

Note X: Potential Impact of Tariffs

On [specific date], the United States and China implemented tariffs affecting various Canadian goods. These measures introduce uncertainties that could impact the Company's operations and financial results.

The U.S. imposed tariffs on imports from Canada, targeting sectors such as automobiles and industrial goods. In response, Canada announced retaliatory tariffs on U.S. goods. Similarly, China has implemented tariffs affecting Canadian exports, further influencing trade dynamics.

The Company is currently assessing the potential impacts of these tariffs, which may include:

- Revenue: Decreased demand for products subject to tariffs, potentially reducing sales in affected markets.
- Costs: Increased costs for imported materials due to tariffs, potentially affecting profit margins.
- Supply Chain: Disruptions in the supply chain, leading to delays or increased logistics costs.

To mitigate these risks, the Company is:

- Exploring alternative suppliers and markets to diversify revenue streams.
- Implementing cost-control measures to preserve profitability.

Given the evolving nature of these trade policies, the Company cannot fully estimate the financial impact at this time.