

XCITE RESOURCES INC.

FINANCIAL STATEMENTS

For the Three and Six-Months Ended April 30, 2022

Stated in Canadian Dollars

(Unaudited)

XCITE RESOURCES INC.

INDEX TO THE UNAUDITED FINANCIAL STATEMENTS

For the Three and Six-Months Ended April 30, 2022

	Page
FINANCIAL STATEMENTS	
Statements of Financial Position	1
Statements of Loss and Comprehensive Loss	2
Statements of Changes in Equity	3
Statements of Cash Flows	4
Notes to the Financial Statements	5-10

XCITE RESOURCES INC.

Statements of Financial Position
(Stated in Canadian dollars)
(Unaudited)

As at April 30, 2022 and October 31, 2021

	April 30, 2022	October 31, 2021
Assets		
Current assets:		
Cash	\$ 43,509	\$ 145,798
Goods and services taxes receivable	7,386	2,824
Prepaid and deposits (Note 3)	10,500	10,500
Total current assets	61,395	159,122
Deposit on exploration and evaluation asset (Note 4)	30,000	30,000
Total assets	\$ 91,395	\$ 189,122
Liabilities and Shareholders' Equity		
Current liabilities:		
Accounts payable and accrued liabilities (Note 5)	\$ 12,809	\$ 22,830
Due to related parties (Note 7)	8,558	7,507
Total current liabilities	21,367	30,337
Shareholders' equity:		
Share capital (Note 6)	250,000	250,000
Deficit	(179,972)	(91,215)
Total shareholder's equity	70,028	158,785
Total liabilities and shareholder's equity	\$ 91,395	\$ 189,122

Nature of operations and continuance of business (Note 1)
Commitments (Note 11)

Approved on behalf of the Board:

Chris Cooper, Director

Daryn Gordon, Director

XCITE RESOURCES INC.

Statements of Loss and Comprehensive Loss
(Stated in Canadian dollars)
(Unaudited)

For the Three and Six-Months Ended April 30, 2022 and 2021 and the Period from Inception, February 8, 2021 to April 30, 2021

	For the Three-Months Ended April 30,		Six-Months	From the
	2022	2021	Ended April 30,	period of
			2022	Inception at
				February 8,
				2021 to April
				30,
				2021
Expenses				
Exploration and evaluation expenses	\$ 2,633	\$ -	\$ 30,250	\$ -
Management consulting fees (Note 7)	11,000	8,400	19,450	8,400
Filing fees	19,161	-	19,161	-
Professional fees	8,897	1,928	15,174	1,928
General and administrative expenses	2,776	158	4,671	158
Bank charges	17	14	51	14
	44,484	10,500	88,757	10,500
Net loss and comprehensive loss	\$ (44,484)	\$ (10,500)	\$ (88,757)	\$ (91,215)
Weighted average shares outstanding	8,510,000	3,900,000	8,510,000	3,900,000
Loss per share	\$ (0.00)	\$ (0.00)	\$ (0.01)	\$ (0.00)

XCITE RESOURCES INC.

Statements of Changes in Shareholders' Equity
(Stated in Canadian dollars)
(Unaudited)

For the Six-Months Ended April 30, 2022 and the Period from Inception, February 8, 2021 to April 30, 2021

	Share Capital		Deficit	Total Equity
	# of shares	\$		
Inception, February 8, 2021	1	\$ -	\$ -	\$ -
Share cancelled	(1)	-	-	-
Shares issued for cash at \$0.005/share	3,900,000	19,500	-	19,500
Net loss for the period	-	-	(10,500)	(10,500)
Balance, April 30, 2021	3,900,000	19,500	(10,500)	9,000
Shares issued for cash at \$0.05/share	4,610,000	230,500	-	230,500
Net loss for the period	-	-	(80,715)	(80,715)
Balance, October 31, 2021	8,510,000	250,000	(91,215)	158,785
Net loss for the period	-	-	(88,757)	(88,757)
Balance, April 30, 2022	8,510,000	\$ 250,000	\$ (179,972)	\$ 70,028

XCITE RESOURCES INC.

Statements of Cash Flows
(Stated in Canadian dollars)
(Unaudited)

For the Six-Months Ended April 30, 2022 and the Period from Inception, February 8, 2021 to April 30, 2021

	Six-Months Ended April 30, 2022	From the period of Inception at February 8, 2021 to April 30, 2021
Cash provided by (used in):		
Operating activities		
Net loss	\$ (88,757)	\$ (10,500)
Change in non-cash working capital		
Good and services taxes receivable	(4,562)	-
Prepaid and deposits	-	-
Accounts payable and accrued liabilities	(10,022)	-
Due to related parties	1,052	8,558
Net cash used in operations	(102,289)	(1,942)
Investing activities		
Acquisition of exploration and evaluation assets	-	(30,000)
Net cash from investing activities	-	(30,000)
Financing activities		
Issuance of common shares	-	19,500
Issuance of short-term loan	-	13,500
Net cash provided from financing activities	-	33,000
Increase in cash	(102,289)	1,058
Cash, beginning of period	145,798	-
Cash, end of period	\$ 43,509	\$ 1,058

XCITE RESOURCES INC.

Notes to the Financial statements
(Stated Amounts in Canadian dollars)
(Unaudited)

For the Three and Six-Months Ended April 30, 2022

1. NATURE OF OPERATIONS AND CONTINUANCE OF BUSINESS

Xcite Resources Inc. (“Xcite” or the “Company”) is an exploration company incorporated on February 8, 2021 under the laws of the Province of British Columbia, Canada. The Company’s head office and principal address is Suite 1910, 1030 West Georgia Street, Vancouver, British Columbia, Canada, V6E 2Y3.

These financial statements have been prepared in accordance with International Financial Reporting Standards (“IFRS”) with the assumption that the Company will be able to realize its assets and discharge its liabilities in the normal course of business rather than through a process of forced liquidation. The Company has incurred losses from inception and does not currently have the financial resources to sustain operations in the long-term. While the Company has been successful in obtaining its required funding for this year, there is no assurance that such future financing will be available or be available on favourable terms. These material uncertainties may cast significant doubt about the Company’s ability to continue as a going concern.

The financial statements do not include adjustments to amounts and classifications of assets and liabilities that might be necessary should the Company be unable to continue operations. Continued operations of the Company are dependent on the Company’s ability to receive financial support, necessary financings, or generate profitable operations in the future.

The Company actively manages its cash flow and investment in exploration and evaluation expenses to match its cash generated from financing activities. In order to maximize cash generated from operations, the Company plans to focus on developing its mineral properties with positive indicators of recoverable resources; minimize operating expenses where possible; and limit capital expenditures. As the Company continues to expend on exploration and evaluation expenses, investments will be financed through external financing. Management believes that successful execution of its business plan will result in sufficient cash flow and new financing to fund projected operational and investment requirements. However, no assurances can be given that the Company will be able to achieve all or part of the objectives discussed above, or that sufficient financing from outside sources will be available. Further, if the Company’s operations are unable to generate cash flow levels at or above current projections, the Company may not have sufficient funds to meet its obligations over the next twelve months.

Should such events occur, management is committed to implementing all or a portion of its contingency plan. This plan has been developed and designed to provide additional cash flow, and includes, but is not limited to, deferring certain additional exploration activities, and reducing general and administrative expenses, while seeking outside financing or seeking a potential partner in the development of its mineral properties.

The failure of the Company to achieve one or all of the above items may have a material adverse impact on the Company’s financial position, results of financial performance and cash flows. These factors indicate the existence of material uncertainty that may cast significant doubt on the Company’s ability to continue as a going concern.

XCITE RESOURCES INC.

Notes to the Financial statements
(Stated Amounts in Canadian dollars)
(Unaudited)

For the Three and Six-Months Ended April 30, 2022

1. NATURE AND CONTINUANCE OF OPERATIONS *(continued)*

In March 2020, the World Health Organization declared coronavirus COVID-19 a global pandemic. This contagious disease outbreak, which has continued to spread, and any related adverse public health developments, has adversely affected workforces, economies, and financial markets globally, potentially leading to an economic downturn. It has also disrupted the normal operations of many businesses, including the Company's. This outbreak could decrease spending, adversely affect demand for the Company's product and harm the Company's business and results of operations. It is not possible for the Company to predict the duration or magnitude of the adverse results of the outbreak and its effects on the Company's business or results of operations at this time.

2. BASIS OF PREPARATION

Statement of Compliance and basis of presentation

These condensed interim financial statements, including comparatives, have been prepared in accordance with International Accounting Standards ("IAS") 34 'Interim Financial Reporting' ("IAS 34") using accounting policies consistent with IFRS issued by the International Accounting Standards Board ("IASB") and Interpretations of the International Financial Reporting Interpretations Committee ("IFRIC").

These condensed interim financial statements have been prepared on the basis of accounting policies, methods of computation, and estimates and judgements consistent with those applied in the Company's October 31, 2021 annual financial statements.

These condensed interim financial statements do not include all of the information required of full audited financial statements and therefore these condensed interim financial statements should be read in conjunction with the annual financial statements for the year ended October 31, 2021.

Functional and presentation currency

The financial statements are presented in Canadian Dollars, which is the Company's functional and presentation currency.

Approval of the financial statements

The condensed interim financial statements of the Company for the period ended April 30, 2022, were approved and authorized for issuance by the Board of Directors on June 14, 2022.

3. PREPAID AND DEPOSITS

Pursuant to an independent contract entered into effective June 10, 2021, the Company prepaid \$10,500 for services on an Initial Public Offering.

4. EXPLORATION AND EVALUATION ASSETS

Turgeon Lake, Quebec

On April 12, 2021, the Company entered into a purchase and sale agreement to acquire 100% interest in the Turgeon Lake Gold Project located in the province of Quebec, consisting of 39 claims covering 2,203.28 hectares. Under the terms of that agreement and further amendments of October 1, 2021 and November 24, 2021, the Company is committed to the following in order to earn its 100% interest:

XCITE RESOURCES INC.

Notes to the Financial statements
(Stated Amounts in Canadian dollars)
(Unaudited)

For the Three and Six-Months Ended April 30, 2022

4. EXPLORATION AND EVALUATION ASSETS *(continued)*

- a) Make cash payments totaling \$250,000 as follows:
- \$30,000 on execution of the agreement (paid);
 - \$70,000 on the earlier of (i) the date on which the Company's shares are listed on the Canadian Securities Exchange, and (ii) June 30, 2022 (outstanding); and
 - \$150,000 3 years from execution of the agreement (outstanding).
- b) issue 1,500,000 common shares to the vendor as follows:
- 250,000 shares on the closing date once approved by the Canadian Securities Exchange (outstanding);
 - 750,000 shares on the earlier of (i) the date on which the Company's shares are listed on the Canadian Securities Exchange, and (ii) June 30, 2022 (outstanding); and
 - 500,000 shares 3 years from the date of execution (outstanding).
- c) complete a minimum work commitment totaling \$500,000 as follows:
- \$200,000 on or before 2 years from the date of execution (outstanding); and
 - \$300,000 on or before 3 years from the date of execution (outstanding).

5. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

The Company's accounts payable and accrued liabilities are non-interest bearing and detailed below:

As at	April 30, 2022	October 31, 2021
Trade accounts payable	\$ 2,809	\$ 12,830
Accrued accounts payable	10,000	10,000
	\$ 12,809	\$ 22,830

6. SHARE CAPITAL

The company is authorized to issue an unlimited number of common shares without par value.

As at April 30, 2022, the Company had 8,510,000 common shares issued and outstanding. Transactions in the Company's shares were as follows for the period ended April 30, 2022:

On February 8, 2021, the Company closed a private placement of 3,900,000 common shares of the Company at \$0.005 per share for gross proceeds of \$19,500.

On May 19, 2021, the Company closed a private placement of 3,560,000 flow-through common shares of the Company at \$0.05 per share for gross proceeds of \$178,000.

On May 19, 2021, the Company closed a private placement of 1,050,000 common shares of the Company at \$.05 per share for gross proceeds of \$52,500.

There were no share issue costs incurred in relation to the above issuances.

The Company has not issued any share options.

XCITE RESOURCES INC.

Notes to the Financial statements
(Stated Amounts in Canadian dollars)
(Unaudited)

For the Three and Six-Months Ended April 30, 2022

7. RELATED PARTY TRANSACTIONS

Key management personnel include persons having the authority and responsibility for planning, directing, and controlling the activities of the Company as a whole. The Company has determined the key personnel to be officers and directors of the Company.

Payments and accrual were made to the following officers and directors or to companies controlled by these officer and directors.

	Three-Months Ended April 30, 2022			Six-Months Ended April 30, 2022		
	Management fees	Rent	Total	Management fees	Rent	Total
CEO and Director	\$ 8,000	\$ 600	\$ 8,600	\$ 14,500	\$ 1,100	\$15,600
CFO and Director	3,000	-	3,000	4,950	-	4,950
	\$ 11,000	\$ 600	\$ 11,600	\$ 19,450	\$ 1,100	\$20,550

As at April 30, 2022, \$8,558 (October 31, 2021 - \$7,508) were owed to related parties for the above services.

On February 8, 2021, the CEO and Director subscribed for 100,000 common shares at \$.005 per share for cash of \$500.

On April 15, 2021, the CEO and Director advanced the Company \$13,500 for working capital purposes. This amount is unsecured, non-interest bearing, and no specific terms of repayment. This amount was repaid May 13, 2021.

Transactions with related parties are in the normal course of business and initially recorded at fair value.

7. RISK AND CAPITAL MANAGEMENT

The Company's primary objectives in capital management are to safeguard the Company's ability to continue as a going concern in order to provide returns for shareholders and to maintain sufficient funds to finance the development of mineral property assets. Capital is comprised of the Company's shareholders' equity. The Company manages its capital structure to maximize its financial flexibility making adjustments to it in response to changes in economic conditions and the risk characteristics of the underlying assets and business opportunities. The Company does not presently utilize any quantitative measures to monitor its capital and is not subject to externally imposed capital requirements. There have been no changes from the prior year.

The Company's risk exposures and the impact on the Company's financial instruments are summarized below:

Credit risk

Credit risk is the risk of potential loss to the Company if the counterparty to a financial instrument fails to meet its contractual obligations. The Company's credit risk is primarily attributable to its liquid financial assets including cash. The Company limits exposure to credit risk on liquid financial assets through maintaining its cash with high-credit quality financial institutions.

XCITE RESOURCES INC.

Notes to the Financial statements
(Stated Amounts in Canadian dollars)
(Unaudited)

For the Three and Six-Months Ended April 30, 2022

8. RISK AND CAPITAL MANAGEMENT (continued)

Liquidity risk

The Company's approach to managing liquidity risk is to ensure that it will have sufficient liquidity to meet liabilities when due. As at April 30, 2022, the Company had a cash balance of \$43,509 (October 31, 2020 - \$145,798) to settle current liabilities of \$21,367 (October 31, 2021 - \$30,337). All of the Company's accounts payable and accrued liabilities have contractual maturities of 30 days or due on demand and are subject to normal trade terms. To maintain liquidity, the Company is currently investigating financing opportunities.

Market risk

Market risk is the risk of loss that may arise from changes in market factors such as interest rates, foreign exchange rates, and commodity and equity prices. The Company does not have a practice of trading derivatives.

Interest rate risk

The Company's financial assets exposed to interest rate risk consist of cash balances. The Company's current policy is to invest excess cash in investment-grade short-term deposit certificates issued by its banking institutions. The Company periodically monitors the investments it makes and is satisfied with the credit ratings of its banks. As at April 30, 2022 and October 31, 2021, the Company did not have any investments in investment-grade short-term deposit certificates.

Price risk

Other price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in market prices, other than those arising from interest rate risk or foreign currency risk. The Company is not exposed to significant other price risk.

9. SEGMENT INFORMATION

The Company has one reportable segment, being the exploration and development of mineral property in the province of Quebec, Canada.

10. COMMITMENTS

As a result of the acquisition of the Turgeon Lake Property described in Note 4, the Company is required to grant a 2% Net Smelter Returns Royalty ("NSR") to the vendor. The Company maintains the right to purchase half of the royalty from the vendor by making a payment of \$1,000,000 to the vendor. In addition, the Turgeon Lake Property is subject to an additional 2% NSR in favour of the prospectors who staked the property.