

**TALENT INFINITY RESOURCE DEVELOPMENTS INC.**  
(formerly Talent Infinity Capital Fund Corporation)  
(an exploration stage company)

**FINANCIAL STATEMENTS**  
(Expressed in Canadian Dollars)

**FOR THE YEARS ENDED MAY 31, 2023 AND 2022**

UNIT# 172  
4300 NORTH FRASER WAY  
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**Adam Kim**

ADAM SUNG KIM LTD.  
CHARTERED PROFESSIONAL ACCOUNTANT

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## INDEPENDENT AUDITOR'S REPORT

To: the Shareholders of  
Talent Infinity Resource Developments Inc. (formerly Talent Infinity Capital Corporation)

### Opinion

I have audited the financial statements of Talent Infinity Resource Developments Inc. (formerly Talent Infinity Capital Corporation) (the "Company"), which comprise the statements of financial position as at May 31, 2023 and May 31, 2022, and the statements of loss and comprehensive loss, statements of cash flows and statements of changes in equity for the years ended May 31, 2023 and May 31, 2022, and notes to the financial statements, including a summary of significant accounting policies.

In my opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at May 31, 2023 and May 31, 2022, and its financial performance and its cash flow for the years ended May 31, 2023 and May 31, 2022 in accordance with International Financial Reporting Standards (IFRSs).

### Basis for Opinion

I conducted my audit in accordance with Canadian generally accepted auditing standards. My responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of my report. I am independent of the Company in accordance with the ethical requirements that are relevant to my audit of the financial statements in Canada, and I have fulfilled my other ethical responsibilities in accordance with these requirements. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

### Material Uncertainty Related to Going Concern

I draw attention to Note 1 in the financial statements, which indicates that the Company incurred a net loss of \$141,678 during the year ended May 31, 2023 and, as of that date, the Company had not yet achieved profitable operations, had accumulated losses of \$537,632 since its inception, and expects to incur further losses in the development of its business. As stated in Note 1, these events or conditions, along with other matters as set forth in Note 1, indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. My opinion is not modified in respect of this matter.

### Key Audit Matter

Key audit matters are those matters that, in my professional judgment, were of most significance in my audit of the financial statements for the year ended May 31, 2023. These matters were addressed in the context of my audit of the financial statements as a whole, and in forming my opinion thereon, and I do not provide a separate opinion on these matters.

In addition to the matter described in the "Material Uncertainty Related to Going Concern" section of the auditor's report, I have determined the matters described below to be the key audit matters to be communicated in my auditors' report.

### Evaluation of indicators of impairment for exploration and evaluation assets

#### Description of the matter

I draw attention to Notes 5 to the financial statements. The Company has exploration and evaluation assets of \$120,000 as at May 31, 2023. The carrying amounts of the Company's exploration and evaluation assets are reviewed each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. Significant judgment is required in assessing indicators of impairment. The Company completes an evaluation at each reporting period of potential impairment indicators.

#### Why the matter is a key audit matter

I identified the evaluation of indicators of impairment for exploration and evaluation assets as a key audit matter. This matter represented an area of significant risk of material misstatement given the magnitude of exploration and evaluation assets. This matter was of most significance due to the difficulties in evaluating the result of my audit procedures to assess the Company's determination of whether the factors, individually and in the aggregate, resulted in indicators of impairment.

#### How the matter was addressed in the audit

The following are the primary procedures I performed to address this key audit matter.

I evaluated the Company's analysis of impairment indicators by:

- Obtaining an understanding of management's process for developing an assessment of the existence of impairment indicators.
- Assessing whether the information in the analysis was consistent with information included in internal communications to management and the Board of Directors, the Company's press releases, management's discussion and analysis, and other public filings
- Reading updated technical reports for any indicators of impairment arising from changes to estimates of mineral reserves and resources
- Considering evidence obtained in other areas of the audit, including the status of significant mineral licenses and expenditures on mineral properties, the results of exploration activities and any updates to estimates of mineral reserves and resources
- Comparing the Entity's market capitalization to the carrying value of its net assets.

#### **Other Information**

Management is responsible for the other information. The other information comprises the Management Discussion and Analysis.

My opinion on the financial statements does not cover the other information and I do not express any form of assurance conclusion thereon.

In connection with my audit of the financial statements, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or my knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work I have performed, I conclude that there is a material misstatement of this other information, I am required to report that fact. I 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 IFRSs, 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.

#### **Auditor's Responsibilities for the Audit of the Financial Statements**

My 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 auditor's report that includes my 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, I exercise professional judgment and maintain professional skepticism throughout the audit. I 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 my 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 I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's 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.

I 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 I identify during my audit.

I also provide those charged with governance with a statement that I 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 my independence, and where applicable, related safeguards.

The engagement partner on the audit resulting in this independent auditor's report is Adam Kim, CPA, CA.

***“Adam Sung Kim Ltd.”***  
Chartered Professional Accountant

Unit# 172 – 4300 North Fraser Way  
Burnaby, BC, Canada V5J 5J8  
September 27, 2023

**TALENT INFINITY RESOURCE DEVELOPMENTS INC.**  
**(Formerly Talent Infinity Capital Fund Corporation)** (an exploration stage company)  
**STATEMENTS OF FINANCIAL POSITION**  
(Expressed in Canadian Dollars)

As at,	Notes:	May 31, 2023	May 31, 2022
<b>ASSETS</b>			
<b>Current</b>			
Cash		\$ 58,514	\$ 300,173
Prepaid expenses		5,000	5,000
Receivables		4,421	2,077
Loan receivable	9	23,402	-
<b>Total current assets</b>		<b>91,337</b>	<b>307,250</b>
<b>Non-current</b>			
Loan receivable	9	-	20,534
Exploration and evaluation assets	5	120,000	70,000
<b>TOTAL ASSETS</b>		<b>\$ 211,337</b>	<b>\$ 397,784</b>
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>			
<b>Current</b>			
Accounts payable and accrued liabilities	4	\$ 45,740	\$ 103,436
Loans Payable	8	223,637	33,219
<b>Total current liabilities</b>		<b>\$ 269,377</b>	<b>\$ 136,655</b>
<b>Non-current</b>			
Loans Payable	8	-	177,490
<b>TOTAL LIABILITIES</b>		<b>\$ 269,377</b>	<b>\$ 314,145</b>
<b>Shareholders' Equity</b>			
Share Capital	7	479,593	479,593
Deficit		(537,632)	(395,954)
<b>Total shareholders' equity(deficiency)</b>		<b>(58,039)</b>	<b>83,639</b>
<b>TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY</b>		<b>\$ 211,338</b>	<b>\$ 397,784</b>

Nature and continuance of operations (Note 1)  
Approved and authorized by the Board on September 27, 2023:

"Derrick Gaon"  
Derrick Gaon

Director

"Barry Bergstrom"  
Barry Bergstrom

Director

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

**TALENT INFINITY RESOURCE DEVELOPMENTS INC.**  
**(Formerly Talent Infinity Capital Fund Corporation)** (an exploration stage company)  
**STATEMENTS OF LOSS AND COMPREHENSIVE LOSS**  
For the years ended May 31, 2023 and 2022  
(Expressed in Canadian Dollars)

	<b>May 31, 2023</b>	<b>May 31, 2022</b>
<b>EXPENSES</b>		
Management and Consulting fees	\$ 4,496	\$ 17,061
Exploration expenses (Note 5)	37,951	104,246
General and office administration	16,239	13,263
Professional fees	46,188	139,306
Filing fees	18,825	38,114
	123,699	311,990
<b>OTHER INCOME (EXPENSE)</b>		
Interest income	4,775	2,596
Foreign exchange gain (loss)	3,660	10,439
Gain on long-term loan (Note 8)	-	16,890
Finance costs (Note 8)	(26,414)	(12,185)
	(17,979)	17,740
<b>Loss and comprehensive loss for the year</b>	<b>\$ 141,678</b>	<b>\$ 294,250</b>
<b>Basic and diluted loss per common share</b>	<b>(\$0.01)</b>	<b>(\$0.02)</b>
<b>Weighted average number of common shares outstanding</b>	<b>19,978,548</b>	<b>16,989,679</b>

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

**TALENT INFINITY RESOURCE DEVELOPMENTS INC.**  
**(Formerly Talent Infinity Capital Fund Corporation)** (an exploration stage company)  
**STATEMENTS OF CASH FLOWS**  
For the years ended May 31, 2023 and 2022  
(Expressed in Canadian Dollars)

	<b>May 31, 2023</b>	May 31, 2022
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Loss for the year	\$ (141,678)	\$ (294,250)
Accrued interest income	(2,868)	(2,386)
Gains on long term loans	-	(16,890)
Accretion on long term loans	7,686	3,276
Accrued interest expense	18,728	8,903
Change in non-cash working capital items:	-	-
Accounts payable and accrued liabilities	(57,696)	92,821
Receivables	(2,345)	(2,076)
Prepaid expenses	-	5,000
Net Cash used in operating activities	(178,173)	(205,602)
		-
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Proceeds received on loan payable	13,056	125,596
Repayment of loans payable	(26,542)	(88,461)
Net cash provided by financing activities	(13,486)	37,135
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Loan receivable	-	(20,000)
Exploration and evaluation assets	(50,000)	(60,000)
Net cash used in investing activities	(50,000)	(80,000)
<b>Change in cash for the year</b>	<b>\$ (241,659)</b>	<b>\$ (248,467)</b>
<b>Cash, beginning of year</b>	<b>300,173</b>	<b>548,640</b>
<b>Cash, end of year</b>	<b>\$ 58,514</b>	<b>\$ 300,173</b>
<b>Cash paid during the period for interest</b>	<b>\$-</b>	<b>\$-</b>
<b>Cash paid during the period for income taxes</b>	<b>\$-</b>	<b>\$-</b>

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

**TALENT INFINITY RESOURCE DEVELOPEMENTS INC.** (formerly Talent Infinity Capital Fund Corporation) (an exploration stage company)  
**STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY**  
For the years ended May 31, 2023 and 2022  
(Expressed in Canadian Dollars)

<b>Share Capital</b>						
	Notes:	Number	Amount	Shares to be issued	Deficit	Total
<b>Balance at June 1, 2021</b>		6,223,646	\$ 124,349	\$ 282,098	\$ (101,704)	\$ 304,743
Shares issued for debts	7	750,000	75,000	-	-	75,000
Private placement – third round	7	12,729,902	254,598	(254,598)	-	-
Private placement – fourth round	7	275,000	27,500	(27,500)	-	-
Capital distribution by a related party	7	-	(1,854)	-	-	(1,854)
Loss for the year		-	-	-	(294,250)	(294,250)
<b>Balance at May 31, 2022</b>		19,978,548	\$ 479,593	\$ -	\$ (395,954)	\$ 83,639
<b>Balance at June 1, 2022</b>		19,978,548	\$ 479,593	\$ -	\$ (395,954)	\$ 83,639
Loss for the year		-	-	-	(141,678)	(141,678)
<b>Balance at May 31, 2023</b>		19,978,548	\$ 479,593	\$ -	\$ (537,632)	\$ (58,039)



## **1. NATURE AND CONTINUANCE OF OPERATIONS**

Talent Infinity Capital Corporation (the “**Company**”) is incorporated under the *Business Corporations Act*, (British Columbia). On January 14, 2022, the Company changed its name to Talent Infinity Resource Developments Inc. The Company is engaged in the acquisition, exploration and development of mineral resource properties located in Canada. The Company was incorporated on June 25, 2020.

The Company’s head office and records office is located at 5728 East Boulevard, Vancouver, British Columbia, Canada, V6M 4M4.

The recovery of the amounts comprising mineral properties is dependent upon the confirmation of economically recoverable reserves, the ability of the Company to obtain necessary financing to successfully complete their exploration and development, and upon future profitable production.

These financial statements have been prepared by management on a going concern basis which assumes that the Company will be able to realize its assets and discharge its liabilities in the normal course of business for the foreseeable future. As at May 31, 2023 the Company had not yet achieved profitable operations, had accumulated losses of \$537,632 since its inception, and expects to incur further losses in the development of its business, all of which casts significant doubt about the Company’s ability to continue as a going concern. A number of alternatives including, but not limited to selling an interest in one or more of its properties or completing a financing, are being evaluated with the objective of funding ongoing activities and obtaining working capital. The continuing operations of the Company are dependent upon its ability to continue to raise adequate financing and to commence profitable operations in the future and repay its liabilities arising from normal business operations as they become due.

The financial statements do not include any adjustments relating to the recoverability and classification of recorded asset amounts and classification of liabilities that might be necessary should the Company be unable to continue in existence.

## **2. BASIS OF PREPARATION**

### **Statement of Compliance**

These financial statements, including comparatives, have been prepared in accordance with International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board (“IASB”) and Interpretations issued by the International Financial Reporting Interpretations Committee (“IFRIC”).

### **Basis of Presentation**

The financial statements have been prepared on a historical cost basis except for certain financial assets measured at fair value. All dollar amounts presented are in Canadian Dollars unless otherwise specified.

### **Significant accounting judgments and estimates**

The preparation of financial statements in conformity with IFRS 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 the reported revenues and expenses during the year. Although management uses historical experience and its best knowledge of the amount, events or actions to form the basis for judgments and estimates, actual results may differ from these estimates. The most significant accounts that require estimates as the basis for determining the stated amounts include valuation of share-based payments and recognition of deferred income tax amounts and provision for restoration, rehabilitation and environmental costs.

## **2. BASIS OF PRESENTATION (CONTINUED)**

Critical judgments exercised in applying accounting policies that have the most significant effect on the amounts recognized in the financial statements are as follows:

### Determination of functional currency

The Company determines the functional currency through an analysis of several indicators such as expenses and cash flow, financing activities, retention of operating cash flows, and frequency of transactions with the reporting entity.

### Income taxes

In assessing the probability of realizing income tax assets, management makes estimates related to expectations of future taxable income, applicable tax opportunities, expected timing of reversals of existing temporary differences and the likelihood that tax positions taken will be sustained upon examination by applicable tax authorities. In making its assessments, management gives additional weight to positive and negative evidence that can be objectively verified.

## **3. SIGNIFICANT ACCOUNTING POLICIES**

### **Foreign exchange**

The functional currency of an entity is the currency of the primary economic environment in which the entity operates. The functional currency of the Company is the Canadian Dollar. The functional currency determinations were conducted through an analysis of the consideration factors identified in IAS 21, *The Effects of Changes in Foreign Exchange Rates*.

Transactions in currencies other than the Canadian Dollar are recorded at exchange rates prevailing on the dates of the transactions. At the end of each reporting period, monetary assets and liabilities denominated in foreign currencies are translated at the period end exchange rate while non-monetary assets and liabilities are translated at historical rates. Revenues and expenses are translated at the exchange rates approximating those in effect on the date of the transactions. Exchange gains and losses arising on translation are included in comprehensive loss.

### **Financial instruments**

IFRS 9 includes requirements for classification and measurement of financial assets and financial liabilities; impairment methodology for financial instruments; and general hedge accounting. IFRS 9 has specific requirements for whether debt instruments are accounted for at amortized cost, fair value through other comprehensive income or fair value through profit or loss. IFRS 9 requires equity instruments to be measured at fair value through profit or loss unless an irrevocable election is made to measure them at fair value through other comprehensive income, which results in changes in fair value not being recycled to the income statement.

The following is the Company's accounting policy for financial instruments under IFRS 9:

### **Recognition and Classification**

The Company recognized a financial asset or financial liability on the statement of financial position when it becomes party to the contractual provisions of the financial instrument.

The Company classifies its financial instruments in the following categories: at fair value through profit and loss ("FVTPL"), at fair value through other comprehensive income (loss) ("FVTOCI") or at amortized cost. The Company determines the classification of financial assets at initial recognition. The classification of debt instruments is driven by the Company's business model for managing the financial assets and their contractual cash flow characteristics.

**3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

Equity instruments that are held for trading are classified as FVTPL. For other equity instruments, on the day of acquisition the Company can make an irrevocable election (on an instrument-by-instrument basis) to designate them as at FVTOCI. Financial liabilities are measured at amortized cost, unless they are required to be measured at FVTPL (such as instruments held for trading or derivatives) or if the Company has opted to measure them at FVTPL.

The Company completed a detailed assessment of its financial assets and liabilities as at May 31, 2023. The following table shows the classifications under IFRS 9:

	<b>Classification IFRS 9</b>
Cash	FVTPL
Accounts payable and accrued liabilities	Amortized cost
Loan receivable and Loans payable	Amortized cost

**Measurement**

**Financial assets at FVTOCI**

Elected investments in equity instruments at FVTOCI are initially recognized at fair value plus transaction costs. Subsequently they are measured at fair value, with gains and losses recognized in other comprehensive income (loss).

**Financial assets and liabilities at amortized cost**

Financial assets and liabilities at amortized cost are initially recognized at fair value plus or minus transaction costs, respectively, and subsequently carried at amortized cost less any impairment.

**Financial assets and liabilities at FVTPL**

Financial assets and liabilities carried at FVTPL are initially recorded at fair value and transaction costs are expensed in the consolidated statements of net (loss) income. Realized and unrealized gains and losses arising from changes in the fair value of the financial assets and liabilities held at FVTPL are included in the consolidated statements of net (loss) income in the period in which they arise. Where management has opted to recognize a financial liability at FVTPL, any changes associated with the Company's own credit risk will be recognized in other comprehensive income (loss).

**Impairment of financial assets at amortized cost**

The Company recognizes a loss allowance for expected credit losses on financial assets that are measured at amortized cost.

At each reporting date, the Company measures the loss allowance for the financial asset at an amount equal to the lifetime expected credit losses if the credit risk on the financial asset has increased significantly since initial recognition. If at the reporting date, the financial asset has not increased significantly since initial recognition, the Company measures the loss allowance for the financial asset at an amount equal to the twelve month expected credit losses. The Company shall recognize in the consolidated statements of net (loss) income, as an impairment gain or loss, the amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date to the amount that is required to be recognized.

**Derecognition**

**Financial assets**

The Company derecognizes financial assets only when the contractual rights to cash flows from the financial assets

### **3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

expire, or when it transfers the financial assets and substantially all of the associated risks and rewards of ownership to another entity. Gains and losses on derecognition are generally recognized in the consolidated statements of net(loss) income. However, gains and losses on derecognition of financial assets classified as FVTOCI remain within accumulated other comprehensive income (loss).

#### **Financial liabilities**

The Company derecognizes financial liabilities only when its obligations under the financial liabilities are discharged, cancelled or expired. Generally, the difference between the carrying amount of the financial liability derecognized and the consideration paid and payable, including any non-cash assets.

#### **Loss per share**

Basic loss per share is calculated by dividing the net loss available to common shareholders by the weighted average number of shares outstanding during the year. Diluted earnings per share reflect the potential dilution of securities that could share in earnings of an entity. In a loss year, potentially dilutive common shares are excluded from the loss per share calculation as the effect would be anti-dilutive. Basic and diluted loss per share are the same for the periods presented.

#### **Income taxes**

Income tax expense comprises current and deferred tax. Income tax is recognized in profit or loss except to the extent that it relates to items recognized directly in equity. Current tax expense is the expected tax payable on taxable income for the year, using tax rates enacted or substantively enacted at period end, adjusted for amendments to tax payable with regards to previous years.

Deferred tax is recorded using the liability method, providing for temporary differences, between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Temporary differences are not provided for relating to goodwill not deductible for tax purposes, the initial recognition of assets or liabilities that affect neither accounting or taxable loss, and differences relating to investments in subsidiaries to the extent that they will probably not reverse in the foreseeable future. The amount of deferred tax provided is based on the expected manner of realization or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the end of the reporting period. A deferred tax asset is recognized only to the extent that it is probable that future taxable profits will be available against which the asset can be utilized.

#### **Exploration and evaluation assets**

Exploration and evaluation costs of mineral resource interests are expensed to the statement of loss and comprehensive loss and acquisition costs are capitalized to the statement of financial position.

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

### 3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

#### **Provision for environmental rehabilitation**

The Company recognizes liabilities for legal or constructive obligations associated with the retirement of mineral properties and equipment. The net present value of future rehabilitation costs is capitalized to the related asset along with a corresponding increase in the rehabilitation provision in the period incurred. Discount rates using a pre-tax rate that reflect the time value of money are used to calculate the net present value. The Company’s estimates of reclamation costs could change as a result of changes in regulatory requirements, discount rates and assumptions regarding the amount and timing of the future expenditures. These changes are recorded directly to the related assets with a corresponding entry to the rehabilitation provision. The increase in the provision due to the passage of time is recognized as interest expense.

As at May 31, 2023, the Company, given the early stage of exploration on its mineral properties, has no reclamation costs and therefore no provision for environmental rehabilitation has been made.

### 4. ACCOUNTS PAYABLES AND ACCRUED LIABILITIES

The Company’s accounts payable and accrued liabilities are as follows:

	<b>May 31, 2023</b>	May 31, 2022
Trade payables	<b>\$ 26,740</b>	\$ 61,282
Accrued liabilities	<b>19,000</b>	42,154
<b>Total</b>	<b>\$ 45,740</b>	\$ 103,436

### 5. MINERAL PROPERTIES

#### **Wildcat Property**

On June 30, 2020 the Company entered into an option agreement (the “Option Agreement”) whereby it can earn a 100% interest (subject to a 2.0% net smelter return royalty “NSR”) in 10 mineral claims situated in the Quesnel Terrane area of the Province of British Columbia (the “Wildcat Property”). The interest in the Wildcat Property can be earned where certain requirements are met as set forth within the option agreement. These are further outlined below:

The terms of the option agreement include:

- a) Total payments of \$770,000 to the vendor as follows:
  - i. \$20,000 on or before July 31, 2021 (\$10,000 paid during May 31, 2021 year-end and \$10,000 paid on June 8, 2021)
  - ii. \$50,000 on or before November 30, 2021 (paid)
  - iii. \$50,000 on or before the earlier of the second anniversary of the Company becoming publicly traded (the “Listing Date”) or November 30, 2022 (paid)
  - iv. \$250,000 on or before the earlier of the third anniversary of Listing Date or November 30, 2023
  - v. \$400,000 on or before the earlier of the fourth anniversary of the Listing Date or November 30, 2024

**TALENT INFINITY RESOURCE DEVELOPMENTS INC.** (formerly Talent Infinity Capital Fund Corporation) (an exploration stage company)  
**NOTES TO THE FINANCIAL STATEMENTS**  
(Expressed in Canadian Dollars)  
**FOR THE PERIODS ENDED MAY 31, 2023 and 2022**

The option may be exercised by the company through paying \$770,000 to the vendor in a combination of cash and shares; with a minimum of 25% of the payment in cash (at the option of the vendor the minimum 25% payment may be requested to be made as shares of the company).

- b) Incurring total work expenditures of \$107,500 on the Wildcat Property on or before November 30, 2022. (Incurred)

The following is the Company's exploration and evaluation expenditures as at May 31, 2023:

	<b>Wildcat Property</b>	<b>Total</b>
<b>Acquisition Costs</b>		
Balance May 31, 2022	\$ 70,000	\$ 70,000
Additions	50,000	50,000
<b>Balance, May 31, 2023</b>	<b>\$ 120,000</b>	<b>\$ 120,000</b>

The following table shows the activity by category of exploration:

<b>Exploration and Evaluation Expenditures</b>	<b>May 31, 2023</b>	<b>May 31, 2022</b>
	(\$)	(\$)
Geological field supervision and support	-	9,450
Geological surveying, consulting and reporting	18,305	50,532
Geochemical sampling crew	-	14,850
Field support and supplies	19,646	22,060
Vehicles and travel to and on property	-	4,954
Other	-	2,400
<b>Total</b>	<b>37,951</b>	<b>104,246</b>

## 6. RELATED PARTY TRANSACTIONS

The Company entered into the following transactions with related parties:

During the period ended May 31, 2023, the company incurred management, consulting and professional service fees to directors and officers of the Company of \$14,548 (2022 - \$85,347).

As at May 31, 2023, the company had amounts payable to a director of the Company of \$1,315 (May 31, 2022 - \$1,315) and an amount receivable of \$2,310 from a director of the Company (May 31, 2022 - 2,076).

Refer to #9 (Loan Receivable) for a related party transaction.

All related party transactions are in the normal course of operations and have been measured at the agreed to amount, which is the amount of consideration established and agreed to by the related parties.

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**7. SHARE CAPITAL**

a) Authorized share capital

As at May 31, 2023, the authorized share capital of the Company is an unlimited number of common shares without par value.

b) Issued share capital:

For the period ended May 31, 2023:

There were no share capital transactions during the 2023 fiscal year.

For the period ended May 31, 2022:

Third Round

On August 18, 2021, the Company closed its Third Round of the Private Placement, issuing 12,729,902 common shares at a price of \$0.02 per common share for proceeds of \$254,598. As proceeds for the shares had been received during the year ended May 31, 2021 in respect of the Third Round of the Private Placement, the Company reclassified \$254,598 from Shares to be Issued to Common Shares.

Fourth Round

On August 20, 2021, the Company closed its Fourth Round of the Private Placement, issuing 275,000 common shares at a price of \$0.10 per common share for proceeds of \$27,500. As proceeds for the shares had been received during the year ended May 31, 2021 in respect of the Fourth Round of the Private Placement, the company reclassified \$27,500 from Shares to be Issued to Common Shares.

On August 23, 2021, the Company settled \$75,000 of the loan for the issuance of 750,000 common shares of the company.

c) Warrants

As at May 31, 2023, the Company had Nil outstanding warrants and no warrant transactions during the period then ended.

d) Options

As at May 31, 2023, the Company had Nil outstanding stock options and no stock option transactions during the period then ended.

## 8. LOANS PAYABLE

During the year ended May 31, 2021, the Company was advanced \$253,283 (US\$210,157) in cash by way of a non-interest bearing, non-recourse loan with no fixed date of repayment (the “Loan Payable”). During the year ended May 31, 2022, the Company repaid \$100,427 of the outstanding loan balance and had foreign exchange adjustments of \$12,010. On August 23, 2021, the Company settled \$75,000 of the outstanding loan balance via issuance of 750,000 common shares of the company (see Note 7). On December 8, 2021, the Company negotiated with a creditor to convert \$82,259 (US \$65,000) of the Loan Payable into an interest-bearing loan as described below. As at May 31, 2022, the Loan Payable had an outstanding balance of \$7,608 (US\$5,760), which was classified as current liabilities on the statement of financial position. During the period ended May 31, 2023, the Company recognized a foreign exchange loss of \$574 and the outstanding balance of the Loan Payable was \$8,182.

On December 8, 2021, the company negotiated with a creditor to convert \$82,259 (US \$65,000) of the Loan Payable into an interest-bearing loan (the “Interest-Bearing Loan”). The Interest-Bearing Loan bears simple interest of 10% and has a 24-month term with a maturity date of December 7, 2023. No interest payments are due until the term of the loan. The Interest-Bearing Loan was accounted for at amortized cost using the effective interest rate method with the effective interest rate of 15% per annum. The Interest-Bearing Loan was recorded at amortized cost of \$74,636, with a gain of \$7,624 on a long-term loan that was recorded in the statement of profit and loss for the year ended May 31, 2022. For the year ended May 31, 2022, the Company recognized accretion and interest of \$5,368 on the Interest-Bearing Loan and foreign exchange adjustment of \$(52). As at May 31, 2022, the carrying value of the Interest-Bearing loan was \$79,952, which was classified as non-current liabilities on a statement of financial position. During the year ended May 31, 2023, the Company recognized accretion and financing costs of \$12,307 and a foreign exchange loss of \$6,194. The carrying value of the Interest-Bearing Loan as at May 31, 2023 was \$98,453. As the Interest-Bearing Loan is payable within the next twelve month period, it has reclassified from long-term liabilities to current liabilities on the statement of financial position for the year ended May 31, 2023.

During the year ended May 31, 2022, the Company was advanced \$25,611 in cash by way of a non-interest bearing, non-recourse loan with no fixed date of repayment. (the “Loan Payable #2”). As at May 31, 2022, the Loan Payable #2 had an outstanding balance of \$25,611, which was classified as current liabilities on a statement of financial position. During the period ended May 31, 2023, the Company received an additional advance under the existing terms of the Loan Payable #2 of \$13,057 and repaid 33,311 of the balance owing. Accordingly, the outstanding amount payable as at May 31, 2023 under the Loan Payable #2 was \$5,357, which was classified as current liabilities on a statement of financial position.

On November 30, 2021, the Company was advanced \$99,985 in cash by way of an interest-bearing loan. The loan bears simple interest of 10% and has a 24-month term with a maturity date of November 29, 2023. No interest payments are due until the term of the loan. The loan was accounted for at amortized cost using the effective interest rate method with the effective interest rate of 15% per annum. The loan was recorded at amortized cost of \$90,719, with a gain of \$9,266 on a long-term loan that was recorded in the statement of loss for the year ended May 31, 2022. During the year ended May 31, 2022, the Company recorded accretion and interest of \$6,819 on the loan payable. As at May 31, 2022, the carrying value of the loan was \$97,538, which was classified as non-current liabilities on a statement of financial position. During the period ended May 31, 2023, the Company recognized accretion and financing costs of \$14,107. The carrying value of the loan as at May 31, 2023 was \$111,645. As the loan is payable within the next twelve month period, it has reclassified from long-term liabilities to current liabilities on the statement of financial position for the year ended May 31, 2023.



**9. LOAN RECEIVABLE**

On July 19, 2021, the Company entered into a term loan agreement (the “Loan Receivable”) with a director of the Company (Note 6) whereby the Company loaned \$20,000 to a director of the Company. The Loan Receivable carries an interest rate of 10% per annum and has a fixed term of 24 months. The Loan Receivable was accounted for at amortized cost using the effective interest rate method with the effective interest rate of 15% per annum. The loan was recorded at amortised cost of \$18,146, with reduction of share capital of \$1,854 as capital contribution by a related party. During the period ended May 31, 2023, the Company recorded accretion and interest of \$2,868 on the loan receivable. As at May 31, 2023, the balance of the loan is \$23,402 (May 31, 2022 - \$20,534).

**10. SEGMENTED INFORMATION**

The Company operates in one reportable operating segment, being the acquisition and exploration of mineral properties in Canada. As the operations comprise a single reporting segment, amounts disclosed also represent segment amounts.

**11. FINANCIAL AND CAPITAL RISK MANAGEMENT**

The three levels of the fair value hierarchy are:

Level 1 – unadjusted quoted prices in active markets for identical assets or liabilities;

Level 2 – inputs other than quoted prices that are observable for the asset or liability either directly or indirectly; and

Level 3 – inputs that are not based on observable market data.

The Company enters into financial instruments to finance its operations in the normal course of business. The fair values of cash and accounts payable approximate their carrying values due to the short-term maturity of these instruments.

The fair value of the Company’s financial instruments has been classified within the fair value hierarchy as at May 31, 2023 as follows:

	Level 1	Level 2	Level 3	Total
<b>Financial Assets</b>				
Cash	\$ 58,514	-	-	\$ 58,514
	\$ 58,514	-	-	\$ 58,514

The Company is exposed to varying degrees to a variety of financial instrument related risks:

*Foreign exchange risk*

Foreign exchange risk is the risk that the value of a financial instrument will fluctuate due to changes in foreign

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## **11.FINANCIAL AND CAPITAL RISK MANAGEMENT (CONTINUED)**

exchange rates The Company has certain monetary assets denominated in United States Dollars. As at May 31, 2023, the Company had United States Dollar cash on hand with a Canadian dollar equivalent of \$40,308.

Assuming that all other variables remain constant, a fluctuation of +/- 1.0 percent in the exchange rate between the Canadian Dollar and the United States Dollar would impact loss before taxes by \$403 as at May 31, 2023.

### *Credit risk*

The Company's cash is largely held in large Canadian financial institutions. The Company does not have any asset-backed commercial paper. The Company maintains cash deposits with Schedule A financial institution, which from time to time may exceed federally insured limits. The Company has not experienced any significant credit losses and believes it is not exposed to any significant credit risk.

### *Interest rate risk*

Interest rate risk is the risk the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Financial assets and liabilities with variable interest rates expose the Company to cash flow interest rate risk. The Company does not hold any financial liabilities with variable interest rates. The Company does maintain bank accounts which earn interest at variable rates but it does not believe it is currently subject to any significant interest rate risk.

### *Liquidity risk*

The Company's ability to continue as a going concern is dependent on management's ability to raise required funding through future equity issuances and through short-term borrowing. The Company manages its liquidity risk by forecasting cash flows from operations and anticipating any investing and financing activities. Management and the Board of Directors are actively involved in the review, planning and approval of significant expenditures and commitments.

### *Price risk*

The ability of the Company to explore its mineral properties and the future profitability of the Company are directly related to the market price of precious metals. The Company monitors precious metals prices to determine the appropriate course of action to be taken by the Company.

### *Capital management*

The Company defines its capital as shareholders' 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 and exploration and development of mineral properties. The Board of Directors do 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 properties in which the Company currently has an interest are in the exploration stage. As such, the Company has historically relied on the equity markets to fund its activities. In addition, the Company is dependent upon external financings to fund activities. In order to carry out planned exploration and pay for administrative costs, the Company will need to raise additional funds. 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. Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company, is reasonable.

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**12. INCOME TAXES**

The income taxes shown in the Statements of Loss and Comprehensive Loss differ from the amounts obtained by applying statutory rates to the loss before income taxes due to the following:

	<u>2023</u>	<u>2022</u>
Statutory tax rate	27.0%	27.0%
Loss before income taxes	<u>\$ (141,678)</u>	<u>\$ (294,250)</u>
Expected income tax recovery	(38,253)	(79,448)
Increase (decrease) in income tax recovery resulting from:		
Items deductible and not deductible for income tax purposes	-	2
Current and prior tax attributes not recognized	<u>38,253</u>	<u>79,446</u>
Deferred income tax recovery	<u>\$ -</u>	<u>\$ -</u>

Details of deferred tax assets are as follows:

	<u>2023</u>	<u>2022</u>
Non-capital and capital losses	106,787	78,774
Share issuance costs	13	20
Exploration and evaluation costs	38,393	28,146
Less: Unrecognized deferred tax assets	<u>(145,193)</u>	<u>(106,940)</u>
Deferred income tax assets	<u>\$ -</u>	<u>\$ -</u>

The Company has approximately \$395,509 of non-capital losses available, which will expire between 2041 and 2043 and may be applied against future taxable income. The Company has approximately \$262,197 of exploration and development costs which are available for deduction against future income for tax purposes. As at May 31, 2023 the net amount which would give rise to a deferred income tax asset has not been recognized as it is not probable that such benefit will be utilized in the future years.