Gold Hunter Resources Inc.

Financial Statements

For the years ended August 31, 2023 and 2022

(Expressed in Canadian Dollars)

Contents

manning elliott

17th floor, 1030 West Georgia St., Vancouver, BC, Canada V6E 2Y3

Tel: 604. 714. 3600 **Fax:** 604. 714. 3669 **Web:** manningelliott.com

INDEPENDENT AUDITORS' REPORT

To the Shareholders and Directors of Gold Hunter Resources Inc.

Opinion

We have audited the financial statements of Gold Hunter Resources Inc. (the "Company") which comprise the statement of financial position as at August 31, 2023 and 2022, and the statements of loss and comprehensive loss, changes in equity and cash flows for the years then ended, the related notes comprising a summary of significant accounting policies and other explanatory information, and the schedules of exploration and evaluation assets for the years ended August 31, 2023 and 2022 (together, the "Financial Statements").

In our opinion, the accompanying Financial Statements present fairly, in all material respects, the financial position of the Company as at August 31, 2023 and 2022, and its financial performance and its cash flows for the years then ended 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 describes matters and conditions that indicate the existence of a material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Financial Statements for the year ended August 31, 2023. These matters were addressed in the context of our audit of the Financial Statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Except for the matter described in the Material Uncertainty Related to Going Concern section, we have determined that there are no other key audit matters to communicate in our report.

Other Information

Management is responsible for the other information, which comprises the information included in the Company's Management Discussion & Analysis to be filed with the relevant Canadian securities commissions.

Our opinion on the Financial Statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit 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 or otherwise 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 the 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.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are, therefore, the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner on the audit resulting in this independent auditors' report is Artem Valeev.

Manning Elliott LLP

CHARTERED PROFESSIONAL ACCOUNTANTS
Vancouver, British Columbia
December 19, 2023

Gold Hunter Resources Inc.
Statements of Financial Position
As at August 31, 2023 and 2022
(Expressed in Canadian dollars)

		2023		2022
ASSETS				
Current assets				
Cash and cash equivalents		70,779		297,055
Amounts receivable		9,552		23,202
Prepaid expenses		2,750		163,663
		83,081		483,920
Non-current assets				
Investments (note 4)		190,000		-
Exploration and evaluation assets (note 6)		2,409,966		2,727,750
		2,683,047		3,211,670
LIABILITIES				
Current liabilities				
Accounts payable and accrued liabilities (note 8)		306,301		65,708
Loans and notes payable (note 5, 6)		152,500		-
		458,801		65,708
SHAREHOLDERS' EQUITY				
Share capital (note 7)		4,898,580		4,049,567
Reserves		272,193		120,881
Accumulated other comprehensive loss		(110,000)		-
Deficit		(2,836,527)		(1,024,486)
		2,224,246		3,145,962
	$	2,683,047	$	3,211,670

NATURE OF BUSINESS AND CONTINUING OPERATIONS (note 1)
COMMITMENTS (note 11)
SUBSEQUENT EVENTS (note 13)

Approved on behalf of the Board:

"Michael Williams"	*"Richard Macey"*
Director	Director

Gold Hunter Resources Inc.

Statements of Loss and Comprehensive Loss

For the years ended August 31, 2023 and 2022

(Expressed in Canadian dollars)

	2023	2022
EXPENSES		
Consulting fees	$ 152,050	$ 157,000
Listing and filing fees	25,506	19,623
Management fees (note 8)	179,000	169,000
Office expense	10,400	13,148
Professional fees (note 8)	117,035	146,509
Rent	42,000	12,250
Travel and accommodation	14,960	15,790
	(540,951)	(533,320)
OTHER EXPENSES		
Loss on sale of exploration and evaluation assets (note 6)	(1,271,090)	-
NET LOSS	(1,812,041)	(533,320)
OTHER COMPREHENSIVE LOSS		
Unrealized loss on investments (note 4)	(110,000)	-
COMPREHENSIVE LOSS	(1,922,041)	(533,320)
LOSS PER SHARE (basic and diluted)	(0.07)	(0.02)
WEIGHTED AVERAGE NUMBER OF SHARES OUTSTANDING (basic and diluted)	26,693,178	24,049,185

The accompanying notes and schedules are an integral part of these financial statements

Gold Hunter Resources Inc.

Statements of Changes in Equity

For the years ended August 31, 2023 and 2022

(Expressed in Canadian dollars)

	Common shares										
	Number		**Amount**		**Reserves**		**Accumulated Other Comprehensive Loss**		**Deficit**		**Total**
As at August 31, 2021	**21,586,500**	**$**	**2,311,167**	**$**	**120,881**	**$**	**-**	**$**	**(491,166)**	**$**	**1,940,882**
Shares issued for exploration and evaluation assets	4,240,000		1,738,400		-		-		-		1,738,400
Net loss for the year	-		-		-		-		(533,320)		(533,320)
As at August 31, 2022	**25,826,500**	**$**	**4,049,567**	**$**	**120,881**	**$**	**-**	**$**	**(1,024,486)**	**$**	**3,145,962**
Shares issued for exploration and evaluation assets	3,025,000		731,250		-		-		-		731,250
Compensation options exercised	460,500		117,763		(48,688)		-		-		69,075
Share issuance obligation (note 6)	-		-		200,000		-		-		200,000
Net loss for the year	-		-		-		-		(1,812,041)		(1,812,041)
Other comprehensive loss											
Unrealized loss on investments (note 4)	-		-		-		(110,000)		-		(110,000)
As at August 31, 2023	**29,312,000**	**$**	**4,898,580**	**$**	**272,193**	**$**	**(110,000)**	**$**	**(2,836,527)**	**$**	**2,224,246**

The accompanying notes and schedules are an integral part of these financial statements

Gold Hunter Resources Inc.

Statements of Cash Flows

For the years ended August 31, 2023 and 2022

(Expressed in Canadian dollars)

	2023	2022
OPERATING ACTIVITIES		
Net loss for the year	$ (1,812,041)	$ (533,320)
Item not involving cash:		
Loss on sale of exploration and evaluation assets	1,271,090	-
	(540,951)	(533,320)
Changes in non-cash working capital balances:		
Amounts receivable	13,650	(15,957)
Prepaid expenses	160,913	(163,663)
Accounts payable	240,593	48,805
Cash used in operating activities	(125,795)	(664,135)
INVESTING ACTIVITIES		
Proceeds from the sale of exploration and evaluation assets	50,000	-
Exploration and evaluation assets	(294,556)	(761,446)
Cash used in investing activities	(244,556)	(761,446)
FINANCING ACTIVITIES		
Proceeds from the exercise of compensation options	69,075	-
Proceeds from the issuance of loans (note 5)	75,000	-
Cash provided by financing activities	144,075	-
CHANGE IN CASH AND CASH EQUILIVANTS	(226,276)	(1,425,581)
CASH AND CASH EQUILIVANTS, BEGINNING OF YEAR	297,055	1,722,636
CASH AND CASH EQUILIVANTS, END OF YEAR	70,779	$ 297,055
Interest and income taxes paid	-	$ -

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 75 – 8050 204th Street, Langley, British Columbia, Canada.

The Company's principal business activities include the acquisition and exploration of mineral property assets. As at August 31, 2023, 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 an accumulated deficit of $2,836,527 as at August 31, 2023, 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.These factors indicate the existence of a material uncertainty that may cast significant doubt on 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.

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 years ended August 31, 2023 and 2022 were reviewed by the Audit Committee and approved and authorized for issuance by the Board of Directors on December 19, 2023.

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.

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, 2023, the Company held no cash equivalents.

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.

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.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Income taxes (continued)

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.

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.

As the Company has recorded a net loss in each of the periods presented, basic and diluted net loss per share are the same as the exercise of stock options or share purchase warrants are anti-dilutive.

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.

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.

Financial instruments

<u>Financial assets</u>

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").

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Financial instruments (continued)

Financial assets (continued)

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's investments are 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)

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, loans and notes 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.

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)

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.

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.

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.

(Expressed in Canadian dollars)

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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.

4. INVESTMENTS

Investments in shares comprise the following:

	Number of shares	Cost	Accumulated Unrealized Loss	August 31, 2023 Fair Value
Sorrento Resources Ltd.	1,000,000	$ 300,000	$ (110,000)	$ 190,000

As at August 31, 2022, the Company did not have any investments.

During the year ended August 31, 2023, the Company recorded an unrealized loss of $110,000 (2022 - $Nil) in other comprehensive income.

Sorrento Resources Ltd. is a listed company, and the fair value of the investments was determined using quoted market prices at the date of the Statements of Financial Position. In June 2023, the Company received 1,000,000 common shares of Sorrento Resources Ltd. with a fair value of $300,000, in respect of the sale of six other projects acquired as part of the Rambler and Tilt Cove Projects Property (note 6).

5. LOANS AND NOTES PAYABLE

In July 2023, the Company obtained private, non-interest-bearing loans from a certain related and other unrelated parties for an aggregate amount of $75,000 (includes $25,000 from an insider). The loans are payable in full upon the closing of the Company’s next private placement financing ("Future Financing”). The proceeds from the loans will be used to fulfill the Company’s mineral claim obligations in respect of its exploration and evaluation assets (note 6) and working capital requirements. On closing of the Future Financing, the Company will repay the loans and will issue to the lenders an aggregate total of 300,000 common share purchase warrants (includes 100,000 warrants to an insider) in the Company. Each share purchase warrant will be exercisable to purchase one common share of the Company at the per share issue price of the Future Financing, for a period of 24 months from the date of issuance.

In July 2023, the Company issued promissory notes in the aggregate amount of $77,500 in respect of the purchase of five additional properties adjacent to the Rambler Project (note 6). The notes are unsecured, non-interest-bearing and have a term of 90 days and which are repaid subsequent to the year end.

6. EXPLORATION AND EVALUATION ASSETS

Cameron Lake East Property

In January 2020, the Company entered into an option agreement (the "Agreement") to acquire the mineral claims known as Cameron Lake East Property located in the Kenora Mining Division of Ontario. The Agreement is pursuant to an underlying option agreement (the "Head Option Agreement") between the optionor and the original claim holder ("Claim Holder"). To exercise the option and acquire the claims, the Company must pay the optionor $66,000 and issue 1,000,000 common shares of the Company as follows:

a. pay $20,000 on signing of the Agreement (paid);
b. pay an additional $10,000 and issue 500,000 common shares on the earlier of (i) listing of the the Company's common shares on the Canadian Securities Exchange, and (ii) March 15, 2021 (paid and issued);
c. pay an additional $12,000 on January 15, 2022 (paid);
d. pay an additional $12,000 and issue an additional 500,000 common shares on January 15, 2023 (paid and issued); and
e. pay an additional $12,000 on January 15, 2024.

In addition, under the Head Option Agreement, the optionor must pay the Claim Holder $48,000 (paid) by September 20, 2023. 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 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.

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 (1.5%) 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. Refer to the Schedules of exploration and evaluation assets for a summary of expenditures and continuity of exploration and evaluation assets.

Rambler and Tilt Cove Properties

In January 2022, the Company entered into one option agreement and one purchase agreement to acquire the Rambler and Tilt Cove Projects and six other projects in the Province of Newfoundland and Labrador, collectively known as the Rambler and Tilt Cove Properties. To exercise the option and acquire the claims, the Company must pay the optionors $1,695,000, issue 10,300,000 common shares, and incur $2,500,000 of exploration expenditures on the claims as follows:

a. pay $15,000 upon signing of the option agreement (paid);
b. pay an additional $25,000 on or before December 1, 2022 (paid);
c. pay an additional $50,000 on or before December 1, 2023;
d. issue 1,500,000 common shares and incur $800,000 of property expenditures on or before July 1, 2024;
e. pay an additional $190,000 and issue an additional 2,000,000 common shares on or before December 1, 2024;
f. pay an additional $415,000 and issue an additional 2,800,000 common shares on or before December 1, 2025; and
g. pay an additional $1,000,000, issue an additional 4,000,000 common shares, and incur an additional $1,700,000 of property expenditures on or before December 1, 2026.

6. EXPLORATION AND EVALUATION ASSET (continued)

Rambler and Tilt Cove Properties (continued)

In addition, the Company must pay finders' fees of $135,600 and issue 824,000 common shares as follows:

a. pay $1,200 upon signing of the option agreement (paid);
b. pay an additional $2,000 on or before December 1, 2022 (paid);
c. pay an additional $4,000 on or before December 1, 2023;
d. issue 120,000 common shares on or before July 1, 2024;
e. pay an additional $15,200 and issue an additional 160,000 common shares on or before December 1, 2024;
f. pay an additional $33,200 and issue an additional 224,000 common shares on or before December 1, 2025; and
g. pay an additional $80,000 and issue an additional 320,000 common shares on or before December 1, 2026.

In connection with the purchase agreement, the Company paid $250,000 and issued 4,000,000 common shares to acquire the claims. The Company also paid a finders' fee of $15,000 and 240,000 shares in respect of the purchase agreement. A portion of the claims is subject to a 2% net smelter returns royalty and a portion is subject to a 2.5% net smelter returns royalty of which the Company may purchase 50% at any time for $1,000,000 and 60% at any time for $2,000,000, respectively.

In June 2023, the Company sold 100% interest in the six other projects acquired as part of the Rambler and Tilt Cove Projects for $50,000 and 1,000,000 common shares of Sorrento Resources Ltd. with a fair value of $300,000, determined using quoted market prices on the closing date of the transaction. The Company retained a 1% net smelter returns royalty which the purchaser has the right to buy back 50% at any time for $1,000,000. Pursuant the sale transaction, the Company recorded a loss on sale of exploration and evaluation assets of $1,271,090.

In July 2023, the Company purchased five additional properties adjacent to the Rambler Project in the Baie Verte Peninsula, Newfoundland. The Company paid $37,500 and issued 2,275,000 common shares on the closing date of the transaction. In addition, the Company issued $77,500 of non-interest bearing promissory notes with a term of 90 days and issued 250,000 common shares as finders' fee. The Company will also issue an additional 800,000 common shares on the date that is 4 months and a day from the closing date and recorded a reserve for an obligation to issue the remaining common shares with a fair value of $200,000. The five properties are each subject to a 2% net smelter returns royalty of which the Company may purchase 50% at any time for an aggregate total of $5,500,000. Refer to the Schedules of exploration and evaluation assets for a summary of expenditures and continuity of exploration and evaluation assets.

7. SHARE CAPITAL

Authorized

Unlimited number of common shares without par value.

Issued and outstanding

As of August 31, 2023 there were 29,312,000 (August 31, 2022 - 25,826,500) common shares issued and outstanding.

(Expressed in Canadian dollars)

7. SHARE CAPITAL

Issued and outstanding (continued)

During the year ended August 31, 2023:

I. On January 14, 2023, the Company issued 500,000 common shares with a fair value of $0.20 per share ($100,000 total) for the option to purchase exploration and evaluation assets (Cameron Lake East Property) (note 6).

II. In February 2023, the Company issued 460,500 common shares for proceeds of $0.15 per share ($69,075 total) upon the exercise of compensation options.

III. On July 21, 2023, the Company issued 2,525,000 common shares with a fair value of $0.25 per share ($631,250 total) for the purchase of exploration and evaluation assets (Rambler Property) (note 6).

During the year ended August 31, 2022:

I. On February 1, 2022, the Company issued 4,000,000 common shares pursuant to the Fair Haven Property Purchase Agreement (note 6). The fair market value of the common shares was $1,640,000.

II. On February 1, 2022, the Company issued 240,000 common shares pursuant to the Fair Haven Property Purchase Agreement (note 6). The fair market value of the common shares was $98,400.

Stock Options

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.

A continuity schedule of outstanding stock options is as follows:

	Number Outstanding	Weighted Average Exercise Price
		$
Balance as at August 31, 2021 and 2022	800,000	0.50
Forfeited	(200,000)	0.50
Balance as at August 31, 2023	600,000	0.50

As of August 31, 2023, the Company had share purchase options outstanding and exercisable to acquire common shares of the Company as follows:

Grant Date	Expiry Date	Number of options	Exercisable		Exercise Price
October 1, 2020	October 1, 2030	600,000	600,000	$	0.50
		600,000	600,000	$	0.50

(Expressed in Canadian dollars)

7. SHARE CAPITAL (continued)

Compensation Options

A continuity schedule of outstanding compensation options is as follows:

	Number Outstanding	Weighted Average Exercise Price
		$
Balance as at August 31, 2021 and 2022	481,000	0.15
Exercised	(460,500)	0.15
Expired	(20,500)	0.15
Balance as at August 31, 2023	-	-

As of August 31, 2023, the Company had no compensation options outstanding and exercisable to acquire common shares of the Company.

8. 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.

Key management includes directors and key officers of the Company, including the Chief Executive Officer ("CEO") and Chief Financial Officer ("CFO").

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

	2023	2022
	$	$
Management fees	143,000	112,000
Professional fees	-	64,240

During the year ended August 31, 2023, the Company paid management fees of $143,000 (2022 - $112,000) to a company controlled by the CEO, the former CEO, and CFO of the Company.

During the year ended August 31, 2023, the Company incurred accounting fees of $Nil (2022 - $64,240) from a company controlled by the former CFO of the Company.

As at August 31, 2023, $38,955 (August 31, 2022 - $Nil) was due to key management personnel and management entities and is included in accounts payable and accrued liabilities on the Statements of Financial Position.The amount payable are unsecured, non-interest bearing and due on demand.

9. MANAGEMENT OF CAPITAL

The Company defines capital as all components of equity. The Company manages its capital structure and makes adjustments to it, based on the funds available to the Company, in order to support the acquisition, exploration and development of mineral properties. The Board of Directors does not establish quantitative return on capital criteria for management, but rather relies on the expertise of the Company's management to sustain future development of the business. The Company is not subject to any externally imposed capital requirements.

9. MANAGEMENT OF CAPITAL (continued)

The exploration and evaluation assets in which the Company currently has an interest are in the exploration stage; as such the Company is dependent on external financing to fund its activities. In order to carry out the planned exploration and pay for administrative costs, the Company will spend its existing working capital and raise additional amounts as needed. The Company will continue to assess new properties and seek to acquire an interest in additional properties if it feels there is sufficient geologic or economic potential and if it has adequate financial resources to do so.

The Company's capital structure consists of equity. As at August 31, 2023, 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.

10. 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 investemts, 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, 2023 were as follows:

		Fair value measurement using		
	Carrying amount	Level 1	Level 2	Level 3
Cash and cash equivalents	$ 70,779	$ 70,779	$ -	$ -
Investments	$ 190,000	$ 190,000	$ -	$ -

Financial risk management objectives and policies

The Company's financial instruments include cash, investments, accounts payable loans 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.

10. FINANCIAL INSTRUMENTS AND FINANCIAL RISK (continued)

Financial risk management objectives and policies (continued)

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.

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

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset. In the management of liquidity risk, 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. As August 31, 2023, the Company has cash and cash quivalent balance of $70,779 to settle its short-term liabilities of $458,801.

11. COMMITMENTS

The Company is committed to certain cash payments and common share issuances as described in note 6.

(Expressed in Canadian dollars)

12. 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:

	2023	**2022**
Canadian statutory income tax rate	27%	27%
Income tax recovery at statutory rate	$ (518,000)	$ (144,000)
Effect of income taxes of:		
Permanent differences and other	30,000	-
Change in deferred tax assets not recognized	488,000	144,000
Deferred income tax recovery	$ -	$ -

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

	2023	**2022**
Non-capital loss carry forwards	$ 425,000	$ 275,000
Exploration and evaluation assets	316,000	-
Share issuance costs and other	46,000	24,000
Deferred tax assets not recognized	(787,000)	(299,000)
	$ -	$ -

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. At August 31, 2023, the Company has non-capital losses of $1,577,000 (2022: $1,017,000) expiring in various amounts from 2040 to 2043, which are available for deduction against future income for tax purposes. The potential benefits of these carry-forward non-capital losses and deductible temporary differences has not been recognized in these financial statements as it is not considered probable that sufficient future taxable profit will allow the deferred tax asset to be recorded.

13. SUBSEQUENT EVENTS

In November 2023, the Company completed a non-brokerd private placement of 2,880,000 units at a price of $0.25 per unit for gross proceeds of $720,000. Each unit consisted of one common share and one transferable common share purchase warrant exercisable for one additional common share at a price of $0.35 for a period of 24 months from the closing date. A related party of the Company participated in the private placement and purchased 40,000 units. The Company paid aggregate finders' fees of $14,000 and issued 56,000 finders' warrants exercisable at $0.35 for a period of 24 months from closing date.

In November 2023, the Company fully repaid the $77,500 promissory notes and $75,000 bridge loans discussed in note 5. In connecetion with the bridge loans, the Company issued 300,000 bonus warrants. Each bonus warrant is exercisable to purchase one share at a price of $0.35 for a period of 24 months from the closing date of the pricate placement.

In November 2023, the Company incorporated a Canadian wholly owned subsidiary 1451366 B.C. Ltd.

Gold Hunter Resources Inc.

Schedule of Exploration and Evaluation Assets
For the year ended August 31, 2023
(Expressed in Canadian dollars)

	Cameron Lake East	Rambler and Tilt Cove	Total
	$	$	$
Balance, August 31, 2022	**313,644**	**2,414,106**	**2,727,750**
Acquisition costs			
Cash	12,000	142,000	154,000
Shares	100,000	831,250	931,250
Other	-	5,876	5,876
	112,000	979,126	1,091,126
Exploration and evaluation costs			
Data compilation	-	186,680	186,680
Geophysical surveys	-	8,000	8,000
Prospecting	-	17,500	17,500
	-	212,180	212,180
Other			
Sale proceeds, cash	-	(50,000)	(50,000)
Sale proceeds, shares	-	(300,000)	(300,000)
Loss on sale	-	(1,271,090)	(1,271,090)
	-	(1,621,090)	(1,621,090)
Balance, August 31, 2023	**425,644**	**1,984,321**	**2,409,966**

The accompanying notes are an integral part of these financial statements

Gold Hunter Resources Inc.
Schedule of Exploration and Evaluation Assets
For the year ended August 31, 2022
(Expressed in Canadian dollars)

	Cameron Lake East	Rambler and Tilt Cove	Total
	$	$	$
Balance, August 31, 2021	**227,904**	**-**	**227,904**
Acquisition costs			
Cash	12,000	281,200	293,200
Shares	-	1,738,400	1,738,400
	12,000	2,019,600	2,031,600
Exploration and evaluation costs			
Geophysical surveys	-	139,857	139,857
Prospecting	73,740	254,649	328,389
	73, 740	394,506	468,246
Balance, August 31, 2022	**313,644**	**2,414,106**	**2,727,750**

The accompanying notes are an integral part of these financial statements