION**

On January 1, 2022, the Company acquired 100% of the outstanding shares of Mantra Real Estate Europe doo (a company incorporated on October 12, 2020 in Croatia). Hence, Mantra Real Estate Europe doo, effective January 1, 2022, became a 100% owned subsidiary of the Company. The consideration for the acquisition; of \$4,170 was paid with the Company's demand promissory note bearing interest at 5% per annum.

	(\$)
Cash	3,235
Due to related parties	(3,656)
Net assets	(421)
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Less: Purchase price (Note 7)	4,170
Transaction cost	4,591

**6. REAL ESTATE PROJECT**

On April 10, 2020, AsiaBase entered into an option agreement with a director of the Company (the "Optionor"), pursuant to which the Company will have an option (the "Option") to acquire a 100% ownership in a real estate in Rogoznica-Lozica, Croatia.

The Option may be exercised within a three year period by paying to the Optionor as follows:

- a) EUR€30,000 (\$46,776) upon execution of the Agreement (paid);
- b) the lesser of:
  - i. EUR€2,971,220; or
  - ii. the amount of consideration jointly renegotiated by the Company and the Optionor, less any debt secured against the property.

The exercise of the Option is at the Company's sole discretion and the Company has no further payment obligations over the three year option term, unless and until the Option is exercised.

The Company will also issue the Optionor, upon exercise of the Option, common shares equal to 20% of the net amount of the further payment made as detailed in point b) above. The common shares will be issued at \$0.30 per share. The issuance of the common shares will be subject to any necessary regulatory approval.

This real estate option agreement was included in the spinout transaction of the Company effective on September 1, 2020.

During the year ended September 30, 2023, the Company advanced the Optionor total funds of \$Nil (September 30, 2022 - \$Nil) in relation to the development of the real estate project. The Agreement has expired on April 10, 2023 as the Company did not exercise the Option. The Company no longer wishes to pursue this real estate project.

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**7. NOTES PAYABLE**

On January 1, 2022, the Company entered into a promissory note agreement for total proceeds of \$4,170 bearing interest at 5% per annum, see Note 5. The promissory note is payable on demand and \$417 (September 30, 2023 - \$364) of interest expense has been accrued for the period ended December 31, 2023.

**8. SHARE CAPITAL**

- a) Authorized: The Company is authorized to issue an unlimited number of common shares without par value.
- b) Issued and outstanding as at December 31, 2023: 48,855,796 (September 30, 2023 – 48,855,796) common shares.

There were no share transactions for the three months period ended December 31, 2023.

During the year ended September 30, 2023, the Company issued 500,000 common shares of the Company for the share purchase warrants exercised for gross proceeds of \$25,000.

On June 9, 2022, the Company completed a non-brokered private placement and issued 2,875,000 units, raising gross proceeds of \$143,750. Each unit consists of 1 common share and one common share purchase warrant. Each warrant entitles the holder to purchase 1 additional common share at a price of \$0.05 per common share for a period of 5 years. The shares issued were subject to a four month hold period.

Warrant transactions are summarized as follows:

	Number of warrants	Weighted average exercise price
Balance at September 30, 2022	3,200,000	\$ 0.06
Exercised	(500,000)	\$ 0.05
Expired	(325,000)	\$ 0.10
Balance at September 30, 2023	2,375,000	\$ 0.05
Exercised	-	\$ -
Expired	-	\$ -
Balance at December 31, 2023	2,375,000	\$ 0.05

The warrants outstanding as at December 31, 2023, are as follows:

<b>Outstanding</b>	<b>Exercise price</b>	<b>Expiry date</b>
2,375,000	\$ 0.05	June 9, 2027

The average remaining life of the warrants is 3.44 years.

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**9. RELATED PARTY TRANSACTIONS**

During the three months ended December 31, 2023, the Company incurred \$10,500 (2022 - \$10,500) for management and bonus to a company controlled by the Chief Executive Officer ("CEO").

As at December 31, 2023, the following balances were due to officers and directors and/or related companies:

- i) Included in accounts payable is \$903 (September 30, 2023 - \$5,863) due to the CEO of the Company. These amounts are unsecured, non-interest bearing and have no fixed terms of repayment.
- ii) Included in accounts payable is \$55,125 (September 30, 2023 - \$44,100) due to a Company controlled by the CEO of the Company. These amounts are unsecured, non-interest bearing and have no fixed terms of repayment.

On September 20, 2021, the Company entered into an agreement with a company controlled by a director to provide CEO services at a rate of \$3,500 per month (\$42,000 per year) for an indefinite term.

Key management personnel include the Chief Executive Officer ("CEO"), Chief Financial Officer ("CFO"), and directors of the Company. The remuneration of directors and officers of the Company is as follows:

**Key management personnel compensation:**

	<b>Three months ended December 31,</b>			
		<b>2023</b>		<b>2022</b>
Management fees	\$	10,500	\$	10,500
<b>Total remuneration</b>	\$	10,500	\$	10,500

**10. MANAGEMENT OF CAPITAL**

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to pursue the sourcing and development of solar power. The Company does not have any externally imposed capital requirements to which it is subject to.

The Company considers the aggregate of its equity as capital. The Company manages the capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. To maintain or adjust the capital structure, the Company may attempt to issue new shares or dispose of assets or adjust the amount of cash.

The Company's investment policy is to invest its cash in investment instruments in high credit quality financial institutions with terms to maturity selected with regards to the expected time of expenditures from operations.

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**11. FINANCIAL INSTRUMENTS AND FINANCIAL RISK***Financial Instruments and Fair Value Measurements*

IFRS 13 – Fair Value Measurement, establishes a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

Level 1 - quoted prices (unadjusted) in active markets for identical assets or liabilities;

Level 2 - inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and

Level 3 - inputs for the asset or liability that are not based on observable market data (unobservable inputs).

Assets measured at fair value on a recurring basis were presented on the Company's statement of financial position as at December 31, 2023 as follows:

Fair Value Measurements Using				
	Quoted Prices in Active Markets For Identical Instruments (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Total
<b>Financial assets</b>				
Cash	\$ 9,433	\$ -	\$ -	\$ 9,433

**Fair value**

The fair value of the Company's financial instruments approximates their carrying value as at December 31, 2023 because of the demand nature or short-term maturity of these instruments.

**Financial risk management objectives and policies**

The Company's financial instruments include cash, accounts payable and notes payable. The risks associated with these financial instruments and the policies on how to mitigate these risks are set out below. Management manages and monitors these exposures to ensure appropriate measures are implemented on a timely and effective manner.

**(i) Credit Risk**

Credit risk arises from non-performance by counterparties of contractual financial obligations. The Company's maximum credit risk is primarily attributable to its cash. The Company limits its exposure to credit loss for cash by placing such instruments with financial institutions.

**(ii) Liquidity Risk**

The Company's approach to managing liquidity risk is to ensure that it will have sufficient financial resources to meet liabilities when due. As at December 31, 2023, the Company had a working capital deficit of \$89,112. All of the Company's financial liabilities have contractual maturities of less than 30 days and are subject to normal trade terms.

**(iii) Interest Rate Risk**

In management's opinion, the Company's interest rate risk is minimal as the Company does not have any bank indebtedness that bears interest at fixed or variable rates.