

PEAK MINERALS LTD.
Condensed Interim Financial Statements
For the six months ended March 31, 2023
Expressed in Canadian Dollars – Unaudited

NOTICE TO READER

Under National Instrument 51-102, Part 4, subsection 4.3(3)(a), if an auditor has not performed a review of the condensed 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 have been prepared by and are the responsibility of the management.

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

PEAK MINERALS LTD.

Condensed Interim Statements of Financial Position

(Expressed in Canadian dollars - Unaudited)

	Notes	March 31, 2023	September 30, 2022
ASSETS			
Current assets			
Cash		\$ 131,035	\$ 330,003
Amounts recoverable		1,437	5,241
Prepaid expenses and deposits		62,500	-
		194,972	335,244
Non-current assets			
Exploration and evaluation assets	3	141,390	141,390
		\$ 336,362	\$ 476,634
LIABILITIES AND SHAREHOLDERS' EQUITY			
Current liabilities			
Accounts payable and accrued liabilities	4	\$ 14,054	\$ 73,305
Due to related party	6	7,500	7,000
		21,554	80,305
Shareholders' equity			
Share capital	5	595,535	595,535
Reserves	5	77,903	41,225
Deficit		(358,630)	(240,431)
		314,808	396,329
		\$ 336,362	\$ 476,634

Nature and continuance of operations (Note 1)

Approved on behalf of the Board of Directors

"Gary Musil" Director
Gary Musil

"Nancy Kawazoe" Director
Nancy Kawazoe

The accompanying notes are an integral part of these financial statements

PEAK MINERALS LTD.Condensed Interim Statements of Loss and Comprehensive Loss
(Expressed in Canadian dollars - Unaudited)

	Notes	Three months ended March 31,		Six months ended March 31,	
		2023	2022	2023	2022
Expenses					
Bank and interest charges		\$ -	\$ 23	\$ 106	\$ 115
Consulting fees		15,000	-	37,500	-
Filing fees		6,243	-	8,493	-
Management fees	6	7,500	7,500	15,000	15,000
Professional fees	6	11,499	6,104	15,999	14,104
Rent	6	300	300	600	300
Share-based payment	5, 6	-	-	-	-
Consultants		-	-	36,678	-
Shareholder information		1,500	-	1,500	-
Transfer agent fees		1,544	-	1,694	-
Travel and entertainment		-	-	1,049	2,500
Loss before income taxes		(43,586)	(13,927)	(118,619)	(32,019)
Deferred income tax recovery		-	3,760	-	8,645
Mining tax credit		420	-	420	-
Net loss for the period		-	-	-	-
Loss and comprehensive loss for the period		\$ (43,166)	\$ (10,167)	\$ (118,199)	\$ (23,374)
Weighted average number of common shares					
outstanding (basic and diluted)		14,330,001	10,100,001	14,330,001	10,100,001
Basic and diluted net loss per share		\$ (0.00)	\$ (0.00)	\$ (0.01)	\$ (0.00)

The accompanying notes are an integral part of these financial statements

PEAK MINERALS LTD.

Interim Statement of Changes in Shareholders' Equity
(Expressed in Canadian dollars - Unaudited)

	Number of shares	Amount	Reserves	Deficit	Total
Balance at September 30, 2021	10,100,001	\$ 262,001	\$ 22,052	\$ (81,076)	\$ 202,977
Loss for the period	-	-	-	(23,374)	(23,374)
Balance at March 31, 2022	10,100,001	262,001	22,052	(104,450)	179,603
Loss for the period to September 30, 2022	-	-	-	(135,981)	(135,981)
Shares issued for initial public offering	4,025,000	402,500	-	-	402,500
Shares issued to acquire exploration and evaluation assets	100,000	10,000	-	-	10,000
Shares issued to agent	105,000	10,500	-	-	10,500
Share issue costs - cash fees and shares	-	(70,293)	-	-	(70,293)
Share issue costs - brokers' warrants	-	(19,173)	19,173	-	-
Balance at September 30, 2022	14,330,001	595,535	41,225	(240,431)	396,329
Loss for the period	-	\$ -	\$ -	\$ (118,199)	(118,199)
Share-based payments	-	-	36,678	-	36,678
Balance at March 31, 2023	14,330,001	\$ 595,535	\$ 77,903	\$ (358,630)	\$ 314,808

The accompanying notes are an integral part of these financial statements

PEAK MINERALS LTD.Interim Condensed Statement of Cash Flows
(Expressed in Canadian dollars - Unaudited)

	Six months ended March 31,	
	2023	2022
CASH FLOWS FROM OPERATING ACTIVITIES		
Loss for the period	\$ (118,199)	\$ (23,374)
Adjustments to reconcile loss to net cash used in operating activities:		
Share-based payment	36,678	-
Deferred income tax recovery	-	(8,645)
Changes in non-cash items:		
Decrease in amounts recoverable	3,804	5,299
Increase in prepaid expenses and deposits	(62,500)	(15,000)
Increase in accounts payable and accrued liabilities	(58,751)	2,000
Net cash used in operating activities	(198,968)	(39,720)
CASH FLOWS FROM INVESTING ACTIVITIES		
Exploration and evaluation assets	-	(61,672)
Evaluation and exploration asset interest acquisition and exploration	-	-
Net cash used in investing activities	-	(61,672)
Foreign exchange on cash	-	-
Change in cash	(198,968)	(101,392)
Cash, beginning	330,003	162,483
Cash, end	\$ 131,035	\$ 61,091

During the year ended September 30, 2022, the Company paid \$61,672 of exploration expenditures that was included in accounts payable as at September 30, 2021

The accompanying notes are an integral part of these financial statements

PEAK MINERALS LTD.

Notes to the Condensed Interim Financial Statements

(Expressed in Canadian dollars - Unaudited)

For the period ended March 31, 2023

1. Nature and continuance of operations

Peak Minerals Ltd. (the “Company”) was incorporated on May 12, 2021 under the laws of the Province of British Columbia, Canada, and its principal activity is the acquisition and exploration of mineral properties in Canada. The Company’s registered office is Suite 2600 – 1066 West Hastings Street, Vancouver, BC, V6E 3X1 and its corporate office and principal place of business of the Company is 800 West Pender Street, Suite 615, Vancouver, British Columbia, Canada, V6C 2V6.

The Company is in the business of exploring its mineral exploration assets and has not yet determined whether these properties contain ore reserves that are economically recoverable. As at March 31, 2023 the Company was in the exploration stage and had interests in properties located Canada.

The Company is listed on the Canadian Securities Exchange (“CSE”) and trades under the symbol “PEK”.

Going concern

These financial statements have been prepared on a going concern basis, which presumes the realization of assets and discharge of liabilities in the normal course of business for the foreseeable future. The ability of the Company to continue as a going concern and the recoverability of the amounts shown for exploration and evaluation assets are dependent upon the existence 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. The Company has sustained losses from operations and expects to incur further losses in the development of its business, and has an ongoing requirement for capital investment to explore its exploration and evaluation assets. As at March 31, 2023, the Company had a working capital of \$173,418 (September 30, 2022 - \$254,939). Based on its current plans, budgeted expenditures, and cash requirements, the Company does not have sufficient cash to finance its current plans. These material uncertainties may cast substantial doubt about the Company’s ability to continue as a going concern.

The continuing operations of the Company are dependent upon its ability to continue to raise adequate financing and to commence profitable operations in the future and repay its liabilities arising from normal business operations as they become due. The Company expects that it will need to raise substantial additional capital to accomplish its business plan over the next several years. The Company expects to seek additional financing through equity financing. There can be no assurance as to the availability or terms upon which such financing might be available.

These financial statements do not reflect the adjustments to the carrying values of assets and liabilities, the reported expenses, and the statement of financial position classifications used, that would be necessary if the Company were unable to realize its assets and settle its liabilities as a going concern in the normal course of operations. Such adjustments could be material.

PEAK MINERALS LTD.

Notes to the Condensed Interim Financial Statements
(Expressed in Canadian dollars - Unaudited)
For the period ended March 31, 2023

2. Significant accounting policies and basis of preparation

The financial statements were authorized for issue on May 15, 2023 by the directors of the Company.

Statement of compliance

The financial statements of the Company have been prepared in accordance with International Financial Reporting Standards ("IFRS") issued by the International Accounting Standards Board ("IASB") and interpretations of the International Financial Reporting Interpretations Committee ("IFRIC").

Basis of preparation

The financial statements of the Company have been prepared on an accrual basis and are based on historical costs, except for financial instruments classified as fair value through profit and loss ("FVTPL"), which are stated at their fair value. The financial statements are presented in Canadian dollars, which is the Company's functional currency, unless otherwise noted.

This interim financial report does not include all of the information required of a full annual financial report and is intended to provide users with an update in relation to events and transactions that are significant to an understanding of the changes in financial position and performance of the Company since the end of the last annual reporting period. It is therefore recommended that this financial report be read in conjunction with the annual financial statements of the Company for the year ended September 30, 2022. These interim financial statements have been prepared using the same accounting policies and methods of application as those in the annual financial statements.

Accounting standards issued but not yet effective

The Company has not yet adopted certain standards, interpretations to existing standards and amendments that have been issued, but have an effective date of later than March 31, 2023. These updates are not expected to have a significant impact on the Company and are therefore not discussed herein.

3. Exploration and evaluation asset**Aida Property (British Columbia)**

On June 8, 2021, the Company entered into an option agreement to acquire up to a 75% interest in five mining claims in the Kamloops Mining Division, British Columbia.

The Company acquired a 51% interest, by issuing 100,000 common shares (Note 5) and making a cash payment of \$5,000 to the vendor during the period ended September 30, 2021.

The Company can earn a further 24% of the total 75% interest, by paying the Optionor \$5,000 on or before June 8, 2022 (paid), issuing 100,000 common shares on the date of initial listing of the Company's shares on a Canadian Stock Exchange (issued with a fair value of \$10,000), and incurring aggregate exploration expenditures of \$200,000, of which \$75,000 must be incurred before June 8, 2022 (incurred) and \$125,000 on or before the first anniversary of the initial listing of the Company's shares on an Exchange. Should the Company not earn the additional 24% interest, the property will revert back to the vendor. The property is subject to a net smelter royalty of 2% payable to the vendor.

PEAK MINERALS LTD.

Notes to the Condensed Interim Financial Statements

(Expressed in Canadian dollars - Unaudited)

For the period ended March 31, 2023

3. Exploration and evaluation asset (cont'd)

A summary of the Company's Exploration and Evaluation Asset is as follows:

	Aida Property	
	March 31, 2023	September 30, 2022
Property acquisition costs – beginning	\$ 22,000	\$ 7,000
Cash	-	5,000
Common shares (Note 5)	-	10,000
	22,000	22,000
Exploration costs – beginning and ending	119,390	119,390
	119,390	119,390
Balance, ending	\$ 141,390	\$ 141,390

4. Accounts payable and accrued liabilities

	March 31, 2023	September 30, 2022
Accounts payable	\$ 1,554	\$ 54,296
Accrued liabilities	12,500	18,397
	\$ 14,054	\$ 73,305

5. Share capital***Authorized share capital***

Unlimited number of common shares without par value.

Issuances***Year ended September 30, 2022***

On September 28, 2022 the Company completed its initial public offering of 4,025,000 shares at a price of \$0.10 per share for gross proceeds of \$402,500. In connection to the initial public offering and concurrent private placement the Company paid commission costs of \$40,250, corporate finance fees of \$34,000, of which \$23,500 was paid in cash and \$10,500 in common shares, legal fees of \$71,429 and 402,500 brokers' warrants (valued at \$19,173) at a price of \$0.10 per share, exercisable on or before September 28, 2024. The Company recorded share issue costs of \$89,466 and expensed initial public offering costs of \$75,386.

On September 28, 2022 the Company issued 100,000 common shares with a fair value of \$10,000 for the property (Note 3).

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5. Share capital (cont'd)***Incorporation to September 30, 2021***

On May 14, 2021, the Company issued 1 common share as an incorporation share for \$1.

On May 28, 2021, the Company issued a total of 2,000,000 common shares at \$0.005 per share to directors for gross proceeds of \$10,000. Directors and senior officers subscribed for a total of 600,000 shares.

On June 9, 2021, the Company issued a total of 5,000,000 flow-through common shares at \$0.02 per share for proceeds of \$100,000. A director and senior officer subscribed for 250,000 flow-through shares.

On July 8, 2021, the Company issued a total of 100,000 common shares with a fair value of \$2,000 for the property acquisition (Note 3).

On August 6, 2021, the Company issued a total of 3,000,000 common shares at \$0.05 per share for gross proceeds of \$150,000.

Flow-through shares

For the purpose of calculation of any premium related to the issuance of the flow-through shares, the Company compares the market price of its shares to the subscription price of flow-through shares to determine if there was a premium paid on the flow-through shares. As a result, the Company's flow-through liability on issuance of flow-through shares in connection with the private placements was \$nil.

Stock options

The Company adopted a stock option plan to grant options to individuals exercisable up to 10 years from the date of grant to purchase shares at the market price, less applicable discount, if any. Such grants not to exceed an aggregate of 10% of the issued and outstanding shares and vesting periods will be determined by the Board of Directors.

On October 11, 2022, the Company granted 500,000 stock options that vested upon grant and are exercisable at a price of \$0.105 until October 11, 2025 to consultants. The estimated fair value of the options was \$36,678 which was determined by the Black-Scholes Option Pricing Model with the following assumptions: an annualized volatility of 115%; an expected life of 3 years; a dividend yield of 0%; and a risk-free rate of 3.87%.

Details of options outstanding and exercisable as at March 31, 2023 are as follows:

Number of Options	Exercise Price	Expiry date	Exercisable
700,000	\$0.10	September 29, 2024	700,000
500,000	\$0.105	October 11, 2025	500,000
1,200,000			1,200,000

As at March 31, 2023 the options outstanding had a weighted average exercise price of \$0.10 and a weighted average life of 1.93 years.

Warrants

On September 28, 2022, the Company granted 402,500 broker's warrants exercisable at a price of \$0.10 until September 28, 2024. The estimated fair value of the warrants was \$19,173 which was determined by

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Notes to the Condensed Interim Financial Statements

(Expressed in Canadian dollars - Unaudited)

For the period ended March 31, 2023

5. Share capital (cont'd)***Warrants (cont'd)***

the Black-Scholes Option Pricing Model with the following assumptions: an annualized volatility of 121.40%; an expected life of 2 years; a dividend yield of 0%; and a risk-free rate of 3.75%.

	Number of warrants	Weighted average exercise price
Balance at May 12, 2021 and September 30, 2021	-	\$ -
Issued	402,500	0.10
Balance at September 30, 2022 and March 31, 2023	402,500	\$ 0.10

Number of Warrants	Exercise Price	Expiry date
402,500	\$0.10	September 28, 2024
402,500		

6. Related party transactions***Key management compensation***

Key management personnel include those persons having authority and responsibility for planning, directing and controlling the activities of the Company as a whole. The Company has determined that key management personnel consist of members of the Company's Board of Directors and corporate officers.

The remuneration of directors and key management personnel made during the periods ended March 31, 2023 and 2022 are as follows:

	March 31, 2023	March 31, 2022
Management fee	\$ 15,000	\$ 15,000
Accounting fee	7,500	6,500
Share-based payment	-	-
Total	\$ 22,500	\$ 21,500

Effective May 15, 2021 the Company entered into a management services agreement with a company controlled by a director and senior officer. Terms include a monthly fee of \$2,500 and automatic renewal every six months unless terminated by either the Company or the service provider. In addition, the Company has incurred rent expense of \$600 with this company for the period ended March 31, 2023 (2022 - \$300).

As at March 31, 2023, the Company has accrued \$7,500 due to a director and senior officer (September 30, 2022 - \$7,000). Amounts due to related parties are non-interest bearing with no specific terms of repayment.