
GOLD HUNTER RESOURCES INC.
FINANCIAL STATEMENTS
FOR THE PERIODS ENDED AUGUST 31, 2021 AND 2020
(EXPRESSED IN CANADIAN DOLLARS)

GOLD HUNTER RESOURCES INC.
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FOR THE PERIODS ENDED AUGUST 31, 2021 AND 2020
(Expressed in Canadian dollars)

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INDEPENDENT AUDITORS' REPORT

To the Shareholders and Directors of Gold Hunter Resources Inc.

Opinion on the financial statements

We have audited the accompanying financial statements of Gold Hunter Resources Inc. (the "Company") which comprise the statements of financial position as at August 31, 2021 and 2020, and the statements of loss and comprehensive loss, cash flows and changes in shareholders' equity for the periods ended August 31, 2021 and 2020, and the related notes, including a summary of significant accounting policies and other explanatory information (collectively referred to as the "financial statements").

In our opinion, the financial statements present fairly, in all material respects, the financial position of the Company as at August 31, 2021 and 2020, and its financial performance and its cash flows for the periods ended August 31, 2021 and 2020 in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board.

Basis for Opinion

We conducted our audits in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audits of the financial statements in Canada, and 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.

Material Uncertainty Related to Going Concern

We draw attention to Note 1 of the accompanying financial statements, which indicates that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Other Information

Management is responsible for the other information, which comprises the information included in the Management's Discussion and Analysis filed with the relevant Canadian Securities Commissions.

Our opinion on the financial statements does not cover the other information and do not and will not express any form of assurance conclusion thereon. In connection with our audits of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit and remain alert for indicators that the other information appears to be materially misstated.

If, based on the work we have performed on this other information, 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 Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the 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 to 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.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' 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 the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

- Identify and assess the risks of material misstatement of the 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 risk 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 auditors' report to the related disclosures in the 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 auditors' 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 financial statements, including the disclosures, and whether the 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.

The engagement partner on the audit resulting in this independent auditors' report is Fernando J. Costa.

Manning Elliott LLP

CHARTERED PROFESSIONAL ACCOUNTANTS
Vancouver, British Columbia
December 24, 2021

GOLD HUNTER RESOURCES INC.
STATEMENTS OF FINANCIAL POSITION
AS AT AUGUST 31, 2021 AND 2020
(Expressed in Canadian dollars)

	2021	2020
ASSETS		
CURRENT		
Cash and cash equivalents	\$ 1,722,636	\$ 69,315
Amounts receivable	7,245	12,091
Prepaid expenses	–	3,938
	1,729,881	85,344
DEFERRED COST	–	33,375
EXPLORATION AND EVALUATION ASSET (Note 4)	227,904	106,134
	\$ 1,957,785	\$ 224,853

LIABILITIES

CURRENT		
Accounts payable	\$ 16,903	\$ 8,000

SHAREHOLDERS' EQUITY

SHARE CAPITAL (Note 5)	2,311,167	296,000
CONTRIBUTED SURPLUS (Note 5)	120,881	30,000
DEFICIT	(491,166)	(109,147)
	1,940,882	216,853
	\$ 1,957,785	\$ 224,853

NATURE OF BUSINESS AND CONTINUING OPERATIONS (Note 1)
COMMITMENTS (Note 10)

Approved on behalf of the Board:

"Richard Macey"

Director

"Michael Williams"

Director

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

GOLD HUNTER RESOURCES INC.
STATEMENTS OF LOSS AND COMPREHENSIVE LOSS
FOR THE PERIODS ENDED AUGUST 31, 2021 AND 2020
(Expressed in Canadian dollars)

	2021	2020
EXPENSES		
Listing fees	\$ 43,504	\$ -
Management fees (<i>Note 6</i>)	106,470	50,000
Office expense	10,533	5,670
Professional fees (<i>Note 6</i>)	175,512	15,727
Rent	9,000	7,750
Share-based compensation (<i>Note 5 and 6</i>)	37,000	30,000
NET LOSS AND COMPREHENSIVE LOSS	\$ (382,019)	\$ (109,147)
LOSS PER SHARE – BASIC AND DILUTED	\$ (0.02)	\$ (0.03)
WEIGHTED AVERAGE NUMBER OF COMMON SHARES OUTSTANDING – BASIC AND DILUTED	16,401,582	4,320,195

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

GOLD HUNTER RESOURCES INC.
STATEMENT OF CASH FLOWS
FOR THE YEARS ENDED AUGUST 31, 2021 AND 2020
(Expressed in Canadian dollars)

	2021	2020
OPERATING ACTIVITIES		
Net loss for the period	\$ (382,019)	\$ (109,147)
Item not involving cash:		
Share-based compensation	37,000	30,000
	(345,019)	(79,147)
Changes in non-cash working capital balances:		
Amounts receivable	4,846	(12,091)
Prepaid expenses	3,938	(3,938)
Accounts payable	8,903	8,000
Cash used in operating activities	(327,332)	(87,176)
INVESTING ACTIVITIES		
Exploration and evaluation assets	(21,770)	(106,134)
FINANCING ACTIVITIES		
Shares issued for cash, net of costs	2,002,423	296,000
Deferred cost	-	(33,375)
Cash provided by financing activities	2,002,423	262,625
CHANGE IN CASH AND CASH EQUIVIVANTS	1,653,321	69,315
CASH AND CASH EQUIVIVANTS, BEGINNING OF PERIOD	69,315	-
CASH AND CASH EQUIVIVANTS, END OF PERIOD	\$ 1,722,636	\$ 69,315
Interest and income taxes paid	\$ -	\$ -

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

GOLD HUNTER RESOURCES INC.
STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY
FOR THE PERIODS ENDED AUGUST 31, 2021 AND 2020
(Expressed in Canadian dollars)

	Common shares		Contributed surplus	Deficit	Total equity
	Number of shares	Amount			
Founders shares issued	2,000,000	\$ 10,000	\$ 30,000	\$ -	\$ 40,000
Shares issued for cash	8,300,000	286,000	-	-	286,000
Net loss for the period	-	-	-	(109,147)	(109,147)
As at August 31, 2020	10,300,000	\$ 296,000	\$ 30,000	\$ (109,147)	\$ 216,853
Shares issued for property	500,000	100,000	-	-	100,000
Shares issued for cash	10,750,000	2,112,500	-	-	2,112,500
Share issuance costs	-	(202,876)	53,881	-	(148,995)
Stock options exercised	36,500	5,543	-	-	5,543
Share based compensation	-	-	37,000	-	37,000
Net loss for the year	-	-	-	(382,019)	(382,019)
As at August 31, 2021	21,586,500	\$ 2,311,167	\$ 120,881	\$ (491,166)	\$ 1,940,882

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

GOLD HUNTER RESOURCES INC.
NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIODS ENDED AUGUST 31, 2021 AND 2020
(Expressed in Canadian dollars)

1. NATURE OF BUSINESS AND CONTINUING OPERATIONS

Gold Hunter Resources Inc. (“the Company”) was incorporated on October 30, 2019 under the laws of British Columbia. The address of the Company’s corporate office and its principal place of business is 9285 – 203B Street, Langley, British Columbia, Canada.

The Company’s principal business activities include the acquisition and exploration of mineral property assets. As at August 31, 2021, the Company has not yet determined whether the Company’s mineral property assets contain ore reserves that are economically recoverable. The recoverability of amounts shown for exploration and evaluation asset is dependent upon the discovery of economically recoverable reserves, confirmation of the Company’s interest in the underlying mineral claims, the ability of the Company to obtain the necessary financing to complete the development of and the future profitable production from the property or realizing proceeds from its disposition.

The Company had a deficit of \$491,166 as at August 31, 2021, which has been funded by the issuance of equity. The Company’s ability to continue its operations and to realize its assets at their carrying value is dependent upon obtaining additional financing and generating revenues sufficient to cover its operating costs. The outcome of these matters cannot be predicted at this time and the uncertainties cast significant doubt upon the Company’s ability to continue as a going concern.

These 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 financial statements.

The outbreak of the Coronavirus Disease 2019, or COVID-19, has spread across the globe and is impacting worldwide economic activity. This global pandemic poses the risk that the Company or its clients, employees, contractors, suppliers, and other partners may be unable to conduct regular business activities for an indefinite period of time. At this point, the impact on the Company has been minimal. The Company continues to monitor the situation and is taking all necessary precautions in order to follow rules and best practices as set out by the federal and provincial governments.

2. BASIS OF PREPARATION

Statement of Compliance

These financial statements are prepared in accordance with International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board (“IASB”).

Approval of the Financial Statements

The financial statements of the Company for the periods ended August 31, 2021 and 2020 were reviewed by the Audit Committee and approved and authorized for issuance by the Board of Directors on December 24, 2021.

Basis of Measurement

These financial statements have been prepared on the historical cost basis except for certain financial instruments which are measured at fair value as explained in the accounting policies set out in Note 3.

The functional and presentation currency of the Company is the Canadian dollar.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

These financial statements have been prepared on a going concern basis, which assumes that the Company will be able to meet its obligations and continue its operations for its next fiscal year. Realization values may be substantially different from carrying values as shown and these financial statements do not give effect to adjustments that would be necessary to the carrying values and classification of assets and liabilities should the Company be unable to continue as a going concern.

a) Cash equivalents include short term deposits with an original maturity of three months or less, which are readily convertible into a known amount of cash. As of August 31, 2021, the Company held no cash equivalents.

b) Significant accounting estimates and judgements

The preparation of these financial statements requires management to make certain estimates, judgments and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and reported amounts of expenses during the reporting period. Actual outcomes could differ from these estimates. These financial statements include estimates which, by their nature, are uncertain. The impacts of such estimates are pervasive throughout the 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 future periods if the revision affects both current and future periods. These estimates are based on historical experience, current and future economic conditions and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Significant assumptions about the future and other sources of estimation uncertainty that management has made at the financial position reporting date, that could result in a material adjustment to the carrying amounts of assets and liabilities, in the event that actual results differ from assumptions made, relate to, but are not limited to, the following:

Significant accounting estimates

- i. the measurement of deferred income tax assets and liabilities; and
- ii. the inputs used in accounting for share-based payments.

Significant accounting judgments

- i. the determination of categories of financial assets and financial liabilities;
- ii. the evaluation of the Company's ability to continue as a going concern; and
- iii. the assessment of indications of impairment of the mineral property and related determination of the net realizable value and write-down of the mineral property where applicable;

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

c) Income taxes

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 financial statements date, and includes any adjustments to tax payable or receivable in respect of previous years.

Deferred income taxes are recorded using the liability method whereby 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 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 statement of financial position date. Deferred tax is not recognized for temporary differences which arise on 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.

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.

d) Loss per share

The Company presents basic and diluted loss per share data for its common shares, calculated by dividing the loss attributable to common shareholders of the Company by the weighted average number of common shares outstanding during the period. Diluted loss per share does not adjust the loss attributable to common shareholders or the weighted average number of common shares outstanding when the effect is anti-dilutive. Basic and diluted loss per share excludes all of the Company's common shares from the weighted average shares calculation that are contingently returnable.

e) Share issuance costs

Professional, consulting, regulatory and other costs directly attributable to financing transactions are recorded as deferred financing costs until the financing transactions are completed, if the completion of the transaction is considered likely; otherwise they are expensed as incurred. Share issue costs are charged to share capital when the related shares are issued. Deferred financing costs related to financing transactions that are not completed are charged to operations.

f) Share-based payments

The fair value of equity settled stock options awarded to employees defined under IFRS 2 Share-based payments (i.e. employees for legal and tax purpose, directors and certain consultants), determined as of the date of grant, and awarded to non-employees defined under IFRS 2, as of the date of delivery of service, is recognized as share-based payments, included in general and administrative expenses in the statement of comprehensive loss, over the vesting period of the stock options based on the estimated number of options expected to vest, with a corresponding increase to equity.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

g) Financial instruments

On initial recognition financial assets are classified as measured at:

- i. Amortized cost;
- ii. Fair value through other comprehensive income (“FVOCI”); and
- iii. Fair value through profit and loss (“FVTPL”).

Financial assets are not reclassified subsequent to their initial recognition unless the Company changes its business model for managing financial assets in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

At initial recognition, the Company measures a financial asset at its fair value plus, in the case of a financial asset not at FVTPL, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVTPL are expensed in profit or loss. Financial assets are considered in their entirety when determining whether their cash flows are solely payment of principal and interest.

Subsequent measurement of financial assets depends on their classification:

i. Amortized cost

Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortized cost. A gain or loss on a debt investment that is subsequently measured at amortized cost is recognized in profit or loss when the asset is derecognized or impaired. Interest income from these financial assets is included as finance income using the effective interest rate method.

The Company does not have any assets classified at amortized cost.

ii. FVOCI

Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets’ cash flows represent solely payments of principal and interest, are measured at FVOCI. Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains and losses, interest revenue, and foreign exchange gains and losses which are recognized in profit or loss. When the financial asset is derecognized, the cumulative gain or loss previously recognized in OCI is reclassified from equity to profit or loss and recognized in other gains (losses). Interest income from these financial assets is included as finance income using the effective interest rate method.

The Company does not have any assets classified at FVOCI.

iii. FVTPL

Assets that do not meet the criteria for amortized cost or FVOCI are measured at FVTPL. A gain or loss on an investment that is subsequently measured at FVTPL is recognized in profit or loss and presented net as revenue in the statement of operations and comprehensive loss in the period in which it arises.

The Company’s cash and cash equivalents are classified at FVTPL.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

g) Financial instruments (continued)

Financial liabilities and equity

Debt and equity instruments are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangement. An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the group entities are recorded at the proceeds received, net of direct issue costs.

Financial liabilities are classified as measured at (i) FVTPL; or (ii) amortized cost.

A financial liability is classified as at FVTPL if it is classified as held-for-trading or is designated as such on initial recognition. Directly attributable transaction costs are recognized in profit or loss as incurred. The amount of change in the fair value that is attributable to changes in the credit risk of the liability is presented in OCI and the remaining amount of the change in the fair value is presented in profit or loss.

The Company does not classify any financial liabilities at FVTPL.

Other non-derivative financial liabilities are initially measured at fair value less any directly attributable transaction costs. Subsequent to initial recognition, these liabilities are measured at amortized cost using the effective interest method.

The Company classifies its accounts payable at amortized cost.

A financial liability is derecognized when the contractual obligation under the liability is discharged, cancelled or expires or its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognized at fair value.

h) Exploration and evaluation assets

All costs related to the acquisition, exploration and development of mineral properties are capitalized. Upon commencement of commercial production, the related accumulated costs are amortized against projected income using the units-of-production method over estimated recoverable reserves.

Management annually assesses carrying values of non-producing properties and properties for which events and circumstances may indicate possible impairment. Impairment of a property is generally considered to have occurred if the property has been abandoned, there are unfavourable changes in the property economics, there are restrictions on development, or when there has been an undue delay in development, which exceeds three years. In the event that estimated discounted cash flows expected from its use or eventual disposition is determined by management to be insufficient to recover the carrying value of the property, the carrying value is written-down to the estimated recoverable amount.

The recoverability of mineral properties and exploration and development costs is dependent on the existence of economically recoverable reserves, the ability to obtain the necessary financing to complete the development of the reserves, and the profitability of future operations. The Company has not yet determined whether or not any of its future mineral properties contain economically recoverable reserves. Amounts capitalized to mineral properties as exploration and development costs do not necessarily reflect present or future values.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

h) Exploration and evaluation assets (continued)

When options are granted on mineral properties or properties are sold, proceeds are credited to the cost of the property. If no future capital expenditure is required and proceeds exceed costs, the excess proceeds are reported as a gain.

i) Decommissioning, restoration and similar liabilities

An obligation to incur restoration, rehabilitation and environmental costs arises when environmental disturbance is caused by the exploration or development of a mineral property interest. Such costs arising from the decommissioning of plant and other site preparation work, discounted to their net present value, are provided for and capitalized at the start of each project to the carrying amount of the asset, along with a corresponding liability as soon as the obligation to incur such costs arises. The timing of the actual rehabilitation expenditure is dependent on a number of factors such as the life and nature of the asset, the operating license conditions and, when applicable, the environment in which the mine operates.

Discount rates using a pre-tax rate that reflects the time value of money are used to calculate the net present value. These costs are charged against profit or loss over the economic life of the related asset, through amortization using either the units-of-production or the straight-line method. The corresponding liability is progressively increased as the effect of discounting unwinds creating an expense recognized in profit or loss.

Decommissioning costs are also adjusted for changes in estimates. Those adjustments are accounted for as a change in the corresponding capitalized cost, except where a reduction in costs is greater than the unamortized capitalized cost of the related assets, in which case the capitalized cost is reduced to nil and the remaining adjustment is recognized in profit or loss.

The operations of the Company have been, and may in the future be, affected from time to time in varying degree by changes in environmental regulations, including those for site restoration costs. Both the likelihood of new regulations and their overall effect upon the Company are not predictable.

The Company has no material restoration, rehabilitation and environmental obligations as the disturbance to date is immaterial.

j) Flow-through shares

The resource expenditure deductions for income tax purposes related to exploration and development activities funded by flow-through share arrangements are renounced to investors in accordance with Canadian tax legislation. On issuance, the premium recorded on the flow-through share, being the difference in price over a common share with no tax attributes, is recognized as a liability. As expenditures are incurred, the liability associated with the renounced tax deductions is recognized through profit and loss with a pro-rata portion of the deferred premium.

To the extent that the Company has deferred tax assets in the form of tax loss carry-forwards and other unused tax credits as at the reporting date, the Company may use them to reduce its deferred tax liability relating to tax benefits transferred through flow-through shares.

k) Adoption of new accounting standards, interpretations and amendments

The Company has performed an assessment of new standards issued by the IASB that are not yet effective. The Company has assessed that the impact of adopting these accounting standards on its financial statements would not be significant.

GOLD HUNTER RESOURCES INC.
NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIODS ENDED AUGUST 31, 2021 AND 2020
(Expressed in Canadian dollars)

4. EXPLORATION AND EVALUATION ASSET

	Acquisition Costs	Exploration Costs	Total
Balance at October 30, 2019	\$ -	\$ -	\$ -
Additions:			
Cash	20,000	-	20,000
Accommodation	-	10,620	10,620
Administration	-	4,131	4,131
Communication	-	920	920
Equipment rental	-	1,525	1,525
Geological supplies	-	2,983	2,983
Labour	-	51,880	51,880
Sample analysis	-	8,129	8,129
Travel	-	5,946	5,946
Balance, August 31, 2020	20,000	86,134	106,134
Additions:			
Common shares	100,000	-	100,000
Cash	10,000	-	10,000
Other	-	11,770	11,770
Balance, August 31, 2021	\$ 130,000	\$ 97,904	\$ 227,904

Cameron Lake East Property

On January 15, 2020, the Company (the "Optionee") entered into a mineral property option agreement (the "Agreement") with Northbound Capital Corp. (the "Optionor"). The Agreement was subsequently amended on January 15, 2021. Pursuant to an underlying mineral property option agreement dated September 20, 2019 (the "Head Option Agreement"), the Optionor has an option to acquire 100% interest in the mineral claims known as Cameron Lake East Property located in the Kenora Mining Division of Ontario (the "Claims") from the original claim holder (the "Claim Holder"). Under the Head Option Agreement, the Optionor will make a total cash payment of \$48,000 by September 20, 2023 to the Claim Holder. Pursuant to the terms of the Agreement, the Company is required to make any remaining cash payments due by the Optionor under the Head Option Agreement.

Upon exercise by the Optionor of its option under the Head Option Agreement, the Claim Holder will be entitled to a 1.5% net smelter returns royalty (the "Claim Holder's NSR"), subject to the Optionor's right to purchase a one-half interest in the Claim Holder's NSR in accordance with the Head Option Agreement.

Under the Agreement, the Optionor has granted the Company the option to acquire all rights, title and interest in the Claims. In addition, the Claims are subject to the reservation by the Optionor of a 1.5% net smelter returns royalty (the "Optionor's NSR") to be paid by the Company upon exercise of the option in full.

The terms of the Agreement, require the Company to make cash payments totaling \$66,000 and issue 1,000,000 common shares of the Company as follows:

- a. make a cash payment of \$20,000 on signing of this Agreement - **paid**;
- b. make a further cash payment of \$10,000 and issue 500,000 common shares on the earlier of (i) listing of the Optionee's common shares on the Canadian Securities Exchange, and (ii) March 15, 2021 - **paid and issued**;
- c. make a further cash payment of \$12,000 on January 15, 2022;
- d. make a further cash payment of \$12,000 and issue 500,000 Shares on January 15, 2023; and
- e. make a final cash payment of \$12,000 on January 15, 2024.

GOLD HUNTER RESOURCES INC.
NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIODS ENDED AUGUST 31, 2021 AND 2020
(Expressed in Canadian dollars)

4. EXPLORATION AND EVALUATION ASSET (continued)

Following completion of the cash payments and common share issuances set forth above, and satisfaction of the remaining option payments under the Head Option Agreement, the Company shall have exercised the option in full and shall be the beneficial owner of the Claims subject to the reservation by the Optionor's NSR. At any time following January 31, 2021, the Company shall have the right to accelerate the exercise of the Option by completing all of the required cash payments and common share issuances as set forth above.

Following the exercise of the Option, the Company will have the right to purchase the Optionor's NSR at any time for \$1,000,000. For greater certainty, in the event the Company purchases the Optionor's NSR, the Claims would be subject only to the Claim Holder's NSR of which the Optionor will hold an option to purchase a one-half interest (0.75%) in accordance with the terms of the Head Option Agreement.

5. SHARE CAPITAL

a) Authorized: Unlimited number of common shares without par value.

b) Escrow shares:

As at August 31, 2021, there were 5,475,000 (2020: Nil) common shares held in escrow.

c) During the year ended August 31, 2021, the Company had the following transactions:

- On February 10, 2021, the Company issued 500,000 common shares pursuant to a mineral property option agreement (Note 4). The common shares had a fair value of \$100,000.
- On February 11, 2021, the Company completed a private placement for 5,750,000 common shares at a price \$0.15 per share for gross proceeds of \$862,500.
- On February 23, 2021 the Company completed an initial public offering for 5,000,000 common shares at a price \$0.25 per share for gross proceeds of \$1,250,000.
- The Company issued 36,500 pursuant to the exercise of broker options for gross proceeds of \$5,543.

Issued and outstanding as at August 31, 2020: 10,300,000 common shares.

- During the period ended August 31, 2020, the Company had the following transactions:
- On October 30, 2019, the Company issued a common share for incorporation which was cancelled during the period ended August 31, 2020.
- On October 30, 2019, the Company issued 2,000,000 common shares at a price of \$0.005 per share for gross proceeds of \$10,000 to the founders. The founder shares had a fair value of \$40,000 and as a result, the Company recorded a share-based payment of \$30,000 and a corresponding increase to contributed surplus.
- On February 20, 2020, the Company completed a private placement for 1,000,000 flow-through common shares at a price of \$0.02 per share for gross proceeds of \$20,000.
- On June 22, 2020, the Company completed a private placement for 3,300,000 flow-through common shares at \$0.02 per share for gross proceeds of \$66,000.

GOLD HUNTER RESOURCES INC.
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5. SHARE CAPITAL (continued)

d) Stock Options

During the year ended August 31, 2021 the Company issued 517,500 finders options pursuant to the IPO. The finders options are exercisable for \$0.15 per common share expiring on February 11, 2023. For the year ended August 31, 2021, the Company recorded a share issuance cost of \$53,881.

The Company uses the Black-Scholes option pricing model to estimate the fair value for all share-based compensation. The assumptions used in this pricing model, and the resulting fair values per option, for the options granted during the year ended August 31, 2021, are as follows:

(i)	Risk-free interest rate	0.25%
(ii)	Expected life	2 years
(iii)	Expected volatility	148%
(iv)	Expected dividend rate	0%
(v)	Expected forfeiture rate	0%
(vi)	Fair value per option	\$0.11

On October 1, 2020, the Company adopted a Stock Option Plan ("Plan") for directors and officers of the Company. The Company may grant options to individuals, options are exercisable over periods of up to ten years, as determined by the Board of Directors of the Company, to buy shares of the Company at the fair market value on the date the option is granted. The maximum number of shares which may be issuable under the Plan cannot exceed 10% of the total number of issued and outstanding shares on a non-diluted basis.

On October 1, 2020, the Company issued 800,000 stock options to directors and officers of the Company. The stock options are exercisable for \$0.15 per common share expiring on October 1, 2030. On May 20, 2021, the exercise price of the issued options was amended from \$0.15 to \$0.50. For the year ended August 31, 2021, the Company recorded share-based compensation expense of \$37,000.

The assumptions used in this pricing model, and the resulting fair values per option, for the options granted during the year ended August 31, 2021, are as follows:

(i)	Risk-free interest rate	1.58%
(ii)	Expected life	10 years
(iii)	Expected volatility	125%
(iv)	Expected dividend rate	0%
(v)	Expected forfeiture rate	0%
(vi)	Fair value per option	\$0.05

A continuity of the stock options outstanding as at May 31, 2201 is as follows:

	Number of stock options	Weighted average exercise price
Balance as at October 1, 2019 and September 1, 2020	-	\$-
Granted	1,317,500	\$0.15
Exercised	(36,500)	\$0.15
Balance as at August 31, 2021	1,281,000	\$0.15

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6. RELATED PARTY BALANCES AND TRANSACTIONS

Parties are considered to be related if one party has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operating decisions. Related parties may be individuals or corporate entities. A transaction is considered to be a related party transaction when there is a transfer of resources or obligations between related parties.

The Company had incurred the following key management personnel cost from related parties:

	2021	2020
	\$	\$
Management fees	49,000	20,000
Professional fees	18,167	1,350
Share-based compensation	37,000	30,000

Key management includes directors and key officers of the Company, including the President, Chief Executive Officer (“CEO”) and Chief Financial Officer (“CFO”). During the year ended August 31, 2021, the Company paid management fees of \$49,000 to the CEO and president of the company. During the same period the company incurred accounting fees of \$18,167 to a company controlled by the CFO and director of the Company and issued 800,000 stock options to directors and officers of the Company. Accordingly, the company recorded an amount of \$37,000 as share based compensation for the year ended August 31, 2021.

During the period ended August 31, 2020, the Company issued 2,000,000 common shares with estimated fair value of \$40,000 (see Note 5c) to directors and officers of the Company. Accordingly, the Company recorded an amount of \$30,000 as share-based compensation for the period ended August 30, 2020.

During the period ended August 31, 2020, the Company paid management fees of \$20,000 to the CEO and President of the Company.

During the period ended August 31, 2020, the Company paid \$1,350 in accounting fees to a company controlled by the CFO of the Company.

7. 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 identification, evaluation and acquisition of a Qualified Transaction. The Company does not have any externally imposed capital requirements to which it is subject.

The Company’s capital structure consists of equity and share subscriptions. As at August 31, 2021, the Company had capital resources consisting of cash. 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 common shares or dispose of assets or adjust the amount of cash.

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8. FINANCIAL INSTRUMENTS AND FINANCIAL RISK

International Financial Reporting Standards 7, Financial Instruments: Disclosures, 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).

Fair value of financial instruments

The Company's financial assets include cash and cash equivalents and are classified as Level 1. The carrying value of these instruments approximates their fair values due to the relatively short periods of maturity of these instruments.

Assets measured at fair value on a recurring basis were presented on the Company's statements of financial position as at August 31, 2020 were as follows:

	Carrying amount	Fair value measurement using		
		Level 1	Level 2	Level 3
Cash and cash equivalents	\$ 1,722,636	\$ 1,722,636	\$ -	\$ -

Financial risk management objectives and policies

The Company's financial instruments include cash and accounts 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.

Currency risk

The Company's expenses are denominated in Canadian dollars. The Company's corporate office is based in Canada and current exposure to exchange rate fluctuations is minimal.

The Company does not have any significant foreign currency denominated monetary liabilities. The principal business of the Company is the identification and evaluation of assets or a business and once identified or evaluated, to negotiate an acquisition or participation in a business subject to receipt of shareholder approval and acceptance by regulatory authorities.

Credit Risk

Credit risk is the risk of loss associated with the counterparty's inability to fulfill its payment obligations. Financial instruments that potentially subject the Company to concentrations of credit risks consist principally of cash. To minimize the credit risk, the Company places these instruments with a high quality financial institution.

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8. FINANCIAL INSTRUMENTS AND FINANCIAL RISK (*continued*)

Interest Rate Risk

The Company is exposed to interest rate risk on the variable rate of interest earned on bank deposits. The fair value interest rate risk on bank deposits is insignificant as the deposits are short-term.

The Company has not entered into any derivative instruments to manage interest rate fluctuations.

Liquidity risk

In the management of liquidity risk of the Company, the Company maintains a balance between continuity of funding and the flexibility through the use of borrowings. Management closely monitors the liquidity position and expects to have adequate sources of funding to finance the Company's projects and operations.

9. INCOME TAXES

The following table reconciles the amount of income tax recoverable on application of the combined statutory Canadian federal and provincial income tax rates:

	2021	2020
	\$	\$
Canadian statutory income tax rate	27%	27%
Income tax recovery at statutory rate	(103,000)	(29,470)
Effect of income taxes of:		
Permanent differences and other	10,000	8,100
Change in deferred tax assets not recognized	93,000	21,370
Deferred income tax recovery	-	-

The temporary differences that give rise to significant portions of the deferred tax assets not recognized are presented below:

	2021	2020
	\$	\$
Non-capital loss carry forwards	123,000	21,370
Exploration and evaluation assets	-	-
Share issuance costs	32,000	-
Deferred tax assets not recognized	(155,000)	(21,370)
	-	-

The Company has not recognized any deferred income tax assets. The Company recognizes deferred income tax assets based on the extent to which it is probable that sufficient taxable income will be realized during the carry forward years to utilize all deferred tax assets. The Company has non-capital losses carried forward of approximately \$454,000 available to reduce income taxes in future years which expire starting in 2041.

10. COMMITMENTS

The Company is committed to certain cash payments and common share issuances as described in Note 4.