

BLANTON RESOURCES CORP.
CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE SIX MONTH PERIOD ENDED MARCH 31, 2023
AND MARCH 31, 2022
(UNAUDITED)

Notice of No Auditor Review of Interim Financial Statements

The accompanying unaudited financial statements have been prepared by management and approved by the Audit Committee.

The Company's independent auditors have not performed a review of these financial statements in accordance with the standards established by the Canadian Institute to Chartered Accountants for a review of interim financial statements by an entity's auditors.

BLANTON RESOURCES CORP.**CONDENSED INTERIM STATEMENTS OF FINANCIAL POSITION**(Expressed in Canadian Dollars)

	March 31, 2023 (Unaudited)	September 30, 2022 (Audited)
ASSETS		
Current		
Cash	\$ 65,038	\$ 10,510
Amounts recoverable	6,818	1,573
	71,856	12,083
Exploration and evaluation assets (Note 5)	197,247	197,247
	\$ 269,103	\$ 209,330
LIABILITIES		
Current		
Accounts payable	\$ 23,243	\$ 118,016
Loan payable	25,000	–
	48,243	118,016
SHAREHOLDERS' EQUITY		
Share capital (Note 6)	524,906	374,906
Subscription receipts	57,750	–
Contributed surplus	155,964	155,964
Deficit	(517,760)	(439,556)
	220,860	91,314
	\$ 269,103	\$ 209,330

**NATURE OF CONTINUANCE OF
OPERATIONS (Note 1)**Approved and authorized for issue on behalf
of the board on May 25, 2023:

“Michael Dake” Director

“Sean McGrath” Director

BLANTON RESOURCES CORP**CONDENSED INTERIM STATEMENTS OF OPERATIONS AND COMPREHENSIVE LOSS**

(Expressed in Canadian Dollars)

UNAUDITED

	Three months ended March 31, <u>2023</u>	Three months ended March 31, <u>2022</u>	Six months ended March 31, <u>2023</u>	Six months ended March 31, <u>2022</u>
EXPENSES				
Management fees	\$ 10,500	\$ 10,500	\$ 21,000	\$ 18,000
Occupancy costs	8,351	9,445	15,360	16,143
Office and miscellaneous	6,175	1,803	6,257	2,963
Professional fees	20,227	13,537	35,236	39,568
Stock based compensation	–	82,748	–	82,748
Transfer agent and filing fees	5,242	5,443	9,658	18,481
Travel and promotion	693	2,129	693	2,129
Other income	(10,000)	(39,555)	(10,000)	(39,555)
Net loss and comprehensive loss end of period	\$ 41,188	\$ 86,050	\$ 78,204	\$ 140,477
Loss per share (basic and diluted)	\$ (0.00)	\$ (0.01)	\$ (0.01)	\$ (0.01)
Weighted average number of common share outstanding	14,780,770	12,550,001	14,780,770	12,550,001

The accompanying notes are an integral part of these condensed interim financial statements

BLANTON RESOURCES CORP.**CONDENSED INTERIM STATEMENTS OF CHANGES IN EQUITY**

(Expressed in Canadian Dollars)

UNAUDITED

	Number of Shares	Amount \$	Contributed Surplus \$	Subscription Receipts	Deficit \$	Total \$
Balances, September 30, 2021	10,050,001	156,000	45,000	–	(175,158)	25,842
Shares issued for cash	3,500,000	182,388	20,575	–	–	202,963
Share based payments	–	–	82,749	–	–	82,749
Comprehensive loss for the period	–	–	–	–	(140,477)	(140,477)
Balance, March 31, 2022	13,550,001	338,388	148,324	–	(315,635)	171,077
Balances, September 30, 2022	13,550,001	374,906	155,964	–	(439,556)	91,314
Subscription receipts	–	–	–	57,750	–	57,750
Shares issued for cash	3,000,000	150,000	–	–	–	150,000
Comprehensive loss for the period	–	–	–	–	(78,204)	(78,204)
Balance, March 31, 2023	16,550,001	524,906	155,964	57,750	(517,760)	220,860

The accompanying notes are an integral part of these condensed interim financial statements

BLANTON RESOURCES CORP.**CONDENSED INTERIM STATEMENTS OF CASH FLOWS**

(Expressed in Canadian Dollars)

UNAUDITED

	Six months ended March 31, 2023	Six month ended March 31, 2022
CASH PROVIDED BY (USED IN):		
OPERATING ACTIVITIES		
Net loss for the period	\$ (78,204)	\$ (140,477)
Items not involving cash:		
Stock - based payments	–	82,748
Flow-through share premium liability	–	(39,555)
	(78,204)	(97,284)
Changes in non-cash working capital balances:		
Amounts receivable	(5,245)	3,250
Deferred financing costs	–	42,242
Accounts payable and accrued liabilities	(94,773)	(50,618)
Loan payable	25,000	–
Cash used in operating activities	(153,222)	(102,410)
INVESTING ACTIVITY		
Mineral property acquisition and exploration costs	–	(70,000)
Cash used in investing activity	–	(70,000)
FINANCING ACTIVITIES		
Shares issued for cash	150,000	202,963
Share subscriptions	57,750	–
Cash used in by financing activity	207,750	202,963
INCREASE IN CASH DURING THE PERIOD	54,528	30,553
CASH, BEGINNING OF PERIOD	10,510	21,164
CASH, END OF PERIOD	\$ 65,038	\$ 51,717
SUPPLEMENTAL DISCLOSURES		
Interest paid	\$ –	\$ –
Income taxes paid	\$ –	\$ –
Shares issued for and evaluation and exploration costs	\$ –	\$ –

The accompanying notes are an integral part of these condensed interim financial statements

1. NATURE OF OPERATIONS

Blanton Resources Corp. (the "Company") was formed on December 17, 2019 under the law of British Columbia. The address of the Company's corporate office and its principal place of business is 200-551 Howe Street, Vancouver, British Columbia, Canada.

The Company's principal business activities include the acquisition and exploration of mineral property assets. As at March 31, 2023, the Company holds an interest in an early stage mineral exploration property and the Company had not yet determined whether the Company's mineral property asset contains a deposit of minerals that is economically recoverable. The recoverability of amount 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 outcome of these matters cannot be predicted at this time and the uncertainties cast significant doubt upon the Company's ability to continue as a going concern.

The Company had deficit of \$517,760 as at March 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 values is dependent upon obtaining additional financing and generating revenues sufficient to cover its operating costs.

These financial statements do not give affect 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. SIGNIFICANT ACCOUNTING POLICIES

a) Statement of compliance

The financial statements are prepared in accordance with IAS 34 Interim Financial Reporting ("IAS34") using accounting policies consistent with the International Financial Reporting Standards ("IFRS") issued by the International Accounting Standards Board ("IASB") and Interpretations of the International Financial Reporting Interpretations Committee ("IFRIC"). They do not include all financial information required for full annual financial statements and should be read in conjunction with the Audited Financial Statements of the Company for the year ended September 30, 2022.

The financial statements are prepared in accordance with accounting policies consistent with the International Financial Reporting Standards ("IFRS") issued by the International Accounting Standards Board ("IASB") and Interpretation of the International Financial Reporting Interpretation Committee ("IFRIC").

The financial statements were authorized for issue by the Board of Directors on May 25, 2023.

3. SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGMENTS

There have been no material revisions to the nature of judgments and estimates of amounts reported in the Company's September 30, 2022 annual financial statements.

4. 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.

5. EXPLORATION AND EVALUATION ASSET

Isla property option

On November 8, 2020, and amended on February 9, 2021, the Company (the "Optionee") entered into a Purchase Agreement (the "Agreement") with an arms-length party (the "Optionor"). Pursuant to the Agreement, the Optionee has an option to acquire 100% interest in six mineral claims known as Isla Claims located in British Columbia, Canada (the "Claims") from the Optionor.

Under the terms of the Agreement, the Optionor has granted the Optionee the option to acquire all rights, title and interest in the Claims. In addition, the Claims are subject to a Net Smelter Return Royalty of 1.5% which can be purchased at any time for \$1,500,000 by the Optionee.

Under the Agreement, the Optionee will make cash payments totaling \$40,000 as follows:

- a. make a cash payment of \$5,000 upon execution and delivery of this agreement (paid);
- b. make a further cash payment of \$5,000 on the date upon which the common shares are listed on a stock exchange in Canada (paid); and
- c. make a further cash payment of \$30,000 within 18 months of listing on a stock exchange in Canada.

		Isla Property
Balance, September 30, 2020	\$	-
Acquisition costs		5,000
Exploration costs:		
Reports, maps, and data processing		17,337
Labour and survey sampling		29,750
Project preparation, meals, accommodations, and fuel		38,470
Administration		1,250
Balance, September 30, 2021		91,807
Acquisition costs:		5,000
Reports, maps, and data processing		8,251
Labour and surveys sampling		29,950
Project preparation, meals, accommodations, and fuel		57,364
Administration		4,875
Balance, September 30, 2022 and March 31, 2023	\$	197,247

6. SHARE CAPITAL

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

b) Escrow shares:

As at March 31, 2023, there were 2,243,751 common shares held in escrow.

c) Issued and outstanding as at March 31, 2023: 16,550,001 common shares

During the year ended September 30, 2022, the Company had the following transactions:

On December 22, 2021, the Company completed its initial public offering ("IPO") of 3,500,000 common shares at a price of \$0.10 per share for total gross proceeds of \$350,000.

Pursuant to the agency agreement dated November 17, 2021, Canaccord Genuity Corp. acted as agent (the "Agent") for the IPO. The Company granted the Agent and its sub-agents non-transferable warrants entitling the Agent and its sub-agents to purchase a total of 350,000 common shares at a price of \$0.10 per common share until December 22, 2026.

In connection with the IPO, the Company incurred a total of \$175,253 of share issuance costs. A portion of share issuance costs, \$42,242, was incurred during the year ended September 30, 2021, and was recorded as deferred financing costs. Share issuance costs, including all Agent related fees, totalling \$131,094 were recorded as share issuance costs within share capital and the balance totalling \$44,159 was recorded as professional fees in profit and loss.

During the period ended March 31, 2023, the Company had the following transactions:

On December 22, 2021, the Company issued 3,000,000 common shares at a price of \$0.05 per share for gross proceeds of \$150,000 pursuant to a private placement.

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6. SHARE CAPITAL (continued)

d) Stock options

On February 3, 2022, the Company granted 800,000 stock options to certain directors and officers of the Company at an exercise price of \$0.15 for a period of three years from the date of grant. The fair value of these options was calculated to be \$82,748. The remaining contractual life as at March 31, 2023 is 1.86 years.

A continuity of the options outstanding as at March 31, 2023 is as follows:

	Number of options outstanding and exercisable	Weighted average exercise price \$
Balance, September 30, 2021	—	—
Issued	800,000	0.15
Expired	(150,000)	0.15
Balance, September 30, 2022 and March 31, 2023	650,000	0.15

The weighted average assumptions used in the Black-Scholes option pricing model valuation of options granted during the year ended September 30, 2022 are as follows:

	2022
Share price	\$0.15
Exercise price	\$0.15
Risk-free interest rate	1.39%
Expected life of options	3 years
Dividend rate	0.00%
Annualized volatility	115%

Volatility was based on historical stock prices of comparable public companies. The fair value per option granted is \$0.10.

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6. SHARE CAPITAL (continued)

e) Warrants

On December 22, 2021, the Company issued 350,000 agent warrants related to the IPO. The agent warrants are exercisable at \$0.10 per share for a period of five years from the date of issue. The fair value of these warrants was calculated to be \$28,216. As at March 31, 2023, the remaining contractual life of the warrants is 3.73 years.

A continuity of the warrants outstanding as at March 31, 2023 is as follows:

	Number of warrants	Weighted average exercise price \$
Balance, September 30, 2021	—	—
Issued	350,000	\$0.10
Balance, September 30, 2022 and March 31, 2023	350,000	\$0.10

The weighted average assumptions used in the Black-Scholes option pricing model valuation of warrants issued during the year ended September 30, 2022 are as follows:

	2022
Share price	\$0.10
Exercise price	\$0.10
Risk-free interest rate	0.96%
Expected life of warrants	5 years
Dividend rate	0%
Annualized volatility	115%

Volatility was based on historical stock prices of comparable public companies. The fair value per warrant issued is \$0.08.

7. RELATED PARTY BALANCES AND TRANSACTIONS

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

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

	Period ended March 31, 2023	Period ended March 31, 2022
	\$	\$
Management fees	21,000	18,000
Share-based payments	—	82,748
Total	21,000	100,748

7. RELATED PARTY BALANCES AND TRANSACTIONS (continued)

Management fees and share-based payments were incurred from the Chief Executive Officer of the Company and a company owned by the Chief Executive Officer. Key management includes directors and key officers of the Company, including the President, Chief Executive Officer and Chief Financial Officer.

8. MANAGEMENT OF CAPITAL

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to pursue the sourcing and exploration of its resource property. The Company does not have any externally imposed capital requirements to which it is subject.

The Company considers the aggregate of its share capital, contributed surplus and deficit as capital. The Company manages the capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. To maintain or adjust the capital structure, the Company may attempt to issue new shares or dispose of assets or adjust the amount of cash.

9. 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 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 March 31, 2023 are as follows:

	Fair Value Measurements Using			Total
	Quoted Prices in Active Markets For Identical Instruments (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	
	\$	\$	\$	\$
Cash	65,038	-	-	65,038

9. FINANCIAL INSTRUMENTS AND FINANCIAL RISK (continued)

Fair value

The fair value of the Company's financial instruments approximates their carrying value as at March 31, 2023 because of the demand nature or short-term maturity of these instruments.

Financial risk management objectives and policies

The Company's financial instruments include cash and accounts payable. The risks associated with these financial instruments and the policies on how to mitigate these risks are set out below. Management manages and monitors these exposures to ensure appropriate measures are implemented on a timely and effective manner.

(i) *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.

(ii) *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.

(iii) *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.

(iv) *Liquidity risk*

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

10. SUBSEQUENT EVENT

Subsequent to March 31, 2023 the Company issued 2,100,000 units at 0.055 per unit. Each unit consists of one common share and one share purchase warrant exercise at \$0.07 per share for a period of two years.