

RUMBLE RESOURCES INC.

Interim Financial Statements

Nine Months Ended April 30, 2023

(Expressed in Canadian Dollars)

(Unaudited)

The accompanying unaudited interim financial statements have been prepared by Management of Rumble Resources Inc. and have not been reviewed by the Company's auditors.

RUMBLE RESOURCES INC.

Interim Statements of Financial Position
(Expressed in Canadian Dollars)
(Unaudited)

	April 30, 2023 \$	July 31, 2022 \$
ASSETS		
Current assets		
Cash	110,758	204,525
Taxes recoverable	6,225	1,439
Prepaid expenses	30,000	30,294
Total current assets	146,983	236,258
Exploration and evaluation assets (Note 3)	75,000	75,000
Total assets	221,983	311,258
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current liabilities		
Accounts payable and accrued liabilities	42,487	67,535
Due to related party (Note 4)	21,837	30,394
Total current liabilities	64,324	97,929
Note payable to related party (Note 4)	5,000	–
Total liabilities	69,324	97,929
Shareholders' equity		
Share capital (Note 5)	100,000	100,000
Equity reserve (Note 6)	74,226	61,307
Special warrants (Note 7)	251,450	251,450
Deficit	(273,017)	(199,428)
Total shareholders' equity	152,659	213,329
Total liabilities and shareholders' equity	221,983	311,258

Nature of operations and continuance of business (Note 1)
Subsequent event (Note 11)

Approved and authorized for issuance on behalf of the Board of Directors on June 22, 2023:

/s/ "Brian Goss"
Brian Goss, Director

/s/ "Erwin Wong"
Erwin Wong, Director

(The accompanying notes are an integral part of these unaudited interim financial statements)

RUMBLE RESOURCES INC.

Interim Statements of Comprehensive Loss
(Expressed in Canadian Dollars)
(Unaudited)

	For the three months ended April 30, 2023 \$	For the three months ended April 30, 2022 \$	For the nine months ended April 30, 2023 \$	For the nine months ended April 30, 2022 \$
Expenses				
Professional fees	8,910	8,750	31,389	18,408
Consulting fees (Note 4)	4,500	4,575	13,500	14,025
General and administrative	1,529	61	4,864	497
Share-based compensation (Note 4 and 6)	3,137	9,480	12,919	36,292
Transfer agent and filing fees	9,688	4,915	10,917	5,440
Total expenses	27,764	27,781	73,589	74,662
Net loss and comprehensive loss for the period	(27,764)	(27,781)	(73,589)	(74,662)
Loss per share, basic and diluted	(0.01)	(0.01)	(0.04)	(0.04)
Weighted average shares outstanding, basic and diluted	2,000,000	2,000,000	2,000,000	2,000,000

(The accompanying notes are an integral part of these unaudited interim financial statements)

RUMBLE RESOURCES INC.

Interim Statements of Changes in Equity
(Expressed in Canadian Dollars)
(Unaudited)

	Share capital		Equity reserves \$	Special warrants \$	Deficit \$	Total shareholders' equity \$
	Number of shares	Amount \$				
Balance, July 31, 2021	2,000,000	100,000	20,296	251,450	(99,199)	272,547
Share-based compensation	–	–	36,292	–	–	36,292
Net loss for the period	–	–	–	–	(74,662)	(74,662)
Balance, April 30, 2022	2,000,000	100,000	56,588	251,450	(173,861)	234,177
Balance, July 31, 2022	2,000,000	100,000	61,307	251,450	(199,428)	213,329
Share-based compensation	–	–	12,919	–	–	12,919
Net loss for the period	–	–	–	–	(73,589)	(73,589)
Balance, April 30, 2023	2,000,000	100,000	74,226	251,450	(273,017)	152,659

(The accompanying notes are an integral part of these unaudited interim financial statements)

RUMBLE RESOURCES INC.

Interim Statements of Cash Flows
(Expressed in Canadian Dollars)
(Unaudited)

	For the nine months ended April 30 2023 \$	For the nine months ended April 30, 2022 \$
Operating activities		
Net loss for the period	(73,589)	(74,662)
Items not involving cash:		
Share-based compensation	12,919	36,292
Changes in non-cash operating working capital:		
Accounts payable and accrued liabilities	(25,048)	(2,528)
Tax recoverable	(4,786)	(194)
Due to related party	(8,557)	13,590
Prepaid expenses	294	–
Net cash used in operating activities	(98,767)	(27,502)
Financing activities		
Proceeds from note payable to related party	5,000	–
Net cash provided by financing activities	5,000	–
Change in cash	(93,767)	(27,502)
Cash, beginning of period	204,525	238,819
Cash, end of period	110,758	211,317
Supplemental disclosures:		
Interest paid	–	–
Income taxes paid	–	–

(The accompanying notes are an integral part of these unaudited interim financial statements)

RUMBLE RESOURCES INC.

Notes to the Interim Financial Statements

April 30, 2023

(Expressed in Canadian Dollars)

(Unaudited)

1. Nature of Operations and Continuance of Business

Rumble Resources Inc. (formerly Rumble Capital Corp.) (the “Company”), was incorporated under the laws of British Columbia, Canada on June 23, 2017 and on December 14, 2020, the name was changed to Rumble Resources Inc. The Company’s principal business plan is to acquire, explore and develop mineral properties and ultimately seek earnings by exploiting mineral claims. The Company’s registered office is 741 Harbourfront Drive N.E., Salmon Arm, BC, V1E 3L4.

These interim financial statements have been prepared on a going concern basis which assumes that the Company will realize the carrying value of its assets and discharge its liabilities in the normal course of business. As at April 30, 2023, the Company has not generated any revenue and has accumulated losses of \$273,017 since inception. The Company’s continuation as a going concern is dependent upon the successful results from its mineral property exploration activities and its ability to attain profitable operations and generate funds therefrom and/or raise equity capital or borrowings sufficient to meet current and future obligations. There is no guarantee that the Company will be able to complete any of the above objectives. These factors indicate the existence of a material uncertainty that may cast significant doubt on the Company’s ability to continue as a going concern. While the Company has been successful in securing financings in the past, there is no assurance that it will be able to obtain adequate financing in the future or that such financing will be available on acceptable terms. These interim financial statements do not include any adjustments to the recoverability and classification of recorded asset amounts and classification of liabilities that might be necessary should the Company be unable to continue as a going concern. Such adjustments could be material.

2. Summary of Significant Accounting Policies

(a) Statement of Compliance and Basis of Presentation

These interim financial statements have been prepared in accordance with International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board (“IASB”) applicable to the preparation of interim financial statements, including IAS 34, *Interim Financial Reporting*. The interim financial statements should be read in conjunction with the annual financial statements for the year ended July 31, 2022, which have been prepared in accordance with IFRS as issued by IASB. The Company uses the same accounting policies and methods of computation as in the annual financial statements for the year ended July 31, 2022.

These interim financial statements have been prepared on a historical cost basis, and are presented in Canadian dollars, which is the Company’s functional currency.

(b) Use of Estimates and Judgments

The preparation of these interim financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the application of accounting policies and reported amounts of assets, liabilities, revenues and expenses. By their nature, estimates are subject to measurement uncertainty and changes in such estimates in future periods could require a material change in the interim financial statements. Accordingly, actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised and in any future periods affected.

RUMBLE RESOURCES INC.

Notes to the Interim Financial Statements

April 30, 2023

(Expressed in Canadian Dollars)

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2. Summary of Significant Accounting Policies (continued)

(b) Use of Estimates and Judgments (continued)

Significant areas requiring the use of estimates include the recoverability of exploration and evaluation assets, and unrecognized deferred income tax assets. Actual results could differ from those estimates.

Judgments made by management include the factors used to determine the assessment of whether the going concern assumption is appropriate. The assessment of the going concern assumption requires management to take into account all available information about the future, which is at least, but is not limited to, 12 months from the end of the reporting period. The Company is aware that material uncertainties related to events or conditions may cast significant doubt upon the Company's ability to continue as a going concern.

(c) Recently Adopted Accounting Standards

Accounting standards or amendments to existing accounting standards that have been issued but have future effective dates are either not applicable or are not expected to have a significant impact on the Company's interim financial statements.

3. Exploration and Evaluation Assets

Mineral property acquisition costs:

	Woolford Creek Property \$
<u>Balance, July 31, 2022, and April 30, 2023</u>	<u>75,000</u>

On October 15, 2020, as amended on May 20, 2021, April 1, 2022, July 13, 2022, and September 20, 2022, the Company entered into a Mineral Property Option Agreement (the "Agreement"), whereby the Company was granted an option to acquire a 100% interest in 8 mining claims located in the Adams Lake area of the Kamloops Mining Division, BC (the "Woolford Creek Property"). Pursuant to the Agreement, the Company must make the following payments and expenditures in order to keep the option in good standing:

- i) \$35,000 upon execution of the Agreement (paid);
- ii) Issuance of 250,000 common shares after the date that the British Columbia Securities Commission issues a final receipt for the Company's initial public offering prospectus;
- iii) \$40,000 within four months of execution of the Agreement (paid);
- iv) Fund exploration and development work on the Property of at least \$100,000 by December 31, 2023; and
- v) Fund exploration and development work on the Property of at least an additional \$200,000 by December 31, 2024.

Once the above payments have been made, the Company can exercise the option and acquire 100% of the right, title and interest in the Woolford Creek Property. The Agreement may be terminated, and the transactions contemplated by the Agreement may be abandoned, at any time prior to the closing date by written agreement of the vendor and the Company upon the failing of the Company to make the required payments. The vendor shall retain a 2% net smelter royalty (subject to an optional repurchase of 1% of the NSR by the Company for \$1,000,000) in respect of all products produced from the property.

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Notes to the Interim Financial Statements

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(Expressed in Canadian Dollars)

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4. Related Party Transactions

For the nine months ended April 30, 2023, the Company incurred consulting fees of \$13,500 (2022 – \$14,025) to a director of the Company. As at April 30, 2023, the Company owed \$21,837 (July 31, 2022 – \$30,394) to a director of the Company. The amounts are non-interest bearing, unsecured and due on demand.

During the nine months ended April 30, 2023, the Company recognized share-based compensation of \$12,919 (2022 – \$36,292) for officers and directors of the Company.

On April 6, 2023, the Company entered into a promissory note agreement for \$5,000 with a director of the Company, which is unsecured, non-interest bearing and due on demand any time after June 15, 2024.

5. Share Capital

Authorized: Unlimited common shares without par value.

Escrow shares

At April 30, 2023, the Company has 2,000,000 common shares held in escrow, which will be conditionally released from escrow in stages over a period of up to three years following the date of listing of the Company's common shares.

6. Stock Options

The Company's Board of Directors approved a stock incentive plan dated May 19, 2021. The Board of directors is authorized to grant options to directors, officers, and employees to acquire up to 10% of the issued and outstanding commons shares of the Company. The exercise price will not be less than the discounted market price defined in the policies of the TSX Venture Exchange (the "Exchange"). The options that may be granted under this plan must be exercisable for over a period of not exceeding ten years, provided the Company is listed on the Exchange.

The following table summarizes information about the options at April 30, 2023, and the changes for the period then ended:

	Number of options	Weighted average exercise price \$
Options outstanding – July 31, 2022, and April 30, 2023	800,000	0.10
Options exercisable – July 31, 2022, and April 30, 2023	–	–

The options are exercisable for a term of 10 years commencing from the date that the Company's shares are listed.

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6. Stock Options (continued)

The grant date fair value of stock options was determined using the Black-Scholes Option Pricing Model. During the nine months ended April 30, 2023, the Company recognized share-based compensation expense of \$12,919 (2022 – \$36,292) in equity reserves, which pertains to officers and directors of the Company, for the portion of the stock options expected to vest.

Weighted average assumptions used in calculating the fair value of share-based compensation expense are as follows:

	2023	2022
Risk-free interest rate	1.58%	1.58%
Dividend yield	0%	0%
Expected volatility	134%	134%
Expected forfeitures	0%	0%
Expected life (years)	10	10

Equity reserve

The equity reserve records items recognized as share-based compensation expense and other share-based payments until such time that the stock options or warrants are exercised, at which time the corresponding amount will be transferred to share capital.

7. Special Warrants

- (a) On March 19, 2021, the Company completed a private placement of 4,875,000 special warrants at \$0.05 per special warrant for gross proceeds of \$243,750. Each special warrant entitles holders to acquire, without payment of any consideration in addition to that already paid, one common share of the Company and one transferrable share purchase warrant. Each share purchase warrant entitles holder to acquire one additional common share of the Company for a period of five years from the date the Company's shares commence trading on a recognized stock exchange at a price of \$0.10 per share. All unexercised special warrants will be deemed to be exercised on the third business day after a receipt is issued for a final prospectus by the securities regulatory authorities in each of the Provinces of Canada where the special warrants were sold (the "Final Prospectus Date").
- (b) On April 13, 2021, the Company completed a private placement of 77,000 special warrants at \$0.10 per special warrant for gross proceeds of \$7,700. Each special warrant entitles subscribers to acquire, without payment of any consideration in addition to that already paid, one common share of the Company. All unexercised special warrants will be deemed to be exercised on the Final Prospectus Date.

The following table summarizes information about the special warrants during the nine months ended April 30, 2023:

	Number of special warrants	Weighted average exercise price \$
Balance, July 31, 2022, and April 30, 2023	4,952,000	*

*The special warrants are exercisable by the holders for no additional consideration.

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(Unaudited)

7. Special Warrants (continued)

The following table summarizes information about the special warrants outstanding at April 30, 2023:

Special warrants outstanding	Automatic conversion date
4,952,000*	Final Prospectus Date
4,952,000	

*Exercised subsequently.

8. Financial Instruments

The Company, as part of its operations, carries financial instruments consisting of cash, accounts payable, due to related party, and note payable to related party. It is management's opinion that the Company is not exposed to significant credit, interest, or currency risks arising from these financial instruments except as otherwise disclosed.

(a) Fair Values

The Company classifies cash, accounts payable, due to related party and note payable to related party as amortized cost. The fair values of financial instruments, which include cash, accounts payable, due to related party, and note payable to related party, approximate their carrying values due to the relatively short-term maturity of these instruments.

(b) 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. Financial instruments that potentially subject the Company to a concentration of credit risk consist primarily of cash. The Company limits its exposure to credit loss by placing its cash with high credit quality financial institutions. Management monitors the amount of credit extended to the parties for expense recoveries. The carrying amount of financial assets represents the maximum credit exposure.

(c) 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 currently settles its financial obligations out of cash. The ability to do this relies on the Company raising debt or equity financing in a timely manner and by maintaining sufficient cash in excess of anticipated needs.

(d) 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 significant exposure to these risks.

9. Capital Management

The Company manages its capital to maintain its ability to continue as a going concern and to provide returns to shareholders and benefits to other stakeholders. The capital structure of the Company consists of cash and equity comprised of issued share capital, equity reserve and warrant reserve. The Company manages its capital structure and makes adjustments to it in light of changes to economic conditions. The Company, upon approval from its Board of Directors, will balance its overall capital structure through new share issues or by undertaking other activities as deemed appropriate under the specific circumstances. The Company is not subject to externally imposed capital requirements.

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(Unaudited)

10. Segment Reporting

The Company operates in a single reportable segment, which is the acquisition, exploration and development of exploration and evaluation assets in Canada.

11. Subsequent Event

On June 7, 2023, the British Columbia Securities Commission issued a receipt for the Company's final prospectus.