BLANTON RESOURCES CORP.

CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

FOR THE NINE MONTH PERIOD ENDED JUNE 30, 2023

AND JUNE 30, 2022

(UNAUDITED)

Notice of No Auditor Review of Interim Financial Statements

The accompanying unaudited financial consolidated 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 CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

(Expressed in Canadian Dollars)

	June 31, 2023 (Unaudited)	September 30, 2022 (Audited)
ASSETS		
Current		
Cash	$ 56,438	$ 10,510
Amounts recoverable	688	1,573
	57,126	12,083
Exploration and evaluation assets (Note 5)	507,247	197,247
	$ 564,373	$ 209,330
LIABILITIES		
Current		
Accounts payable	$ 2,511	$ 118,016
SHAREHOLDERS' EQUITY		
Share capital (Note 6)	950,406	374,906
Subscription receipts	–	–
Contributed surplus	155,964	155,964
Deficit	(544,508)	(439,556)
	561,862	91,314
	$ 564,373	$ 209,330

NATURE OF CONTINUANCE OF OPERATIONS (Note 1)

Approved and authorized for issue on behalf of the board on August 25, 2023:

"Michael Dake" Director

"Sean McGrath" Director

BLANTON RESOURCES CORP

CONDENSED INTERIM CONSOLIDATED STATEMENTS OF OPERATIONS AND COMPREHENSIVE LOSS

(Expressed in Canadian Dollars) UNAUDITED

	Three months ended June 30, 2023	Three months ended June 30, 2022	Nine months ended June 30, 2023	Nine months ended June 30, 2022
EXPENSES				
Management fees	$ 7,500	$ 10,500	$ 28,000	$ 28,500
Occupancy costs	3,000	5,115	18,360	21,258
Office and miscellaneous	9	47	6,266	3,010
Professional fees	13,994	6,911	49,230	46,479
Stock based compensation	–	–	–	82,748
Transfer agent and filing fees	2,745	2,674	12,403	21,155
Travel and promotion	–	–	693	2,129
Other income	–	(3,161)	(10,000)	(42,716)
Net loss and comprehensive loss end of period	$ 27,248	$ 22,086	$ 104,952	$ 162,563
Loss per share (basic and diluted)	$ (0.00)	$ (0.00)	$ (0.01)	$ (0.02)
Weighted average number of common share outstanding	8,110,715	6,441,667	8,110,715	6,441,667

BLANTON RESOURCES CORP.

CONDENSED INTERIM CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

(Expressed in Canadian Dollars) UNAUDITED

	Number of Shares	Amount	Contributed Surplus	Deficit	Total
		$	$	$	$
Balances, September 30, 2021	5,025,000	156,000	45,000	(175,158)	25,842
Shares issued for cash	1,750,000	182,388	20,575	–	202,963
Share based payments	–	–	82,749	–	82,749
Comprehensive loss for the period	–	–	–	(162,563)	(162,563)
Balance, June 30 2022	6,775,000	338,388	148,324	(337,721)	148,990
Balances, September 30, 2022	6,775,000	374,906	155,964	(439,556)	91,314
Shares issued for cash	2,550,000	265,500	–	–	265,500
Shares issued for exploration and evaluation asset	3,100,000	310,000	–	–	310,000
Comprehensive loss for the period	–	–	–	(104,952)	(104,952)
Balance, June 30, 2023	12,425,000	950,406	155,964	(544,508)	561,862

BLANTON RESOURCES CORP.

CONDENSED INTERIM CONSOLIDATED STATEMENTS OF CASH FLOWS

(Expressed in Canadian Dollars) UNAUDITED

		Nine months ended June 30, 2023		Nine month ended June 30, 2022
CASH PROVIDED BY (USED IN):				
OPERATING ACTIVITIES				
Net loss for the period	$	(104,952)	$	(162,563)
Items not involving cash:				
Stock - based payments		–		82,748
Flow-through share premium liability		–		(42,716)
		(104,952)		(122,531)
Changes in non-cash working capital balances:				
Amounts receivable		885		888
Deferred financing costs		–		42,242
Accounts payable and accrued liabilities		(115,505)		(29,773)
Cash used in operating activities		(219,572)		(109,174)
INVESTING ACTIVITY				
Mineral property acquisition and exploration costs		–		(105,440)
Cash used in investing activity		–		(105,440)
FINANCING ACTIVITIES				
Shares issued for cash		265,500		202,963
Cash used in by financing activity		265,500		202,963
INCREASE IN CASH DURING THE PERIOD		45,928		(11,651)
CASH, BEGINNING OF PERIOD		10,510		21,164
CASH, END OF PERIOD	$	56,438	$	9,513
SUPPLEMENTAL DISCLOSURES				
Interest paid	$	–	$	–
Income taxes paid	$	–	$	–
Shares issued for and evaluation and exploration costs	$	310,000	$	–

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 June 30, 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 $554,508 as at June 30, 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 August 25, 2023.

b) Basis of presentation

The consolidated financial statements incorporate the financial statements of the Company and its wholly owned subsidiary Aesir Lithium Corp.

(Expressed in Canadian Dollars) UNAUDITED

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 June 30, 2023	$	197,247

(Expressed in Canadian Dollars) UNAUDITED

5. EXPLORATION AND EVALUATION ASSET

Aesir Lithium Claims

The Company acquired a 100% in 27 mineral claims located in Quebec. As consideration the Company issued 3,100,000 (post-consolidated) shares at a deemed value of $0.10 per share.

		Aesir Lithium Claims
Balance, September 30, 2022	$	–
Acquisition costs		310,000
Balance, June 30, 2023	$	310,000

6. SHARE CAPITAL

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

b) Escrow shares:

As at June 30, 2023, there were 812,813 (post-consolidated) common shares held in escrow.

c) Issued and outstanding as at June 30, 2023: 12,425,000 (post-consolidated) 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 1,750,000 (post-consolidated) common shares at a price of $0.20 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 175,000 (post-consolidated) common shares at a price of $0.20 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 totaling $44,159 was recorded as professional fees in profit and loss.

During the period ended June 30, 2023, the Company had the following transactions:

On December 22, 2021, the Company issued 1,500,000 (post-consolidated) common shares at a price of $0.10 per share for gross proceeds of $150,000 pursuant to a private placement.

On April 3, 2023, the Company completed a private placement of 1,050,000 (post-consolidated) units at $0.11 per unit. Each unit consists of one common share and one share purchase warrant. Each whole warrant entitles the holder to purchase one additional common share at $0.14 per share for a period of 36 months.

On June 8, 2023 the Company issued 3,100,000 common (post-consolidated) shares for an exploration and evaluation assets.

(Expressed in Canadian Dollars) UNAUDITED

6. SHARE CAPITAL (continued)

d) Stock options

On February 3, 2022, the Company granted 400,000 stock (post-consolidated) options to certain directors and officers of the Company at an exercise price of $0.30 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 June 30, 2023 is 1.61 years.

A continuity of the options outstanding as at June 30, 2023 is as follows:

	Number of options outstanding and exercisable	**Weighted average exercise price $**
Balance, September 30, 2021	–	–
Issued	400,000	0.30
Expired	(75,000)	0.30
Balance, September 30, 2022 and June 30, 2023	325,000	0.30

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 $0.20.

(Expressed in Canadian Dollars) UNAUDITED

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 June 30, 2023, the remaining contractual life of the warrants is 3.48 years.

A continuity of the warrants outstanding as at June 30, 2023 is as follows:

	Number Of warrants	**Weighted average exercise price $**
Balance, September 30, 2021	–	–
Issued	175,000	$0.20
Balance, September 30, 2022	175,000	$0.20
Issued	1,050,000	$0.14
Balance, June 30, 20223	1,225,000	$0.15

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 $0.16.

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.

7. RELATED PARTY BALANCES AND TRANSACTIONS (continued)

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

	Period ended June 30, 2023	**Period ended June 30, 2022**
	$	$
Management fees	28,000	28,500
Share-based payments	–	82,748
Total	28,000	111,248

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.

9. FINANCIAL INSTRUMENTS AND FINANCIAL RISK (continued)

Assets measured at fair value on a recurring basis were presented on the Company's statements of financial position as at June 30, 2023 are as follows:

	Fair Value Measurements Using			
	Quoted Prices in Active Markets For Identical Instruments (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Total
	$	$	$	$
Cash	56,438	–	–	56,438

Fair value

The fair value of the Company's financial instruments approximates their carrying value as at June 30, 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.

9. FINANCIAL INSTRUMENTS AND FINANCIAL RISK (continued)

(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 June 30, 2023 the Company consolidated share capital on a basis of one new share for every two existing shares. The consolidated shares outstanding have been reflected in these financial statements.