

CANTER RESOURCES CORP.

Condensed Interim Financial Statements
For the six months ended December 31, 2022 and 2021

Expressed in Canadian Dollars

NOTICE OF NO AUDITOR REVIEW OF INTERIM FINANCIAL STATEMENTS

Under National Instrument 51-102, Part 4, subsection 4.3(3) (a), if an auditor has not performed a review of the interim financial statements, they must be accompanied by a notice indicating that the financial statements have not been reviewed by an auditor.

The accompanying unaudited condensed interim financial statements of Canter Resources Corp. (the "Company") have been prepared by and are the responsibility of the Company's management.

The Company's independent auditor has not performed a review of these financial statements in accordance with standards established by the Chartered Professional Accountants of Canada for a review of the interim financial statements by an entity's auditor.

CANTER RESOURCES CORP.

Condensed Interim Statements of Financial Position

(Unaudited - Expressed in Canadian Dollars)

	December 31, 2022	June 30, 2022
Assets		
Current assets		
Cash	\$ 53,441	\$ 220,304
GST receivable	16,036	10,180
	69,477	230,484
Exploration and evaluation asset (Notes 3 and 9)	-	101,259
Deposit	23,554	60,000
Total assets	\$ 93,031	\$ 391,743
Liabilities and shareholders' equity		
Current liabilities		
Accounts payable and accrued liabilities (Note 4)	\$ 8,649	\$ 60,736
	8,649	60,736
Shareholders' Equity		
Share capital (Note 6)	600,927	593,427
Deficit	(516,545)	(262,420)
Total Shareholders' Equity	84,382	331,007
Total Liabilities and Shareholders' Equity	\$ 93,031	\$ 391,743

Nature of Operations (Note 1)

Subsequent events (Note 9)

Approved on behalf of the Board effective February 24, 2023:

/s/ Hani Zabaneh

Hani Zabaneh, Director

/s/ Brian Goss

Brian Goss, Director

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

CANTER RESOURCES CORP.

Condensed Interim Statements of Loss and Comprehensive Loss

(Unaudited - Expressed in Canadian Dollars)

	Three months ended		Six months ended	
	December 31, 2022	December 31, 2021	December 31, 2022	December 31, 2021
Expenses				
General and administrative	\$ 10,112	\$ 15,049	\$ 18,243	\$ 15,121
Transfer agent and filing fees	6,565	13,327	7,648	27,420
Consulting fees (Note 5)	9,000	28,839	18,000	28,839
Professional fees	8,207	26,906	8,812	40,547
Write-down of mineral property (Note 3)	201,422	-	201,422	-
Net and comprehensive loss	\$ 235,306	\$ 84,121	\$ 54,125	\$ 111,927
Basic and diluted loss per share	\$ 0.02	\$ 0.01	\$ 0.02	\$ 0.01
Weighted average number of shares outstanding – basic and diluted	11,872,000	11,591,565	11,849,174	10,752,979

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

CANTER RESOURCES CORP.Condensed Interim Statements of Changes in Shareholders' Equity
(Unaudited - Expressed in Canadian Dollars)

	Number of shares	Amount	Deficit	Shareholders' Equity
Balance, June 30, 2021	8,522,000	\$ 278,427	\$ (97,812)	\$ 180,615
Private placement shares issued, net of share issuance costs (Note 6)	3,050,000	300,000	-	300,000
Shares issued for exploration and evaluation asset (Notes 3 and 6)	150,000	15,000	-	15,000
Net and comprehensive loss	-	-	(111,927)	(111,927)
Balance, December 31, 2021	11,722,000	\$ 593,427	\$ (209,739)	\$ 383,688
Balance, June 30, 2022	11,722,000	\$ 593,427	\$ (262,420)	\$ 331,007
Shares issued for exploration and evaluation asset (Notes 3 and 6)	150,000	7,500	-	7,500
Net and comprehensive loss	-	-	(254,125)	(254,125)
Balance, December 31, 2022	11,872,000	\$ 600,927	\$ (516,545)	\$ 84,382

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

CANTER RESOURCES CORP.

Condensed Interim Statements of Cash Flows

(Unaudited - Expressed in Canadian Dollars)

	For the six months ended December 31, 2022	For the six months ended December 31, 2021
Cash used in (provided by) operating activities		
Net Loss	\$ (254,125)	\$ (111,927)
Non-cash items		
Write-down of mineral property	201,422	
Changes in non-cash working capital balances		
Amounts receivable	(4,120)	(3,175)
Accounts payable and accrued liabilities	(6,892)	67,503
Net cash used in operating activities	(63,715)	(47,599)
Cash used in investing activities		
Exploration and evaluation assets	(103,148)	1,069
Net cash (used in) provided by investing activities	(103,148)	1,069
Cash provided by financing activities		
Proceeds from issuance of common shares, net of issuance costs	-	300,000
Repayment of loan payable	-	(10,000)
Net cash provided by financing activities	-	290,000
(Decrease) increase in cash	(166,863)	243,470
Cash, beginning of period	220,304	204,591
Cash, end of period	\$ 53,441	\$ 448,061
Fair value of shares issued for exploration and evaluation assets	\$ 7,500	\$ 15,000
Exploration and evaluation asset expenditures in accounts payable	\$ 1,244	\$ 42,464
Interest paid	\$ -	\$ -
Taxes paid	\$ -	\$ -

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

CANTER RESOURCES CORP.

Notes to Condensed Interim Financial Statements

For the Six Months Ended December 31, 2022

(Unaudited - Expressed in Canadian Dollars)

1. Nature of Operations

Canter Resources Corp. (the "Company") was incorporated under the British Columbia Business Corporations Act on March 7, 2018. On November 15, 2021, the Company changed its name from Canter Capital Corp. to Canter Resources Corp. The Company is engaged in the exploration and evaluation of resource properties in Canada. On July 21, 2021, the Company signed an option agreement with Eagle Plains Resources Ltd. ("Eagle Plains") to acquire an undivided 60% interest in the Schotts Lake Property located in Saskatchewan, which was abandoned subsequent to December 31, 2022 (Note 3). The Company entered a new option agreement with Eagle Plains in January 2023 (Note 9).

The head office of the Company is located at Suite 918 – 1030 West Georgia Street, Vancouver, British Columbia, V6E 2Y3 and the registered and records office of the Company is located at Suite 400 – 725 Granville Street, Vancouver, British Columbia, V7Y 1G5. On December 31, 2021, the Company's common shares began trading on the Canadian Securities Exchange under the ticket CRC.

The Company is in the exploration stage and its principal business activity is the sourcing and exploration of exploration and evaluation assets in British Columbia. The Company is in the process of exploring and evaluating its exploration and evaluation assets and has not yet determined whether these assets contain ore reserves that are economically recoverable. The recoverability of amounts shown for exploration and evaluation assets is dependent upon the discovery of economically recoverable reserves, the ability of the Company to obtain necessary financing to complete the development and upon future profitable production or proceeds from the disposition thereof.

These interim financial statements are prepared on a going concern basis, which assumes that the Company will continue its operations for the foreseeable future and will be able to realize assets and discharge liabilities in the ordinary course of operations. The Company has incurred losses since its inception and has an accumulated deficit of \$516,545 at December 31, 2022, which has been funded primarily by the issuance of shares. The Company's ability to continue its operations and to realize assets at their carrying values is dependent upon obtaining additional financing or maintaining continued support from its shareholders and creditors and generating profitable operations in the future. The Company has been successful in the past in raising funds for operations by issuing shares but there is a material uncertainty which may cast significant doubt about the Company's ability to continue as a going concern. If the Company is unable to raise the necessary capital and generate sufficient cash flows to meet obligations as they come due, the Company may have to reduce or curtail its activities or obtain financing at unfavorable terms. Furthermore, failure to continue as a going concern would require the Company's assets and liabilities be restated on a liquidation basis which would differ significantly from the going concern basis. These interim financial statements do not include any adjustments to the amounts and classification of assets and liabilities that may be necessary should the Company be unable to continue as a going concern.

2. Basis of Presentation and Significant Accounting Policies

These interim financial statements have been prepared in accordance with International Accounting Standard ("IAS") 34, *Interim Financial Reporting*, as issued by the International Accounting Standards Board ("IASB"). Accordingly, certain information and footnote disclosure normally included in annual financial statements prepared in accordance with International Financial Reporting Standards ("IFRS") have been omitted or condensed, and therefore these interim financial statements should be read in conjunction with the Company's June 30, 2022 and 2021 audited annual financial statements and the notes to such financial statements.

These interim financial statements were authorized for issuance by the Company's Board of Directors, and follow the same accounting policies and methods of computation as the most recent annual financial statements.

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Notes to Condensed Interim Financial Statements

For the Six Months Ended December 31, 2022

(Unaudited - Expressed in Canadian Dollars)

3. Exploration and Evaluation Asset

On May 11, 2021, the Company signed a letter of intent with Eagles Plains whereby the Company had the option to acquire a 60% interest in the Schotts Lake Property, comprising twelve mineral claims located approximately 40 km northwest of Creighton, Saskatchewan. On July 21, 2021, the Company signed a definitive option agreement (the "Schotts Lake Agreement") with respect to the Schotts Lake Property. The Schotts Lake Agreement required aggregate cash consideration of \$500,000, the issuance of 1,000,000 common shares of the Company and a minimum of \$5,000,000 in exploration expenditures, to be incurred over a period of four years, according to the following schedule:

Cash payments:

- (i) \$10,000 upon signing of the LOI, which was expensed (paid – Note 5);
- (ii) \$20,000 upon listing on a Canadian stock exchange (paid);
- (iii) \$35,000 on or before July 31, 2022 (paid);
- (iv) \$50,000 on or before December 31, 2022;
- (v) \$75,000 on or before December 31, 2023;
- (vi) \$120,000 on or before December 31, 2024; and
- (vii) \$200,000 on or before December 31, 2025.

Share issuances:

- (i) 150,000 common shares upon listing on a Canadian stock exchange and obtaining all necessary regulatory approvals (issued with a fair value of \$15,000 – Note 6);
- (ii) 150,000 common shares on or before July 30, 2022 (issued with a fair value of \$7,500 – Note 6);
- (iii) 150,000 common shares on or before December 31, 2022;
- (iv) 150,000 common shares on or before December 31, 2023;
- (v) 200,000 common shares on or before December 31, 2024; and
- (vi) 200,000 common shares on or before December 31, 2025.

Exploration expenditures:

- (i) \$100,000 on or before July 31, 2022 (completed);
- (ii) \$500,000 on or before December 31, 2022;
- (iii) \$800,000 on or before December 31, 2023;
- (iv) \$1,600,000 on or before December 31, 2024; and
- (v) \$2,000,000 on or before December 31, 2025.

The Company did not make the required cash payment, share issuance or exploration expenditures required by December 31, 2022 and has abandoned the Schott Lake Property. The Company recorded a write down of the Schotts Lake Property of \$201,422 during the three and six months ended December 31, 2022. The Company has a remaining balance of \$23,554 on deposit with Eagle Plains, which will be applied to future invoices (Note 9).

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Notes to Condensed Interim Financial Statements

For the Six Months Ended December 31, 2022

(Unaudited - Expressed in Canadian Dollars)

Property acquisition costs		
Balance, June 30, 2021	\$	-
Additions		35,000
Balance, June 30, 2022	\$	35,000
Additions		7,500
Balance, December 31, 2022	\$	42,500
Exploration and evaluation costs		
Balance, June 30, 2021	\$	-
Consulting		66,259
Balance, June 30, 2022	\$	66,259
Consulting		92,663
Balance, December 31, 2022	\$	158,922
Write-down of property		(201,422)
Total, June 30, 2022	\$	101,259
Total, December 31, 2022	\$	-

4. Accounts Payable and Accrued Liabilities

As at December 31 and June 30, 2022, the Company's accounts payable and accrued liabilities are comprised of the following:

	December 31, 2022		June 30, 2022	
Accounts payable	\$	7,110	\$	49,589
Accrued liabilities		1,539		11,147
Total	\$	8,649	\$	60,736

5. Related Parties

The Company's related parties consist of its key management personnel, including its directors and officers.

During the normal course of business, the Company enters into transactions with its related parties that are considered to be arm's length transactions and made at normal market prices and on normal commercial terms.

- (a) Key management compensation for the six months ended December 31, 2022 and 2021 were as follows:

	December 31, 2022		December 31, 2021	
Consulting fees	\$	18,000	\$	13,839

As at December 31, 2022, the Company owed \$3,150 (2021 - \$6,300) to related parties (Note 4), which is included in accounts payable and accrued liabilities. The amounts are non-interest bearing, unsecured and due on demand.

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Notes to Condensed Interim Financial Statements

For the Six Months Ended December 31, 2022

(Unaudited - Expressed in Canadian Dollars)

6. Share Capital

(a) Authorized

The Company has authorized an unlimited number of common shares with no par value.

(b) Issued

On August 20, 2021, the Company completed a private placement by issuing 3,050,000 common shares of the Company at a price of \$0.10 per common share for aggregate gross proceeds of \$305,000. During the year ended June 30, 2022, the Company incurred cash share issuance costs of \$5,000.

On December 21, 2021, the Company issued 150,000 common shares with a fair value of \$15,000 to Eagle Plains as a share payment pursuant to the Agreement (Note 3).

On July 29, 2022, the Company issued 150,000 common shares with a fair value of \$7,500 to Eagle Plains as a share payment pursuant to the Agreement (Note 3).

(c) Stock options

The Company has adopted an incentive stock option plan, which provides that the Board of Directors of the Company may from time-to-time, in its discretion, and in accordance with the CSE requirements, grant to directors, officers, employees and consultants to the Company, non-transferable stock options to purchase common shares, provided that the number of common shares reserved for issuance will not exceed a rolling 10% of the Company's issued and outstanding common shares at the time the options are granted, and that the options granted will have an exercise price of not less than market price and an expiry date of not more than ten years from the date of grant.

As at December 31, 2022, there were no options granted.

7. Management of Capital

The Company's capital structure consists of cash and share capital. The Company manages its capital structure and makes adjustments to it, based on the funds available to the Company. 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.

In order to carry out the planned activities and pay for administrative costs, the Company will spend its existing working capital and raise additional amounts as needed. Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company, is reasonable. There were no changes in the Company's approach to capital management since incorporation. The Company is not subject to external capital requirements.

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Notes to Condensed Interim Financial Statements

For the Six Months Ended December 31, 2022

(Unaudited - Expressed in Canadian Dollars)

8. Financial Instruments

(a) Categories of Financial Instruments and Fair Value Measurements

	December 31, 2022	June 30, 2022
Financial Assets		
Cash	\$ 53,441	\$ 220,304
Receivable	16,036	-
Financial Liabilities		
Accounts payable	(8,649)	(49,589)

The Company considers that the carrying amount of all its financial assets and liabilities recognized at fair value through profit and loss and amortized cost in the financial statements approximates their fair value due to the demand nature or short-term maturity of these instruments.

(b) Management of Financial Risks

The Company is exposed in varying degrees to a variety of financial instrument related risks. The Board of Directors approves and monitors the risk management processes, inclusive of documented investment policies, counterparty limits, and controlling and reporting structures. The type of risk exposure and the way in which such exposure is managed is provided as follows:

Credit Risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. The Company's primary exposure to credit risk is on its cash. The Company manages its credit risk relating to cash through the use of a major financial institution which has a high credit quality as determined by rating agencies. The Company assessed credit risk as low.

Liquidity Risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company's liquidity and operating results may be adversely affected if its access to the capital market is hindered. The Company has no source of revenue and has obligations to meet its administrative overheads and to settle amounts payable to its creditors. The Company has been successful in raising equity financing; however, there is no assurance that it will be able to do so in the future. The Company assesses liquidity risk as high.

Foreign Exchange Risk

Foreign exchange risk is the risk that the Company's financial instruments will fluctuate in value as a result of movements in foreign exchange rates. The Company has assets or liabilities denominated in foreign currencies. The Company assesses foreign exchange risk as low.

Interest rate risk

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company is not exposed to interest rate risk.

CANTER RESOURCES CORP.

Notes to Condensed Interim Financial Statements

For the Six Months Ended December 31, 2022

(Unaudited - Expressed in Canadian Dollars)

9. Subsequent events

On January 23, 2023, the Company signed an option agreement (the "Option Agreement") with Eagle Plains, whereby the Company has an option to acquire up to a 60% interest in six mineral claims located 45km southeast of Stanley Mission, Saskatchewan (the "Project"). The Agreement requires the Company, over a period of five years, to pay aggregate cash consideration of \$250,000, issue 1,000,000 common shares of the Company and incur a minimum of \$3,000,000 in exploration expenditures, according to the following schedule:

Cash payments:

- (i) \$40,000 in cash on or before December 31, 2023;
- (ii) \$50,000 in cash on or before December 31, 2024;
- (iii) \$60,000 in cash on or before December 31, 2025; and
- (iv) \$100,000 in cash on or before December 31, 2026.

Share issuances:

- (i) 100,000 shares, to be issued on execution of the Option Agreement, to be executed on or before January 31, 2023; (issued)
- (ii) 100,000 shares on or before December 31, 2023;
- (iii) 200,000 shares on or before December 31, 2024;
- (iv) 200,000 shares on or before December 31, 2025; and
- (v) 4000,000 shares on or before December 31, 2026.

Exploration expenditures:

- (i) \$100,000 on or before December 31, 2023;
- (ii) \$200,000 on or before December 31, 2024;
- (iii) \$300,000 on or before December 31, 2025;
- (iv) \$900,000 on or before December 31, 2026; and
- (v) \$1,500,000 on or before December 31, 2027.