

LA IMPERIAL RESOURCES INC.

Consolidated Financial Statements

February 28, 2023

(unaudited – Prepared by Management)

LA IMPERIAL RESOURCES INC.

Consolidated Statements of Financial Position

Expressed in Canadian Dollars

(Unaudited – Prepared by Management)

ASSETS	February 28, 2023	August 31, 2022
CURRENT		
Cash	\$12	\$6
GST receivable	4,399	3,683
	4,411	3,689
EXPLORATION AND EVALUATION ASSETS <i>(Note 3)</i>	1	1
TOTAL ASSETS	\$4,412	\$3,690
LIABILITIES AND DEFICIT		
CURRENT		
Trade payables and accrued liabilities	\$393,776	\$395,046
Unsecured advances <i>(Notes 4 and 5)</i>	1,632,395	1,609,476
	2,026,171	2,004,522
DEFICIT		
Share capital <i>(Notes 6 and 7)</i>	1,441,788	1,441,788
Deficit	(3,463,547)	(3,442,620)
	(2,021,759)	(2,000,832)
TOTAL LIABILITIES AND DEFICIT	\$4,412	\$3,690

Going concern *(Note 1)*

Approved by the Board of Directors:

"Marilyn Miller" Director

"Gary MacDonald" Director

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

LA IMPERIAL RESOURCES INC.

Consolidated Statements of Comprehensive Loss

Expressed in Canadian Dollars

(Unaudited – Prepared by Management)

	For the Three Months Ended February 28,		For the Six Months Ended February 28,	
	2023	2022	2023	2022
EXPENSES				
Interest and bank charges	\$18	\$18	\$36	\$36
Office occupancy and miscellaneous	5,280	5,000	10,280	10,000
Professional fees	4,122	-	4,122	-
Transfer agent & filing fees	4,989	5,783	6,489	8,798
	(14,409)	(10,801)	(20,927)	(18,834)
NET COMPREHENSIVE LOSS FOR THE YEAR	(\$14,409)	(\$10,801)	(\$20,927)	(\$18,834)
Loss per share - basic and diluted	(\$0.00)	(\$0.00)	(\$0.00)	(\$0.00)
Weighted average number of shares outstanding - basic and diluted	12,085,970	12,085,970	12,085,970	12,085,970


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LA IMPERIAL RESOURCES INC.

Consolidated Statements of Changes In Deficit

Expressed in Canadian Dollars

(Unaudited – Prepared by Management)

	Number of shares	Amount \$	Deficit \$	Total \$
Balance as at August 31, 2021	12,085,970	1,441,788	(3,398,323) 	(1,956,535)
Comprehensive loss for the period	-	-	(18,834)	(18,834)
Balance as at February 28, 2022	12,085,970	1,441,788	(3,417,157)	(1,975,370)
Balance as at August 31, 2022	12,085,970	1,441,788	(3,442,620)	(2,000,832)
Comprehensive loss for the period	-	-	(20,927)	(20,927)
Balance as at February 28, 2023	12,085,970	1,441,788	(3,463,547)	(2,021,759)

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

LA IMPERIAL RESOURCES INC.

Condensed Statements of Cash Flows

Expressed in Canadian Dollars

(Unaudited – Prepared by Management)

	For the Six Months Ended	
	February 28,	
	2023	2022
Cash flow from operating activities:		
Net loss for the period	(\$20,927)	(\$18,834)
Changes in non-cash working capital:		
GST receivable	(716)	(311)
Trade payables and accrued liabilities	(1,270)	9,470
Net cash used in operating activities	(22,913)	(9,675)
Cash flow from financing activities		
Unsecured advances	22,919	8,894
Net cash provided by financing activities	22,919	8,894
Cash increase during the period	6	(782)
Cash, beginning of period	6	788
Cash, end of period	\$12	\$6

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

LA IMPERIAL RESOURCES INC.

Notes to the Consolidated Financial Statements

For the Six Months Ended February 28, 2023

Expressed in Canadian Dollars – (Unaudited)

1. GENERAL BUSINESS DESCRIPTION AND GOING CONCERN

La Imperial Resources Inc. (the “Company”) was incorporated on October 4, 2004 under the Canada Business Corporations Act and its principal activity is the acquisition and exploration of mineral properties.

The Company is a reporting issuer in British Columbia, Alberta and Ontario and its shares are listed on the CNQ Stock Exchange under the symbol LAI.

The address of the Company’s corporate office and principal place of business is 600-666 Burrard Street, Vancouver, British Columbia, Canada V6C 2X8.

The consolidated financial statements were prepared on a going concern basis in accordance with International Financial Accounting Standards (“IFRS”), with the assumption that the Company will be able to realize its assets and discharge its liabilities in the normal course of operations rather than through a process of forced liquidation. The Company has incurred losses since its inception and had an accumulated deficit of \$3,463,547 at February 28, 2023. The Company’s ability to continue as a going concern is dependent upon the ability of the Company to obtain financing and generate positive cash flows from its operations. Management of the Company does not expect that cash flows for the Company’s operations will be sufficient to cover all of its operating requirements, financial commitments and business development priorities during the next twelve months. Accordingly, the Company expects that it will need to obtain further financing in the form of debt, equity or a combination thereof for the next twelve months. There can be no assurance that additional funding will be available to the Company, or, if available, that this funding will be on acceptable terms. These material uncertainties may cast significant doubt about the Company’s ability to continue as a going concern.

2. BASIS OF PRESENTATION

The consolidated financial statements of the Company for the six months ended February 28, 2023 were authorized for issue by the Board of Directors on April 25, 2023.

The condensed interim financial statements have been prepared using accounting policies consistent with International Financial Reporting Standards (“IFRS”), and in accordance with International Accounting Standards (“IAS”) 34, Interim Financial Reporting, as issued by the International Accounting Standards Board (“IASB”). Certain disclosures included in the notes to the annual financial statements have been condensed in the following note disclosures or have been disclosed on an annual basis only. Accordingly, these condensed interim financial statements should be read in conjunction with the audited financial statements for the year ended August 31, 2014, which have been prepared in accordance with IFRS as issued by the IASB.

These condensed interim financial statements follow the same accounting policies and methods of application as the annual financial statements for the year ended August 31, 2022.

3. EXPLORATION AND EVALUATION ASSETS

Uruachi Concessions - Chihuahua, Mexico

State of Chihuahua, Mexico

On November 8, 2006, the Company acquired 99.9% of the outstanding common shares of La Kathrina in consideration for the issuance of 6,000,000 common shares at \$0.01 per share, for a total payment of \$60,000. La Kathrina has a 70% interest in six mining concessions covering 12,959 hectares in the State of Chihuahua, Mexico.

During the year ended August 31, 2012, the Company determined that the recoverable value of the mining concessions was impaired. Accordingly, the mining concessions were written-down to \$1.

LA IMPERIAL RESOURCES INC.

Notes to the Consolidated Financial Statements
For the Six Months Ended February 28, 2023
Expressed in Canadian Dollars – (Unaudited)

4. UNSECURED ADVANCES

As at February 28, 2023, a total of \$1,632,395 (2022 - \$1,595,072) is owing to the lenders. These amounts are unsecured and have no specified terms of repayment. Certain of the advances bear interest at 12% per annum.

5. RELATED PARTY TRANSACTIONS

As at February 28, 2023 and 2022, the Company did not owe any amounts to related parties.

6. SHARE CAPITAL

Authorized, issued and outstanding common shares:

The authorized share capital of the Company consists of an unlimited number of common shares no par value.

7. FINANCIAL RISK AND CAPITAL MANAGEMENT

The Company is exposed in varying degrees to a variety of financial instrument related risks. The Board of Directors approves 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 loss associated with counterparty's inability to fulfill its payment obligations. The Company believes it has no significant credit risk.

Liquidity risk

Liquidity risk is the risk that the Company will not be able to pay financial instrument liabilities as they come due. The Company currently does not have sufficient capital in order to meet short-term business requirements, after taking into account the Company's holdings of cash. The Company's cash is invested in bank accounts which are available on demand. As a result, liquidity risk is assessed as high.

Interest rate risk

The Company's bank account earns interest income at variable rates. The fair value of its cash is relatively unaffected by changes in short-term interest rates. The Company's future interest income is exposed to short-term rates.

The Company has some advances which bear interest at a fixed rate and, thus, do not expose the Company to interest rate risk.

Classification of financial instruments

The fair value of the Company's financial assets and liabilities approximates the carrying amount. Cash is classified as loans and receivables. Trade payables and unsecured advances are classified as other financial liabilities

LA IMPERIAL RESOURCES INC.

Notes to the Consolidated Financial Statements

For the Six Months Ended February 28, 2023

Expressed in Canadian Dollars – (Unaudited)

7. FINANCIAL RISK AND CAPITAL MANAGEMENT (Continued)

Capital Management

The Company's objectives when managing capital are to identify, pursue and complete the exploration and development of mineral properties, to maintain financial strength, to protect its ability to meet its on-going liabilities, to continue as a going concern, to maintain creditworthiness and to maximize returns for shareholders over the long term. The Company does not have any externally imposed capital requirements to which it is subject. Capital of the Company comprises all the components of shareholders' equity. There were no changes in the Company's approach to capital management during the year.

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.